



International Federation
of Red Cross and Red Crescent Societies

Cash Transfer Programming

AHA Centre Executive (ACE) Programme 2017
Red Cross Red Crescent Induction
09-14 October 2017 – Semarang, Indonesia



AHA CENTRE
ASEAN Coordinating Centre
for Humanitarian Assistance
on disaster management



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Merah
Indonesia**

- <https://www.youtube.com/watch?v=7JeJ66wR1U4>

Agenda:

1. Cash transfer programming in emergency response
2. Cash transfers in the Red Cross Movement in Asia Pacific.
3. Red Cross Plans for the future
4. PMI experience

Brainstorming: Do you **Agree** or do you **Disagree**?

1. I have been directly involved in a cash transfer programme
2. I do not think cash transfers are an appropriate response in relief
3. Donors do not like to fund cash transfers
4. Governments usually prefer to implement cash transfers alone
5. I wanted to use cash to meet relief objectives in an emergency operation and it was not possible
6. Cash for work is only for those who can work
7. Cash transfers are only appropriate if the market is not disrupted
8. Delivering cash to disaster affected populations always has more security risks

What is CTP?

- CTP is the provision of assistance through cash or vouchers rather than providing food or materials in-kind.
- Not a sector, nor a cross-cutting theme
- It is NOT a programme objective itself: Rather it is a means of achieving our intended outcomes



You may also see it referred to as CBIs or CBPs: They are all the same!!!!

Key Messages

- Cash based programming can be used to address basic needs for food and income and/or to protect, establish or re-establish livelihoods or productive capacity.
- CTP allow recipients to obtain a range of goods and services of their choice directly from local markets and service providers.
- Cash can often be delivered more quickly than in-kind commodities.
- The provision of cash alone is not always sufficient – link cash transfer programmes to other forms of support.

Why use Cash Transfers?



Humanitarian reasons

- Dignity
- Choice and flexibility
- Power transfer
- Links response to recovery



Pragmatic reasons

- Cost efficient
- Multiplier effects
- Support to local trade linked to economic recovery
- Fewer costs for recipients



When cash transfers are feasible?

- Functioning markets
- Availability of products on a local, regional and/or national level and within a reasonable distance
- Traders willingness and capacity
- Geographical accessibility of shops/markets to recipients
- A functioning and reliable system through which payments can be made to recipients
- Political acceptance
- Community awareness and agreement
- Adequate security context

Delivery mechanism

Immediate Cash



- Direct Cash
- Through an agent
- Money order & remittance

Cash accounts



- Prepaid cards
- Smart Cards
- Mobile Money
- Bank account

Paper/Physical Vouchers



- Paper Voucher
- Tokens/ Smart cards
- Scratch cards

Electronic Vouchers



- Smart Cards
- Mobile or e-voucher
- Point of sale



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The
external
landscape

External landscape:

- Cash still small, only 7% of relief distributions have cash but growing, high on the humanitarian agenda
- Cash offers a pragmatic way to improve assistance and drive improvements on the humanitarian system as a whole.
- Grounded in evidence. Giving people money effective and efficient.
- The UN Secretary-General called for cash to become a default delivery mode for humanitarian assistance
- Through the Grand Bargain, aid organisations including the RCRC Movement also committed to invest in new cash delivery models allowing for programming at scale.

External landscape (cont):

- Key **donors committed** to expanding use of cash.
- Cash has potential to **transform** the humanitarian system because it is **multisector, fewer organisations** need to be involved, no need for complicated logistics/ warehouses, etc.
- **New partnerships with private sector**
- Main UN Agencies and NGOs are **all investing in scaling up cash.**
- Developments in cash linked to other trends such as localisation, social protection, beneficiary registration & data management.
- Agencies are investing in new technologies



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Cash Transfer programming in the Red Cross Red Crescent Movement:

Our niche & strengths:

- A **global and local** presence
- **Long term presence** enabling cash to be embedded across the disaster cycle in resilience, preparedness, response and recovery
- An **auxiliary role to government** so scope to embed the Red Cross role in nationally led responses with **links to social protection**
- Able to **ensure funds flow as directly as possible to local actors and disaster affected people** as part of commitments to localisation.
- **Not limited by mandate or mission** to particular sectors or types of emergency (unlike WFP, UNHCR, etc)

Cas transfers in the Asia Pacific Zone for the Red Cross

- Countries currently use CTP;
 - ❑ Pakistan, Bangladesh, Sri Lanka and Nepal
 - ❑ The Philippines, Indonesia, Vietnam, Myanmar, Malaysia, East Timor, Mongolia
- Cash transfer programming supports emergency response; shelter, livelihoods and water & sanitation
- Transfer mechanisms include; bank transfer, mobile money, voucher, post office and cash in hand
- Unconditional cash mostly cash in hand in emergency response (now in floods in Bangladesh)



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Red Cross plan for the future

The cash roadmap

IFRC & ICRC Commitment:

“Significantly increase the use of cash-based programmes by 2020, when and where the context allows, including in recovery and resilience-building or rehabilitation programmes”

The vision:



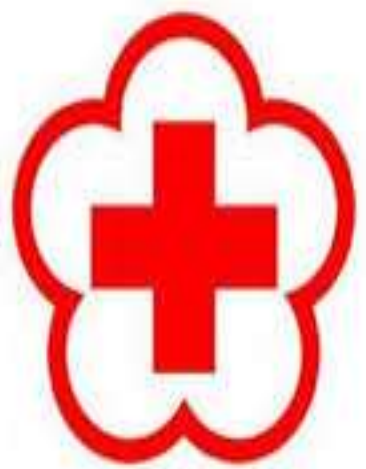
- **In the next 5 years the Red Cross will:**
- Increase its capacity to implement large scale emergency cash transfers reaching large number of beneficiary households (e.g. 50,000 households)
- Create new partnerships with UN agencies and NGOs for implementation of cash transfer schemes
- Diversify and strengthen contractual agreements with private sector (e.g. financial service providers)
- Strengthen the auxiliary role to Governments within nationally led cash based responses linked to social protection when appropriate.

Targets by 2021:

- Red Cross can implement large-scale cash to over 500,000 households in one response.
- Red Cross has a strong technical capacity to implement cash and share learning within the humanitarian sector.
- Red Cross can deliver cash fast (within 48 hours to one week) in quick onset emergencies, early in slow onset disasters, and sustained over time in protracted crises.
- Cash transfers are embedded in our preparedness and contingency planning
- Red Cross has a clear auxiliary role in government led cash responses and in international cash responses in Humanitarian Response Plans
- Red cross can accurately report on cash, transparently demonstrate efficiency and accountably provide cash with rigorous risk control measures.



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PMI
experience

Pidie Jaya – Aceh Earthquake Response



Cash-based programming facts

Total transfer amount per household	CHF 70 - 350
Value of cash transfers as percentage of total project cost	52 per cent
Sector intervention	WASH, livelihood and shelter
Beneficiaries	1,500 HH
Modality	Unconditional restricted cash grants
Payment mechanism	Smart card
Method of setting value of cash transfer	Consultation with targeted communities
Partners/service providers	Local bank (BRI)
Service provision charges	No charges

Central Java - Drought

Cash-based programming facts

Total transfer amount per household	USD 40
Value of cash transfers as percentage of total project cost	90 per cent
Sector intervention	WASH
Beneficiaries	400 HH
Modality	Unconditional restricted cash grants
Payment mechanism	Mobile wallet
Method of setting value of cash transfer	Using SPHERE standard and agreement with community
Partners/service providers	Indosat (telco) and Master Card
Service provision charges	30 cent/SIM Card



Sinabung – Volcano Eruption

- Triggered the displacement of 28,715 people from 33 villages by January 2014.
- Evacuees support for tools to clean up ash, repair roofs and work farm lands.
- Pilot allowed for safe testing of the approach to use cash transfers.
- The lessons learnt to develop PMI's livelihood and CTP policy

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Bagaimana mendapatkan bantuan pemulihan dari PMI?

WILAYAH SASARAN PROGRAM: DESA SIGARANG-GARANG
KECAMATAN NAMANTERAN, KAB. KARO, SUMUT

- 1. PENDAFTARAN**
 - PMI menerima data nama calon penerima bantuan dari pemerintah desa
 - Calon penerima bantuan mendatangi tempat pendaftaran
 - Membawa identitas pribadi (KTP/SIM/ Kartu Keluarga)
 - Petugas akan mendata anda dan memeriksa kelengkapan dokumen
- 2. PENGAMBILAN VOUCHER**
 - Petugas PMI akan memberikan voucher sebagai tanda penukar barang kepada penerima bantuan
 - Petugas akan memberi informasi waktu dan tempat penukaran barang bantuan
 - Perhatikan ketentuan tanggal pengambilan barang
- 3. PENGAMBILAN BARANG BANTUAN**
 - Datangi toko yang ditunjuk
 - Tunjukkan voucher anda kepada petugas PMI di tempat tersebut
 - Petugas akan menscan voucher
 - Nilai voucher sampai dengan maksimal Rp. 300.000,-
 - Kelebihan dari nilai tersebut tidak ditanggung oleh PMI
 - Pemilik toko dan petugas PMI akan mencatat transaksi/pengambilan barang
- 4. PEMANFAATAN BANTUAN**
 - Bantuan yang diberikan dapat digunakan untuk kegiatan pemulihan pasca bencana
 - Barang bantuan tidak boleh diperjual belikan
 - Segala bentuk kecurangan akan mengakibatkan penghentian bantuan
 - Semoga bermanfaat dengan baik

Informasi: PMI Kab. Karo, Jl. Jamin Giring no 24, Simpang Desa Ketaren Kabangsahe, (Depan SMPN 2Karo, Sumut)

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PMI Video:

- <https://www.youtube.com/watch?v=-4eMFSnvB7c>

Challenge

- Wide country, time and cost efficiency, timely response
- Data, coordination, CEA
- Developing IT system for cash



Cashless Society

- [VID-20151003-WA0001.mp4](#)

Thank you! Any questions?

