

Seven steps to

Executive summary

Global displacement is increasing and the international community is facing complex, and often protracted, humanitarian crises. Humanitarian cash relief offers recipients flexibility, and choice and the chance to rebuild their lives with dignity. It is also shown to be more cost efficient than distributing 'in-kind goods'. In a time of stretched humanitarian aid budgets, it is vital that we ensure aid is delivered efficiently and effectively and we have a comprehensive understanding of the different elements of cash relief programming that can drive or hinder such efficiencies.

The humanitarian sector has seen increasing support for distributing assistance via the transfer of cash instead of in-kind goods. The best available evidence shows that when programmed at scale in humanitarian contexts with functioning markets, cash relief is as effective as and more efficient than in-kind goods at meeting basic needs – including access to food.

In 2015, the High-level Panel on Humanitarian Cash Transfers reviewed the evidence and recommended an increase in the scale and use of cash transfer programming to make aid more efficient and flexible. In 2016, the Grand Bargain, an agreement negotiated between donors and aid organisations, included commitments to increase the use and coordination of cash-based programming. Since then, a range of donors and aid agencies have pursued their 'Grand Bargain' commitments to increase the use of cash by developing humanitarian cash transfer policies or setting ambitious targets to deliver a greater share of their assistance via cash.¹



Above: Cash relief distributions taking place digitally, via a partnership with Orange Cameroon. *IRC.*

Right: Moria camp, Lesbos, Greece. Mohund and Soha from Iraq at the makeshift 'Olive Grove' camp next to Moria's Reception and Identification Center on the Greek island of Lesbos. *Daphne Tolis / the IRC.*

Front cover: A mother supported by the IRC collects her ticket to receive cash relief in Iraq. *Aurelie Marrier d'Unienville / IRC.*

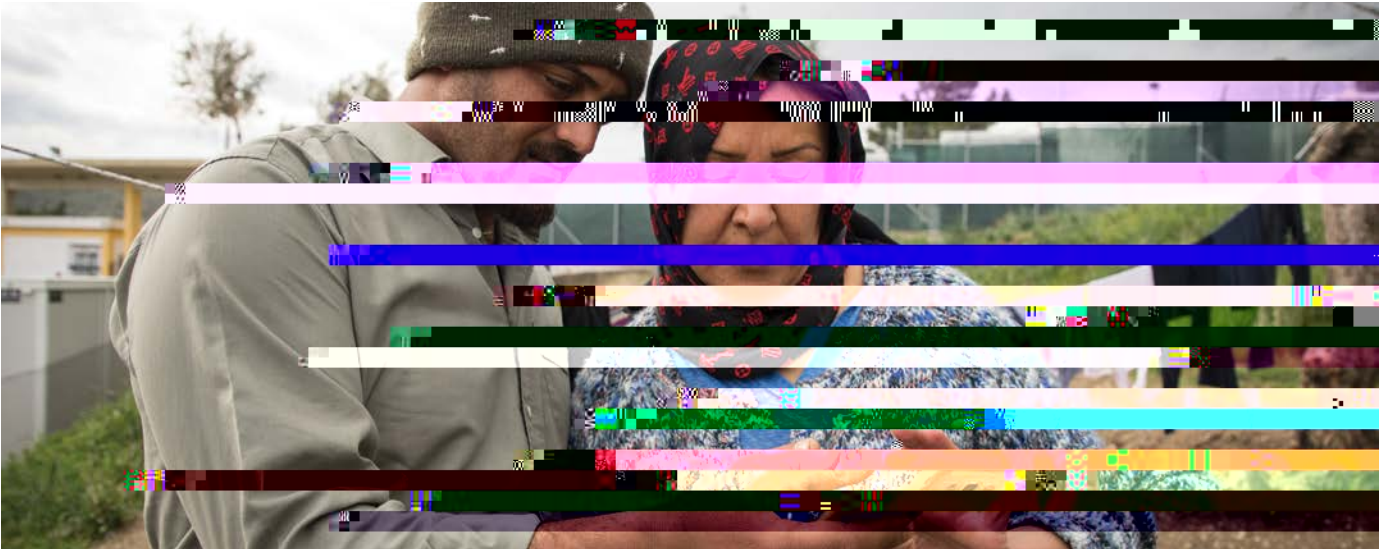
The International Rescue Committee (IRC) is among those committed to increasing the proportion of humanitarian aid delivered through effective, efficient, and appropriate unconditional cash relief.² This commitment is reinforced by the IRC target to deliver 25 percent of its international humanitarian programme assistance in the form of cash relief by 2020 – by the end of 2017 we were at 17.7 percent.³ To meet this target the IRC has institutionalised cash through a number of reforms to its approach to humanitarian assistance. These include a 'Cash First' approach, improved tracking of financing for cash relief programming, increased options for digital payments, research on cash relief to achieve diverse outcomes, and improved measurement of the cost efficiency and impact of cash relief.

As we approach the mid-point of our five-year strategy, this briefing explores the way in which the IRC has embraced cash relief programming and is seeking to drive efficiencies and maximise impact. It defines seven steps that the IRC has taken to scale cash relief. It goes on to argue that the humanitarian system would similarly benefit from an expansion in cash relief that is focussed on quality as well as quantity, greater cash expansion as well as impact.

Affected communities facing insecurity and uncertainty can meet their immediate needs with cash relief, in a way only they know how. The humanitarian sector has a duty to make sure that this cash is delivered in the most efficient and effective way. This calls for ambitious targets, a clear understanding across the humanitarian sector of how to achieve them and transparent measurement of progress – making sure cash relief reaches more people, in the right way, when they need it most.

Seven steps to scaling cash relief:

1. Set an ambitious target for cash relief
2. Improve cash relief finance tracking
3. Introduce a cash first approach – choosing cash where appropriate and possible
4. Build the evidence base using cash relief across outcomes
5. Expand better and faster cash relief using digital payments
6. Develop safer, more secure cash relief delivery
7. Measure efficiency and performance metrics



Why cash relief?

More people have been forced to flee their homes by conflict and crisis than at any time since World War II: more than 65 million.⁴ As humanitarian need grows, it is essential that humanitarian aid goes further and the impact of emergency relief is maximised. The evidence base regarding the effectiveness of cash transfer programming is one of the strongest in international aid. There is robust and growing evidence that cash relief (also known as humanitarian cash transfer programming and used by the IRC to refer to both cash and vouchers) is a cost effective way of delivering aid to people affected by humanitarian crises.⁵

Cash relief can reduce poverty and vulnerability by giving people the freedom to choose how they rebuild their lives, offering them dignity in the face of crisis, and offering a pathway to economic empowerment. People often prefer to receive cash rather than goods. They can spend it on what their families need most such as food, clothing and transport.⁶ Having cash means people affected by crisis are not forced to sell their few assets, or fall further into debt. Humanitarian cash programmes help people survive and get back on their feet when natural disaster strikes, or conflict erupts, and can be designed to encourage the inclusion of women, youth and marginalised groups.

Evidence shows that cash transfers are channelled back into local economies, fuelling businesses and markets at a time when they need it most and multiplying the impact of aid. Humanitarian agencies are modernising aid through digital cash transfer programming, this includes delivering cash in partnership with global financial services companies and reaching more people in need using mobile money payments.⁷

Starting over with cash – a story from Iraq⁸

For over two years many of Mosul's 1.5 million residents lived under ISIS's harsh regime without an income. Small businesses were banned, and government salaries were suspended. People exhausted their savings and sold their possessions just to buy food and pay rent. Cash relief is providing hundreds of these families with a means to meet their basic needs.

Iqbal's family are among the 700,000 people displaced by the battle to retake the city from ISIS. Thousands continue to flee every day and many camps for uprooted families are now full. With no tent available, Iqbal's family is staying with relatives in Hammam al-Alil, a town retaken by the Iraqi army in November. Although shops and markets in Hammam al-Alil are starting to reopen, many families are still struggling to get back on their feet and are not able to afford the basics. The IRC has provided Iqbal's family and more than 850 others in the town with emergency cash relief. Iqbal and her family left everything they owned behind when they fled ISIS, so the money was a welcome relief. "IRC helped us a lot," she says. "They helped us buy the things that we couldn't even dream of in Mosul. We bought blankets and clothes for my kids." Iqbal also plans to use the cash she receives to take her eldest son to see an eye doctor and buy him new glasses—the family hasn't been able to afford to



Based on the strength of evidence, the IRC has adopted an organisational preference for cash relief instead of 'in-kind' assistance for meeting basic needs and food security outcomes. This 'Cash First' approach requires systematic use of cash relief instead of (or where appropriate in combination with) in-kind assistance to deliver basic needs and food security outcomes. It calls on IRC country offices to presume that cash is technically and contextually appropriate and feasible for these outcomes unless it is demonstrated otherwise.¹⁸ Where evidence is emerging (nutrition, protection, WASH outcomes), the IRC is investing

How cash can support positive outcomes for women and girls¹⁹

The IRC is committed to narrowing gender inequalities in outcomes, reducing physical, sexual, and psychological violence and promoting women's economic empowerment.

Cash relief can play a role in women's empowerment in emergencies and, when delivered in the right way, it can reduce gender inequalities and violence. More concretely, available evidence shows that:

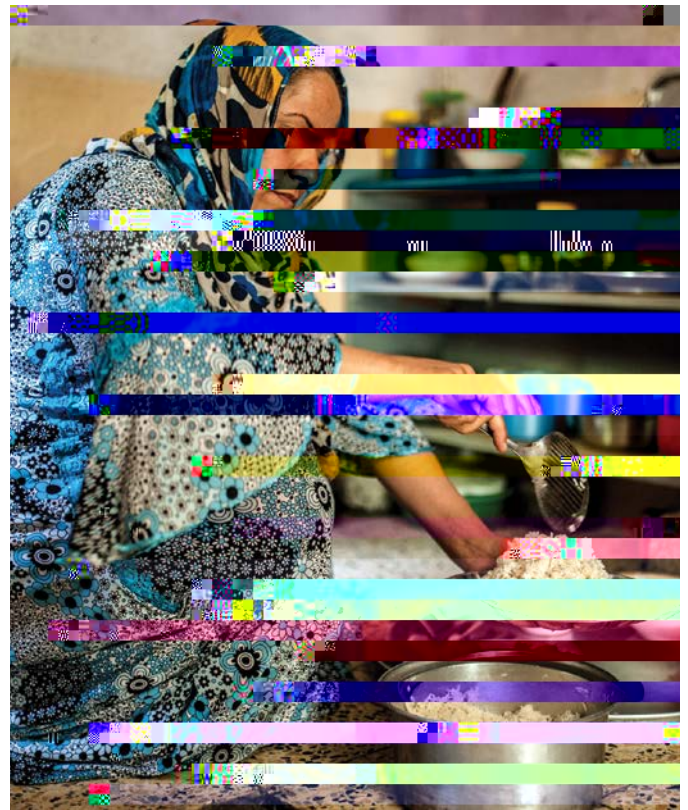
1. Cash relief can contribute to shifting women's 'bargaining power' and improve their decision-making and control over household resources.
2. Cash programmes have a strong impact on food security of women and other vulnerable groups, including children.

3. Although further studies on the effect of humanitarian cash relief on women's economic empowerment are needed, available literature on emergency cash transfers consistently shows a positive impact on women's economic situation, including income.

Having cash in their hands can boost women's self-confidence, increase their household decision-making power and reduce finance-related household tensions. When delivering cash relief for protection, sensitivity to gender relations and the local context is key. The IRC is ensuring that its cash relief programming recognises



The IRC's increased use of digital payments is a critical means of ensuring greater security of transfers and reducing risk of leakage. By reducing the physical handling of cash by intermediaries and creating greater traceability of transactions through digital records, the IRC is creating a more secure pipeline for cash delivery. In order to make this more robust, we will also be working on strengthening our data security policies and protocols to ensure safe handling and storage of sensitive data.



Above: Mosul, Iraq. "Cash is more important than anything else," 30-year-old Iqbal Salih Ahmed says, "because money allows us to buy whatever we need, whether it's food or paying rent." *Aurelie Marrier d'Unienville / the IRC.*

Conclusion and recommendations

Acknowledgements

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References

- 1 For an extensive overview of commitments made by Grand Bargain signatories, see The Cash Learning Partnership (February 2018). *The State of the World's Cash*. Available at <http://www.cashlearning.org/downloads/calp-sowc-report-web.pdf>, retrieved 12 March 2018
- 2 Cash relief is the provision of money or vouchers to affected people to buy goods and services they need through local markets. Cash relief includes any type of cash grant (regardless of delivery method), or vouchers (paper or electronic) provided to people affected by crisis.
- 3 Up fre-sCS0 cs 0.428 0.433 0.443 scn/GS0 gs/T1_0 1 Tf10 0 0 10 378.7163 800.374 Tm(Sevdf, retry goog.org/doJ3r9n.-5rl markets. C

