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The Role of Cash Transfers in Social Protection, Humanitarian Response and Shock-Responsive Social Protection

Keetie Roelen, Daniel Longhurst and Rachel Sabates-Wheeler

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Summary

Cash transfers have expanded rapidly in low- and middle-income countries (LMICs) around the world in the past decade. The contexts in which they are implemented have also diversified; while cash transfers were mostly adopted initially as central elements of social protection systems, they have become increasingly popular as a core component of humanitarian response. They also play a crucial role in emerging systems of 'shock-responsive social protection' (SRSP), which denotes systems that have the ability to scale assistance up and down following a shock – either by increasing the level of assistance for existing beneficiaries or by expanding coverage temporarily to non-beneficiaries affected by the shock.

This paper provides an overview of the use of cash transfers in three different settings, namely: (1) cash transfers as long-term support within social protection systems; (2) cash transfers as immediate and short-term support as part of humanitarian assistance; and (3) cash transfers as a key component in scaling up social protection provision and coverage in the event of large-scale emergencies, or smaller-scale, household- and community-level shocks – also referred to as SRSP. Within each of these settings, the paper provides an overview of objectives, modality options, targeting mechanisms, delivery options and main international players promoting or supporting cash transfers. The paper also offers reflection on the efforts to harmonise cash transfers across the social protection and humanitarian spheres within the remit of SRSP.

Keywords: cash transfers; cash-based transfers; humanitarian assistance; social protection; shock-responsive social protection.

Keetie Roelen is a Research Fellow and co-Director of the Centre for Social Protection at the Institute of Development Studies, UK. Her research focuses on social protection and its impact on children, (child) poverty dynamics, and the psychosocial side of poverty. Keetie has worked with many international organisations such as UNICEF, Save the Children and Concern Worldwide, leading research and policy advice work in Southern and Eastern Africa, South Asia and South East Asia. Her work has been published in the form of peer-reviewed journal publications and book chapters, working papers and project reports.

Daniel Longhurst has over ten years' experience in the development sector, having worked for both the Food and Agriculture Organization of the United Nations (FAO) and World Food Programme (WFP), and as an independent consultant for clients including the Institute of Development Studies, the Red Cross, the World Bank and GIZ. This included three years as team-lead for resilience and social protection for WFP Malawi. His specialist areas include adaptive/shock-responsive social protection, food security, humanitarian affairs, climate change adaptation, and resilience. He has worked in Sudan, Mauritania, Niger, Senegal, Mali, Haiti, Sri Lanka and the Philippines. Originally from Brighton, he has a Bachelor's degree in International Relations from Oxford Brookes University and a Masters in Social and Political Thought from Sussex University.

Rachel Sabates-Wheeler is a co-Director of the Centre for Social Protection at the Institute of Development Studies, Brighton, UK. She has published influential research work in areas of social policy, migration, and poverty analysis. Rachel has substantial experience leading large-scale multi-stakeholder and multi-country research. Her recent work focuses on tracing and measuring pathways for livelihood change and sustainability for different population groups (migrants, pastoralists, older people) using qualitative and quantitative data from countries such as Ethiopia, Kenya, Rwanda, and Ghana.

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Acronyms

ATM	automated teller machine
BIG	basic income grant
CBTs	cash-based transfers
CCT	conditional cash transfer
DFID	Department for International Development (United Kingdom)
DRM	disaster risk management
ECHO	European Civil Protection and Humanitarian Aid Operations
FAO	Food and Agriculture Organization of the United Nations
HSNP	Hunger Safety Net Programme (Kenya)
IASC	Inter-Agency Standing Committee
ICAI	Independent Commission for Aid Impact
ICRC	International Committee of the Red Cross
IFRC	International Federation of Red Cross and Red Crescent Societies
ILO	International Labour Organization
IN-SCT	Integrated Nutrition Social Cash Transfer (Ethiopia)
IRC	International Rescue Committee
LEAP	Livelihood Empowerment Against Poverty (Ghana)
LMICs	low- and middle-income countries
MEB	Minimum Expenditure Basket
MIS	management information system
MSF	Médecins Sans Frontières
NFIs	non-food items
NGO	non-governmental organisation
PMT	proxy means-testing
PoS	point of sale
PSNP	Productive Safety Net Programme (Ethiopia)
PW	public works
SDG	Sustainable Development Goal
SMEB	Survival Minimum Expenditure Basket
SPF	Social Protection Floor
SRSP	shock-responsive social protection
UBI	universal basic income
UCT	unconditional cash transfer
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
WFP	World Food Programme

1 Introduction

Cash transfers are payments provided by either government or non-governmental organisations (NGOs), and are often targeted at the poorest and most vulnerable in society. In the past decade, implementation of cash transfer programmes has expanded rapidly in low- and middle-income countries (LMICs) around the world, both in terms of the number of programmes and the number of people covered by them. The contexts in which they are implemented have also diversified; while early cash transfers were mostly adopted as central elements of social protection systems, they have become increasingly popular as a core component of humanitarian response. They also play a crucial role in emerging systems of 'shock-responsive social protection' (SRSP), which denotes systems that have the ability to scale assistance up and down following a shock – either by increasing the level of assistance for existing beneficiaries or by expanding coverage temporarily to non-beneficiaries affected by the shock.

The use of cash transfers across contexts means that they may serve different objectives, involve different actors, and employ distinct implementation mechanisms within their respective contexts, giving rise to confusion and misunderstandings in cross-sectoral collaboration. This is particularly problematic as caseloads for and implementation of cash transfers in different contexts may overlap. Cherrier (2014) outlines four scenarios in which such overlap may take place, namely:

1. *Vertical expansion of a national cash transfer programme*, consisting of an increase in the value or duration of transfers for those already benefiting from the programme and affected by a crisis.
2. *Horizontal expansion of a national cash transfer programme,* consisting of a scale-up of a programme and including new beneficiaries that are affected by a crisis but not yet included.
3. *Use of cash transfer administrative framework,* in order to use available information to reach those most affected by a crisis within the existing group of beneficiaries.
4. *Alignment of parallel humanitarian cash-based support,* consisting of the integration of cash-based transfers used in humanitarian settings in long-term development planning in contexts where no national cash transfer programmes are yet available.

This Working Paper aims to support cross-sectoral collaboration and to facilitate linkages between those working on cash transfers in social protection and humanitarian settings by providing an overview of the use of cash transfers in three different settings, namely: (a) cash transfers as long-term support within social protection systems, (b) cash transfers as immediate and short-term support as part of humanitarian assistance, and (c) cash transfers as a key component to scaling up social protection provision and coverage in the event of large-scale emergencies, or smaller-scale household- and community-level shocks – also referred to as SRSP. Within each of these settings, we consider objectives, modality options, targeting mechanisms, delivery options, and main international players promoting or supporting cash transfers (among others). Following this overview, we reflect on the efforts to harmonise cash transfers across the social protection and humanitarian spheres within the remit of SRSP.

2 Overview

Table 2.1 provides an overview of the use of cash transfers across three contexts and portrays some of the traditional roles played by different forms of cash-based support. Sections 3, 4 and 5 elaborate on the use of cash transfers in each of the three settings.

In reading the table and discussion below, it should be noted that social protection and humanitarian responses operate as systems, with cash transfers representing only one option among a range of interventions (most notably food transfers). SRSP is typically built on existing social protection systems by including, or harmonising with, some aspects of humanitarian response. Cash transfers necessarily represent one type of intervention within SRSP as it utilises existing social protection systems and modalities as much as possible.

We should also point out that different terminologies are used to denote similar interventions across contexts. While cash-based support is most commonly referred to as 'cash transfers' within social protection discussions, the terms 'cash-based transfers' and 'cash-based interventions' are more prevalent in humanitarian settings. Similarly, transfers that have multiple objectives and often include additional components (such as linkages to services or in-kind support) are denoted as 'multi-purpose cash grants' in humanitarian contexts but 'cash plus' in social protection settings.[1]

Table 2.1 Overview of cash transfers in three contexts

	Cash transfers as long-term support	**Cash transfers as humanitarian response**	**Cash transfers as part of shock-responsive social protection (SRSP)**
Objective	Provide regular and long-term basic income support to protect those living in poverty or in need, to improve food security, health, education and livelihoods outcomes, among others.	Provide timely life-saving and livelihoods support in response to conflicts or natural disasters; rights-based approach for people affected by emergencies regardless of social or economic background.	Provide time-delimited consumption support in times of acute need and emergency by (a) topping up regular support for existing cash transfer beneficiaries, (b) expanding coverage to food-insecure households not currently served by a social protection programme, and (c) providing household support for small-scale idiosyncratic shocks.
Modalities	Regular and direct cash payments in the form of: • unconditional transfers; • conditional transfers; • public works programmes; • 'cash-plus' programmes; • voucher schemes (as a proxy for cash).	Dependent on sector and context but typically comprises food followed by cash transfers to meet some or all of basic subsistence needs, as well as non-food items for water and sanitation, agriculture, shelter, education, medication, and veterinary services, among others.	Primarily unconditional cash transfers, but could also include food transfers if the social protection system is set up to deliver food.
Targeting	One or more targeting mechanisms: • geographical targeting • categorical targeting • proxy means-testing • means-testing • community-based targeting • self-targeting.	Mechanisms used most commonly after a shock include geographic targeting followed by community-based targeting.	Primarily needs based, determined by national-level indicators of shocks such as drought and rainfall or local-level knowledge of community-specific shocks. Targeting uses existing mechanisms and infrastructure within national-level social protection systems. Where expansion of coverage is required and the population has not been pre-identified as vulnerable, rapid geographic and community-based targeting is the typical method used.

(Cont'd.)

[1] The Cash Learning Partnership (CaLP) website has a glossary of terms used in relation to cash-based support in both humanitarian and social protection settings: www.cashlearning.org/resources/glossary

Table 2.1 (Cont'd.)

	Cash transfers as long-term support	Cash transfers as humanitarian response	Cash transfers as part of shock-responsive social protection (SRSP)
Delivery	Modes of delivery can range from physical payment at regular (e.g. monthly) intervals in central locations to technologically supported delivery. Transfers may also be delivered in the form of vouchers as a proxy for cash. There is a general shift from physical face-to-face payments towards technologically advanced methods such as use of smart cards or mobile phones. Transfer sizes are generally based on a combination of needs-based and budget-based considerations.	Monetary assistance in the form of physical cash, paper vouchers, or through other delivery mechanisms such as bank transfers and electronic platforms such as smart cards or mobile money. Delivery typically occurs through a combination of partners (e.g. NGO or local government plus service provider), or solely through one service provider (e.g. G4S, bank or mobile network company). Transfer sizes mostly needs- or rights-based and driven by international standards such as Sphere Standards and the Survival Minimum Expenditure Basket (SMEB).	Delivery typically occurs through existing mechanisms within social protection system, such as physical payment or mobile money. Humanitarian relief can be channelled through institutional mechanisms within the social protection sector, such as contingency funds, and various risk financing mechanisms.
Main players	Mostly government-led at national level. International stakeholders include the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization (ILO), UNICEF (the United Nations Children's Fund) and the World Bank.	Mixture of government and international actor-led (though generally international-led). Within government, disaster risk management (DRM) department often leads coordination of other departments and international actors, and co-chairs cluster meetings. Main international actors include United Nations (UN) agencies (e.g. the United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), UNICEF), international NGOs (e.g. Save the Children, CARE, GOAL), the International Red Cross and Red Crescent Movement / International Committee of the Red Cross (ICRC), and faith-based groups. Local NGOs and civil society also play an important role.	Mixture of government and international actors. Where a SRSP system is well-established, the government will take prime responsibility. The social protection and DRM sectors are required to work together; the social protection sector usually leads, as it tends to house the institutional infrastructure for SRSP. International actors will provide funds and technical assistance. Main international actors at present are the United Kingdom Department for International Development (DFID) and WFP.

3 Cash transfers as long-term support

The number of LMICs adopting cash transfers as core components of social protection systems and the number of programmes that are implemented has been growing and continues to grow rapidly (Barrientos 2013). For example, the number of developing countries implementing conditional cash transfers (CCTs) more than doubled from 27 in 2008 to 64 in 2014 (World Bank 2015). Within wider social protection systems, cash transfers are generally considered to represent non-contributory, direct and regular (mostly monthly or bi-monthly) cash payments to households or individuals, and may be categorised under ‘social assistance’, ‘social transfers’ or ‘social safety nets’.[2] They can be implemented by government or NGOs, and are usually funded out of general taxation or donor funding. Notwithstanding this rapid expansion, programmes in many countries only cover a small proportion of the population, offer low benefits, and suffer from weak institutionalisation (ILO 2017).

3.1 Objective

Cash transfers offering basic income support as part of social protection systems serve various objectives. The prime objective is to protect people against the consequences of poverty and vulnerability and to reduce poverty in a direct way (Devereux and Sabates-Wheeler 2004). A strong body of evidence confirms that cash transfers are indeed a powerful mechanism for reducing poverty, increasing consumption and reducing food insecurity (Bastagli *et al*. 2016; DFID 2011). Cash transfers also prove powerful in terms of promoting lives and livelihoods in the medium- to long-term future; they have been found to improve children’s access to education and health services, and to stimulate savings, asset accumulation and agricultural production (Bastagli *et al*. 2016; Daidone *et al*. 2016). Cash transfers can also lead to greater participation in the local economy, and studies have found that cash is often invested in agricultural or entrepreneurial activities (Daidone *et al*. 2016), thereby stimulating local economic growth. Benefits can extend beyond the immediate target group, providing impetus to wider objectives of job creation and inclusive economic growth (UNDP 2016).

3.2 Modalities

The mode by which cash transfers are designed and provided can take various forms. The most common modalities include: (a) unconditional cash transfers (UCTs), (b) conditional cash transfers (CCTs), and (c) public works (PW) programmes. UCTs represent payments that are made on a regular basis to programme beneficiaries without the need for compliance with further conditions or behaviour change. CCTs are payments that are conditional upon compliance with certain behaviours, often linked to children accessing health and education services (e.g. getting children immunised or sending them to school). Payment may be withheld in part or in full if conditions are not met. PW programmes offer cash in return for work by adult members of the household. Payments are linked to the amount of work performed, and work is often only available for a limited part of the year. Across all developing countries (in terms of the proportion of countries with particular interventions), UCTs are most prevalent, followed by PW programmes and then CCTs. In 2014, 130 countries had at least one UCT, 94 had at least one PW programme and 63 had at least one CCT (World Bank 2015). It is difficult to assess their effectiveness from a comparative perspective; the evidence base is biased towards CCTs and only a limited number of studies directly compare the use of conditional versus unconditional transfers (Bastagli *et al*. 2016). Evidence shows that CCTs have positive impacts, particularly on education and health service uptake, but so do UCTs, and there is no conclusive evidence to suggest that CCTs are more effective than UCTs (Mishra 2017).

It is widely acknowledged that CCTs should not be implemented in contexts with lack of quality services (*ibid.*). There are no studies that compare PW programmes with either UCTs or CCTs in terms of their relative effectiveness or impact on outcomes such as poverty reduction or improving food security. It is also now widely acknowledged that gender dimensions should receive close attention in decisions on programme design and delivery. Particularly for CCTs and PW programmes, gendered patterns of work and care mean that women often bear the brunt of the additional unpaid and paid work requirements (Razavi 2007).

[2] Note that these are wider categories as they can also include in-kind payments such as school feeding or indirect payments such as tuition waivers or subsidies.

An emerging trend within all cash transfer programmes is to ensure greater linkages with complementary services. These efforts emerge from the acknowledgement that while cash transfers lead to many positive changes, they also fall short in achieving positive impacts in key areas such as malnutrition, health and education outcomes (Roelen *et al.* 2017). So-called 'cash plus' programmes recognise the limitations of cash alone and offer linkages to other services, either by integrating them into cash transfer programmes (such as providing behaviour change communication or psychosocial support) or by putting mechanisms in place for linking up with existing sectoral services (such as through referral mechanisms) (*ibid.*). Examples include the Livelihood Empowerment Against Poverty (LEAP) programme in Ghana and the Integrated Nutrition and Social Cash Transfer (IN-SCT) pilot in Ethiopia.

3.3 Targeting

Cash transfers in LMICs are almost always targeted in order to ensure that scarce resources lead to the largest impact (Coady, Grosh and Hoddinott 2004). Targeting may be more generous in nature to ensure that cash transfers cover a larger group of vulnerable beneficiaries, or more stringently applied in order to direct maximum resources to those most in need. Decisions about who to target and how are often (although not solely) informed by resource constraints, and aim to balance so-called 'inclusion' and 'exclusion' errors.[3] The inclusion error refers to those benefiting from a cash transfer programme without being in need; the exclusion error refers to those in need but excluded from the programme. While both errors are to be minimised, in practice they are subject to a trade-off; smaller inclusion errors tend to go at the expense of greater exclusion and vice versa (Devereux *et al*. 2015).

Minimising targeting errors comes at a cost. These include direct administrative costs but also private costs (e.g. transport costs for obtaining documents to verify eligibility), social costs (e.g. community tension or jealousy), psychosocial costs (e.g. stigma as a result of being singled out), political costs (e.g. loss of political support), and incentive-based costs (e.g. altering behaviour to remain eligible) (Coady *et al.* 2004; Devereux *et al*. 2015).

Targeting can be done in a variety of ways. In developing countries, the most common methods include the following (based on Coady *et al*. 2004; Devereux *et al*. 2015):

- *Geographical targeting*: This method targets geographical areas with high levels of poverty and vulnerability. It is a fairly simple method with low administrative costs but often goes hand-in-hand with high targeting errors.
- *Categorical targeting*: This method targets demographic groups that have a higher risk of poverty or are considered particularly vulnerable, such as children, older people and people living with disabilities. This method tends to be slightly more accurate than geographical targeting but still relatively simple. Categorical targeting is a popular method, particularly in combination with other methods.
- *Proxy means-testing (PMT):* This method uses observable characteristics to obtain a score that proxies the available resources at household level. Commonly included indicators are housing materials, ownership of durable goods, and educational attainment of household members. The use of this method expanded rapidly in the late 1990s and early 2000s, with many CCTs adopting it as their targeting method of choice. It is considered to be more accurate than geographical or categorical targeting[4] but is more demanding in terms of data and administrative capacity.

[3] Political considerations may also come into play in reference to targeting decisions (Devereux *et al*. 2015).

[4] Recent research challenges the commonly held assumption that proxy means testing is more accurate than simpler methods such as geographic and categorical targeting, particularly when gauged against their respective administrative costs (White 2017).

- *Community-based targeting*: This method asks the community to identify the most vulnerable and those eligible for cash transfers. This often involves a group of community representatives or elders using their local knowledge to inform decisions about who is to benefit from the cash transfers. As most of the community mechanisms work on a voluntary basis, administrative costs are low. Results are mixed in terms of accuracy and the potential for incurring social costs is relatively high.
- *Self-targeting*: This method relies on programme design for ensuring that only the most vulnerable and those in need benefit from the programme. It does so by offering low transfer levels or making it difficult to obtain transfers. It is most commonly used in PW programmes, such as by offering low wages for labour-intensive work. While considered effective, there may be considerable social and psychosocial costs associated with self-targeting (White 2017).

Despite high levels of accuracy, verified means-testing is not often used in LMICs due to high demands on data, and administrative capacity for verifying those data (Coady *et al*. 2004). A combination of methods is commonly used, such as geographical or categorical targeting with PMT or community-based targeting, or community-based targeting followed by PMT (Devereux *et al*. 2015). It is important to note that there is no such thing as perfect targeting; rather, it is about finding a balance between acceptable levels of inclusion and exclusion errors against the administrative and other costs of doing so.

Beyond the technicalities of targeting, cash transfers and other forms of social assistance are subject to the longstanding debate about universality, and the extent to which transfers should be distributed to narrowly targeted groups or populations at large. Advocates of targeting emphasise the importance of redistribution, particularly in contexts of limited resources and equity (Devereux 2016). Proponents of universal benefits ground their arguments in the principle of equality, and highlight issues of paternalism, exclusion, and stigma as problematic features of targeting (*ibid.*). Arguments in favour of universality have gained more prominence in recent years with the emergence of the Social Protection Floor (SPF) and with universal basic income (UBI) and basic income grant (BIG) policy initiatives being piloted across high- and middle-income countries. Some countries have indeed moved from targeted to more universal programmes, such as in Uganda, where the old age pension was recently expanded to all people over 65 years of age. In many low-income countries, however, cash transfers remain targeted at the poorest and most vulnerable groups.

3.4 Delivery

Delivery mechanisms have changed considerably in recent years, with many programmes having shifted from physical payments to more technology-driven approaches, such as e-payments by mobile phone or smart cards. The use of technology has given rise to the involvement of private partners in delivery of cash, representing the main area in social assistance within which the private sector is involved. Potential benefits from the use of technology from a supply-side perspective include lower delivery costs and reduced risks of corruption. From the beneficiaries’ perspective, e-payments can improve accessibility to and flexibility of transfer payments (Emmett 2012). Potential downsides include the need for strong financial and regulatory frameworks, high upfront investments for setting up systems, and low accessibility for beneficiaries that struggle with the use of technology or live in areas with low signal or few agents able to process payments. Technology-enhanced payments are generally considered to make payments more efficient, yet at the same time there is strong acknowledgement that downsides should not be overlooked and that practical implementation of technology-enhanced payments comes with pitfalls (Del Ninno *et al*. 2012).

Various considerations need to be taken into account when deciding about an appropriate mode of delivery (World Bank 2012): (a) frequency, variability and duration of transfer payments, with longer-term and more complex programmes requiring more sophisticated systems but also standing to benefit more from the use of technology; (b) local capacity of distributing agencies, as the ability to distribute cash consistently is key to efficient payments; (c) beneficiaries' financial literacy and exposure to financial institutions, with the potential to include a financial education component within the programme to facilitate e-payments; and (d) remoteness, with the use of more mobile mechanisms (such as mobile banks or cell phones) being more appropriate in remote areas.

Regardless of payment modality, efficient delivery of payments is crucial for achieving positive impact. These include regularity of payment, and length of exposure to payments (Bastagli *et al.* 2016). Irregular and unpredictable payments and short periods of receipt greatly undermine the ability of cash transfers to achieve positive change. Transfer size also plays a crucial role; impacts are considerably smaller when transfer amounts are small (Bastagli *et al*. 2016; Daidone *et al*. 2016). The value of transfers is often based on a combination of considerations, including average consumption of the target group, the poverty line and average distance to the poverty line (poverty gap), and available budget. A review of cash transfers in sub-Saharan Africa found that transfer sizes varied between 10 per cent and 30 per cent of beneficiary households' per capita consumption (Daidone *et al*. 2016). A considerable problem in many countries is that transfer sizes are not regularly adjusted in line with inflation, meaning that the real value of transfers falls over time.

3.5 Main international players

The expansion of cash transfers in the past decade has gone hand-in-hand with an increase in international actors (and more diverse actors) aiming to support or influence the design and implementation of such programmes. We limit ourselves to discussing the role of international organisations that have played key roles in shaping and influencing cash transfers in the past 5–10 years (and often before that time).[5]

The **World Bank** has long promoted cash transfers under the umbrella of social safety nets. Social safety nets are considered to denote 'non-contributory measures designed to provide regular and predictable support to poor and vulnerable people' (World Bank 2015: 7), which includes cash transfers, in-kind transfers such as school feeding, and indirect transfers such as fee waivers. The World Bank has a strong preference in favour of certain instruments, such as CCTs. It has been (and remains) influential in shaping the design and implementation of cash transfers in LMICs.

The **ILO** is arguably the most longstanding player in the field of social protection, initially by advocating for social security for formal workers and more recently as leaders on the SPF (ILO 2016). The ILO takes a strong rights-based approach, advocating for universal access to social protection for those who need it. Cash transfers are a key component within the rights-based approach and the SPF, particularly in ensuring a basic level of income security for children and older people.

UNICEF became a strong advocate for and supporter of cash transfers in the early 2000s. UNICEF is primarily focused on children but also takes a family-focused approach, emphasising the interaction between social and economic vulnerabilities and the need to reach the most vulnerable and marginalised groups (UNICEF 2012). UNICEF's role in supporting social protection and cash transfers has expanded rapidly over the years, having provided a strong push for UCTs and, more recently, becoming instrumental in linking cash transfers with complementary services and supporting a 'systems approach'.

[5] The discussion of main international players and their approaches is informed by Devereux and Roelen (2016).

The **FAO** is a fairly recent actor in the field of social protection and cash transfers, particularly stepping in to strengthen the links with food security and nutrition (FAO 2017). Its main focus is on people living in poverty in rural areas, and much of its role in relation to cash transfers has revolved around investigating linkages with agricultural production and resilience, and building the evidence base on the impact of cash transfers on agriculture, local markets and food security.

4 Cash transfers as humanitarian response

In recent years there has been a significant international drive to increase the proportion of humanitarian assistance provided through cash transfers (also referred to as cash-based transfers (CBTs)). This is reflected in commitments such as the Grand Bargain (Agenda for Humanity 2016) and World Humanitarian Summit (World Humanitarian Summit 2016), and backed by ambitious targets from key implementers. Cash transfers are becoming an important tool of choice for humanitarian responders as it is seen to be an efficient and effective mechanism when appropriately applied. In terms of overall humanitarian spend, the amount allocated to cash transfers remains small. However, it is growing, from around 6 per cent of international humanitarian aid in 2015 (approximately US$1.9bn) (Lattimer, Parrish and Spencer 2016; Development Initiatives 2017) to 10 per cent of overall humanitarian spend in 2016 (US$2.8bn out of US$27.3bn) (Abell *et al*. 2018).

4.1 Objective

Cash transfers or CBTs (which include vouchers) are a modality as part of humanitarian actions that aim to protect lives and livelihoods, alleviate suffering, and maintain dignity before, during, and in the aftermath of shocks. This form of support is rooted in the humanitarian principles of humanity, impartiality, neutrality, and independence (The Sphere Project 2011). CBTs, as with other forms of assistance in emergencies, are designed to address acute or unanticipated need. This includes when national government capacity is exceeded, or when governments are unwilling to act or are party to the crisis. International standards (such as the Sphere Standards, Minimum Expenditure Basket (MEB) and SMEB) define the parameters for use of cash transfers in humanitarian response, though their application varies based on context (The Sphere Project 2011; CaLP 2017).

4.2 Modalities

As a modality, CBTs in humanitarian settings refer to the provision of monetary assistance in the form of cash or vouchers (which serve as a proxy for cash). Other modalities of assistance include food and non-food items (NFIs) for needs such as water and sanitation, shelter, agriculture, and education.

In line with use of cash transfers in social protection settings, humanitarian cash transfers can be unconditional or conditional. Likewise, cash transfers can be restricted or unrestricted, meaning that beneficiaries can only use the transfers on a limited set of items, or without restriction. Vouchers constitute restricted transfers by design, as they can only be redeemed on pre-approved items with chosen retailers. Depending on the circumstances, cash transfers may be used on their own or in conjunction with other modalities such as food (a 'mixed-modality basket') (CaLP 2017).

Two types of cash transfers are being used at a smaller scale in humanitarian responses, especially as they become more protracted. Multi-purpose cash grants are defined as 'a transfer (either regular or one-off) corresponding to the amount of money a household needs to cover, fully or partially, a set of basic and/or recovery needs' (CaLP 2017: 6). They are unrestricted transfers, and are used within different sectors or clusters (e.g. food and nutrition) or across them (e.g. food, water and sanitation, shelter). This is not to be confused with 'cash plus', which refers to linking cash transfers to other sectors and services to help achieve greater impact – again used occasionally in humanitarian settings (*ibid.*).

Three essential preconditions for cash transfers – in humanitarian settings and elsewhere – include accessible markets (i.e. where the issue is one of access not availability), functioning cash infrastructure, and sufficient security (for staff and beneficiaries, as well as anti-fraud measures), for which assessments need to be undertaken (WFP 2014; Juillard 2016). Households may also be eligible to receive support from multiple interventions simultaneously that may have different rationales and modalities (e.g. health, education, agriculture, etc.). As with in-kind transfers, gender affects decisions about which household member is registered, which service delivery method is utilised, locations for distributions, how feedback and accountability is designed, and how monitoring and evaluation is undertaken.

Many organisations come with preconceived notions of either the positive or negative aspects of CBTs versus in-kind support. Different types of transfers pose different risks for staff, beneficiaries and partners, and to agency reputation. Where market systems function, or can be supported to function, CBTs (including vouchers) can be used to boost beneficiary dignity and purchasing power, stimulate markets (by increasing the volume of trade and number of suppliers), and create multiplier effects, as well as increasing programme cost efficiency.[6] However, the 'cash first' principle does not mean 'cash always', and initial and ongoing assessments and monitoring (of market functionality, infrastructure, security, and beneficiary satisfaction) are crucial to ensure the right modality is utilised, whether cash or in-kind, and to monitor the effects on markets and recipients. Risks can include disrupted interpersonal dynamics within a household, negative secondary market impacts, insecurity, theft, corruption and fraud, and lack of capacity or knowledge of the implementing partner. In humanitarian settings, especially post-shock, there may not be the infrastructure to implement CBTs, or the costs may be prohibitive. Lastly, various factors need to be taken into account, including the complexities of scaling a programme, changing conditions following a shock (towards stability or further fragility), and seasonality (as supply and prices can vary between harvest and lean seasons, or transport disrupted during the rainy season) (The Sphere Project 2011). Combinations of cash and in-kind support can be considered, as well as switching between the two as and when conditions change.

Notwithstanding the above, CBTs have been implemented for some time in post-disaster and fragile settings, with a high degree of evaluation and evidence generation, all of which indicates that the risks involved are not dissimilar to or much greater than the risks of in-kind transfers (Gordon 2015). What can differ are stakeholder *perceptions* of risk, based on context, experience, and broader policy restrictions. Over-reliance on 'tried-and-tested' methods, or under-estimation of risks deemed to be familiar, can lead decision makers and managers to inherently favour one transfer modality over another (Bailey and Levine 2015). Broader issues such as donor policy (including anti-terrorism/money-laundering restrictions), institutional culture, and concern about the diminishing roles of established actors in humanitarian assistance, can also influence decision making processes. This can, in some cases, lead to a lower risk tolerance for cash compared to in-kind assistance (Hoffman *et al*. 2010; Abell et al. 2018). Perhaps most pertinently, there are questions over whether beneficiaries will use unconditional cash for 'its intended purpose'. In practice, evaluations show that recipients spend most of the cash on essentials (e.g. food, water, shelter), and that in-kind transfers are as likely to be misused as CBTs. In sum, evidence suggests that cash transfers and in-kind programming present broadly similar risks, and should be held to similar standards (Gordon 2015). The surge in use of CBTs – in overall terms and by almost

6 Multiple country-based case studies to attest to this can be found on the CaLP website and on the website of the Overseas Development Institute (ODI).

all of the principal humanitarian actors – shows that these perceived and actual risks and barriers are being overcome.[7]

4.3 Targeting

Targeting vulnerable people in emergencies focuses on two main aspects – defining target groups, and individuals or households within those target groups. This is often achieved firstly through geographic targeting (e.g. administrative, economic or livelihood zones with high concentrations of crisis-affected people, cross-referenced with macro-data on food production, malnutrition, or poverty) followed by household or individual targeting. Household or individual targeting is based on common mechanisms such as: (a) administrative targeting, where households or individuals are selected by external actors (e.g. agencies, government ministries, centres or clinics) using standard observable criteria and indicators (using methods such as PMT); (b) community-based targeting, where households or individuals are selected with the participation of community members, traditional or religious leaders, committees or local authorities, through criteria developed with the participation of the communities; and (c) self-targeting/ selection, where the individuals put themselves forward for assistance – sometimes according to externally imposed criteria, other times purely through self-identification. Different eligibility criteria can be used, including household size and economy, asset ownership, land size, food stocks (current and historic), levels of malnutrition, and enrolment in other programmes.

The use of targeting methods varies. Unsurprisingly – as is the case for targeting in development contexts – the more precise and objectively verifiable the criteria, the more straightforward the identification of beneficiaries, with fewer targeting errors. However, also unsurprisingly, these methods tend to be more time-consuming and costly, and not always feasible – especially in fast-onset humanitarian responses. There may be potential for more refined methodologies in slow-onset crises, if funding is available. As in all contexts, compounded in humanitarian settings by the information and capacity constraints at play, errors inevitably occur, and there is a balance to be struck between inclusion and exclusion errors, where the former can be wasteful and disruptive and the latter can be potentially life threatening (WFP 2006). Beneficiary participation is a key part of humanitarian accountability, therefore geographic targeting followed by community-based targeting is frequently used for slow-onset crises, though in fast-onset crises and conflicts, community participation can be limited (WFP 2006; Burns *et al*. 2011).

There are a few key differences to keep in mind when it comes to targeting of cash transfers in development settings. As noted, humanitarian responses are designed to meet acute or transitory shock-based need. Therefore, they generally need to be quick, cheap, and up to date, whereas targeting for multi-year social protection programmes tends to be a longer, more expensive and thorough exercise that is updated over time. Likewise, poverty does not always equal vulnerability; or, to put it another way, poverty-based targeting can tend towards economic vulnerability to the exclusion of vulnerability to (mostly covariate) shocks. As shocks can affect rich and poor households alike, while social protection programmes tend to focus on reaching the poorest of the poor, (re)targeting can be required to understand who is most in need following a shock (Kukrety 2016).

4.4 Delivery

As CaLP notes, delivery agents for cash transfers in humanitarian emergencies include governments, aid agencies, banks, post offices, mobile phone companies, microfinance

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7 Incidentally, the largest documented case of fraud in a humanitarian programme providing cash was in the United States in the wake of hurricanes Rita and Katrina, when US$1bn out of a total of US$6bn provided by the Federal Emergency Management Agency (FEMA) through the Individuals and Households Programme was estimated to be fraudulent from bogus claims and double registration (Gordon 2015).

companies, security companies and local traders. Delivery mechanisms include the direct delivery of cash or vouchers (by an agency or a sub-contracted party), or indirect delivery through payments at banks or post office branches (with or without using bank accounts), and into bank accounts or e-wallets accessed using smart cards, automated teller machines (ATMs), point of sale (PoS) devices or mobile phone technologies (ODI 2015). Insecure conditions sometimes require an indirect delivery approach (e.g. only through service providers) although approaches are still highly variable (Hoffman *et al.* 2010).

The choice of delivery mechanism requires an assessment of options and consultation with recipients, weighing up different costs (e.g. delivery, set-up, staff time, transport, training, administration, security), as well as efficiency and effectiveness (e.g. timeliness, reliability, transparency, flexibility, beneficiary access, financial control, etc.).

A notable key difference in relation to the delivery of cash transfers within humanitarian versus development settings is the establishment of the transfer value. Humanitarian responses follow international standards on a needs-based approach, and there is a tendency to cover a large percentage of overall needs in light of time constraints and the effect of crises on vulnerable households. Commonly used methods for establishing transfer values in humanitarian settings include the MEB and SMEB (UNHCR 2015). These take into account the cash value of essential items by sector (or across sectors) that a household needs for a month. These needs are based on international humanitarian and human rights law as well as the Sphere Standards, including the right to food, drinking water, soap, clothing, shelter, life-saving medical care, essential non-food items, contagious disease prevention, and education. Once the items a household needs are costed for a month, this is then multiplied by the number of months for the response.[8] In practice, this is balanced against contextual constraints – not least available funding (this can be when the SMEB is used).[9] The strength of the MEB/ SMEB process is that it standardises the amounts provided by different actors in a sector in any given response, in a context of imperfect data, in a comparable manner (CaLP 2017).

4.5 Main international players

The theoretical chain of response to crises sees communities as first responders, supported by local and national government, with international actors coming as last resort, and at the request of the affected country or region. In practice, the international humanitarian community has often been the first line of response (after communities themselves), though this is slowly changing.

The main players in humanitarian CBTs include UN agencies, national and international NGOs, the International Federation of Red Cross and Red Crescent Societies (IFRC) movement, and donors. National governments coordinate crisis response through their disaster risk management (DRM) departments, which are often housed under the office of the president or vice president, ministry of (civil) defence, or in some cases have their own ministry. Generally, the UN cluster system is followed, with clusters co-chaired by an international actor and relevant line ministry or department.

In terms of elaborating on the role of main players, it should be noted that the tracking of CBT humanitarian expenditure is currently hampered by the fact that there is a lack of

8 For example, for food security, the cost of providing a minimum kilocalorie requirement per person (2,100 kcal), per month (30 days), multiplied by the average number of people in the household (e.g. 6) is established to provide a dollar value for cash transfers. The SMEB may include the 2,100 kcal requirement but remove some nutritional components to reduce costs.

9 For a good example, see the process followed in Lebanon (El Khoury and Hajal 2016).

common databases, indicators, reporting requirements and agreement on what constitutes humanitarian CBT, as noted by a series of global studies (ODI 2015; Lattimer *et al*. 2016; Development Initiatives 2017; Abell *et al*. 2018). This makes it hard to indicate who are the largest CBT providers in absolute terms, or as a percentage of their overall operations, Nevertheless, we elaborate on some of the main actors based on current data and understanding.

The largest sectors to implement humanitarian CBTs are food security and refugees/displacement; hence it is no surprise that **WFP** and **UNHCR** are two of the biggest providers of cash. WFP is increasingly applying the 'cash first' principle in humanitarian responses (defined as the active consideration and usage of cash and vouchers as modalities wherever appropriate) and sees cash as key to reaching its commitments under Sustainable Development Goal (SDG) 2 (Zero Hunger). In 2016, WFP distributed US$880m to 14 million beneficiaries, which represented 26 per cent of its total food assistance portfolio. In 2017, this increased to $1.3bn covering 19.2 million beneficiaries, 49 per cent through unrestricted cash (Rammaciato 2017).

UNHCR comes second, providing US$688m in CBTs in 2016, reaching 2.5 million people across 60 operations. UNHCR has committed to double its use of CBTs by 2020. Together, WFP and UNHCR accounted for about two-thirds of the total US$2.8bn spent on CBTs as part of overall international humanitarian assistance in 2016 (Abell *et al*. 2018). UNHCR uses CBTs for a wide range of purposes, including protection, basic needs, education, shelter, and health and livelihoods, with the majority in the form of multi-purpose cash grants (UNHCR 2017). **UNICEF** has also significantly increased its provision of humanitarian CBTs.

Several NGOs made commitments as part of the Grand Bargain to increase their CBT provision. **World Vision International** has committed to deliver 50 per cent of its programmes through a multi-sectoral and multi-purpose 'cash first' approach by 2020, and both **Mercy Corps** and the **International Rescue Committee (IRC)** are aiming for 25 per cent by 2018 and 2022 respectively (Rammaciato 2017). Other NGO implementers (on a country-by-country basis) include **Care, Oxfam, Save the Children** and **ACF**. The **IFRC** has also increased its cash transfer programming in emergencies, reaching 505,000 people with US$10m million of cash-based assistance in 2016 (IFRC 2018). Since 2010, more than half of all IFRC emergency appeals included cash as an element of the response, and in 2016, and 85 per cent included some form of cash transfer (Jones 2016).

In terms of donors, the **Department for International Development (DFID)** has been leading advocacy for the use of cash within and beyond emergencies, and co-led the cash working group with WFP under the Grand Bargain. DFID has committed to more than double its use of cash in crises by 2025 (Rammaciato 2017). Under its global results framework for 2011–15, it also committed to reaching at least 6 million people with regular social protection-focused cash transfers (Independent Commission for Aid Impact (ICAI) 2017). The **European Civil Protection and Humanitarian Aid Operations (ECHO)** aims to deliver 35 per cent of its humanitarian assistance in the form of CBT in 2017 (in 2016, over half of the European Commission's humanitarian food assistance was provided in the form of cash-based responses (ECHO 2018)).

At national level**,** several **governments** have dedicated significant resources for humanitarian CBTs in response to shocks. This can come in the form of resources for cash transfers, or more commonly through providing the technical and logistical capacity to implement cash transfers. While exact figures are not always available, case studies include the Philippines, Kenya, Ethiopia, and Turkey. Some national governments provide significant cash transfers in response to shocks (e.g. Ethiopia, Pakistan, the Philippines), and many are taking an increasingly central role in implementation.

Finally, **CaLP** is not a provider of cash but rather leads on knowledge management and normative guidance and capacity strengthening for humanitarian CBTs, drawing on the expertise of a wide range of practitioners. It has recently begun preparing its annual *The State of the World's Cash* report, which alongside the *Global Humanitarian Assistance* report produced by Development Initiatives, aims to provide a comprehensive overview of the use of humanitarian cash and act as an advocacy tool. CaLP has more recently begun to provide resources on SRSP.

5 Cash transfers as part of shock-responsive social protection[10]

The notion of 'shock-responsive social protection' (SRSP) became popular in the years following the global financial, food and fuel crisis in 2008/9, when social protection was used to buffer the effects of macroeconomic shocks on poor people in a range of countries (e.g. Independent Evaluation Group (IEG) 2012; Bastagli 2014; McCord 2013). More recently, the conceptualisation of SRSP has been framed mainly in relation to climate-related shocks and disasters and the need to address acute needs. SRSP in this context looks at the interface between social protection, humanitarian assistance and DRM (Davies *et al*. 2009; Kuriakose *et al*. 2013; Oxford Policy Management (OPM) 2015).

5.1 Objective

In comparison to adaptive social protection or 'climate-smart social protection', SRSP focuses on the ability of a social protection system to scale assistance up and down following a shock – either by increasing the level of assistance for existing beneficiaries or by expanding coverage temporarily to non-beneficiaries affected by the shock. These can include different types of covariate shocks, including natural or man-made hazards, as well as situations of protracted crises, and also more localised shocks. Fundamentally, then, the objective of SRSP is to provide time-delimited consumption support in times of acute need and emergency by (a) topping-up regular support for existing social protection beneficiaries, (b) expanding coverage to food-insecure households not currently served by a social protection programme, and (c) providing household support for small-scale idiosyncratic shocks. As a shock-responsive system typically piggybacks on existing social protection infrastructure, the modalities, targeting mechanisms and delivery channels are usually, by design, the same.

5.2 Modalities

Cash transfers present the primary modality for provision of support within SRSP, and UCTs in particular. Other modalities include vouchers (which can be considered a proxy for cash) and food transfers. Due to the requirement of SRSP to respond to a crisis, it is typical for any 'conditions' related to payment to be dropped. This ensures a more rapid response. For example, in the Productive Safety Net Programme (PSNP) in Ethiopia, under the business-as-usual model, households with labour are required to work for cash payments. In a shock-responsive scenario, the work requirement has, in recent years, been dropped on the proviso that people in acute consumption need should not be expected to expend energy on public works programmes. This difference can, of course, create some perverse incentives at the local level, where humanitarian relief and regular PSNP transfers are not always distinguishable; however, the conditions attached to them are.

10 This section draws in part on Ulrichs and Sabates-Wheeler (forthcoming).

5.3 Targeting

Targeting under a shock-response scenario is primarily needs/consumption based, as determined by national-level indicators of drought or rainfall, or local-level knowledge of community-specific shocks. Targeting of cash transfers within SRSP makes use of the existing targeting mechanisms and infrastructure in place within national-level social protection systems' cash transfer programmes.

Targeting can be difficult in a rapid-onset crisis, even when national targeting systems and relevant infrastructure are in place (e.g. management information systems (MIS), social registries and identity (ID) systems). This is due to the length of time between re-targeting exercises that takes place in social protection sectors and national ID offices. Social registries tend to have outdated data, as they only collect household targeting data every three to four years. Furthermore, as highlighted previously, there is sometimes a conflation of poverty with vulnerability (i.e. thinking that everyone on a cash transfer programme in a shock-prone area should receive humanitarian support, forgetting that better-off households may also be vulnerable). This conflation is not necessarily through ignorant programming, but simply the easiest rough proxy for need in the face of the imperative to respond rapidly. Also, humanitarian resources are limited.

Some programmes, such as the Hunger Safety Net Programme (HSNP) in Kenya, pre-identify vulnerable households (those located just above beneficiaries in the consumption distribution), register them, provide them with bank accounts, etc., so that when a crisis occurs, the rollout of payments can be very fast. Of course, there will be exclusion and inclusion errors in this approach, but it nonetheless covers (on average) a substantial number of households that are vulnerable and therefore in need of humanitarian support.

Where expansion of coverage is required and the population has not been pre-identified as vulnerable, then rapid geographic and community-based targeting is the typical method used. 'Quick and dirty' methods are frequently utilised in crisis response (e.g. community-based targeting), versus the longer and more costly processes followed for social protection systems (e.g. PMT). Ultimately, a combination is required, as part of a larger chain that includes sufficient feedback loops to rectify targeting errors, and the ability to update databases annually while conforming to national or international data collection protocols (a key restraint to updating social registries).

5.4 Delivery

Crisis response, including in the form of cash transfers, through existing social protection systems can be faster and more cost-effective than conventional humanitarian responses. When scalable systems are in place, emergency assistance can reach people in a shorter period of time. For instance, the HSNP in Kenya is able to deliver emergency assistance within 10 days of declaring an emergency.

Cash transfers in SRSP are usually delivered through existing mechanisms within the social protection sector. This can be in the form of actual cash, food, bank transfers, or mobile money. Humanitarian funds can be channelled through institutional facilities within the social protection sector, such as contingency funds, and various risk financing mechanisms. This has recently taken place within the PSNP in Ethiopia.

Cash transfers afford particular opportunities for harmonisation of social protection and humanitarian systems. Cash provides an opportunity to harmonise delivery due to its fungibility. Different actors can channel their humanitarian assistance funds through common platforms that use the same targeting and delivery mechanisms. In Jordan, for instance, UN agencies and NGOs use one targeting mechanism (the Vulnerability Assessment Framework) to identify vulnerable refugees who then receive cash assistance from the same collection point using biometric data as mode of identification (Schimmel 2015). Cash thereby facilitates coordination and thus more efficient delivery mechanisms, which reduces the fragmentation, duplication and lack of coordination that is often found with in-kind humanitarian assistance (Overseas Development Institute and Center for Global Development 2015).

5.5 Main international players

SRSP requires the engagement of multiple sectors to coordinate cash transfers across both chronic and acute situations. Most obviously, SRSP straddles the DRM and social protection sectors. However, there are differences between the two in terms of mandate and implementation capacity. The arrangements for humanitarian assistance – whether through the Inter-Agency Standing Committee (IASC)/United Nations humanitarian system or NGO networks – further complicates the task of coordination, implementation and monitoring for SRSP (see O'Brien *et al.* 2018, for more detail).

Many of the institutional players involved in SRSP are the same as those involved in cash transfers in social protection and humanitarian contexts. But as discussed above, different players will have prominence within different contexts. Where a social protection system is non-existent, due to conflict, **NGOs**, **UNHCR** and **WFP** might be the first and primary providers. As targeting and other elements of a system are developed, the classic humanitarian organisations should begin to work with and facilitate government structures (DRM, social protection and welfare ministries) to take on the responsibility for targeting, information systems, and delivery. Bilateral and multilateral organisations such as **DFID** and the **World Bank** will start to provide funding and technical assistance to support these systems. The challenge is in the joining up and harmonisation of diverse government sectors and international agencies, which perceive themselves to have different mandates.

Within more mature social protection systems, the **government** should be the primary provider of SRSP and play the primary role in coordinating sectors to set up SRSP systems. However, even in settings where social protection programmes or systems exist and are institutionalised within state structures, they might not yet be flexible enough to adapt in the case of a crisis to incorporate additional caseloads (Winder Rossi *et al.* 2017). Depending on the size of the disaster, the response may be deemed beyond the capacity of the national authorities, and international appeals may be issued. Of course, the UN takes a central role in this. Conflict can increase the need for SRSP while changing the nature of the support required and undermining capacity for response. It can affect which actors get involved in programme delivery. Currently, the main international actors in SRSP are **DFID** and **WFP**. The **FAO** has been active in pushing the debate around SRSP but is not yet active in implementation.

6 Concluding remarks

The use of cash transfers has expanded rapidly in the past decade, both in terms of providing long-term support and as a mechanism for offering short-term relief for those in need. They form an integral component of social protection systems and the response to humanitarian crises and shocks, serving objectives of achieving impacts in a wide range of developmental outcomes as well as providing immediate relief in times of acute need.

In terms of implementation, there are many overlaps in how cash transfers are targeted and delivered across contexts, not least because their use in response to humanitarian crises or climatic shocks increasingly aims to build on existing systems. A few notable differences can also be observed, mostly as a result of the need for a quick response in crises settings.

- Cash transfers tend to be largely unconditional and very short-term, if not one-off payments, when implemented as part of a humanitarian response or as part of SRSP.
- In the absence of strong social registries or pre-identification of vulnerable populations, targeting of cash transfers in crisis situations tends to use geographical then community-based targeting, particularly in the absence of existing social protection systems. There may be potential for more refined methodologies in slow-onset crises.
- Decisions about cash transfer size are based on different guiding principles. The value of cash transfers as part of a humanitarian response is often set using standardised measures that stipulate the cost of a minimum set of items needed to survive, such as the MEB or SMEB. By contrast, payment amounts of cash transfers as part of social protection systems tend to be based on a proportion of household consumption.

While this brief focuses on the use of cash transfers in three settings, social protection and humanitarian responses operate as systems, with cash transfers representing only one modality out of a range of interventions. It should be noted that in light of the increasing acknowledgement of the limitations of cash alone for improving non-material and longer-term outcomes (e.g. nutrition), 'cash plus' approaches are quickly gaining momentum in social protection contexts. A move towards more comprehensive interventions holds important implications for implementation – not least the need for resources to offer additional support and strong social services to link into. This raises questions about the extent to which 'cash plus' can be adopted in humanitarian settings or within SRSP frameworks.

We conclude this paper by reflecting on how cash transfers may be aligned across the social protection and humanitarian spheres, particularly in relation to SRSP. As noted in the introduction, cash transfers as part of social protection may be linked to humanitarian support through vertical or horizontal expansion, through the use of administrative frameworks to facilitate emergency support, and through integration of humanitarian cash-based support in long-term social protection programming (Cherrier 2014). Across these scenarios, there may be an overlap between social protection caseloads and humanitarian caseloads. In contexts of drought-induced food insecurity, for example, where cash transfers as part of social protection reach chronically food-insecure people, a shock response may consist of top-ups or scale-ups in case of seasonal food insecurity. In these contexts, there is potential to link the delivery and targeting systems of humanitarian and social assistance in order to maximise existing resources from both sectors. Questions of how to align efforts and create greater harmonisation lie at the core of SRSP. Based on evolving experience, the most challenging programmatic areas include setting the transfer value, deciding on the targeting mechanism, and the use of existing social registries or delivery systems. A significant challenge, but one outside the scope of this paper, is how to harmonise a primarily food-based humanitarian response with a primarily cash-based social protection system.

Transfer values can differ substantially due to programming objectives. Social protection programmes often aim to supplement the household economy, with aims ranging from consumption smoothing to catalysing wider investments in livelihoods and productive sectors; whereas humanitarian transfers follow a needs-based approach aiming to cover all requirements for an individual or household for a specific or multiple sectors (e.g. food, or food plus shelter), typically for a month. This can lead to large discrepancies in transfer size across contexts.

Targeting mechanisms for social protection (such as PMT) tend to focus on economic vulnerability without always accounting for vulnerability to shocks or assessing acute food insecurity – two key criteria for humanitarian actors (Schnitzer 2016). Furthermore, while poverty can correlate strongly with food insecurity, it is not always direct, especially following a shock (e.g. rich and poor households alike can be affected by shocks, especially where poverty is relatively flat and the difference between the better-off and worse-off can be marginal).

Delivery mechanisms (and connected databases) can differ based on objectives (short-term versus longer-term support), geographic area, shock typology, functioning IT structures and markets, existing partnerships and agreements, and donor preferences. While social protection practitioners tend to favour working with and through government systems, humanitarian practitioners frequently employ separate implementation arrangements, in coordination with government, to protect the principles of impartiality, neutrality and independence.

All of these issues can lead to tensions among beneficiaries and practitioners, especially if systems are merged. For beneficiaries, confusion over who has been targeted for what and why, and over differences in transfer values between households, can cause disruption and resistance. For example, transfer levels may be reduced for existing social protection beneficiaries after the shock and its aftermath has subsided. Likewise, at a wider systemic level, while one development principle focuses on building national capacity and reducing fragmented approaches and systems (one of the potential benefits of SRSP), certain humanitarian actors are pointing out that this compromises the humanitarian principles around which intervention is built, and could have longer-term negative impacts for the impartial, neutral, independent provision of assistance. For example, in the lead-up to the World Humanitarian Summit, the ICRC expressed concern over the 'wrapping of… humanitarian action into the wider project of the Sustainable Development Goals' (ICRC 2016), and Médecins Sans Frontières (MSF) decided to withdraw from the Summit altogether partly due to similar concerns (MSF 2016).

In sum, cash transfers or CBT are now well-established interventions in offering longer-term support to poor and vulnerable populations as part of emerging social protection systems and providing short-term emergency assistance in humanitarian settings. The potential overlap in caseloads and similarities in how transfers are targeted and delivered calls for greater harmonisation of efforts. At the same time, some key differences in objectives and principles, modes of delivery and understandings of what works best in which context represent challenges in harmonisation of efforts. The growing momentum around SRSP is an important step in overcoming some of these barriers.

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