

# Webinar

## Cash Transfer Mechanisms Transforming Humanitarian Assistance: Field Perspectives and Future Direction

7<sup>th</sup> January 2022 - Islamabad, Pakistan



Conditional and non-conditional cash transfers are an innovative and increasingly popular approach to humanitarian assistance. The humanitarian aid agencies instead of in kind support provide money/ cash to the affected families during and after emergencies to meet their needs. These programs are perhaps the clearest policy manifestation of a new line of thinking on the long-term role of humanitarian assistance programs. Cash based programmes have been adopted internationally and in several countries they have been scaled up to become integral components of humanitarian response strategies. Pakistan Resilience Partnership (PRP) organized a webinar on the subject on 7th January 2022 at 11:00 hours Pakistan Standard Time (PKT) under the “APP 2 Program”. A total of 47 individuals attended the webinar.

The moderator Mr. Mohammad Kamran, National Humanitarian Coordinator, PRP/NHN welcomed the participants and introduced the presenter and the objectives of the webinar. The presenter Mr. Wajahat Ali is humanitarian and development practitioner with a professional career spreads over 18 years. He has worked with several renowned organizations designing and leading a number of projects, programs, strategies & studies in East Africa, Middle East & South Asia. He has been instrumental in developing the humanitarian architecture in Pakistan and globally. He remained part of the pilot rollout of Cluster System in Pakistan in the wake of 2005 earthquake. He also extended his contributions in developing and rolling out the humanitarian coordination systems in Kenya (Kakuma Camp) and Jordan during 2012-14. He actively contributed in the development of Global Minimum Standards for Child Protection during the year 2010-12.

He has also been supporting/leading various researches, evaluations and impact assessment studies in country and internationally.

The presenter briefed participants on the cash programming its benefits and whys and wherefores for choosing cash as a resource transfer modality to the disaster affected communities. While describing the reasons for choosing cash he explained that cash, as compare to in kind assistance, gives affected households a greater degree of choice and permits them to spend money according to their own needs and priorities. Cash is likely to be cheaper and faster to disburse than alternatives such as distribution of food and non-food items because it involves a number of processes such as procurement, primary transportation, warehousing, secondary transportation and distribution etc. Similarly, cash brings potential benefits for local markets and trade and helps recover local economy.

The presenter emphasized that detailed assessment must always be used to identify beneficiary needs. The introduction of cash requires an additional analysis of markets and a better understanding of the context to ensure that the chosen transfer modality (cash) is the most appropriate. Market functionality, availability of food/ NFI in the local market, physical access to markets, stability of the consumer price indices and prices, availability of financial service providers and stable security situation are the major indicators for establishing that the context is favorable for cash transfers. Mapping of the financial service providers in the area like banks and mobile companies etc. should be done to establish which payment mechanism would be the most appropriate to disburse cash safely and quickly when the emergency starts. In addition, risks associated with cash disbursement and its mitigation measures must also be identified.

The presenter explained in detail various steps of the cash prepositioning which encompassed the scenario definition, cash feasibility assessments, program design, beneficiary targeting, staffing and capacity building requirements, developing SOPs, contracting payment providers, CPP review process and schedule. Regarding future of cash based interventions in Pakistan, the presenter unfolded that majority of the humanitarian aid agencies are opting for cash programming and cash based interventions as a cheapest and fastest way to reach the crisis affected population. He explained that humanitarian insurance, chips, plastic money, M-commerce, use of CNIC as ATM card coupled with widespread availability of financial infrastructure in the country have paved way for adopting cash based programming. At the end the presenter recommended Civil Society Organizations to build their capacity in cash programming and cash transfer mechanisms.

The webinar ended with a note of thank to the participants and the presenter. The recording, brief introduction of the presenter and the presentation of the session is available on digital resource center at the following link.

<http://resourcecenter.nhnpakistan.org/index.php/webinars-records/379-cash-transfer-mechanism>