



THE CASH LEARNING PARTNERSHIP

# MAKING THE CASE FOR CASH

A QUICK GUIDE TO FIELD ADVOCACY IN  
CASH TRANSFER PROGRAMMING

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## A QUICK GUIDE TO FIELD ADVOCACY FOR CASH TRANSFER PROGRAMMING

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## MAKING THE CASE FOR CASH

Because cash transfer programming (CTP – here referring to cash grants, voucher programmes, and cash-for-work) is still a relatively new way of delivering aid, practitioners may often find that they need to be able to make the case for using CTP as well as address fears across different audiences.

It is important when advocating for CTP to always ground your arguments within the following key points:

- The context-specific rationale for CTP (i.e. availability of goods in local markets);
- That cash and vouchers are just new **tools** for delivering relief, not new programme approaches in themselves.

## THE CASE FOR CASH & VOUCHERS

The following are some points that can be used to support the choice for CTP. Remember though that all of the benefits listed below hinge on the contextual appropriateness for a cash-based intervention.

- **Flexibility and choice:** One size does not fit all! Using cash or vouchers recognises that beneficiaries are best placed to decide what their households need, and gives them the flexibility to choose according to their own diverse needs and priorities. For instance, the Bahamas Red Cross Society, with assistance from the American Red Cross, distributed unconditional cash within weeks of Tropical Storm Noel in 2007 to help affected families

restore their homes and businesses. Some beneficiaries purchased food or medicines, while others replaced appliances, purchased building supplies or spent on other restoration costs.<sup>1</sup>

- **Dignity:** In allowing beneficiaries to control what goods and services their households need, cash transfers are considered by many as more dignified than receiving goods in kind, and recognise beneficiaries as active participants in providing for the welfare of their families after a disaster. For example, following the 2010 Haiti earthquake, Oxfam distributed hygiene kits using commodity vouchers. Beneficiaries were able to go to stores in their neighbourhoods to collect hygiene items, the way they normally did before the earthquake.<sup>2</sup>
- **Empowerment:** The availability of cash gives households a sense of restored power over their immediate situation. In addition, there is evidence that receiving cash can at least temporarily empower women within the household. Access to financial structures such as bank accounts may empower beneficiaries, in particular women, in the longer-term as well. For instance, in a 2012 evaluation of the gender impacts of unconditional cash transfers in response to the complex emergency in Somalia, beneficiaries reported that 95 percent of households agreed on the use of cash and that transfers

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<sup>1</sup> For additional information, please see case study at <http://www.cashlearning.org/downloads/resources/casestudies/146100-case-study-bahamas-en.pdf>

<sup>2</sup> For additional information please see case study at <http://www.cashlearning.org/downloads/resources/casestudies/Haiti%20cash%20response%20briefing%20paper.pdf>

enhanced household harmony. Communities overwhelmingly accepted targeting of mostly female beneficiaries. Some beneficiaries also reported improvements in morale and mental health without prompting.<sup>3</sup>

- **Supports or revitalises local trade:** Injections of cash or the use of commodity vouchers with local traders benefits the recovery of trade and the local economy. Cash-based support for livelihood rehabilitation can potentially also provide a link between relief and longer-term economic recovery and may offer the opportunity for beneficiaries to increase income and create savings. For instance, a 2009-2010 Oxfam voucher programme targeting Gazan households impoverished due to the complex emergency also provided increased and secure income to participating shops, supporting local producers and the local economy while improving beneficiaries' dietary diversity.<sup>4</sup>
- **Reduces negative coping strategies:** In the modern world, most households depend on cash to some extent. When aid is given in kind, households are often forced to seek cash in ways that may be detrimental to longer-term livelihoods, for example selling productive assets, or giving children to the care of relatives. Evidence shows that cash transfers reduce the negative coping strategies used by beneficiaries. For example in 2010

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<sup>3</sup> For additional information, please see evaluation report at <http://reliefweb.int/sites/reliefweb.int/files/resources/Somalia%20Cash%20Consortium%20Gender%20Study%20Dec%202012.pdf>

<sup>4</sup> For additional information, please see case study at [http://www.cashlearning.org/downloads/resources/casestudies/gaza\\_.pdf](http://www.cashlearning.org/downloads/resources/casestudies/gaza_.pdf)

and 2011, ACF programs in Afghanistan focused on maintaining nutrition and food security among flood-affected households by providing cash grants and cash-for-work opportunities to protect livelihoods and productive assets.<sup>5</sup>

- **Multiplier effects:** By stimulating local markets, cash-based interventions may benefit more than the direct recipients of cash. Local traders and service providers, transport workers and suppliers and transporters of goods may all benefit from households having money to spend. For instance, a Concern study of 2006 cash transfers in response to food insecurity in Malawi estimated that transfers generated regional multiplier effects of approximately 2.1 times the transfer amount. Local businesses reported benefits from the programme, including consistent markets for retail goods (including food) during the most difficult part of the year, in contrast to in-kind food aid's reduction of local market prices.<sup>6</sup>
- **Time and cost efficient for agencies and participants:** When goods are available and accessible locally, cash or voucher-based interventions have the potential to be more rapid than bringing supply from out of country. When beneficiaries use local markets, agencies also eliminate logistical and import costs. However the additional staff, security and logistical resources

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<sup>5</sup> For additional information, please see case study at <http://www.cashlearning.org/downloads/resources/casestudies/ACF%20Afghanistan%20Cash%20Case%20Study%20Jan%202012.pdf>

<sup>6</sup> For additional information, see the evaluation report at [http://reliefweb.int/sites/reliefweb.int/files/resources/18D91B9277687F15492572D40057ADE7-Full\\_Report.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/18D91B9277687F15492572D40057ADE7-Full_Report.pdf)

sometimes required to distribute cash or manage a voucher programme must also be factored in. For example in 2010 UNICEF and Solidarités provided value vouchers and fairs to enable displaced families in eastern Democratic Republic of Congo to choose basic household goods. The needed goods were available in the area and it would have been costly and time-consuming to provide in-kind assistance in affected areas due to logistical complications and variable security. The implementing organisations attracted vendors from nearby commercial centres to increase the choice of items available to beneficiaries in rural areas.<sup>7</sup> In addition, reviews of electronic transfers and in Haiti and Niger have shown 50 to 75 percent decreases in opportunity and real costs even compared to manual cash transfers, often with additional security benefits.<sup>8</sup>

## EASING FEARS ABOUT USING CTP

Because CTP is still a relatively new way of delivering aid, fears around it may abound. But in reality, the basic risks faced with CTP are not so different from aid in kind.

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<sup>7</sup> For additional information, please see case study at [http://www.cashlearning.org/downloads/resources/casestudies/CaLP\\_DRC\\_Case\\_Study\\_forweb-1.pdf](http://www.cashlearning.org/downloads/resources/casestudies/CaLP_DRC_Case_Study_forweb-1.pdf)

<sup>8</sup> 'New Technologies in Cash Transfer Programming and Humanitarian Assistance', CaLP 2011, p.11, [http://www.cashlearning.org/downloads/resources/calp/CaLP\\_New\\_Technologies.pdf](http://www.cashlearning.org/downloads/resources/calp/CaLP_New_Technologies.pdf)

The key point to make is that **organisations must mitigate risk around cash in the same way as they mitigate similar risks for aid in-kind**: with careful planning and preparation.

The most common fears about using cash in humanitarian aid, and responses to those fears, might include:

Fear	Possible Response	Examples
<p><b>Beneficiaries will not spend cash on the “right” things</b></p>	<p>Research evidence and post-distribution monitoring has shown that when needs assessments and targeting are accurate, beneficiaries do use cash transfers to meet the needs for which they were intended.</p> <p>When in line with programme objectives (e.g. nutritional diversity), additional ways of ensuring that beneficiaries spend cash on the desired goods can be put in place, e.g. using commodity vouchers that can only be redeemed for specific goods. If necessary, sanctions can be considered for cases where cash is spent on</p>	<p>Following election violence in Kenya in 2007, ACF tracked uses of distributed cash. The vast majority was used for the programme objectives. Using a two-phased distribution allowed the organisation to ensure that initial funds were used appropriately before disbursing the full amount. ACF found that “antisocial” misuse represented only 2 percent of distributions.</p>

<p><b>Cash will cause price inflation</b></p>	<p>“antisocial” or illegal activities.</p> <p>Usually CTP amounts to only a small part of the local economy and evidence shows that it does not lead to long-term inflation. Short-term inflation will be closely monitored and covered in contingency planning, for example by having the flexibility to vary transfer amounts, using commodity vouchers, or by working with governments to regulate staple prices.</p>	<p>Contrary to expectations in Sudan, Oxfam found that cash actually lowered prices in markets since payments in cash rather than credit lowered traders’ risk and resulted in lower operating costs.</p> <p>In addition, in a 2012 evaluation of Somalia complex emergency cash transfer programmes, implementing agencies found that cash transfers on a large scale did not increase food prices.</p>
<p><b>Cash will be easily diverted away from beneficiaries</b></p>	<p>There is no evidence that cash is more prone to diversion than in-kind aid, which is often also diverted to powerful individuals or groups after distribution. Depending on the transfer amount, appropriate controls and</p>	<p>The 2012 Somalia cash and voucher evaluation also found no confirmed evidence of diversion to armed groups, despite attempts by local authorities to tax or influence</p>

	<p>mitigation measures may be taken. These may include various levels of identity confirmation, community monitoring systems, random spot-checks, grievance mechanisms, misuse 'hotlines' etc.</p>	<p>implementers and beneficiaries.</p>
<p><b>Cash will be more prone to corruption or fraud</b></p>	<p>Again, there is no evidence that cash is more prone to corruption or fraud than in-kind aid. As with in-kind aid, most incidences of corruption occur at the targeting / registration phase, and can be mitigated by adopting amount-appropriate targeting authentication measures and monitoring systems.</p>	<p>An ODI review of perceptions of corruption in Sri Lanka after the tsunami and conflict revealed that beneficiary awareness of corruption was directly related to knowledge of entitlements, both in the case of in-kind and cash-based interventions.</p> <p>An ACF evaluation of fresh food voucher programmes in several countries highlighted beneficiary and community-based organization participation in programme design</p>

as well as transparent selection criteria and responsiveness to beneficiary complaints as tools to mitigate corruption, enhance accountability. The evaluation found that these tools helped achieve significant beneficiary satisfaction.

**Giving cash to women will cause problems within the household such as an increase in domestic violence.**

Research evidence shows that the presence of cash in the household is actually more likely to reduce tension. In the short-term, giving cash to women can temporarily increase women’s bargaining power within the household and give both men and women an increased sense of confidence in women’s ability to handle finances.

To mitigate risk, it is critical to involve men in programme design and consultation as well as women, so they clearly

Focus groups with both male and female beneficiaries of an Oxfam cash transfer programme in Gaza reported that when food supplies are both adequate and predictable, levels of domestic tension significantly decrease.

<p><b>Cash will increase security risks for staff and beneficiaries</b></p>	<p>understand why women are receiving the cash grants.</p> <p>It should not be assumed that cash is more unsafe than delivering in-kind aid. Although cash is often seen as more attractive than commodities, it is also easier to hide and to deliver discreetly. Aid agencies have used CTP successfully in places like Afghanistan, Chechnya and Somalia.</p> <p>A common solution for mitigating risk is to use a third party bank, money transfer or security company to deliver the cash. Some aid organisations have taken out insurance against the risk of losing cash during transport.</p> <p>Giving people assets may in some cases expose them to theft or violence, and these risks should be discussed openly and well in advance. Experience suggests that the</p>	<p>Even when a majority of beneficiaries were living in camps or tents with compromised security in post-earthquake Haiti, 94 percent of Christian Aid cash recipients reported that they had no security concerns related to cash distributions.</p> <p>In addition, mobile money recipients in Kenya and Haiti reported satisfaction with security provided with a PIN, and their decreased visibility. Traders and mobile money agents in the two countries reported fear of robbery but noted that benefits of the system outweighed the risks.</p>
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security for beneficiaries after receiving the cash may be increased using discreet or indirect delivery methods such as remittance services or mobile phones.

**Cash will create dependency on 'hand-outs'**

The issue of dependency applies equally to in-kind aid, and can be mitigated in the same ways. Additionally, evidence suggests that CTP can actually help to kick-start livelihood recovery and may in some cases (depending on programme objectives), promote savings. As with in-kind assistance, it is important that programme objectives and timelines are clearly communicated to beneficiaries.

Following Cyclone Sidr in 2007, the Bangladesh Red Crescent Society and International Federation of Red Cross and Red Crescent Societies provided cash grants to restore livelihoods as part of a comprehensive early recovery programme. By the end of the programme in 2009, all beneficiaries had rebuilt more sustainable livelihoods and had savings accounts, enhancing their resilience to future disasters.

**CTP will undermine development programmes**

The most vulnerable people usually do not have access to credit or other micro-finance mechanisms, so when

In Sri Lanka, the Spanish Red Cross found that cash injections after the 2004 tsunami

<p><b>such as micro-finance.</b></p>	<p>CTP is properly targeted and socialized it will not affect long-term programming.</p>	<p>increased microcredit available through a local community-based savings organisation.</p>
<p><b>Cash will create social problems such as jealousy, conflict or violence.</b></p>	<p>Careful targeting, participative approaches to selecting beneficiaries, and two-way information flows can help to reduce the risk of social jealousy around cash transfers. Coordination between agencies is also important to ensure that the transfer rates are harmonised between camps or communities, or that discrepancies are accepted by the community (e.g. larger family size).</p>	<p>In a Spanish Red Cross programme for tsunami recovery in Sri Lanka, resettled persons and host communities worked jointly on committees for beneficiary selection and community projects. Cooperative management of projects improved host communities' comfort with resettled populations.</p>

**SOURCES:** 'Cash Grants to Support Post-Election Violence Livelihood Recovery', ACF 2012; 'A Case Study of Cash Transfers in the Red Sea state of Sudan', Oxfam 2011; 'Cash and Voucher Monitoring Group Final monitoring report of the Somalia cash and voucher transfer programme', ODI 2012; 'Beneficiary perceptions of corruption in humanitarian assistance: A Sri Lanka case study', ODI 2008; 'Meta-evaluation of ACF Fresh Food Voucher Programmes', ACF 2012; 'Unconditional cash transfers in Gaza, An external review', Oxfam 2012; 'Building Communities A holistic approach to relocation and livelihoods: housing, cash grants, and community projects', Spanish Red Cross, 2011; 'Case Study: Revitalising communities with cash grants', IFRC 2011; 'Cash Transfer Programming in

Emergencies’, Oxfam 2006; ‘Good Practice Review 11: Cash Transfer Programming in Emergencies’, ODI/CaLP 2011.

## DEALING WITH CASH-SCEPTICAL ENVIRONMENTS

In environments where cash is being used for the first time, there is institutional resistance to CTP, or where particular interest groups are cash-adverse, a greater degree of advocacy may be required with the humanitarian community, national governments, and local partners.

Ideally, you should develop an Advocacy Strategy (see Appendix 2) to identify your objectives, targets and messages. Then, for each target or group of targets, develop a **messaging plan**, including the following information:

- Target audience
- Main fears
- Responses (“messages”)
- Strategies or materials to communicate responses
- Planned activities
- Other notes, e.g. motivations, assumptions, risks
- Indicators of success

In extreme cases, it may be appropriate to begin with a pilot programme that involves a high level of monitoring and feedback, and can generate context-specific results that will make the case for scaling up the programme.

If this approach is used, it is important to identify beforehand **who** you need to convince, **what** kind of evidence will convince them, and **how** this evidence needs to be

presented, so that you can ensure that the right information is gathered, and create a communications plan to disseminate the results.

It can be helpful to support this work by identifying the different groups of people, or “audiences” who you need to convince and develop a list of their specific fears or concerns. Then, identify the most appropriate responses, and develop communication strategies accordingly.

## CONVINCING STRATEGIES

The case for using cash should be grounded in an assessment that makes clear the reasons for choosing a cash or voucher modality, and the payment method. Beyond that there are a few additional strategies that can help make advocacy for cash more convincing:

- **Be prepared:** Undertake advocacy based on the results of the assessments that were done. Be prepared with compelling evidence on why cash is an appropriate response and how the chosen delivery mechanism will be implemented.
- **Adapt to your audience:** Different groups of people (audiences) need to be addressed in a different way. Identify ahead of time the potential concerns specific to your audience, and what kind of information they will need. See also the section on common fears about CTP, below.
- **Use examples:** Familiarise yourself with examples of cases where your chosen modality or payment

method has worked. Examples will be even more effective if they are from the same or similar context in which you are working, perhaps from a previous emergency or a country with a similar environment.

- **Supporting materials:** Consider using materials that illustrate how cash or vouchers can be a good response. Tailor these to your audience: donors or governments may be impressed by evidence from recent studies; communities may need posters or leaflets to help them understand how the process will work. A video or photographs showing a similar process could be useful.
- **Use “research evidence suggests that”:** When possible (and appropriate for your audience!), use research evidence to back up your arguments and make your case stronger.
- **Use coordination mechanisms for ongoing sensitisation:** Communications and advocacy are ongoing tasks. Use (or establish) appropriate coordination mechanisms to make sure that everyone is aware of new developments.

### RESOURCES AND FURTHER READING:

CaLP (2011) *Communicating CTP to Beneficiaries & Communities*.

Concern Worldwide and Oxfam GB (2011) *Walking the Talk: Cash Transfers and Gender Dynamics*, (Oxfam)

Creti, P. and Jaspers, S (2006) *Cash Transfer Programming in Emergencies*, Oxfam.

Harvey, P. and Bailey, S (2011) *Good Practice Review 11: Cash Transfer Programming in Emergencies*, (ODI/CaLP).

Sphere Project (2011) *Humanitarian Charter and Minimum Standards in Humanitarian Response*

## APPENDIX I: WHAT IS ADVOCACY?

Advocacy can be broadly defined as any communication that is undertaken in order to influence or change the attitudes or behaviour of others. Advocacy works through the following key steps:

### **Information > Understanding > Acceptance > Change**

In humanitarian response, the majority of advocacy will be done through direct contact with key decision-makers, and will often take the form of presenting your views at coordination forums or meetings with target groups. Given this environment, it is important to have a clear idea of what your advocacy objectives are, and be able to deliver messages that are clear, concise, and appropriate to your audience. Appendix 2 provides a sample format for developing an advocacy strategy to help think things through.

## APPENDIX 2: ADVOCACY STRATEGY OUTLINE

**Context:** Summarise the context you are working in and outline the need for advocacy around cash transfer programming.

**Advocacy Goal:** A simple statement summarising what you are trying to achieve through advocacy (the big picture – but be realistic!).

**Advocacy Strategy:** Provide a brief overview of how you will achieve this goal.

**Objective #:** (Break your strategy into specific objectives and repeat for each objective)

- **Justification:** Why is this a priority?
- **Targets:** Who are the primary targets?
- **Messages:** What are the messages you need to get across to achieve your objective? Be as specific as possible.
- **Strategies:** How will you communicate your messages to your targets?
- **Allies, Opportunities and Resources:** Who can help you transmit these messages or influence your targets? What opportunities might you use (e.g. meetings, events, policy shifts) to communicate your messages in

a powerful way? What resources are available to help you do this?

- **Activities:** What activities will you undertake to achieve this goal?
- **Supporting Materials:** What materials will you share (or develop) to support your goals?