

## OUR EXPERTISE

### CASH TRANSFER PROGRAMS



**SOLIDARITÉS**  
INTERNATIONAL



Cash Transfer Programs (CTP) are increasingly used to meet people's needs during and after emergencies and during recovery.

Markets play a central role in people's lives, both as places to purchase basic necessities and as sources of income. When markets are functioning, cash transfers can be an effective alternative to in kind aid. They are an efficient tool to answer to multiple needs – food, water, shelter, education, health, etc. – while both respecting the beneficiaries' dignity by allowing them to choose their priorities freely, and at the same time supporting the local economy. This is why they are sometimes known as market-based interventions.

SOLIDARITÉS INTERNATIONAL includes market research at the assessment stage in order to identify to what extent the market can meet demand without risking adverse impacts such as inflation.

Over the last ten years, SOLIDARITÉS INTERNATIONAL has further developed its expertise by implementing an increasing number of cash transfer programs and contributing to various knowledge sharing networks.



# STAGE 1

## ADDRESSING A DIVERSITY OF NEEDS

When markets are affected during a crisis, they may quickly recover their capacity to meet all or part of the demand. The needs of households may vary considerably depending, not only on how they have been affected, but also on their skills, social status, composition, handicaps, etc. The flexibility of a Cash Transfer Program means the support can be adapted to this wide range of needs. Although most of the Cash Transfer Programs implemented by SOLIDARITÉS INTERNATIONAL focus on access to food, this approach is also used to facilitate access to water, shelter, hygiene products, household items, schooling, and also to agricultural inputs and productive assets, etc.



### 1 | DEMOCRATIC REPUBLIC OF CONGO, EASTERN PROVINCE

#### VOUCHER FAIRS

In the Eastern province, chronic insecurity has prompted massive movements in the population, whose needs vary depending on the household. Since 2011, SOLIDARITÉS INTERNATIONAL has supported the resettlement of displaced households (10,000 in 2014) by organizing fairs based on vouchers. The value of each voucher is defined in collaboration with the concerned population and based on market prices. Fairs are organized, giving the beneficiaries access to household items, building materials, food and other productive assets. This approach, in partnership with local traders, has enabled people to choose their priorities while revitalizing the local economy.

> Thanks to these fairs, beneficiary populations also have the option of investing in productive capital, either individually or in groups.

### 2 | SOMALIA, GEDO REGION

#### VOUCHERS FOR WATER

In this arid region, the rural population regularly suffers from lack of water. Since 2011, SOLIDARITÉS INTERNATIONAL has run a voucher program for 11,000 vulnerable households during the dry season. The scheme gives them access to drinking water, and also stimulates the local economy: holders of vouchers obtain water from traders who supply it from water trucks or donkey carts.

> The time women save on obtaining water allows them to participate in economic activities, maintain the household and care for children, etc.



## STAGE 2

### DECIDING THE MODALITIES OF INTERVENTION

SOLIDARITÉS INTERNATIONAL implements Cash Transfer Programs according to three main modalities: 1) **unconditional cash transfers**, 2) **conditional cash transfers** – which direct the way aid is used or obtained), and 3) **vouchers** (cash or commodities) which determine the place and type of purchase. The most appropriate modality is defined in consultation with the population, according to needs, program objectives and risks (e.g. security and inflation). If the conditions are met, SOLIDARITÉS INTERNATIONAL gives preference to unconditional cash transfers.

#### 3 | MALI, TIMBUKTU REGION

##### UNCONDITIONAL CASH TRANSFERS AND INSECURITY

Since 2012, the north of Mali has been affected by a both a food and security crisis. In 2013 and 2014, SOLIDARITÉS INTERNATIONAL supported 2,500 vulnerable households during the lean period via an unconditional cash transfer program in partnership with a micro-finance institution, supplementing food distribution. Through this aid, the beneficiaries could pay off part of their accumulated debts or limit the recourse to loan sharks, vary their diet, and also afford to buy back their production tools, sold during the crisis.

> SOLIDARITÉS INTERNATIONAL was the first NGO to implement a Cash Transfer Program following the crisis in northern Mali.



#### 4 | PHILIPPINES, LEYTE PROVINCE

##### CONDITIONAL CASH TRANSFER AND ECONOMIC RECOVERY

At the end of 2013, Typhoon Yolanda struck the Philippines archipelago, in particular the island of Leyte. Most of those living there depend on coconuts for their livelihood and since the typhoon destroyed almost 80% of the area's trees, they were suddenly deprived of an essential source of income. In order to support 3,000 households in restarting alternative economic activities, a conditional cash transfer of 120 euros, so the necessary inputs could be purchased. The condition of the transfer was for each beneficiary household to draw up a business plan for the activity selected (agriculture, livestock rearing, small business or food processing).

> Once debris had been cleared, the CTP allowed families to restart their economic activities and decrease their dependence on humanitarian aid.





# STAGE 3

## TRANSFERRING THE MONEY

Once the needs and the modalities have been identified, the identification of a payment mechanism and a payment agent is paramount. There is no "ideal" solution for making money transfers and often there are a number of different options. Whether by envelope, opening a bank account or mobile phone, the choice depends on a number of criteria: acceptance of the population, the transfer cost, reliability, security and speed, etc. When, as is increasingly the case, the crisis is in an urban environment, the use of financial institutions and telephone companies is expanding.

### 5 | BANGLADESH, BARISA DIVISION

#### TRANSFERS BY MOBILE PHONE

After the floods in the south of the country at the end of 2013, SOLIDARITÉS INTERNATIONAL implemented a "Cash for Work" program to restore the destroyed dykes and provide affected households with an income. A partnership with a telephone operator and a Bangladeshi bank meant allowances could be paid into an electronic wallet accessible from any bank agent, via a code sent each month by SMS.

> The approach allowed the beneficiaries to pick up their money when and where it suited them.



### 6 | LEBANON, NORTHERN GOVERNATE

#### TRANSFERS BY BANK CARD

More than one million Syrians have taken refuge in Lebanon since the start of the Syrian crisis in 2012. In the Tripoli Region, SOLIDARITÉS INTERNATIONAL is supporting affected households via an unconditional Cash Transfer Program. In coordination with humanitarian actors, the beneficiary households have a bank account opened in their names and an ATM debit card credited each month. During the first few months, SOLIDARITÉS INTERNATIONAL provided training on using the cards and set up a hotline to address any problems. Beneficiary households can thus withdraw cash as needed, to meet various needs, particularly rent, without running into debt or reducing their expenditure on food.

> In case there was a problem with their bank card, beneficiaries had a hotline available to them 24/7.

