



Commit to Cash

> What do we mean?

Overwhelming evidence shows that cash transfers can efficiently reach people in need faster and at lower cost than other forms of emergency assistance. What is more, when people have the power to make choices they secure better outcomes for the health, education, safety and livelihoods of themselves and their families while simultaneously boosting the economy.

The humanitarian community can 'commit to cash' by rapidly scaling-up the use and quality of cash transfer programming across the humanitarian system. A commitment to cash transfers replacing 'in-kind' assistance in all appropriate contexts and complementing other forms of programming with cash where evidence supports its use would be a bold step towards enhancing the efficiency and effectiveness of the humanitarian action.

> Why is this necessary?

Although there is mounting evidence and attention to a "cash-first" approach to programming, the vast majority of humanitarian assistance is still delivered as in-kind aid. By increasing the use of cash transfers, the humanitarian sector can reach more people in need,

more efficiently, more securely, and with a greater impact across a range of humanitarian outcomes. Cash has safely and effectively been used in contexts as diverse as Afghanistan, Pakistan, Lebanon and the Philippines.

In order to scale up cash, the humanitarian community must realize the huge potential of cash assistance as a superior alternative to in-kind assistance. Donors can transform the humanitarian system by embracing the benefits of cash-based programming and creating the organizational and financial infrastructure necessary for use in disaster-prone countries.

> What is our commitment?

Over the next five years, the International Rescue Committee (IRC) is committed to delivering 25% of its humanitarian assistance through cash, up from 6% in fiscal year 2015, and to have active cash transfer programs in 75% of the IRC's country offices.

The IRC will share innovation and learning from this approach by, for example, publishing:

- Studies on the cost efficiency of unconditional cash transfers over non-food item programs;
- A framework for estimating Digital Financial Services scale up needs in order to support more efficient

- humanitarian response.
- A Return on Investment analysis for the expansion of digital financial services.
- The IRC Cash Preparedness Planning Toolkit and lessons learned from its use in Ethiopia and other countries.

> What are we asking?

Donors should sign a “Commitment to Cash” pledge outlining their own targets and a timeline to help reach them as well as an established target for cash assistance across the entire humanitarian system.

Humanitarian Country Teams should set a specific target for the volume and proportion of cash assistance in the overall response at the point of drafting country appeal for individual emergencies.

Commission “cash preparedness audits ” in five disaster prone countries to test the level of ‘preparedness’ for delivering cash transfers within 72 hours. Use this evidence to develop concrete actions for donors and individual states to improve the “cash ecosystem” and prepare for future disasters.

“Build the rails” for rapid and effective emergency response in crisis-prone contexts by using development financing to strengthen, expand and promote digital payments services which can increase the speed of emergency response.

Adopt a “Cash First” approach and require the same level of analysis to initiate in-kind versus cash-based response programs – basing the decision to implement cash transfers on an absence of reasons not to.

> What’s worked?

Lebanon

In Lebanon today, more than 20% of the population are refugees. However, Lebanon is an upper middle-income country with high literacy rates, sound infrastructure, functioning markets, and a comprehensive banking and card-based payment system throughout the country, making it a well-prepared context for cash transfer programs. Numerous market assessments by the IRC, World Bank and others have demonstrated the strength of Lebanon’s markets to expand to meet the needs of over 1 Million¹ refugees who have flooded the tiny country.

As a result of this enabling context, cash transfers using ATM cards have been a core component of the refugee response in Lebanon. An IRC study in 2014 of cash transfers to 87,700 refugees documented the impact of cash transfers on displaced families and the local economy. The research demonstrates that in Lebanon, cash transfers enabled households to meet the needs they prioritized most, reduced negative coping strategies such as child labor, improved access to schooling for children, and did not have undesirable effects on local market prices. Additionally, each dollar of cash assistance spent by beneficiary households generated \$2.13 of GDP for the Lebanese economy².

Cash assistance can have significant benefits for recipient households as well as local economies when implemented at scale, and can be delivered more efficiently. In comparison with the delivery of in-kind non-food items, our research shows that cash transfers are at least as cost efficient to deliver, and when implemented at large scale, such as in Lebanon, can be substantially more cost efficient than in-kind material assistance³.

¹<http://data.unhcr.org/syrianrefugees/country.php?id=122>

²<https://rescue.box.com/s/m5lf0nbu3m7k2onserxqmthyl2nc3f3i>

³“Cost-Efficiency Analysis: Unconditional Cash Transfers.” IRC Best Use of Resources Initiative, 2015.

The International Rescue Committee (IRC) responds to the world’s worst humanitarian crises, helping to restore health, safety, education, economic wellbeing, and power to people devastated by conflict and disaster. Founded in 1933 at the call of Albert Einstein, the IRC is at work in over 40 countries and 26 U.S. cities helping people to survive, reclaim control of their future and strengthen their communities.