



# A review of evidence of humanitarian cash transfer programming in urban areas

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## Produced by IIED's Human Settlements Group

The Human Settlements Group works to reduce poverty and improve health and housing conditions in the urban centres of Africa, Asia and Latin America. It seeks to combine this with promoting good governance and more ecologically sustainable patterns of urban development and rural-urban linkages.

## Urban Crises

The International Institute for Environment and Development (IIED), on behalf of the Department for International Development (DFID), has commissioned this paper as part of their 'Urban Crises Learning Fund'. The purpose of this paper is to provide an initial review of literature as a foundation for informing practice and policy decisions of humanitarian actors, as well as identifying gaps in documentation and knowledge for further research.

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Urban poor populations frequently experience disasters of varying typology and intensity. When set against a backdrop of poverty and marginalisation, their needs can be complex. As recent urban crises have pushed humanitarian agencies to respond in urban areas, this literature review examines the opportunities and challenges afforded by cash transfer programming in urban areas. The evidence indicates a role for cash transfer programming in first phase urban humanitarian response objectives and potentially contributing to longer-term development objectives. However, effective and sustainable urban humanitarian cash responses demand cooperation, coordination, capacity, commitment and funding across key humanitarian, development and private-sector stakeholders, under the leadership of a strategic and answerable body, which is no easy task.

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# Acronyms

ACAPS	Assessment Capacities Project	IIED	International Institute for Environment and Development
ACF	Action Contre la Faim	IRC	International Rescue Committee
ALNAP	Active Learning Network for Accountability and Performance in Humanitarian Action	LICs	Low-income countries
ATM	Automated teller machine	MEB	Minimum expenditure basket
CaLP	Cash Learning Partnership	MFI	Microfinance institutions
CBO	Community-based organisations	MICs	Middle-income countries
CCT	Conditional cash transfer	MPG	Multipurpose grant
CEP	Cash emergency preparedness	NGO	Non-governmental organisation
CfW	Cash for work	NRC	Norwegian Refugee Council
CRS	Catholic Relief Services	OCHA	Office for the Coordination of Humanitarian Affairs
CTP	Cash transfer programming	ODI	Overseas Development Institute
CWG	Cash working group	SCI	Save the Children International
DFID	UK Department for International Development	SCUK	Save the Children UK
DRC	Danish Refugee Council	SMEB	Survival minimum expenditure basket
ECHO	European Commission's Humanitarian Aid and Civil Protection department	UCT	Unconditional cash transfer
EFSL	Emergency food security and livelihoods	UNHCR	United Nations High Commissioner for Refugees
FFV	Fresh-food vouchers	UNICEF	United Nations Children's Fund
FS	Food security	USAID	United States Agency for International Development
HBSD	SCI's Home-Based Skills Development Programme	VASyR	Vulnerability Assessment of Syrian Refugees in Lebanon
GBV	Gender-based violence	WASH	Water, sanitation and hygiene
GFSC	Global Food Security Cluster	WFP	World Food Programme
HLP	Housing, land and property	WVI	World Vision International
IASC	Inter-Agency Standing Committee		
IDPs	Internally displaced persons		
IFRC	International Federation of Red Cross and Red Crescent Societies		

# Summary

The humanitarian sector wants to harness the value for money that cash transfers can offer, as well as the transformative influence cash has on the humanitarian architecture and ways of working. This has been the focus of significant research in the lead-up to the first-ever World Humanitarian Summit which will take place in Istanbul, May 2016.<sup>1</sup> The scale of urbanisation, the nature of urban crises and urban vulnerability are the focus of a growing body of literature, as is the efficiency and effectiveness of cash transfer programming (CTP) – however, much experience of CTP to date has come from rural areas. Specific features of the urban disaster context and urban vulnerability are anticipated to both open up opportunities and act as constraints to practitioners seeking to respond to urban emergencies through cash transfers. This raises the question of what cash transfer programming can contribute to urban emergency response and whether humanitarian organisations have the capacity to respond effectively. This review seeks to address this gap in the knowledge of cash transfer programming.

Evidence to date is patchy, coming predominantly from particular country contexts including Somalia, Kenya, Lebanon, Jordan and Haiti. This is understandable given the nature and the scale of these emergencies, meaning there has been investment in assessments and in programme reviews and evaluations to learn lessons from these experiences. The humanitarian sector, donors and policymakers should also be aware of the dominance of the ongoing Syria crisis in providing urban response learning, as there is a risk of having policies formulated on a very specific response type. The limitations in the evidence mean that lessons learnt may not be generalisable to all urban contexts.

## How cash transfers are used in urban contexts

Documented experiences of urban CTP show sectors utilising a range of cash modalities and delivery mechanisms in all types of emergency contexts, including rapid and slow onset disaster, conflict, complex and protracted crises. The literature shows a growth in awareness of the potential role CTP can play in meeting urban humanitarian needs within sectors

including livelihoods; shelter; water, sanitation and hygiene (WASH); and health. This is partly due to an increased interest in seeking market-orientated solutions and reducing the creation of parallel programmes. The importance of market analysis, long-term programming and a supportive regulatory environment is clear if urban CTP are to be implemented effectively.

Because most urban markets are diverse and responsive to increased demand, cash in these contexts allows people to efficiently and effectively meet a range of needs whilst also contributing to economic recovery through multiplier effects. There is evidence emerging that urban areas offer potential for agencies to ‘do things differently’, for example through the provision of consolidated programmes providing single transfers to meet a range of sectoral needs (multipurpose grants or MPGs); linking cash to existing services and training to support livelihoods recovery; and targeting higher-wealth categories with livelihoods support to re-establish credit lines and support wider economic recovery.

While the scale of sector-specific urban cash programmes is still limited and disproportionately small when compared to the needs, the implementation of multipurpose grants using technology such as cash cards and single-platform approaches is enabling a larger-scale response.

## Opportunities and challenges for CTP in urban areas

Coordination of CTP is relatively new and best practices are still emerging. Learning from cash coordination in urban areas to date highlights the need to consider coordination more broadly, to include government and private-sector actors as well as other stakeholders involved in CTP implementation. Authorities in urban areas are generally more visible and have more capacity in urban contexts. Partnerships can provide legitimacy and enable emergency programmes to link to and complement underlying national development programmes and systems. However, examples also show that government attitudes, policies and capacities can hamper effective CTP – highlighting the importance

<sup>1</sup> This includes publications by Bailey and Pongracz (2015) and ODI and the Center for Global Development (2015).

of engaging with the government at an early stage and of understanding the wider policy environment.

Experience of coordination of CTP between humanitarian actors highlights the challenges of the coordination of cash (which can have outcomes across sectors) within a coordination architecture set up to deliver aid sectorally. Some reports call into question the appropriateness of sector-specific coordination in urban contexts, which reduces analysis on and therefore understanding of the urban system as a whole and the interplay of vulnerabilities, livelihoods, populations and markets.

With regard to beneficiary identification, a number of studies point to characteristics of urban settings which make determining who is 'most vulnerable' and identifying beneficiaries challenging and time consuming. This includes the complex and interlinked vulnerabilities of populations, the numbers of people affected by the crisis, the issue of widespread chronic poverty, the fluid nature of communities, and the prevalence of non-traditional households. Whilst certain demographic groups in urban contexts are often especially vulnerable, there is a need to look beyond this to consider particular characteristics of urban vulnerability including access to services, access to work and lack of social capital – and potentially rural linkages. It also highlights the importance of involving local actors in setting these criteria.

There is solid evidence from all emergency contexts that the strength of network coverage and development of financial services in urban areas generally means that e-payment systems are effective delivery channels for urban CTP with benefits for beneficiaries and agencies. However, factors including infrastructure, familiarity and literacy of beneficiaries can still present barriers to the adoption and use of e-payments and the most appropriate delivery mechanism may still be over-the-counter channels or even a combination.

CTP has the potential to mitigate some urban protection concerns such as gender- and child-specific risks, insecurity and risk of eviction; however, CTP in general (urban and rural) has rarely been implemented with the intention of reducing protection risks. There is evidence from several programmes of unintended negative impacts of urban CTP on protection, highlighting the importance of taking into account these risks in the design of programmes.

## Looking ahead

The review highlights aspects of urban environments and vulnerability that can present barriers to effective implementation of CTP that must be taken into account during CTP design. However, the diversity of population groups, needs and vulnerabilities in urban areas make cash assistance an effective response modality for urban emergencies and certain characteristics of urban areas create an enabling environment for CTP, offering some opportunities to 'do things differently'. Whilst response analysis is crucial to programme design, evidence suggests that cash can and should be considered as the first modality of choice to transfer resources to disaster-affected populations in urban emergencies, whether for rapid onset, slow onset or protracted crises. Cash transfer programming can enable beneficiaries to meet a diverse array of recurring needs across a variety of sectors whilst contributing to market recovery. Cash assistance will have value as a standalone humanitarian response tool, but when considering the complexity of needs is also relevant in other forms of assistance such as mixed modality interventions. The review provides a set of recommendations for policymakers and practitioners to take forward urban CTP.



## 1

# Introduction

## 1.1 Background to cash transfer programming

The use of cash assistance as a response tool in emergencies has increased significantly over the last 10 years (Mowjee 2014) as illustrated by Hedlund (2014: 1):

*An estimated 1 billion USD in various cash-based interventions, including vouchers, were distributed in response to Typhoon Haiyan. An equal amount has been distributed in the form of emergency cash safety nets, one-off emergency cash grants and food vouchers in response to the Syrian Crisis. In these crises, cash grants and vouchers have been used to meet a wide range of humanitarian needs, including food, non-food items, shelter, WASH, and protection.*

The evidence for the effectiveness of cash transfer programming (CTP, see box 1.1) is well documented and summarised in a number of seminal documents including Harvey and Bailey (2011), Bailey (2015) Cabot Venton *et al.* (2015). However, the majority of learning to date originates from rural programmes. Cash transfer programming is by no means a panacea (Biron 2012). In rural contexts CTP has been noted to face challenges including understanding vulnerability and protection risks, targeting, creating effective coordination mechanisms and partnerships, and linking humanitarian relief efforts to development programmes (Pavanello 2012; Kyazze *et al.* 2012; Cross and Johnston 2011).

### BOX 1.1 WHAT IS CASH TRANSFER PROGRAMMING (CTP)?

Cash transfer programming in emergencies is one form of humanitarian response, which can be used to meet basic needs and/or protect, establish or re-establish livelihoods.

Source: CaLP CTP Level I Training

Cash interventions transfer resources to people by giving them cash or vouchers.

Source: Harvey and Bailey (2011)

Humanitarian organisations ventured into cash assistance in urban contexts at a time when cash was increasingly accepted as an emergency response tool able to meet a wide range of humanitarian objectives (Harvey and Bailey 2011). In parallel to this, there were technical advancements in the provision of cash via mobile phones and bankcards and an emerging comprehension of the scale of urban poverty, vulnerability and need. Recent urban disasters such as the Haiti earthquake in January 2010 thrust many humanitarian organisations into larger-scale urban programming, and brought into the spotlight many challenges with regards urban responses (Dodman *et al.* 2013; Sanderson and Knox Clarke 2012).

## 1.2 Urban vulnerability

By 2030, almost fifty per cent of the world's population is predicted to live in urban areas in low- and middle-income countries and almost half of these people are likely to live in informal settlements (Parker and Maynard 2015). Such rapid urbanisation is being driven by a range of factors including natural population growth, economic migration from rural areas and displacement on account of conflict, political instability or disasters. Urban areas are not homogeneous, with extremes in levels of poverty, access to basic services, employment, social cohesion and social capital, as well as governance and representation found across their

growing boundaries (Brown *et al.* 2015; Swatton 2015). Urban environments open up particular opportunities for those who live there but also present specific challenges and risks for inhabitants, including protection risks for the vulnerable especially children, women, the disabled and elderly (see Box 1.2). The vulnerability of populations varies across the urban expanse, depending on crosscutting aspects including socio-economic status, gender, age, health and social capital (Dodman *et al.* 2013).

The continued trends of migration and displacement, high rates of population growth in urban areas and unplanned urban expansion exacerbate poor urban

### BOX 1.2 CHARACTERISTICS OF INFORMAL URBAN SETTLEMENTS

**Access to jobs and services:** urban areas tend to have a greater availability of and access to services (health, education, financial services, electricity etc) and livelihood opportunities than rural areas, a factor driving population growth in urban areas. However urban inhabitants need to pay for these services, whilst population increases can put pressure on the quality of services and access to income-earning opportunities.

**Reliance on commercial exchange:** the cost of living tends to be much higher in urban than rural areas since urban dwellers have to pay for essential needs such as food, rent, water, fuel and to a much greater extent.

**Location of settlements:** the rapid growth of residential settlements in urban areas in outlying and often hazardous areas (and without commensurate growth in services for sanitation and waste management) contributes to overcrowding and health risks. There are risks of flooding and fires in overcrowded areas. There is often a high cost of transport due to the need to travel to other areas of the city for work.

**Heterogeneous populations:** urban areas tend to have greater social diversity, higher levels of mobility and less social cohesion than rural areas. In informal settlements populations can be composed

of rural migrants, refugees and displaced people with different socio-cultural backgrounds. Urban residents may tend to have weaker social capital in terms of more fragmented networks (family members and others in the community), access to information and levels of trust. Levels of insecurity and crime can be higher as a result.

**Contact with authorities and political risks:** whilst a greater state presence in urban than rural areas can have a positive impact (access to government welfare programmes, basic services, law enforcement), those in low-income and marginalised households can also experience the negative impacts of state regulation, law enforcement and corruption. Many people in urban areas lack civil documentation, especially those displaced by conflict or natural disasters.

**Exposure to various disasters at a national, regional and global level** is increased in terms of impacts of climate change and government policy, natural disasters or conflict, influxes of displaced populations and economic migrants, and variations in food and fuel prices.

Sources: Macauslan and Crawford (2012); SCUK (2011); Barcelo *et al.* (2011); Pavanello (2012); Sanderson and Knox Clarke (2012); Cross and Johnston (2011); Dodman *et al.* 2013; Kyazze *et al.* (2012).

household vulnerability (Dickson *et al.* 2012; McCallin and Scherer 2015). The international humanitarian community is increasingly engaging in responses in urban areas, linked to the growing number of humanitarian emergencies that have occurred in densely populated urban areas (Pavanello 2012).

In response to concerns related to protection risks arising from the implementation of cash programmes, several notable organisations including the United Nations High Commissioner for Refugees (UNHCR), Save the Children, Oxfam, the World Food Programme (WFP) and the Women's Refugee Commission have undertaken research and collated learning and experiences from a number of programmes to shed light on this topic. This document acknowledges these concerns, especially when considering the nature of urban poverty and vulnerability and has collated the relevant evidence in Section 3.4.

Disasters experienced in an urban area can have a multiplier effect on other urban and rural locations (within and outside national boundaries) – and vice versa. This phenomenon, called the 'double impact' by World Vision (Swatton 2015), is further exacerbated by globalisation, the use of technology and social media (Humanitarian Futures Programme 2014) and underlines the importance of looking beyond the location of the disaster for affected populations.

For humanitarian policymakers and practitioners, the urban environment opens up opportunities and also poses constraints for cash assistance in response to crises in urban areas. Whilst cash transfer programmes in urban contexts are likely to face challenges just as in rural contexts, programming differences between rural and urban areas<sup>2</sup> as outlined in Box 1.3 and the nature of urban vulnerability are likely to mean that challenges are manifest in different ways as well as opening up new opportunities relative to rural areas. Indeed at a recent global conference on cash and risk, practitioners concluded that there were a number of aspects of cash transfer programme implementation that are challenging in urban settings.<sup>3</sup>

## BOX 1.3 CHARACTERISTICS OF AN URBAN DISASTER

An urban disaster is unique in that it occurs in a dense and highly complex (physical and non-physical) environment that has adapted, formally and informally, to absorb large populations and a range of economic activities, leading to distinctive features of: scale; density; economic systems and livelihood strategies; resource availability; governance and public expectations; large informal settlements; increased likelihood for compound and complex disasters; and potential for secondary impacts on rural or regional producers.

Source: O'Donnell *et al.* (2009: 4)

The question facing the humanitarian community is not whether or not cash assistance is an appropriate response tool in urban contexts but rather **how** should cash assistance be used in urban disasters, to enable effective and efficient responses? Considering the magnitude that urban disaster response needs represent, the 'how' challenges the very manner in which humanitarian agencies work and their capacity to make a difference: with whom and how they negotiate, interact and collaborate, from governments, private-sector entities, local non-governmental organisations (NGOs) and community-based organisations (CBOs), to affected and non-affected communities. The considerable range and number of actors, institutions and markets involved in key urban infrastructure is well summarised by Brown *et al.* (2015) (see page 18).

There is significant interest to better understand the 'urban humanitarian response conundrum', evidenced by the various research documents<sup>4</sup>; urban information-sharing platforms<sup>5</sup>; and strategies, initiatives and policies at the cluster<sup>6</sup>, UN<sup>7</sup>, think-tank, donor and organisational levels.<sup>8</sup> This document contributes to this learning process, presenting the findings of a literature review of cash-based humanitarian assistance in urban contexts: the approaches, challenges, learning and recommendations for further research and action.

<sup>2</sup> Cross and Johnston (2011) and Brown *et al.* (2015) present a useful overviews of programming differences between rural and urban areas and the evidence gaps on key thematic issues with regards urban humanitarian responses.

<sup>3</sup> Cash and Risk Conference, Copenhagen, December 2011 – cited in SCUUK (2011).

<sup>4</sup> An example being: Brown *et al.* (2015).

<sup>5</sup> Examples include: ALNAP and UNHABITAT Urban Humanitarian Response Portal: [www.urban-response.org](http://www.urban-response.org) and UNHCR Good Practice for Urban Refugees: [www.urbangoodpractices.org](http://www.urbangoodpractices.org)

<sup>6</sup> The Food Security Cluster's Food Security and Livelihoods in Urban Settings Working Group: <http://foodsecuritycluster.net/working-group/food-security-and-livelihoods-urban-settings-working-group>

<sup>7</sup> An example being the IASC Strategy, whose aim is 'to recommend actions which humanitarian actors can take to make their responses to humanitarian crises in urban areas more effective and thereby save more lives and accelerate early recovery' (IASC 2010: 5). Strategic objectives and supporting actions are proposed to enhance organisational expertise and operational capacities in urban areas.

<sup>8</sup> World Vision International Urban Research and Learning Initiative: [www.wvi.org/urban](http://www.wvi.org/urban)

## 1.3 Research objectives

The aim of this paper is to provide a review of current literature on CTP in urban contexts as a foundation for informing practice and policy of humanitarian actors. Given the emerging nature of this topic, there is also a focus on identifying gaps in documentation and sector knowledge for further research. The paper seeks to address the following questions:

- What is cash transfer programming (the history and elements)?
- For what objectives is CTP in urban emergencies being applied and how?
- What are some of the opportunities and challenges of using CTP in urban contexts?
- What are the implications for responding to urban emergencies, including any research gaps?

In light of the research questions listed, Pavanello's (2012: 12) quote deserves consideration:

*[S]ome characteristics of urban settings, such as the multiplicity of actors and power-holders, the complex and interlinked vulnerabilities of urban dwellers, the sheer size of cities and affected populations, and the difficulty of distinguishing between chronic and acute vulnerability are all placing new demands on humanitarian agencies to develop or rethink fundamental tools, approaches and assumptions.*

*Therefore we need to know what can cash programming contribute and do humanitarian organisations have the capacity to respond effectively?*

This document builds on existing work undertaken by the International Institute for Environment and Development (IIED) as part of DFID-funded research into urban humanitarian programming. For the sake of consistency this paper utilises the same definition of 'urban' as the recent IIED publication by Parker and Maynard (2015: 5) on area-based approaches (see Box 1.4).

### BOX 1.4 WHAT ARE URBAN ENVIRONMENTS?

Urban environments are characterised by high numbers of very different people living and working in close proximity to one another. In contrast to rural areas, urban inhabitants are more mobile and largely dependent on technical or economic systems [formal and informal] in order to meet their basic needs. The social, political and institutional environment is also more complex [and diverse in degrees of legitimacy, governance and accountability, from one urban locality to another].

Towns and cities will both be affected by and recover from crises differently depending on factors such as: whether they are directly or indirectly affected by the crisis; their size, linkages and importance in relation to other cities; whether they are centres of governance, culture, manufacturing or trade; and their level of administrative dependence or autonomy. Within cities the urban environment is also highly diverse – ranging from high-rise commercial centres, through to densely populated historic areas and commuter suburbs, to informal settlements within the city or on the outskirts.

Source: based on Parker and Maynard (2015: 5)

## 1.4 Research methodology, scope, terminology and limitations

### 1.4.1 Methodology

The methodology used in this literature review is detailed in Annex 1. It included an inception period with IIED in which the terms of reference for this study and proposed methodology was discussed. Following this was the identification of key stakeholders from diverse backgrounds including humanitarian donors, academic institutions, humanitarian organisations, researchers and consultants. In total, over 80 people were contacted (see Annex 4 for the list of key informants). Then a literature search and review collated and reviewed over 200 documents (the types of documents consulted is summarised in Annex 1). It should be noted that only a minority of documents available referred to cash transfer programmes in urban humanitarian contexts. Lastly came the elaboration of the literature report along with five substantive case studies (included in Annex 3) from different urban emergency contexts. A number of urban and cash transfer programme specialists reviewed the report and case studies.

## 1.4.2 Scope

The focus of this literature review is on emergency cash assistance in urban contexts, with a specific aim to include experiences and lessons from all types of emergency context. This is mainly due to urban cash programming being a relatively new area of expertise in the humanitarian sector and as yet, implemented at a comparatively lower scale compared to rural contexts.

Although the primary focus of the paper relates to the use of cash, given the emerging nature of urban CTP some evidence from voucher programmes is also included where appropriate. However, vouchers should be understood as a separate modality since these determine the recipient's choice in terms of either what to buy and/or where to buy it (Harvey and Bailey 2015a).

Loans, microfinance or other types of savings interventions were not considered in this literature review. Any transferable lessons from examples of where a safety-net system has been used to deliver humanitarian aid shall be included.

## 1.4.3 Terminology

As there can be differences in cash terminology between agencies, this review uses definitions from widely used sources including: the Cash Learning Partnership (CaLP), Harvey and Bailey's good practice review (2011) and ECHO/Council for the European Union (2015) (see Box 1.1 and Annex 2). The document will refer to types of delivery mechanism; this essentially refers to the means for transferring cash from implementing agencies to beneficiaries eg through financial service providers (such as banks and remittance agents), mobile money service providers (see Annex 2), retailers or through direct cash distribution. For a more detailed understanding of CTP terminology, please refer to Harvey and Bailey (2011).

## 1.4.4 Limitations of the review

A number of limitations and challenges were faced. These included:

**Timeframe:** as the development of this paper coincided with the main holiday months of July and August, some key informants were unavailable for consultation.

**Geographical gaps:** presently, the majority of documentation on CTP in urban programming originates from particular well-documented emergencies in the Middle East, Haiti and Eastern Africa. However, some literature was available from South and Southeast Asia, South and Western Africa. The authors have tried to include examples from as many geographic locations as possible, but would like to highlight the disproportionate

volume of documentation from the Middle East in comparison to other urban locations.

**Availability of peer-reviewed and evidence-based research:** the majority of documents reviewed were programme evaluations, case studies, and lessons learnt reviews of implementing agencies. There was a lack of availability in credible, peer-reviewed and evidence-based research, especially beyond the food-security sector. This is in line with the findings of the High-Level Panel on Humanitarian Cash Transfers set up by DFID on the state of the evidence on CTP generally (Harvey and Bailey 2015b).

**Prevalence of urban refugee learning and documentation:** the authors note the current dominance of programme documentation and learning from the Syria crisis, representing refugees in an urban context. The authors have tried to mitigate this by providing examples from non-refugee responses.

**Lack of comparative analysis:** although not the remit of this paper, there is continued interest in the comparative advantages of CTP relative to other modalities. The authors have been unable to include any relevant studies or substantial insights due to a lack of documentation. There was also a lack of documentation making explicit comparisons between CTP in urban and rural environments.

## 1.5 Overview of the document

Section 2 discusses why and how CTPs have been applied in urban contexts. It gives an overview of why cash can be an appropriate response tool in urban areas; and how cash programmes have been used in the food security and livelihoods, shelter, water and sanitation and health sectors.

Section 3 discusses the opportunities and challenges of cash transfer programmes in urban areas. It explores the evidence emerging from recent urban emergencies of the enabling factors and constraints for CTP in urban contexts, from exploiting access to markets and services to engaging with governments and coordination.

Section 4 discusses conclusions and implications. The programming and policy implications of the literature review findings are presented in a user-friendly manner with explanations and examples where needed. Following this, an overview of cash transfer programming in urban contexts research gaps based on the literature review is provided.

## 2

# Why and how CTP has been applied in urban contexts

## 2.1 Introduction

According to the CaLP cash atlas (2015)<sup>9</sup> only 13 of the 796 globally registered CTPs are located in urban areas, with the majority of these being food security projects. Although the atlas is not fully representative, this figure symbolises the lower prevalence of urban post-disaster CTP relative to rural, and the dominance of food security over other sectors in urban CTP, an aspect that is reflected in this section.

Following a brief summary on why cash is an appropriate urban response tool, this section provides an overview of the ways in which cash is being applied as an emergency response tool in urban areas. A review of evidence of the use of cash assistance per humanitarian sector is included, as is use of the more recently termed 'multipurpose' use of cash. Section 3 builds on these examples, with a focus on implementation opportunities and challenges.

## 2.2 The appropriateness of cash assistance as an urban response tool

The urban environment tends to be conducive to CTP since many of the pre-requisites for cash appropriateness are present, including but not limited to: financial infrastructure, cash-based economies, mobile network coverage, access to competitive and integrated markets, and the availability of products and services (SCUK 2011; O'Donnell *et al.* 2009; Cross and Johnston 2011).

Experience has shown that urban markets can generally respond better to a large injection of cash than those in rural areas. Although urban disasters can result in significant market destruction they tend to resume functioning quickly post-disaster (Michelson *et al.* 2012; SCUK 2011; Maynard 2015; MacAuslan and Phelps 2012, Brown *et al.* 2015; Cross and Johnston 2011).

<sup>9</sup>The CaLP Cash Atlas is an interactive map allows the diverse actors involved in the design and implementation of CTPs to better understand the various uses of CTPs, on a global level. See: [www.cash-atlas.org](http://www.cash-atlas.org).

Urban areas have diversified and better-developed financial institutions, providing practitioners with a variety of options through which to deliver cash transfers to beneficiaries. Since network coverage and supporting infrastructure tends to be higher in urban areas, urban areas generally have higher penetration of electronic payment services – including card-based payment technology and mobile money (SCUK 2011; O'Brien *et al.* 2014). This is of value for humanitarian programming in urban areas since a review of evidence on CTP by the high-level panel on CTP concluded that electronic payments offer 'unique opportunities' for delivering assistance in emergencies (Bailey and Gordon 2015).

Experience has also shown that the technology tends to offer higher levels of security to beneficiaries and agencies along with reduced corruption risks, enhanced tracking of cash flows through the system and automated procedures for delivering assistance at a large scale. Whilst using these services tends to require higher start-up costs compared to other over-the-counter delivery mechanisms, they tend to offer lower marginal costs over time that can result in increased efficiencies on multiple transfers (Bailey and Gordon 2015; Gordon 2015; O'Brien *et al.* 2014; Pongracz 2015).

Urban populations follow market-oriented livelihood strategies and are more heavily dependent on cash for meeting a diverse array of household expenses than rural families including food, water, rent, fuel and utilities, building materials, transportation and health (Pavanello 2012; Brown *et al.* 2015; Sanderson and Knox Clarke 2012; IRC 2013; Buecher *et al.* 2014; MacAuslan and Crawford 2012). A major barrier to accessing food and basic needs for the urban poor in disaster-affected urban areas is therefore often financial – insufficient or unstable cash flows – rather than problems with commodity availability or a physical inability to reach markets (Michelson *et al.* 2012; MacAuslan and Phelps 2012).

Although the urban poor typically spend a large portion of their income on meeting food needs, studies show that they often spend a much higher proportion of their income on non-food needs (particularly on housing and transport) than the rural poor. Groups that are especially vulnerable include urban refugees and internally displaced persons (IDPs) without recourse to sufficient

income-generating activities, including the right to work, as is often the case for refugees (Brown *et al.* 2015; IRC 2013). Recent research into urban emergencies highlights how the social diversity in urban areas means different people are affected by crises in different ways, and needs will vary from household to household (Brown *et al.* 2015; Pavanello 2012). The same was found by a range of agencies assessing vulnerability of refugees and host communities in the Syria response (IRC 2013; Campbell 2014). Cash assistance provides the greatest flexibility to households to meet their needs and one modality can deal with diverse needs.

Evidence from CTP in urban contexts also shows that where markets are accessible and functioning, beneficiaries overwhelmingly prefer cash to other modalities of assistance (IRC 2013; Cabot Venton *et al.* 2015; Bauer *et al.* 2014; Lehmann and Masterson 2014). A multi-country study for DFID on the relative effectiveness of different modalities of assistance concluded that cash provides the highest marginal utility to beneficiaries. Households can prioritise different needs and switch expenditure between different goods and services as these needs change over time. The study concluded that similar results would be difficult or impossible to achieve through alternative modalities of assistance (Bailey 2015; Cabot Venton *et al.* 2015). Indeed, reviews of urban disaster response have shown that cash assistance can play a critical role in supporting economic recovery in urban settings, which the provision of in-kind support may hinder by creating parallel markets (Sanderson and Knox Clarke 2012; Brown *et al.* 2015).

In a review for CaLP, Cross and Johnston (2011) argue that cash should be considered as the first modality of relief assistance in urban areas. Grünewald *et al.* (2011) note that cash is increasingly common as a response to food insecurity in urban emergencies, and should be considered to meet non-food needs as well. In a review of the challenges of humanitarian response in urban contexts Pavanello (2012) highlights a range of studies that show the growing recognition of the advantages of cash-based response in urban emergencies over alternative modalities. Recent experiences of CTP in urban contexts which illustrate the conduciveness of urban emergency contexts to cash assistance are shown in Box 2.1.

## BOX 2.1 EVIDENCE OF THE APPROPRIATENESS OF CASH ASSISTANCE IN URBAN CONTEXTS

### Market responsiveness in urban emergencies:

in the on-going refugee crisis in the Middle East, a study of the impact of Syrian refugees on the Lebanese markets for food, hygiene products and shelter showed that well-developed market chain infrastructure for consumer goods allowed for a rapid adjustment in the supply of goods demanded by Syrians. In all three markets this created incentives for a new supply of goods and the entrance of new market participants.

Source: KDS (2014)

**Utilisation of cash assistance in urban areas:** in Kenya a study of Oxfam's programme providing cash assistance to food-insecure households in Mukuru informal settlement found that cash transfers allowed beneficiaries to prioritise other expenditure besides food according to their needs, including paying off debts and restarting businesses.

Source: Macauslan and Phelps (2012); Concern Worldwide and Oxfam GB (2011)

### The importance of urban market recovery:

a 'lessons learnt' study of the Typhoon Haiyan response in the Philippines showed that generally urban markets recovered rapidly, though supply bottlenecks remained an issue in certain areas. It found that markets in rural areas were dependent on the cities to recover and concluded that supporting rapid market recovery in the cities means that recovery in the wider region will follow because the surrounding population depends on trade and services within the city.

Source: Maynard (2015)

### Cash supporting market recovery in Haiti:

in 2010 Oxfam implemented a number of cash-assistance projects in urban areas in response to the earthquake in Haiti. Projects combined cash assistance for basic needs with livelihood support to vulnerable beneficiaries. The programme enabled 87 per cent of beneficiaries to restart an economic enterprise.

Source: Young and Henderson (2011)

## 2.3 Sectoral use of cash assistance in urban contexts

Sector-specific cash programming continues to hold value for organisations, especially those with specific mandates (such as the World Food Programme and the Food and Agriculture Organization) (Harvey 2012). The fungible nature of cash enables households to meet needs according to their priorities across sectors – and it has also engendered the provision of 'multipurpose grants' (MPG) in recent urban emergencies. This section provides evidence on the extent of the use of sector-specific cash, followed by examples of the use of multipurpose grants in urban emergencies.

### 2.3.1 Water, sanitation, hygiene (WASH) and health

Environmental issues (such as overcrowding, poor water and sanitation, pollution and open sewerage) are most acute in cities and exacerbated in slums. They have a significant impact on child and household health, affecting the ability of household members to engage economically and socially (Mohiddin *et al.* 2012). Not only is there a rising prevalence of both infectious and chronic diseases in slum communities,

but also where early sexual activity occurs (potentially as a survival strategy), there can be an increased risk of sexually transmitted infections such as HIV and early pregnancy. Conditions of extreme poverty can also see a higher prevalence of adults and young people consuming alcohol, drugs and cigarettes to ease everyday psychosocial stresses, potentially increasing the chances of ill-health and premature death (Coast and de Graft-Aikins 2011).

Barriers to access to adequate WASH services and facilities in urban areas are partly economic but are not only due to a lack of purchasing power (Johansen 2015). Bryant and Campbell (2014: 1) in a review of WASH programmes in urban emergencies underline the difficulty of separating WASH from other sectors in urban areas as, 'land tenancy issues, environmental factors, livelihoods, individual vulnerabilities and ethnic, gender and economic inequalities are all interconnected'.

A further challenge for WASH- and health-implementing agencies is a lack of defined triggers for responding to urban chronic health needs, which, in many instances exceed emergency thresholds but due to a lack of data are rendered invisible (Ramalingam and Knox Clarke 2012).



## Use of CTP in the WASH sector in urban emergencies

The Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP) and RED R's<sup>10</sup> reflections on urban WASH programmes also stress the links between water, hygiene and sanitation and economic, social and environmental factors that underline the complexity of the urban environment (Bryant and Campbell 2014). The document concludes that, for agencies:

*[B]ecoming enablers rather than simply providers may be the way to navigate this complex setting. CTPs are the most obvious example of this approach, and a greater understanding of their beneficial and detrimental economic effects would be a useful asset in programme design (Bryant and Campbell 2014: 14).*

Despite this advice and economics playing a role in people's access to water, hygiene and sanitation, this literature review unearthed very few examples of urban WASH cash programmes. Humanitarian organisations engaging in cash assistance in the WASH sector include World Vision, Oxfam, Mercy Corp, Action Contre la Faim (ACF), International Rescue Committee (IRC), UNHCR and the United Nations Children's Fund (UNICEF). However, most experience to date is from rural contexts. Principle reasons for a lack of CTP use in the WASH sector (and in shelter) are a lack of guidance and documentation and concerns related to the meeting of sector-specific specifications and standards through cash transfers (Julliard and Opu 2014).

The majority of CTP examples mainly involve the use of vouchers rather than cash. Where cash has been used it has mostly been cash for work (CfW).

**Cash transfer programmes to meet urban sanitation needs:** urban WASH interventions have utilised CfW for cleaning public drains. The sustainability of this approach is often questioned in the absence of durable solutions (Bastable and Russell 2013) and/or when the health and safety of participating beneficiaries are put at risk due to a lack of suitable clothing and equipment, or the prevalence of dangerous items (such as needles) in the area to be cleaned.

**Cash transfer programmes to meet urban hygiene needs:** access to hygiene items can be supported via cash programmes, as found in Haiti by Oxfam who piloted a commodity voucher programme alongside hygiene promotion activities. Although only implemented at a small scale, the programme evaluation was favourable with recommendations to scaling up similar responses in tandem with activities in other sectors such as food security (see Box 2.2).

### BOX 2.2 OXFAM'S USE OF HYGIENE COMMODITY VOUCHERS IN HAITI

Following market analysis and beneficiary consultations to verify the appropriateness of this approach, Oxfam's public health and food security team collaborated to provide 1,000 households with commodity vouchers (a fixed quantity of a specified hygiene item) to purchase items of their choice, from pre-selected shops thus stimulating the local market and giving people choice. The hygiene kit vouchers were part of a larger programme that included training and other public health promotion activities. Each voucher was redeemable for sanitation items including soap, toothpaste, toilet paper, sanitary pads and basins.

The evaluation was favourable, with the programme fulfilling programme objectives. However, commodity vouchers restricted the choices of beneficiaries compared to cash vouchers. Whilst allowing beneficiaries more flexibility, cash would depend on shops stocking more variety and amount of products. Therefore, commodity vouchers were considered to be more appropriate for small traders where a programme is introducing new commodities to the market and traders are unsure how these will sell.

Source: Brady and Creti (2011)

**Cash transfer programmes to meet urban water needs:** one aspect being harnessed by agencies is the economic challenge faced by urban populations in accessing water (Bryant and Campbell 2014). Organisations such as Oxfam, Save the Children, ACF and the Danish Refugee Council (DRC) are undertaking water market analysis to better understand

<sup>10</sup> Red R is an international humanitarian NGO that supports aid organisations and other humanitarian actors across the world by developing skills and providing expertise.

## BOX 2.3 THE POTENTIAL FOR CASH ASSISTANCE TO SUPPORT WATER MARKETS

**Understanding water markets:** as disaster-affected populations add demands on already-stretched water supply systems, and/or spend limited financial resources on water, organisations have realised the value of water market system analysis that provides a link between humanitarian and development activities through strengthening markets. Water-market mapping exercises using the emergency market mapping and analysis toolkit (EMMA) have taken place in Jordan, Kenya, Nepal and Gaza.

A conclusion from the Oxfam Water Market System in Jordan indicates that the 'crisis **is not only a water crisis but also a livelihood crisis** as what limits people's access to available water is **purchasing power and livelihoods**, in addition to the larger problem of availability of water' (Oxfam 2013a: 24). The report recommends utilising water vouchers linked to local water transporters to support domestic water access.

Source: Oxfam (2013a)

**Oxfam water vouchers in Gaza:** in Gaza, Oxfam's analysis indicated that the provision of water continued (albeit at a lower capacity) through periods of insecurity. With the objective to assist households in meeting their water/sanitation needs, Oxfam and partners launched a pilot water voucher programme in consultation with the Palestinian Water Authority. Over a five-month period, 696 households were provided with drinking water vouchers of 200 or 500 litres, depending on household size. The pilot was successful, with 84 per cent of beneficiaries satisfied.

Valuable lessons included: (a) the need for common vulnerability criteria across the humanitarian sector; (b) increasing the number of water providers to improve household choice; (c) sustainability of the programme could be enhanced with engagement from community water resellers; and (d) future programmes should consider using electronic vouchers, as experience exists in the food security sector in Gaza.

Source: Oxfam (2013c)

the dynamics of water availability, access, supply, demand and policy environments in urban areas (Box 2.3). Although this approach creates a key entry point for cash programming in the WASH sector, the sector faces further technical challenges that lie beyond their normal sphere, in how to implement the cash programme ensuring populations' needs are met, and if need be, how to integrate market support and market strengthening (Julliard and Opu 2014).

The little evidence available points to the potential of utilising cash assistance in urban areas to meet some WASH programme objectives, particularly in terms of supporting economic access to water and hygienic items. This point is stressed in Bryant and Campbell (2014) and Julliard and Opu (2014) who underline the role markets can play in this regard.

Needs assessments and market analyses of WASH-related services and goods can assist WASH teams to identify programmes objectives and the role of cash in achieving them: is the primary objective of the approach to provide the affected population with WASH infrastructure or services? Or to provide cash

to beneficiaries for a particular purpose (therefore assuming that the relevant WASH services and goods available are of good enough quality and quantity)? The role of CTP (especially CfW<sup>11</sup>) from the emergency to recovery stages can be reviewed to ensure maximum effectiveness; especially considering the scale and stage of the programme, the range of needs and the vulnerabilities of the target population. Essential is coordination with the relevant authorities and service providers to ensure compliance with regulations and to avoid the creation of parallel systems.

In light of the lack of documentation and evidence of urban WASH programmes, some recommendations (Box 2.4; Luff 2014; Julliard and Opu 2014) emphasise the need for the sector to engage and pilot cash assistance, creating learning within the sector. Additionally, organisations such as WSUP<sup>12</sup> and SuSanA<sup>13</sup> have significant experience in urban contexts working with public and private entities that could be harnessed to develop cash assistance approaches for the WASH sector.

<sup>11</sup> CfW can be problematic and potentially unsuitable where the type of work available requires machinery, when private-sector actors can be utilised to undertake the work (potentially employing some of the affected population) or in situations where there is a strong voluntary community work ethic and practice.

<sup>12</sup> Water and Sanitation for the Urban Poor: [www.wsup.com](http://www.wsup.com)

<sup>13</sup> Sustainable Sanitation Alliance: [www.susana.org](http://www.susana.org)

## BOX 2.4 RECOMMENDATIONS FOR INCREASING USE OF CTP IN THE WASH SECTOR

### WASH sector-wide recommendations

- WASH CTP in the recovery phase should predominantly be conditional/CfW-type activities rather than unconditional cash transfers (except for vulnerable groups) as a means to transition more towards a development approach.
- A broader range of WASH conditional cash/CfW options should be compiled, supported by experience of what are reasonable expectations for outputs as a means to provide greater confidence in programming.

### Capacity and gaps in CTP

- Agency understanding of CTP opportunities should be broadened with a focus on understanding how conditional transfers can be used to support WASH outcomes.

Source: Luff (2014: 38)

### Focusing on market-based programming and making CTP and markets part of the standard skillset

- As the challenge lies in understanding markets, having a sound understanding of local market systems can lead to the use of either CTP or in-kind modalities, through a response that will do no harm to local markets and possibly even strengthen them.

### Relying on donors as advocacy allies

- Donors already welcome the idea of using CTP and market-based approaches to respond to WASH and shelter needs. Donors could be advocacy allies when it comes to raising government awareness on the use of CTP to respond to WASH and shelter needs.

Source: Julliard and Opu (2014: 8)

## Use of CTP in the health sector in urban emergencies

Monitoring reports indicate households in receipt of unconditional cash assistance distributed in emergency food security and livelihoods (EFSL) programmes utilise some of the transfer to pay for health items and services, if these goods and services are not available by any other means (Herrmann 2014, Harvey 2012). However, the effectiveness of CTP in meeting urban humanitarian health objectives is not understood, nor has it been well researched (Pega *et al.* 2014).

The use of cash assistance as part of social protection programmes in improving health outcomes is well documented (Pega *et al.* 2014). There are examples of organisations working bilaterally to ensure vulnerable targeted disaster-affected households can access existing health insurance schemes (see Box 2.5), thereby not creating parallel systems and utilising the private sector effectively, an approach endorsed in Dodman *et al.* (2013). Although not a cash transfer per se, it illustrates the potential role that economic assistance can play in humanitarian programmes aiming to achieve health outcomes.

## BOX 2.5 UNHCR'S EXPERIENCE OF PROVIDING HEALTH INSURANCE

Biron (2012) cites an example where UNHCR Iran provided access to health care for refugees through a public-private partnership with a private health insurance scheme. Registered refugees could subscribe to the scheme for a monthly subscription fee; UNHCR paid the fees for the most vulnerable refugees. This example highlights the importance of utilising existing functioning services rather than creating parallel ones, and the potential to include the cost of medical provision in cash assistance, if identified as relevant and required by the target population.

Source: Biron (2012)

However, the literature review did not find any specific humanitarian health-sector cash interventions in urban areas, despite the fact that it is acknowledged that cash assistance can protect and prevent the deterioration of health and well-being (Pega *et al.* 2014).

### 2.3.2 Food security and livelihoods

The food security and livelihood sectors have gained the most experience in CTP in urban environments (Harvey and Bailey 2015a). The sectors' assessment and implementation approaches are in the process of being scrutinised and modified, making them more suitable for urban contexts (Creti 2012; Twose *et al.* 2015), under the leadership of the Food Security Cluster Urban Working Group.<sup>14</sup>

Urban food security and livelihoods practitioners utilise a variety of cash transfer programme modalities according to the needs of the household and the objectives of their programme. Programme evidence indicates that small regular cash transfers are effective in meeting basic food needs and larger cash tranches for productive livelihood assets (Harvey and Bailey 2011). Both conditional and unconditional cash grants for meeting urban livelihood recovery needs remain effective and popular with many agencies (Cross and Johnston 2011). As some urban beneficiaries may require higher-value livelihood grants than agencies are currently used to providing, agencies utilise banks to increase financial inclusion (Sivakumaran 2011). The popularity of CfW for meeting basic food needs in urban contexts has waned in recent years as agencies struggle to find suitable and productive work in urban contexts over an extended period and for a large beneficiary caseload. An added complication being that local daily wage rates tend to be insufficient in meeting household food needs (during the emergency period) to an adequate level (using Sphere standards<sup>15</sup>) unless multiple household members are included in the CfW programme.

This section provides examples of CTPs implemented to meet food security, nutrition, livelihood recovery and rehabilitation objectives in urban contexts in response to complex, rapid-onset and slow-onset disasters. These programmes utilise a range of modalities including unconditional cash grants, CfW and commodity vouchers. It should be noted that in many cases, the scale of most programmes in relation to the need was fairly limited.

In urban areas the major barrier to achieving food security in emergencies is often economic, therefore cash assistance is well placed to address access problems contributing to poor food intake. Similarly for livelihoods recovery and rehabilitation, disasters of all types can result in the loss of livelihood assets and employment opportunities (formal and informal), which in turn affect income and consequently access to food and basic needs (Barcelo *et al.* 2011). Cash assistance can support those affected by disasters to re-establish livelihood assets and businesses and when linked to public works it provides temporary employment for those without access to a means of income generation.

There are numerous examples of urban cash assistance programmes with food security and livelihoods recovery objectives utilising a range of interventions (Box 2.6).

Further examples (see Annex 3) include UCT to improve food security in the insecure context of Somalia and in the slums of Kenya where Oxfam and Concern, with engagement from the government of Kenya, piloted an emergency CTP in response to food price rises, resulting in obtaining government support for a more long-term and predictable CTP for the urban poor at risk of food insecurity.

When disasters affect the availability of food in urban markets as a result of food chain supply disruption, or the destruction of important sources of urban small food-production and food-processing businesses, cash assistance can also play a key role in market recovery, as was seen in the Haiti and Pakistan earthquakes and floods amongst other disasters that had both urban and rural ramifications. In such instances, cash assistance was provided to various actors in the supply chain: from consumers, traders, wholesalers and producers (see Box 2.1 for examples from Haiti, Philippines and Lebanon).

<sup>14</sup> The Food Security Cluster (FSC) has been established to coordinate food security responses during humanitarian crises. The cluster is co-led by FAO and WFP. The Global Support Team includes FAO, WFP, NGO and Red Cross and Red Crescent members. See: <http://foodsecuritycluster.net>

<sup>15</sup> The Sphere Project aims to improve the quality of humanitarian assistance and includes internationally recognised sets of common principles and universal minimum standards. See: [www.sphereproject.org](http://www.sphereproject.org)

## BOX 2.6 EXAMPLES OF URBAN CTP FOR FOOD SECURITY AND LIVELIHOOD RECOVERY

### Vouchers, CfW and nutrition education: food security and livelihood interventions in Gaza

In September 2009, following the Gaza War and initial in-kind food distributions, Oxfam and WFP implemented a pilot urban voucher project (UVP). The UVP substituted vouchers for in-kind food distributions for a percentage of targeted households, enabling households to access food directly from small- and medium-sized traders in Gaza, stimulating local economic activity (local bakeries, egg production, dairies etc) and employment as well as significantly improving the nutritional quality of food eaten. Nutrition education to encourage the consumption of a healthier balanced diet from the menu of items available through the UVP was also piloted.

Following the success of the pilot project, the voucher became an integral part of WFP programming in Gaza – now provided as an electronic swipe card, scaled up in 2012 to approximately 30,000 beneficiaries. In parallel, Oxfam implemented a range of cash-based activities to address the chronic food insecurity and livelihood situation for various vulnerable groups in Gaza including: short-term employment opportunities through CfW; short-term unconditional cash transfers (UCT) to the 'most vulnerable' without employable family members; and support to restart income-generation opportunities via the provision of small-scale cash grants.

A review undertaken in 2013 highlighted the success of this approach with positive feedback from beneficiaries, seeing 'a significant improvement over in-kind distributions, particularly with respect to the quality of diet and aspects of choice and dignity' (Mountfield 2012: 2). Broader benefits were seen with evidence of multiplier effects associated with the programme.

Source: Mountfield (2012).

### UCT to support livelihood recovery following post-election violence in Kenya

In response to post-election violence in 2007, ACF implemented a CTP in Nakuru, supporting 1,000 households from the urban displaced and host populations in collaboration with the Ministry of Youth and Sport and CBOs. Cash was selected for reasons

including: flexibility, convenience, the expressed need for capital for livelihood recovery, and the population's familiarity with cash-based economies and capacity of the local financial infrastructure. Beneficiaries received two UCTs through bank accounts, enabling households to meet immediate and basic needs and initiate long-term livelihood recovery planning and investments (particularly the second installment).

Source: ACF (2012a).

### Phasing cash during first-phase urban responses following Typhoon Ketsana

Typhoon Ketsana struck the Philippines in September 2009 causing flooding in the densely populated urban area around Laguna Lake. Over 156,400 families were displaced into 1,080 evacuation centres (ECs) in the area. Oxfam's phased CTP provided assistance to meet a variety of food security and livelihood objectives alongside distributions of hygiene and sanitation items, to help reduce public health risks and to meet SPHERE minimum standards. The phases included:

- Phase 1: UCT for basic needs. This was a blanket transfer in the form of direct cash provided within a week of the response.
- Phase 2: conditional cash transfers (CCTs) for income-generating activities. This was targeted at vulnerable families unable to pursue prior income-generating activities and was provided through a remittance agent.
- Phase 3: CCTs for activities that contribute to community livelihoods. Targeted at community livelihood groups, particularly women's groups who did not qualify for assistance in Phase 2, and provided through a remittance agent.

Putting UCTs directly into the hands of beneficiaries was seen as the most effective, rapid and simple method for responding to the wide range of beneficiaries' food and other household needs. As larger amounts of money were transferred in phases 2 and 3, the recipients signed contracts indicating their intended use of the cash on receipt of the conditional cash.

Source: Hughbanks (2012)

### 2.3.3 Nutrition

The extent of the problem of malnutrition among poor children and adults in urban areas and the programmatic challenges in addressing urban malnutrition are documented in Mohiddin *et al.* (2012). An understanding of malnutrition causal factors in urban areas including dietary intake and disease, which in turn are determined by food security, care practices and the health environment (Bailey and Hedlund 2012), is needed to identify the potential roles of cash assistance in urban areas in food insecure and malnourished households.

Mohiddin *et al.* (2012: 4) conclude that 'CTP and social protection are effective mechanisms for meeting both immediate and longer term food security objectives and promising in terms of meeting nutrition objectives, in urban programme and policy work'. Multisector, integrated programming and better coordination are needed between stakeholders and actors to achieve this objective (*ibid*). Although not specific to urban locations, Bailey and Hedlund (2012: 29) reach similar conclusions in their review of evidence on the impact of CTP on nutrition in emergencies, stating: 'There are very positive indications that transfers improve dietary intake, but too little evidence to determine how cash improves care practices and health environment' – underlining the importance of complementing CTP with health and WASH interventions.

There were few examples of emergency cash programmes that had explicit nutrition (rather than food security) objectives and specifically in urban contexts, such as the Concern programme in Nairobi (see Annex 3). As the fungible nature of cash is both an advantage and a challenge in terms of achieving specific outcomes (Harvey and Bailey 2011), food vouchers have been more commonly used to achieve nutrition-related outcomes (Bailey and Hedlund, 2012).

The economic dimension of urban malnutrition and food insecurity means CTP can be an effective tool. But evidence shows that cash assistance alone cannot meet nutritional outcomes. Explicit nutrition objectives, actions and parallel programmes that ensure access to quality health services and specialised food supplements are needed (Bailey and Hedlund 2012; Biron 2012).

Although not specifically orientated to urban contexts, the recently launched DFID funded three-year Research on Food Assistance for Nutritional Impact (REFANI) project will examine the impact of food assistance (cash, vouchers and/or direct food transfers) on nutrition outcomes with a view to creating new evidence to inform decisions on the prevention of acute undernutrition in emergencies.<sup>16</sup>

Fresh-food vouchers are an approach used by agencies such as ACF to tackle malnutrition in urban areas.

Another approach has been to link the targeting of CTP for food security to malnutrition screening centres (Box 2.7).

## BOX 2.7 TACKLING URBAN MALNUTRITION USING CTP

### Fresh-food vouchers (FFV) in Haiti

ACF's fresh-food voucher programme following the earthquake in Port-au-Prince, Haiti (2010) was implemented in an urban context where baseline malnutrition was very low (<5 per cent GAM or global acute malnutrition), but risk factors were high, with the objective of preventing acute malnutrition. The FFV was intended to meet specific nutritional needs of 15,000 households, complementing WFP's general food distribution (subsequently replaced by cash assistance). The FFV was also implemented alongside other ACF nutrition activities including blanket supplementary feeding, an outpatient therapeutic programme, 'baby tents' for breast-feeding support, public health promotion and nutrition education.

Source: ACF (2012b).

### Linking CfW to waste disposal and nutrition programmes in urban Guinea

In response to high levels of vulnerability in urban Conakry during the hunger season, ACF implemented two cycles of CfW activities targeting just over 1,500 households. Target beneficiaries were households living below the poverty line and priority was given to women and young heads of household, as well as households with malnourished children identified through a nutritional care programme. The CfW had the dual purpose of reducing food and economic vulnerability of the poorest at the same time as undertaking solid-waste collection which was causing significant environmental and health problems. Surveys showed that there was a positive impact on household food security, with the majority of income spent on food, an increase in household food consumption scores (especially in protein and dairy products) and frequency of food consumed, albeit temporary due to the need for income-generation opportunities. No explicit analysis of CfW impact on households with malnourished children is provided.

Source: ACF (2010)

<sup>16</sup> See: [www.enonline.net/ourwork/research/refani](http://www.enonline.net/ourwork/research/refani)

### 2.3.4 Shelter and settlements

Day to day, the majority of the urban poor, who rely heavily on rented accommodation (UN-Habitat 2003; McCallin and Scherer 2015), struggle to access housing for reasons including cost, low availability of suitable housing and lack of civil documentation (Barcelo *et al.* 2011). Disaster-affected urban populations are dynamic, moving from one type of post-disaster shelter solution to another, taking into consideration access to services, livelihoods, friends and family, and safety, as well as durability of the solution (IFRC *et al.* 2014). This is especially the case for refugees who face the threat of eviction, discrimination and harassment by landlords (NRC 2013).

Disasters can result in considerable influxes of displaced populations seeking refuge in urban locations<sup>17</sup> (NRC 2014b) as well as significant housing stock damage that may be declared uninhabitable, leaving thousands to millions homeless<sup>18</sup> (CRS 2013). Rapid and unplanned urbanisation, climate change and increased exposure to hazards are some of the factors that will increase urban displacement associated with disasters over the next decades (McCallin and Scherer 2015).

CRS's experience from the Philippines (CRS 2013: 2) highlights a significant challenge in humanitarian urban shelter implementation:

*[T]he complexity of housing, land and property (HLP) issues often poses a barrier to the effective delivery of early recovery shelter operations, especially in urban humanitarian responses.*

This opinion is mirrored in multiple evaluations and assessments (IFRC *et al.* 2014; NRC 2015c, Howard and Madzarevic 2014), and underlines the importance of organisations having access to and raising awareness of **legal rights, counsel and support in understanding housing and tenure issues** as part of programme design and importantly beneficiary information provision (CRS 2013; NRC 2015d).

Organisations implementing shelter programmes are increasingly using a variety of cash transfer modalities to meet programme objectives from rubble clearance to reconstruction or rehabilitation (IFRC *et al.* 2014). Although the number of grants and vouchers provided tends to be low in number, the value of each tranche is of a high value due to the cost of the goods required. CTP has also been provided in combination with in-kind and technical assistance, especially where there have

been concerns relating to the quality of materials locally available and/or the capacity of recipients to build safe structures. Unfortunately, the majority of examples are from rural settings and not from first-phase responses (IFRC *et al.* 2012; IFRC *et al.* 2014; McCallin and Scherer 2015; Harvey and Bailey 2011).

Innovative approaches to providing shelter options in urban areas using cash have emerged from the Haitian earthquake of 2010 and the on-going Syria crisis response. By and large, these responses have broadened the scope of shelter CTP relative to those seen in rural areas by acknowledging the role of host communities and landlords (the private sector) in the provision of durable affordable housing and the burden of rent payments to vulnerable poor households. Focus has also shifted onto including the host community in cash assistance programmes, not only due to existing levels of vulnerability and need but also to reduce hostility and increase social cohesion and hopefully the durability of the housing arrangements reached (NRC 2015d; Fawaz *et al.* 2014). Uses of cash assistance in shelter interventions identified in this review are as follows:

- a) **Cash for work:** as CfW can be used to benefit community and household structures beyond those directly related to shelter, it is often seen as an early recovery activity. However, CfW for rubble clearance or as part of 'quick impact projects' have been used extensively and successfully in shelter projects. Cash enables households to purchase basic food and non-food items as well as rehabilitate their homes (IFRC *et al.* 2012). The use of CfW in quick impact projects boosts the local economy and purchasing power of host and displaced households at the same time as improving community infrastructure (Davies 2012).
- b) **Vouchers for household items:** in response to the Chilean earthquake in 2010, the Chilean Red Cross implemented a voucher scheme with pre-identified hardware shops. Plastic cards with a magnetic strip enabled households to purchase household items as well as material for the reconstruction of damaged homes. The voucher system was implemented alongside the provision of emergency items (IFRC *et al.* 2012).
- c) **Cash grants to repair existing housing stock and create new housing stock for temporary, semi-permanent, transitional or other forms of intermediate shelter:** in Malawi (2009), Sri Lanka (2009), Pakistan (2010) and the Philippines (2013) cash grants were provided to support the

<sup>17</sup> A case in point being the impact the Syria refugee crisis had on the availability of affordable housing in Jordan (NRC 2015d). See also Annex 3.

<sup>18</sup> The Haiti earthquake resulted in more than 180,000 homes damaged or completely destroyed, and at the peak of the emergency, 1.5 million people were displaced and living in 1,300 spontaneous camps (CRS 2013).

rehabilitation and rebuilding of damaged houses (IFRC *et al.* 2012; IFRC *et al.* 2014). In the majority of instances the onus was placed on householders to purchase locally available materials (of acceptable quality) and pay for any required labour, usually following risk-management guidance from implementing agencies that provided the grant in tranches aligned with the phases of construction to ensure compliance and meet monitoring requirements (IFRC *et al.* 2012). NRC's pilot programme using CTP to increase the availability of housing units to meet the needs of Syrian refugees in Jordan is detailed in Annex 3. In Haiti, for houses which were damaged but repairable, repair was organised and contracted by humanitarian organisations, not involving the provision of a cash grant to a landlord (Fitzgerald 2012; CRS 2013).

- d) **Cash for rent:** this involves organisations providing some or all of the monthly rent for vulnerable households. Examples from Jordan, Lebanon and Haiti illustrate how the rent is paid directly to the landlord (Fitzgerald 2012; NRC 2015c; UNHCR 2013; NRC 2015d) or to host families (Fawaz *et al.* 2014).

NRC in Lebanon and Jordan is using approaches that both improve housing stock (landlords signed a fixed 12-month rental agreement on receipt of the landlord being repaid/improvement of existing housing stock) and cash for rent (NRC 2015c; NRC 2015d).

In Haiti, CRS encouraged the tenant to undertake landlord negotiations with a ceiling of US\$500 rent/year – with any remaining funds allocated to the household (CRS 2013). Fitzgerald (2012: 7) indicates '...evidence in this report shows that rental support is proving to be a stepping stone for families to find durable housing solutions.'

By covering rent costs, households are in a position to utilise limited income for basic expenditures and avoid accumulating significantly higher debts and compromising livelihood activities (NRC 2015c; Pongracz 2015). The challenges that can arise when such support is provided in an inelastic market are discussed in Section 3.

- e) **Unconditional and conditional cash assistance to hosting families:** supporting host families and communities has increased in popularity in recent years (IFRC *et al.* 2014). Although not purely a shelter intervention, cash assistance to hosting families supports the accommodation of displaced households and so is included as an example. Cash support to hosting households can support traditional hosting mechanisms as host households

can be in an economically vulnerable state, and further stressed by hosting costs and obligations (Davies 2012). The Swiss Development Cooperation (SDC) has implemented variations of this assistance for over a decade in multiple locations including: Sri Lanka, Kosovo, Serbia and Aceh (Davies 2012). Although seen as an effective approach with multiplier effects on the local economy if implemented in a timely fashion and well targeted, there can be drawbacks in terms of time-consuming assessment and vulnerability analysis approaches. Considerations of cultural and self-help approaches to hosting are needed, to mitigate any impact on traditional support practices (Davies 2012).

The approaches outlined above have shown success on multiple levels, especially in the provision of additional, affordable housing stock of a 'liveable' standard to the wider urban community (Fitzgerald 2012; NRC 2015d).

Reviews of available urban shelter programme examples highlight the potential of cash as a **response tool** to humanitarian urban shelter challenges, especially as part of a **wider response package** alongside legal support and livelihood grants and collaboration with governments and private rental actors (CRS 2013; Fitzgerald 2012; NRC 2015c; Fawaz *et al.* 2014). Additional insights pertinent to this review include: the need to fully understand the burden of urban living costs, especially rent,<sup>19</sup> and programme for these accordingly (NRC 2015c; Samuel Hall Consulting 2014; UNHCR 2013) thereby not obliging the use of coping mechanisms to meet these costs (Fawaz *et al.* 2014). Hosting households and host community should also be included as beneficiaries (Davies 2012).

Learning and evaluations indicate that greater consideration should be made of the wider context and the observance of the 'right to adequate housing' approach and not just the technicalities surrounding access to shelter via provision of cash assistance or otherwise (NRC 2015b; NRC 2015c). Recommendations pertinent to this literature review include:

- **Rent subsidies can work:** context-specific analysis of household capacity to assume rental costs following the subsidised period is needed – with/ without the inclusion of livelihood grants and training. In the case of Haiti this was possible with 90 per cent of households managing to assume costs (Fitzgerald 2012). However, due to employment restrictions faced by refugees in Jordan (amongst other contextual factors), this was not as successful with only 39 per cent staying on mainly due to rent costs and lack of incentives to landlords to enable a contract extension (NRC 2015c).

<sup>19</sup>NRC Jordan analysis indicates that rent payments constitute a significant household expenditure for host and refugee households. In refugee households, this can equate to more than half of all household expenses (NRC 2015d).



- **Thinking beyond the physical provision of shelter to wider needs – and the potential role of cash assistance in achieving this:** apart from protection-related needs, household access to health and basic services could be achieved through cash assistance (NRC 2015c; Samuel Hall Consulting 2014).
- **The importance of the humanitarian to development continuum** is underlined in numerous studies. The continuum is needed to improve urban governance, cooperation between government bodies, the private sector and humanitarian actors (amongst others), and address pre-existing vulnerabilities (Howard and Madzarevic 2014; McCallin and Scherer 2015). Additionally, 'Housing responses for urban informal settlers displaced by disasters require consistency and continuity between humanitarian and development assistance to address beneficiaries' immediate needs as well as their underlying vulnerability to future disaster and displacement' (McCallin and Scherer 2015: 9).

### 2.3.5 Multipurpose grants (MPG)

Although a fairly new concept in cash assistance, multipurpose (cash) grants have gained momentum with donors (including the European Union) and agencies (such as UNHCR) that work across sectors, who have seen the value of providing cash transfers to meet multiple needs of beneficiaries through a single resource transfer (UNHCR 2015a; Council for the European Union 2015a). The protracted crisis in the Middle East – a middle-income, urban context, where disaster-affected populations have a high diversity of 'basic needs', many of which are recurring and which can be best met through cash – has led to the design of these programmes which aim to meet household needs across traditional humanitarian sectors through a single transfer of cash assistance. The main difference between a sector-specific unconditional cash transfer and a MPG is the effect on the size of the transfer as the design shifts from meeting one sector-specific need to a range of needs within a single programme. MPG programmes also do not measure success based on achieving outcomes within a particular sector but rather consider outcomes in terms of the overall wellbeing of the household.

The appropriateness of these MPGs is envisaged in contexts when (UNHCR 2015a: 45) there are multiple humanitarian objectives (such as improved food security, shelter etc) that can be met through one transfer (ie cash) and this can often be the case in urban contexts, whilst the complexity and interconnectedness of needs in urban areas renders the single-sector approach of many organisations as ineffective and unfeasible (Dodman *et al.* 2013).

MPG value calculation is based on a multisector and often inter-agency agreed calculation of a 'basket of needs'. Sectors (based on existing examples this includes food security, WASH, education and shelter) calculate the needs for the target population(s). This calculation formulates the 'minimum expenditure basket' (MEB) and 'survival minimum expenditure basket' (SMEB), from which agencies determine the size of the MPG to fill the estimated income gap households face in meeting these minimum needs.

Examples of MPGs in urban areas are increasingly available with the Syria crisis providing a significant amount of research and learning. Experiences in Lebanon are detailed in Annex 3. The benefits and challenges of the approach are discussed further in Section 3.

## 2.4 How CTPs are being implemented in urban emergencies

The CTP examples in this section have highlighted the diversity in cash programming approaches used across the various humanitarian sectors and the movement towards multisector programming and market-based approaches and programming (see Box 2.1). Agencies are varying the duration, frequency, amount, conditionality, and targeting criteria of the cash assistance provided and tailor information provided to the recipients. Agencies are increasingly enabling households to make their own purchasing decisions. Practitioners utilise a range of cash modalities to meet their programme objectives according to the implementation context and to reduce protection risks based on programme learning and good practice.

CTP requires engagement with private-sector actors including traders and wholesalers, financial sector actors and mobile network operatives. Recognising the importance of an effective working relationship with the private sector, humanitarian organisations are investing in developing templates for agreements and contracts prior to the disaster. In some instances large financial service providers (such as MasterCard, Visa and Vodafone) are funding innovative pilot action-research programmes involving their services in a humanitarian response. An example is the partnership between MasterCard Worldwide and Mercy Corps in Nepal where a mobile voucher distribution system that efficiently delivers funds through data applications and SMS messages was piloted (see Box 3.17).

The literature review has identified a number of trends in how these CTPs are being implemented in urban contexts (see also Section 3):

- **The role of host governments as agents of influence in cash programming:** as stated by Cross and Johnston (2011: 44), 'Government officials can be stakeholders as well as gatekeepers'. Futures analysis indicates that governments shall increase their uptake and control of humanitarian cash assistance, drawing on learning from existing government experiences from Sri Lanka (2005), Pakistan (2010) and the Philippines (2013) (Pearson *et al.* 2014) (see Box 3.9).
- **Private-sector relationships are vital,** enabling the humanitarian sector to access the technology needed to enable programme scale-up and improve implementation speed and coverage, especially in contexts of insecurity or dynamic population movements. Urban cash programmes are utilising public-private partnerships with telecommunications service providers and financial institutions to assist the implementation of large-scale cash programmes (Cross and Johnston 2011; Humanitarian Futures Programme 2014).
- **Urban coordination needs to be cross sector:** this element has come to the fore in recent urban-orientated Syria crisis refugee responses and with the use of MPGs, where coordination across sectors is required. Urban programmes require coordination, consultation and reporting to a significant number of government and non-government stakeholders and service providers at various administrative levels, time-consuming tasks requiring the skills of senior management (Cross and Johnston 2011; O'Donnell *et al.* 2009).

## 3

# Opportunities and challenges of CTP in urban areas

The urbanisation of disaster risk presents a departure from 'traditional' humanitarian responses which have been predicated on experiences and realities of rural environments and camps. Urban environments open up particular opportunities but also present specific challenges for inhabitants. Similarly for humanitarian policymakers and practitioners, these and other factors of the urban environment offer opportunities and constraints for cash assistance in response to crises. This section explores the evidence emerging from recent urban emergencies of the enabling factors and constraints for CTP in urban contexts.

## 3.1 Exploiting access to markets and services

Urban inhabitants generally have access to a range of diverse, robust and well-integrated markets for commodities and services and these tend to recover quickly post-disaster. This opens up opportunities for changing the way humanitarian programming through CTP is conceived – going beyond sector-specific objectives to a more holistic understanding of market systems, and considering how assistance can meet immediate survival objectives whilst contributing to broader economic recovery. This section explores emerging evidence from what are relatively new ways of working, including i) meeting humanitarian needs across sectors using multipurpose grants (MPG)

and ii) approaches to livelihoods' recovery including linking cash transfers to training and referrals and understanding and supporting recovery of market systems. At the same time there is evidence emerging of challenges with these approaches.

### 3.1.1 Meeting needs across sectors: multipurpose grants

Experiences of using MPGs in Lebanon are detailed in Annex 3. A global evaluation of ECHO's cash and voucher programmes investigated the cost efficiency and effectiveness of MPGs in these urban contexts. ECHO staff and implementing partners were of the opinion that there was potential for cost-efficiency gains from adopting MPGs, compared to providing a number of different transfers to the same households, by streamlining response through fewer organisations and the consequent consolidation of distribution platforms and rationalising programmes and actors where this is feasible and appropriate (Mauder *et al.* 2015). Similar conclusions were reached in DFID's study on the value for money of response modalities in Lebanon – combining several small transfers into one large unconditional cash transfer per household per month could reduce transaction costs, since it would require fewer agencies and less intermediation, and would decrease transfer delivery fees (Pongracz 2015). Respondents in the ECHO evaluation considered that MPGs have potential to be effective in all emergency

contexts where populations have a diversity of economic needs which can be met through the market, and where provision of a standard fungible allowance can be calculated easily. In responses to urban emergencies seeking to reach large numbers of disaster-affected people, the economies of scale mean the cost savings are likely to be greater.

However, whilst in the Syria-response countries the use of MPG has generally been considered effective in meeting beneficiaries' needs, there is very little conclusive evidence as yet and a number of factors may constrain more widespread adoption of such an approach in other urban emergencies.

For example the ECHO evaluation concludes that whilst efficiency gains can be expected, the size of these gains will be context specific. The Syria response is an expensive operating environment because of the middle-income country context and the cost of supporting one refugee here is at least six times the cost of supporting refugees in Kenya (Maunder *et al.* 2015).

Similarly, the effectiveness of MPGs will also depend on the context. Respondents in the ECHO evaluation considered that not all beneficiary needs or programme objectives may necessarily be best met through a single fungible grant. Examples given included support for shelter needs and livelihoods asset recovery, where cash assistance tends to be given as one or two transfers of relatively high value and because of this is attached to conditions about what it can be spent on.

There were also issues noted in Lebanon and Jordan with: i) the relatively high value of the cash assistance given in MPGs compared to the wages of the urban poor in the host communities; ii) the complexity of targeting in a context of scarce resources and protracted and growing needs; and iii) challenges with coordination between agencies due to perceived concerns about losing 'territory'. Further detail is provided in Annex 3. An evaluation of IFRC's programme in Jordan recommended that the size of MPGs be defined according to the objectives of the intervention but also balanced with existing national minimum expenditure baskets on poverty alleviation or social welfare programmes and with minimal wages, in order not to provoke social unrest within local poor and vulnerable populations (Herrmann 2014).

### 3.1.2 Approaches to livelihoods recovery

**Training and referrals:** in urban emergencies, the diversity and proximity of services and livelihood opportunities provide different opportunities to support livelihoods recovery through cash-based assistance. In a departure from traditional 'cash for work' approaches, urban CTPs have sought to improve income-generating capacity and recovery of crisis-affected

households in other ways, with cash assistance for small entrepreneurs, cash linked to vocational training, and provision of conditional cash grants for productive asset purchases, linked to training in establishing small businesses (MacAuslan and Crawford 2012; MacAuslan and Phelps 2012; Wiseman 2011;; Maynard 2015; SCUUK 2015). This is not a uniquely urban approach, but the urban environment means there is greater opportunity for such programming, as demonstrated in Box 3.1. Some programmes have provided referrals for vulnerable CTP recipients to health and psychosocial services to address further needs and better support livelihoods recovery (MacAuslan and Crawford 2012). Concern Worldwide's and Oxfam's experiences in Kenya are highlighted in Annex 3.

#### BOX 3.1 LESSONS FROM LIVELIHOODS RECOVERY IN URBAN AREAS OF THE PHILIPPINES

DFID conducted a review of lessons learnt from the Typhoon Haiyan response in the Philippines. The study highlighted that disaster-affected populations in urban centres pursue a wide variety of livelihoods and with significant diversification within each market. Agencies aiming to support livelihoods rehabilitation found it possible to meet needs of such a diverse population through CTP, combined with 'menus' of assistance options based on rigorous analysis of local markets, the capacity of beneficiaries and their desires for the future. CTP provided the flexibility to adapt assistance to suit individual needs. Programmes benefited more from the proximity of a range of training partners and service providers than rural areas as well as greater opportunities for employment.

Source: Maynard (2015)

That said, lessons from several CTPs that aimed to support both basic needs and livelihoods recovery show that success is not guaranteed in urban areas. As noted from programme experiences in Haiti, Lebanon and Gaza (Box 3.2) and in Kenya (Annex 3) this requires a detailed understanding of the market system including the local or wider demand for products or services and the level of competition, and of the critical bottlenecks that people are facing in accessing income-generating opportunities. As Oxfam's experiences in Haiti in Box 3.2 demonstrate, not taking into account the state of play of the market before the disaster or engaging with the regulatory environment can lead to unchecked proliferation of businesses. Similar challenges were experienced in municipalities in the Philippines as a result of agencies' support for livelihoods recovery in the aftermath of Typhoon Haiyan (Pelly *et al.* 2015).

Meanwhile the Kenya experiences in Annex 3 and SCI's experiences in Lebanon (Box 3.2) demonstrate that access to finance and training are not the only barriers that very poor and vulnerable urban dwellers face in establishing sustainable microenterprises. There may be a disconnect between agencies' desire to meet the humanitarian needs of the poorest and most vulnerable and the objective to support livelihoods recovery, with the latter perhaps better focused on the relatively better off.

**A market systems approach:** a wealth of CTP evaluations in rural contexts have highlighted that disaster-affected households use cash transfers to repay debts which is often a major coping strategy during times of crisis. There is evidence emerging that in urban emergencies access to credit is vital for the urban poor to cope with crises.<sup>20</sup> CTP can allow these households to repay loans and re-establish good credit lines. Thus an understanding of the credit market in urban areas and of the linkages between wealth groups can allow CTP in urban areas to address not

## BOX 3.2 CHALLENGES OF CTP FOR LIVELIHOODS RECOVERY IN URBAN CONTEXTS

### Cash and training for livelihoods recovery: understanding market and capacity constraints

As part of its food security and livelihoods programme for Syrian refugees and host communities in Lebanon, Save the Children International (SCI) implemented a Home-Based Skills Development Programme (HBSD) for vulnerable refugee and host community women. This provided a monthly cash transfer of US\$200 for 3 months for basic needs, conditional upon attending a 20-day home-based livelihoods skills training course. Beneficiaries received a kit of livelihood assets and training was provided in soap and bread making, food processing and dairy production – things SCI considered could be done in the home, would not compete with the local labour force and would be permitted under the government of Lebanon's restrictions on employment for refugees. Evaluation of the programme identified that the CTP had been much needed by households. However, the impact of the programme on livelihoods recovery was limited due to several factors:

- A market demand assessment to inform selection of the livelihood skills was not conducted, meaning there were limited markets for beneficiaries to sell their goods and services to.
- Targeting the most vulnerable beneficiaries, logical for the cash transfer, was not of most use from the perspective of achieving livelihoods objectives since the most vulnerable households were not necessarily likely to succeed in building skills for sustainable livelihoods.
- Training sessions were too short to have a large impact on beneficiary skills capacity.

Source: Integrity (2014)

### Oxfam's cash for livelihoods recovery in Haiti: the importance of understanding regulations

Following the earthquake in Haiti in 2010, Oxfam implemented a cash-for-livelihoods recovery project in Port-au-Prince, providing grants to over 10,000 informal sector workers to rebuild or start small businesses. A review of the programme found that development of the informal economy (from this and other initiatives of aid agencies) led to proliferation of petty trades and informal businesses within the city, hampering authorities' efforts to regulate the urban economy. For example, beneficiaries constructed small structures to conduct their business in, but these were built without any authorisation. This illustrates the need for practitioners working in enterprise recovery to understand and link with local regulations.

Source: Macauslan and Phelps (2012); Young and Henderson (2011)

### Oxfam's cash for livelihoods recovery in Gaza: the need for market analysis and business planning

Oxfam in Gaza provided CTP to conflict-affected households to improve food security and small-scale income generation (animal breeding and urban agriculture). A programme review concluded there was insufficient analysis of the market. This included a lack of consideration of the inputs required for sustainability of activities such as gardening, which requires high water consumption, or of the profitability of the produced assets (since vegetables were already easily accessible on the market). Therefore a large majority of recipients failed to sustain the activities in central urban areas.

Source: Macauslan and Phelps (2012); Young and Henderson (2011)

<sup>20</sup>The Kenya Food Security Steering Group of 2011 gauged that, in emergencies, 40 per cent of the urban population is dependent on accessing credit to buy food (Brady and Mohanty 2013) whilst assessments during the Syria crisis confirm that close to 90 per cent of Syrian refugee households have taken on debt to meet their basic needs (Buecher *et al.* 2014).

only survival needs but also better support livelihood protection and promotion and build resilience to crises.

Oxfam's recent experiences analysing the credit system in Mukuru informal settlement in Kenya are detailed in Box 3.3. This highlights implications for humanitarian CTP including the need to look beyond impacts of CTP on individual commodity markets, and for programmes to target and support not only the poorest. However, understanding credit systems, and addressing needs of the better-off wealth groups have not been a traditional humanitarian activity. There were no examples of programming found that had set out to address recovery of the credit market and very few examples of programmes seeking to support recovery of wealthier sections of the community (besides the few cases of grants for recovery of traders listed in Section 2).

### 3.1.3 Understanding market constraints in urban areas

Whilst the typical and expected urban context is of robust market systems which can respond to increased demand created by cash for particular goods and services, supply may be inelastic. This can result in humanitarian interventions having unintended impacts on urban livelihoods on account of inflation in the price of and/or competition for services, affecting both targeted households and other vulnerable groups within the community. In Annex 3, the Kenya case study provides detail of how this can limit the effectiveness of a programme linking CTP to referral services.

**Rental markets:** understanding the complexity of rental markets and the barriers to adequate shelter is important if CTPs are to anticipate their longer-term impacts. As noted in Section 2, rental markets provide opportunities to provide shelter to crisis-affected urban populations through cash assistance. Humanitarian programming has been providing cash support for rent, shelter and self-recovery (see Annex 3). As outlined in Section 2, urban informal land and housing markets are highly complex and are comprised of a variety of ownership patterns, tenure and living arrangements (Brown *et al.* 2015). Studies in a number of urban contexts (Amman, Damascus, Gaza Strip, Kabul, Nairobi, Yei, and Peshawar) show that rental prices are rising, putting pressure on urban land and rental markets, so that in displacement situations, increasing demand for housing may exacerbate existing market pressures (*ibid.*). Studies highlight that provision of shelter assistance in urban areas must be understood within the broader context of housing, land and property issues such as housing stock, tenure arrangements, and legal rights (NRC 2014a; IASC 2010; Pavanello 2012).

The Syria refugee crisis is a well-documented example of this challenge. There has been a move by agencies to provide refugee families with cash assistance for rental needs.<sup>21</sup> In Lebanon, government policies on shelter and housing issues led to a growing scarcity of affordable housing in the country long before the onset of the crisis in Syria. This low supply twinned with the huge influx of refugees, plus lack of information on the housing market, lack of regulations and high

## BOX 3.3 THE CREDIT MARKET IN KENYA AND IMPLICATIONS FOR HUMANITARIAN CTP

The urban poor in Kenya often have expenditure needs greater than monthly income. Families resort to a range of coping strategies in which debt and credit play a huge part. In Nairobi's informal settlements Oxfam undertook an assessment of the credit market system. The study highlighted that:

- Credit is available in a number of forms, and the poorest face barriers to accessing different forms of credit.
- The **formal** credit market system is inaccessible to the urban poor due to lack of collateral, formal identification required by commercial banks and prohibitive interest rates charged by microfinance institutions (MFIs).
- The **informal** credit market is hugely important to the urban poor and small traders are a vital part of this system since they provide small lines of credit to poorer households. This illustrates the critical interactions of different wealth groups in supporting resilience to shock for the poorest.
- During emergencies, small traders can themselves be greatly affected and can become impoverished by the crisis, which has knock-on implications for credit provision for the poor and therefore resilience of the population.
- The report concluded that cash assistance to this wealth group as well as to poor households should be considered to protect their livelihoods and for the credit market to recover quickly.

Source: Brady and Mohanty (2013)

<sup>21</sup> UNHCR estimates approximately 40,000 Syrian refugee families received some form of rental assistance in Lebanon during 2013 (KDS 2014)

informality of rental arrangements has led to increases in rent (KDS 2014). There has been some concern that cash for rent payments have contributed to these rising rents for Syrian refugees and some donors subsequently curtailed such programmes (ECHO 2015). Several studies conclude that without improved market regulation or actions to reduce the supply-side constraints, the risks of price increases and further competition between Syrian refugees and the poorest Lebanese associated with additional cash assistance are significantly higher (KDS 2014, Fawaz *et al.* 2014).

A study on HLP issues in Lebanon cited that rehabilitation support is more expensive per capita and that this plus the pressure of dwindling funds means humanitarian programmes have focused on the short-term shelter-support needs of the most vulnerable through cash assistance rather than taking a more development-oriented approach to address the broader market constraints (Fawaz *et al.* 2014). The current approach to cash assistance addresses the symptoms, rather than the strategic challenges of a protracted crisis, which must be based on a clear understanding of this informal market context. This is in many ways a new way of working for humanitarian agencies and requires a developmental approach, a detailed understanding of a complex market and the impact of the policy and regulatory environment on the market.

Some agencies have called for rental support to be linked with rent controls or long-term price agreements, or advocacy for changes in government policy relating to tenure security. Others consider that such mechanisms face serious difficulties in enforcement given the complexity of the informal market that is emerging (KDS 2014). Other considerations are for innovations alongside cash assistance to offset any risks of rental subsidies and/or financial support to refugees (Pongracz 2015). This includes actions to support a more efficient performance of the rental market such as establishment of referral networks or information centres to assist tenants and landlords in matching supply with demand; and cash incentives to property owners to bring new stock to the market to address the serious supply constraints linked to actions to raise awareness of Lebanese laws protecting their property rights. NRC's experience with such an approach in Jordan is detailed in Annex 3. This and the above experience illustrate the importance of collaboration with governments and of linking humanitarian CTP to development policy and programmes. This issue is explored further in Section 3.3.

## 3.2 Use of e-payments to deliver cash in urban emergencies

Section 2 highlighted a number of benefits of electronic payment systems for CTP, and of the feasibility of programmes using these systems in urban areas. In urban displacement contexts humanitarian agencies are increasingly using e-payments as the preferred cash delivery mechanism. Recent experiences of delivering cash assistance as part of the Syria refugee crisis response show the benefits of utilising e-payments in these contexts where the financial sector is highly developed and ATM services have high penetration in urban and peri-urban areas of Lebanon and Jordan (Box 3.4 and Annex 3).

### BOX 3.4 POSITIVE EXPERIENCES OF DELIVERING CASH THROUGH E-PAYMENTS IN JORDAN

In 2013 IFRC delivered cash to Syrian refugees residing in urban areas in Jordan through pre-paid cards accessible through the ATM network. Evaluation of the programme showed that the vast majority of beneficiaries interviewed were highly satisfied with the card system, which provided great flexibility for beneficiaries to access funds where and when they chose, without the need to queue, guaranteeing freedom of movement and allowing some of the transfer to be stored on the card until needed.

Source: Herrmann (2014)

UNHCR in Jordan is delivering cash assistance to Syrian refugees through a pre-paid card service provided by the Cairo Amman Bank. This is the first operation in the world to deliver cash assistance using iris-recognition technology to prevent fraud, a feature of client identification procedures at the bank's ATMs. In 2014 UNHCR reported that the iris-recognition system has not had a single fail in the millions of transactions across all accounts, impacting positively on cost efficiency and effectiveness.

Source: Sibson (2015)

These benefits are not only seen in middle-income contexts. In Kenya and Somalia, good mobile network coverage and the rapid growth of the mobile money branchless banking system in Nairobi and Mogadishu has made it possible to deliver humanitarian aid safely and cost effectively in insecure environments, as illustrated in Annex 3. Indeed, Concern Worldwide's and Oxfam's experiences piloting mobile money transfers in Mogadishu highlight the benefits of partnering with the private sector in fragile environments where state capacity is limited (Concern Worldwide 2013, Oxfam GB 2012). Similarly in Niger, Afghanistan, Zimbabwe and Côte d'Ivoire, e-payments have proved to be an effective delivery mechanism for CTP in urban emergencies (Box 3.5).

However, leveraging these benefits in urban areas cannot be taken for granted since the development of networks and supporting infrastructure will still vary greatly from country to country and between urban locations. In urban areas where the service infrastructure is less developed (or is damaged post-disaster) this will create barriers to access for

beneficiaries. Evidence shows that there are additional factors that can constrain access to and the efficiency and effectiveness of e-payment systems in urban emergencies. These include lack of prior experience or literacy levels of beneficiaries and regulatory constraints (Box 3.6).

When taking into account the age, capacity and familiarity of beneficiaries with the technology and the set-up costs involved, the most efficient and effective cash-delivery mechanism for some urban CTPs may well be a more traditional over-the-counter mechanism (Box 3.6). There is also the option to transfer funds through multiple channels (see Box 3.7). This implies that it will still be necessary for practitioners in low-income countries (LICs) and middle-income countries (MICs) to understand all the delivery options available and their relative strengths and weaknesses. Some reviews have highlighted that this can be time consuming and difficult to undertake post-emergency (eg Smith 2015) and should be addressed as part of preparedness.

## BOX 3.5 POSITIVE EXPERIENCES OF E-PAYMENTS IN URBAN EMERGENCIES IN LOW-INCOME COUNTRIES

**Delivering cash to refugees in Niger:** in 2013, Save the Children implemented a four-month CTP for Malian refugees settled in Niamey who received the transfer either through a mobile money transfer or over the counter at a MFI. A study comparing the effectiveness of the two delivery mechanisms found that the proximity of the mobile money cash-out points in the urban area reduced both transport and opportunity costs for beneficiaries. Beneficiaries appreciated this as well as the flexibility and security that the mechanism was perceived to confer relative to the MFI mechanism. Another added value stated by beneficiaries was the opportunity for increased communication with family back home.

Source: Creti (2014)

**Beneficiary experience of mobile money transfer in Afghanistan:** DFID funded a pilot programme which delivered emergency cash assistance to urban beneficiaries in northern Afghanistan through Roshan's mobile money transfer system M-PAISA. Evaluation showed that all the mobile cash transfer beneficiaries trusted the system and 96 per cent were either 'very satisfied' (51 per cent) or 'satisfied' (45 per cent) with this distribution mechanism.

Source: Samuel Hall Consulting (2014)



## BOX 3.6 CHALLENGES OF USING E-PAYMENTS IN URBAN EMERGENCIES

**Infrastructure constraints:** in 2012 WFP provided monthly cash assistance during the lean season to 11,000 households in three urban areas of Niger. The sum was distributed using a mobile token which beneficiaries had to cash out at an agent of the mobile network operator. WFP experienced difficulties with network coverage even in urban areas and stopped the mobile token in one location after one transfer owing to poor connectivity.

Source: O'Brien et al. (2014)

**Experience and familiarity:** for IRC's and Save the Children's Lebanon programmes providing cash assistance to meet Syrian refugee's basic needs, the ATM card mechanism was selected. Despite the middle-income country context and extent of service development in Lebanon and Syria, IRC found that less than 3–6 per cent of beneficiaries had previous experience using an ATM card and Save the Children found that 88 per cent of women and 75 per cent of men could not use an ATM card and required training.

Source: Campbell (2014); Integrity (2014)

The study of the effectiveness of delivery mechanisms on Save the Children's CTP for Malian refugees settled in Niamey found that the mobile phone delivery mechanism could be more cost-efficient than the MFI mechanism in this context, but only after the relatively more expensive set-up costs associated with the

mobile money method were off-set. This was due to the beneficiaries' low level of familiarity with the mobile technology, which made training necessary. The study estimated that it would take 10 months to offset these costs. The study highlighted that if beneficiaries had been more familiar with the technology, the off-set period until mobile money became more efficient than MFIs was reduced to four months, thus context is very important.

Source: Creti (2014)

**Literacy:** in Lebanon, Save the Children found that 42 per cent of respondents asked for training on how to read the instructions to operate the card, indicating that any information materials should be pictorial.

Source: Integrity (2014)

**Regulatory constraints:** in Kenya, a legal requirement to open a mobile money account is to have a national ID card, which vulnerable populations in informal settlements (refugees, child-headed households, the elderly, and those with some problem of legal status) do not have. For Concern Worldwide's and Oxfam's cash programme, 10–15 per cent of the proposed women beneficiaries lacked ID cards; 5 per cent were unable to access such ID and therefore could not be reached through this transfer method.

Source: Smith and Abdulla (2012)

## BOX 3.7 WFP'S EXPERIENCES OF DELIVERING CASH IN THE PHILIPPINES

In 2012, the Philippines had 19.3 ATMs for every 100,000 adults and 13.2 per cent of the population had a debit card. However, these ATMs are predominantly based in cities, with only 463 ATMs serving the 573 rural and cooperative banks.

The government of the Philippines implemented a large-scale social protection programme Pantawid Pamilyang Pilipino Program (4P) – reaching over 4.4 million poor households in 80 provinces, in urban, peri-urban and rural areas. Payments were distributed through bank branches, ATM cards and over the counter through remittance companies and the postal service.

When Typhoon Haiyan caused widespread devastation across the country in November 2013, WFP implemented the Emergency Cash Transfer Top-up project, using the 4P programme's existing payments' platform to deliver humanitarian assistance to 500,000 4P beneficiaries who were affected by the disaster. The project made almost 200,000 payments totalling US\$5.8 million via cash card (31 per cent) and over-the-counter (69 per cent) mechanisms. In urban areas cash cards were the primary channel and recipients praised the convenience of ATMs. However, some ATMs did go off-line post-emergency due to the widespread damage to electricity. During this period WFP benefitted from the 4P programme's over-the-counter payment network.

Source: Zimmerman and Bohling (2015)

### 3.3 Engaging with governments and coordinating CTP

The importance of the coordination of stakeholders including government, humanitarian agencies and the private sector as a pre-requisite to the effective scaling up of CTP has been well documented (Smith (2015); Kauffmann (2012b); IFRC (2014)), as has the need to plan and resource this appropriately. Studies have highlighted the complexity of the institutional landscape for programming in urban contexts relative to rural areas, which humanitarians need to understand and deal with. For example, a study of disaster response in four crisis-prone cities highlighted that distinctive features of all the cities were the high number and diversity of national and municipal authorities, national and community organisations, the private sector and municipal service-delivery bodies which could respond to the disasters and crises (Barcelo *et al.* 2011). Therefore, it could be argued that the scale and complexity of urban disasters and the number of stakeholders involved increase the need for effective partnerships and coordination as compared to rural emergencies.

Another review points out that in urban contexts agencies may need to consult and coordinate with national and local governments, urban governance institutions, unofficial gatekeepers and militias (Pavanello 2012). Experiences of CTP in Somalia (Annex 3) provide such an example. Pavanello explains that the complex interplay between urban governance and administration systems, service provision and markets requires humanitarian response programmes to be based upon analysis and understanding in domains that have not been the typical remit of humanitarians (for example housing, land and property issues). Establishing partnerships with governments are essential to tackle these multiple challenges and to embed response programming within the context of longer-term development systems.

Current thinking on how CTP should be coordinated between actors divides the functions of cash coordination into strategic, operational and technical coordination. In recent years there have been concerted efforts on the part of actors implementing CTP to better coordinate and harmonise activities between agencies. This has predominantly been through the establishment of cash working groups (CWGs), a mechanism seen in emergency responses in Haiti, Pakistan, Somalia, Syria

crisis response countries, Ukraine, Philippines and most recently Nepal.

#### 3.3.1 Engaging with governments in urban CTP

Emergency response efforts of international organisations should always aim to engage with governance structures and be cognitive of the policies, rules and regulations of the countries they are operating in. Reviews of urban disaster response have shown that national and local government agencies are almost always more present in cities than in rural areas, and often focus more attention on urban than on rural areas (Barcelo *et al.* 2011). This proximity and engagement can be advantageous for humanitarian agencies seeking to coordinate with government on CTP and experiences in recent emergencies point to the benefits of doing so – particularly of engagement with local government and municipal authorities. Box 3.8 provides evidence from CTPs in Haiti and the Philippines. Concern Worldwide's and Oxfam's experiences of engaging with local and national authorities in Kenya (Annex 3) show the benefits of such collaboration in terms of linking relief to development programming.

However, coordination with authorities in urban contexts may present specific challenges. A number of reviews of humanitarian programming in urban contexts highlight that there are more government departments to deal with which may also have overlapping responsibilities (Sanderson and Knox Clarke 2012; Creti 2014; Cross and Johnston 2011; Pavanello 2012). A related issue is the level of turnover of staff in government departments which is a barrier to the institutionalisation of knowledge of CTP in emergencies. Government policies may also restrict cash transfer programming options or limit their effectiveness.

Addressing governance issues has been challenging in contexts where authorities are against the provision of CTP as a response modality or where other government policies act to constrain the effectiveness of cash programming, something that was particularly evident in the ongoing Syria crisis response (Box 3.9). Cash assistance remains a sensitive political issue in national development programmes and this can present a barrier to use of emergency CTP if this is seen to conflict with broader welfare policy.<sup>22</sup> On the other hand there is also a perceived risk that governments may wish to engage with but also have greater control over CTP in emergencies (Humanitarian Futures Programme 2014).

<sup>22</sup> This is the case with CTP programmes in Ethiopia (Phelps, 2015).

## BOX 3.8 POSITIVE EXPERIENCES OF ENGAGING WITH AUTHORITIES ON URBAN CTP

Following the earthquake in Haiti, six UN agencies implemented cash-for-rent pilot initiatives, aiming to support the closure of camps. A lessons learnt study found that the most successful programmes were those where the government of Haiti supported coordination, both in providing leadership in strategic planning through the Ministry of the Interior and by being operationally involved through mayoral involvement in registration and complaints response. Strategic coordination by the government was also of value during monitoring and evaluation.

Source: Fitzgerald (2012)

During their CTP in Port-au-Prince, the British Red Cross found that developing a strong relationship with government and municipal authorities, ensuring they are informed and involved in important programming decisions, was crucial for the legitimacy and the effectiveness of programming.

Source: Sokpoh (2011)

During the response to Typhoon Haiyan in the Philippines, agencies found that there were higher levels of staff, skills and expertise within Tacloban City government than in the local governments in rural areas, which supported integrated recovery planning and programme design.

Source: Maynard (2015)

## BOX 3.9 CHALLENGES OF COORDINATING WITH NATIONAL GOVERNMENTS ON CTP

Several programme reviews and in-country research cite that in the initial phase of the Syria response in Lebanon the government was against CTP. Until late 2013 and the onset of the inter-agency winterisation programme, the government had only allowed small-scale cash interventions due to concerns about creating dependency and the impact of large-scale CTP for refugees in areas with high concentrations of poor Lebanese on security benefits. A review of lessons learnt from the response to date shows donor, agency and ministry staff considered this to be at least in part because relationship building by international organisations with the government was superficial and that more efforts should have been made earlier in the operation.

A major constraint to sustainability of outcomes from CTP in Lebanon and Jordan is the continued policy stance of the governments of both countries against refugees engaging in income-generating activities. A number of programme evaluations

highlight that this means cash programme outcomes have little sustainability after programme exit and that households risk falling further into poverty without additional long-term cash assistance. In the context of dwindling humanitarian assistance this is a challenge. Reviews and assessments have made recommendations to engage and advocate with authorities to create a more enabling political environment that will allow refugees to engage in income-generating activities. SCI's Home-Based Skills Development Programme aimed to work with municipal officials to seek a way around this impasse. Municipal authorities were more amenable to this livelihoods project since it did not compete with those that were already well established in the local area and the project involved Lebanese and Syrians equally.

Sources: Sloane (2014); Herrmann (2014); Buecher et al. (2014); ECHO (2015); Pongracz (2015); NRC (2015c); Integrity (2014)

International aid agencies are not well known for their expertise in partnering with governments – something which was also recognised in the Syria refugee crisis response in Lebanon (Box 3.9) and which needs to change. Who within the humanitarian systems should be engaging with governments on strategic issues relating to CTP, and how this should be undertaken? There is a need for leadership in this area and for coordinated engagement to reduce the risk of overburdening government departments.

### 3.3.2 Coordination between actors implementing CTP in urban areas

Key informant responses relating to cash working groups (CWGs) covered both rural and urban areas, and documented lessons relating to coordination do not make a distinction between rural or urban contexts. Rather, they relate to the enabling factors and challenges about cash coordination per se. However, given the proximity of agencies working in urban areas

and the increased risks of tensions or insecurity in urban areas noted in section 3.4, these challenges present a more critical issue in the context of urban emergencies.

There have been some coordination successes through these CWGs, specifically around sharing of information on who is doing what and where, the harmonisation of cash assistance values, sharing tools and linking to private sector delivery partners (Kauffman 2012b; Smith 2015; Hedlund *et al.* 2013; Herrmann 2014). In the case of the Syria refugee crisis in Lebanon this collaboration of agencies enabled the adoption of harmonised cash assistance across sectors through the design of MPGs, harmonisation of targeting, and the established banking infrastructure in the urban and peri-urban areas is allowing for harmonisation of delivery platforms (ECHO 2015; Seferis 2014; see also Annex 3).

Efforts to coordinate operational and technical aspects of CTP across actors have met with challenges. The humanitarian community is learning from these challenges, with coordination improving from the first initiation of a CWG in Haiti, as evidenced from experiences in the Philippines (Smith 2015). An issue noted in the Philippines was the number and diversity of stakeholders in urban areas including 'non-traditional' actors (such as religious groups and the private sector) that were providing cash assistance, but who are not included in the CWG and thus excluded from the cash coordination system (Smith 2015).

There have been particular challenges with cash coordination at a strategic level noted in Haiti, Somalia, Philippines and Lebanon due to limitations of the humanitarian coordination architecture which is organised sectorally. This makes integration of a CWG (where cash can meet multisectoral objectives) difficult and continues to promote analysis of crises in a piecemeal fashion rather than holistically (ECHO 2015; Pavanello 2012; Pelly 2015; Smith 2015; Kauffman 2012b). This mechanism is not conducive to dealing with urban emergencies where the interconnectedness and complexity mean that it is important to retain focus on the 'bigger picture' – and there is a need to adapt coordination mechanisms to the urban setting (Pavanello 2012).

The lack of engagement of the CWG with the private sector more broadly was a missed opportunity noted in the review of cash coordination in Philippines (Smith 2015). Private sector actors such as the Chamber of Commerce considered that CTP could have benefited from and complemented efforts of private-sector actors to map market recovery and to re-establish market chains for fast-moving consumer goods, supporting more rapid economic recovery in urban areas. This

review highlighted no examples of international agencies coordinating or collaborating with the private sector on CTP design in this manner.

## 3.4 Mitigating protection risks of CTP in urban areas

### 3.4.1 The nature of protection risks in urban areas

Whilst protection risks will be context specific and driven by the nature of the emergency and socio-economic and cultural factors, a review of the literature shows that there are some characteristics of urban vulnerability that mean protection concerns about urban CTP are likely to differ from those in rural areas.

**Protection risks for women and girls:** in contexts where women remain marginalised socially and economically, urban informal settlements may have a higher proportion of female-headed households, since the more individualistic livelihoods and greater access to informal income-earning opportunities can offer economic independence for abandoned and divorced women or those seeking to leave abusive relationships, which may not be available in rural patriarchal societies (MacAuslan and Crawford 2012; Abdulla *et al.* 2012). Similar trends have been documented during conflicts and protracted crises, with assessments highlighting the high proportion of female-headed households amongst Syrian refugees in Lebanon and Jordan (Campbell 2014; Integrity 2014). This opens up specific gender-related protection vulnerabilities that programming needs to consider.

For example, there are increased cases of violence against women and girls in urban areas and informal settlements post disaster and during conflicts in low-, middle- and high-income countries including Dominican Republic, New Zealand, the USA, Philippines and Haiti (Maynard 2015; Sanderson and Knox Clarke 2012; Hedlund *et al.* 2013). Vulnerability assessments during the Syria crisis have shown that female-headed households in Lebanon and Jordan have less housing security<sup>23</sup> (lack of access to housing contracts; more likely to pay more rent in advance; higher risk of eviction), less experience of providing for their families and fewer opportunities to earn a wage (Buecher *et al.* 2014; Campbell 2014). Gender-based violence (GBV) assessments have highlighted that many refugee women and girls are at risk of GBV as stress and tensions within and between households increase on account of lack of economic security and overcrowding (Campbell

<sup>23</sup> According to NRC this is because they are seen by landlords as higher-risk tenants since they may have greater difficulty accessing productive livelihoods (Phelps 2015).

2014). Women in urban emergencies are also shown to be at risk of negative coping strategies such as survival sex (Sami *et al.* 2014; Buecher *et al.* 2014; Abdulla *et al.* 2012) or may be more exposed to GBV during periods of aid distribution (Hedlund *et al.* 2013).

**Protection risks facing children:** urban areas are characterised by a higher proportion of street children than rural areas. Whilst schools tend to be more accessible in terms of location in urban areas there are more likely to be financial barriers to access (such as school fees and transport costs) and this plus the opportunities for children to engage in income-generating activities in urban areas means more children are out of school and working on the streets during the day (MacAuslan and Crawford 2012; Calvot 2014; Buecher *et al.* 2014; IRC 2013; Lehmann and Masterson 2014). Several studies of vulnerability in the Syria crisis response countries point to the resort to negative coping strategies such as child labour and child marriage (Buecher *et al.* 2014; IRC 2013).

**Lack of social capital and insecurity:** urban areas tend to be characterised by lower levels of social cohesion, something that has been identified in reports and assessments relating to Mogadishu, Nairobi informal settlements and the urban centres hosting refugees in the Syria crisis-affected countries (Hedlund *et al.* 2013; MacAuslan and Crawford 2012; Lehmann and Masterson 2014; Calvot 2014). The low levels of social capital and trust have important implications for households' responses to crisis and for protection. Due to these factors and the high levels of poverty in urban areas, crime and insecurity may also be more severe, documented in reviews of CTP in Kenya, Lebanon and Haiti (Abdulla *et al.* 2012; Austin 2010; Sivakumaran 2011; Sokpoh 2011; Twose *et al.* 2015).

**Discrimination and harassment:** urban dwellers – especially in impoverished and informal settlements of the city – can also be exposed more frequently to harassment or rights violations from authorities, and to negative impacts of government interventions – for instance in clearing informal housing. In Jordan and Lebanon the risk of eviction is increasing for Syrian refugees, which carries significant protection risks. Local authorities in some areas have also started to crack down on refugees working informally whilst in Jordan it is becoming increasingly difficult for those living in urban areas outside of camps to obtain and/or renew their registration status, leaving many without legal status and without access to essential services (Zetter and Ruaudel 2014; NRC 2015d; IRC 2013). Similar challenges have been noted elsewhere such as in Zimbabwe in 2005 when the government of Zimbabwe launched a demolition and eviction

campaign to remove 'illegal structures' in informal urban settlements, leaving 700,000 urban residents homeless and destroying the livelihoods of an estimated 2.4 million others (Brady unknown). Urban environments pose a challenge for people living with disability since they are excluded from accessing basic services and public amenities (Reilly 2010).

### 3.4.2 CTP and mitigation of protection risks

CTPs in urban areas can be designed to mitigate the specific protection risks facing vulnerable groups. As a minimum these risks should be considered in the design of the programme so that it does not increase these risks. Effects on protection risk and gender dynamics will be context specific, and will depend on the underlying barriers and vulnerabilities in the urban area due to the type of emergency and socio-cultural context. However, there is some evidence from the countries studied in this literature review that CTP in urban areas can contribute to reducing some of these protection concerns. This includes improvements in intra-household relationships and inter-household relationships and social cohesion; and in reducing negative coping strategies. Programmes in urban areas that can take advantage of partnerships with e-payment service providers can also reduce protection risks associated with insecurity during CTP implementation. Examples of experiences are shown in Box 3.10 whilst experience in Somalia is detailed in Annex 3.

The literature review did not identify any evidence of the impact of urban CTP in mitigating protection risks of the elderly or people living with disabilities. This is in line with findings of a recent literature review of UNHCR on protection outcomes in CTP, which found that attention has focused on the impacts of cash and vouchers on vulnerable children and women and less on other vulnerable groups such as those with disabilities and older people (Berg and Seferis 2015).

There have also been mixed findings with regards to the impacts of CTP on child protection risks, mainly as child protection issues are complex, with issues other than economics at their origin (*ibid*). Nevertheless the review found evidence that cash assistance targeted at the household does have a number of positive impacts on child wellbeing and child protection since it reduces the likelihood of recourse to negative coping mechanisms which put children at risk such as dropping out of school and child labour (Berg and Seferis 2015).

## BOX 3.10 POSITIVE IMPACTS OF CTP ON PROTECTION ISSUES IN URBAN AREAS

**Positive impacts on household relationships:** on Concern Worldwide's CTP for food-insecure female-headed households in informal settlements in Nairobi, a study into the gender impacts of the programme found that married men did not mind that their wives were the primary recipients since in this context women commonly hold the household funds. Some men who had previously been absent returned home, feeling less pressure to 'provide'. The cash transfer reduced tensions in many households.

Sources: Berg and Seferis (2015); Concern Worldwide and Oxfam GB (2011)

**Positive impact on social cohesion:** a positive impact of SCI's HBSD programme for vulnerable female-headed households in Lebanon was the extent to which it strengthened social cohesion between Syrian refugees and Lebanese beneficiaries. The cash transfer was the only reason that many participants, particularly Syrian refugee women, reportedly joined the programme. However, as part of the programme women came together in training and activities for establishing businesses. Beneficiaries consistently reported achieving a greater understanding of each other, as well as a willingness to continue to work together, important since tensions between refugees and host communities are noted to be rising as the crisis continues.

Source: Integrity (2014)

**Reduction in negative coping strategies:**

evaluation of IRC's cash assistance programme for basic needs of refugees in Lebanon found that cash assistance increased children's access to school by increasing the parents' ability to cover the necessary costs and decreasing the need to send children to earn money, which decreased child labour. A number of vulnerability assessments of agencies in Lebanon and Jordan have recommended cash assistance to refugee and vulnerable host community households as a way to support school attendance and reduce child labour and other negative coping strategies

Sources: Lehmann and Masterson (2014); Buecher et al. (2014); IRC (2013)

**Reducing risks of cash delivery:** on Concern's CTP for food-insecure female-headed households in informal settlements in Nairobi the cash transfer was paid monthly through the M-Pesa mobile money transfer system. A major benefit of this was that it was found to support the safe transfer of funds to women in the highly insecure context of urban slums. Funds delivery was not publicly advertised as recipients received a text and could then go to collect the money when it was convenient for them and did not need to travel with or store large sums of money.

Source: Concern Worldwide and Oxfam GB (2011)

### 3.4.3 Challenges of addressing protection concerns related to CTP in urban areas

However, taking account of protection concerns in CTP design is by no means consistent in rural or urban areas. A recent literature review examined whether the use of cash and vouchers is contributing to the promotion of protection and gender outcomes for beneficiary communities (Berg and Seferis 2015). The review found that CTP objectives tend to relate to increased material or food security and that setting protection objectives or monitoring protection outcomes is seldom done. Many CTPs still do not comprehensively consider broader protection concerns or specific protection risks linked to vulnerability (due to age, gender or diversity) in programme design, which has led to protection risks on programmes (ibid). This review has highlighted examples of where cash assistance in urban areas had

inadvertently contributed to protection risks (Box 3.11). Even where programmes intended to mitigate protection risks, a lack of analysis has limited impact.

Studies in Kenya, Lebanon and Jordan all highlight the lack of and need for detailed analysis of protection and gender issues at the CTP design stage to ensure that, as a minimum, protection risks are identified and addressed (Campbell 2014; Concern Worldwide and Oxfam GB 2011). There was also recognition in several reviews that cash assistance alone cannot meet all protection needs and that there is an urgent need for economic assistance programmes to be complemented by psychosocial support services and protection monitoring (Campbell 2014; Abdulla *et al.* 2012; NRC 2015d). There was also mentioned a need to consider the contribution of other non-economic factors such as the cultural acceptance of early marriage and some GBV practices when setting objectives to reduce such negative coping strategies (Campbell 2014).

## BOX 3.11 NEGATIVE IMPACTS OF CTP ON PROTECTION ISSUES IN URBAN AREAS

### **CTP contributing to increased insecurity:**

evaluation of the impact of the inter-agency CTP famine response on women in Mogadishu showed that 20 per cent of respondents reported having experienced threats or violence related to their receipt of cash and food assistance. The evaluation identified cases of women being included on beneficiary lists in exchange for sexual favours, but the extent is not known since this is not something that is openly talked about. The evaluation reported that cash (and other aid) programmes had not systematically coordinated with protection programmes and that levels of insecurity in camps, which can lead to incidences of rape, certainly increase in the days after a distribution.

Source: Hedlund et al. (2013)

### **Tensions between host and refugee**

**communities:** in the face of rising tensions between Syrian refugees and Lebanese nationals as the crisis in Syria continues, community-oriented social cohesion initiatives have been implemented with the aim to improve intercommunity relations. Save the Children's Casual Labour Initiative engaged over 8,000 Syrian refugees and Lebanese nationals between November 2013 and January 2014, to collaboratively carry out ten days of cash-for-work activities to improve infrastructure in informal tented settlements and host communities in Akkar and Bekaa.

A study examining the social cohesion impacts of the initiative found that the programme was viewed favourably by both communities, and that it could be a promising interim strategy to improve relations between refugees and host communities, but that its implementation must be modified if social cohesion was to be improved. The programme was premised on the assumption that working collaboratively towards a common goal would reduce prejudices and improve

understanding. However, several conditions which would need to be met for the above assumption to hold were not met during the programme's implementation. There was recruitment bias seen by municipal officials and refugee community leaders who did not follow the 'first come, first served' approach to selecting beneficiaries and also did not follow the equal distribution quota of Lebanese to Syrian participants. This fuelled perceptions of nepotism and corruption. Group members were also not of equal status, as selected team leaders tended to be Lebanese nationals. Finally, a majority of Lebanese participants (55 per cent) did not favour working in mixed groups, and less than a quarter (23 per cent) were willing to do so.

Source: Harb and Saab (2014)

### **Risk of GBV in cash assistance programmes:**

a review of IRC's programme of cash assistance for basic needs in Lebanon showed that whilst cash assistance can reduce reliance on negative coping strategies, it can also present risks to women if cultural circumstances and family dynamics are not well understood.

Source: Campbell (2014)

### **Risk of child labour in cash-for-work activities:**

UNICEF report that evaluations of humanitarian responses in urban settlements in Haiti highlighted the need for agencies to better match interventions with the needs and risks facing children in the settlements. One concern was regarding the inclusion of children in cash-for-work activities. This reportedly led to the development of various child protection guidance documents.<sup>24</sup>

Source: UNICEF (2012)

Some possible good practices for better ensuring such protection outcomes for CTP were identified in programme reviews.

- **Engaging men:** for positive changes in women's home lives and to ensure no negative outcomes from the cash assistance, communities must see the programme actions as legitimate. This means that in certain contexts even in urban areas, male heads of household where they exist and male community leaders should be consulted as to the planned activities, to build understanding and buy in (Concern Worldwide and Oxfam GB 2011).
- **Psychosocial support:** in Kenya and Lebanon CTP recipients could be referred to community health and social workers, who provide care, advice and psychosocial support. This referral built women's self-esteem and confidence, and provided information on a range of protection-related issues (Campbell 2014; Abdulla *et al.* 2012; MacAuslan and Crawford 2012).
- **Information campaigns:** IRC recommend complementing CTP with information campaigns that cover protection-related issues as well as where to access legal support, psychosocial service providers and referral paths (Campbell 2014).

<sup>24</sup> SCUK *et al.* (2012) is representative (child safeguarding in cash transfer programming).

## 3.5 Selecting beneficiaries

In terms of targeting cash assistance a large section of the literature points to the challenges during urban emergencies (Mohanty 2011; Sanderson and Knox Clarke 2012; Abdulla *et al.* 2012; MacAuslan and Crawford 2012; MacAuslan and Phelps 2012; Pavanello 2012; Hedlund *et al.* 2013; Barcelo *et al.* 2011). The scale and complexity of needs in urban areas in terms of numbers affected by a crisis, heterogeneity of the population and diversity in the types of needs create difficulties for targeting CTP, especially in the context of scarce resources (Pavanello 2012; Biron 2012). Given the size of affected populations further prioritisation is needed and great emphasis is placed on seeking to identify the 'most vulnerable' – however, it can be hugely challenging to do so. This requires significant resources as well as expertise that humanitarian agencies do not typically have. Targeting and needs assessments are two areas of urban programming that are still developing and there remains a gap in skills and experience (Phelps 2015).

### 3.5.1 Challenges of assessing vulnerability

Accurate targeting depends upon accurate measures of vulnerability. A challenge in urban areas, in the case of slow-onset emergencies, is identification of when chronic vulnerability escalates to acute vulnerability (Pavanello 2012). In rural areas, the types of livelihood strategies and the causes of change are fewer and more easily monitored. The complexity of urban livelihoods makes the monitoring of urban livelihood assets and strategies difficult, and also leaves the situation susceptible to rapid and unpredictable change. The requirements for different levels of intervention set out in the Integrated Food Security Phase Classification (IPC) are based upon experiences in rural contexts.<sup>25</sup> In urban areas large, dense and diverse populations mean that malnutrition rates as a proportion of the population may not be high enough to exceed emergency thresholds and trigger an emergency response, however, in terms of absolute numbers perhaps more people will be affected than in a rural food emergency (Sanderson and Knox Clarke 2012; Barcelo *et al.* 2011; Mohanty 2011; MacAuslan and Schofield 2011). The challenges of this in the urban informal settlements of Kenya are detailed in Annex 4. High levels of chronic poverty in urban areas can also make it hugely difficult to distinguish between vulnerabilities linked to disasters and those relating to the chronic poverty which existed before the disaster (Young and Henderson 2011).

### 3.5.2 Challenges of determining who should receive assistance

In urban contexts it can be difficult to set targeting criteria to guide the prioritisation of who should receive assistance given the diversity of demographic groups and socio-economic circumstances. Sanderson and Knox Clarke (2012) cite a range of studies showing that in recent urban emergencies women and children, the elderly and chronically ill, people living with disabilities and recent migrants to the city have all been particularly affected by urban disasters. This is similar to conclusions of MacAuslan and Phelps (2012) who state that IDPs and refugees are often amongst the most vulnerable. A number of studies highlight the difficulties in applying such common 'vulnerability' criteria in urban contexts since these do not take into account other factors such as legal barriers, ability to work, access to services, access to remittances, and social capital, meaning these demographic groups may not necessarily be the most vulnerable (Biron 2012; Twose *et al.* 2015; Kauffman 2012a). Christian Aid's experience of using such categorical vulnerability criteria is illustrated in Box 3.12.

Sanderson and Knox Clarke (2012) also caution against programmes that consider targeting specific groups since this can lead to stigmatisation or resentment among the broader population. The impact of this can be seen in the experiences of cash assistance in the Syria crisis response, where poor host communities have become increasingly frustrated with the focus of assistance on refugees, given the increasing costs of living and livelihood insecurity generated by the crisis.

Kauffman (2012a) recommends that targeting needs to be context specific and take into account economic, human, physical and social vulnerabilities and dependency ratios. Incomes are acknowledged to be a very important indicator of vulnerability in urban contexts but are noted to be very difficult to measure accurately as most households have unstable income flows whilst asking directly about incomes is prone to manipulation by respondents (Kauffman 2012a; Young and Henderson 2011; MacAuslan and Phelps 2012; Twose *et al.* 2015). According to MacAuslan and Phelps (2012) this has led most agencies to avoid asking about incomes directly. In large-scale disasters in urban contexts, some of those most affected may well be from the relatively better-off wealth groups – including small business owners providing goods and employment to those who are in poorer wealth groups and this should be taken into account when selecting the criteria (Brady and Mohanty 2013).

<sup>25</sup> The Integrated Food Security Phase Classification (IPC) is a set of international standards for classifying the severity and magnitude of food insecurity in different countries and over time. See: [www.ipcinfo.org](http://www.ipcinfo.org)



A lesson emerging from a number of reviews and evaluations was the importance of working with local actors – local government, community leaders, social workers, religious leaders or CBOs – to identify appropriate selection criteria in urban environments and to generate buy in (Cross and Johnston 2011; Young and Henderson 2011; Kauffmann 2012a; Sanderson and Knox Clarke 2012). The experiences of the British Red Cross in Haiti are shown in Box 3.12.

### BOX 3.12 EXPERIENCES OF ESTABLISHING TARGETING CRITERIA FOR URBAN CTP

An evaluation of Christian Aid's CTP in response to Typhoon Ketsana in the Philippines found that community understandings of vulnerability differed from that of the agency. While income and damage were understood as valid criteria, the community disagreed with age, disability and gender criteria, pointing out that a disabled man with three children overseas was not vulnerable. Christian Aid partnered with 'people organisations' such as home-owners' associations. With this local intelligence, Christian Aid was able to better identify the vulnerable.

Source: Sanderson and Knox Clarke (2012)

In Port-au-Prince, with their CTP for food security and livelihoods to households affected by the earthquake, Oxfam GB found targeting very difficult because for many of the most affected groups the underlying issue is poverty. It was hard to identify those who suffered directly as a consequence of the earthquake and those who were chronically poor. Oxfam needed to identify other criteria for the selection of beneficiaries including such things as access to basic services. The use of local partners was essential in the beneficiary selection process.

Source: Young and Henderson (2011)

With their CTP in Port-au-Prince, the British Red Cross found that for legitimacy and to ensure they were reaching the most vulnerable urban residents, partnerships with local organisations (national societies) was particularly useful.

Source: Sokpoh (2011)

### 3.5.3 Challenges of identifying eligible households

Another challenge of targeting of cash assistance in urban contexts concerns targeting mechanisms and how to identify eligible households.

**Geographical targeting:** one way agencies seek to focus assistance towards the most vulnerable in large-scale disasters is through geographical targeting – to divide the town or city into administrative units and seek to identify specific geographical areas considered the most vulnerable based on, for example, high levels of underlying chronic poverty, livelihoods vulnerability, or levels of destruction and displacement, within which more detailed assessments would take place (Cross and Johnston 2011; Sanderson and Knox Clarke 2012; Creti 2012). Geographic targeting is sensible as a way to limit a response. But it carries a risk that poor and vulnerable households living in 'non-poor' areas will be excluded. A World Bank study of targeting urban CTP in Kenya noted that geographic targeting needs to be based on data that goes lower than the constituency level because within a constituency there can be very high variation in poverty levels (Wiseman 2011). In urban areas it is also much more difficult to identify livelihood zones than is possible in rural areas (MacAuslan and Phelps 2012). In their review of responses to urban emergencies (Sanderson and Knox Clarke 2012) also state that in rapid-onset emergencies, geographical area-based targeting should not focus necessarily on the most impoverished districts since those most affected by the disaster may be the relatively better-off wealth groups. Oxfam's experiences in Haiti are shown in Box 3.13.

**Community-based targeting:** urban populations can be highly mobile and social networks can be fragmented, reducing community cohesion relative to rural areas. This has implications for the effectiveness of targeting methods seeking to involve the community. In practice, community-based targeting (CBT) mechanisms in urban areas normally mean targeting conducted by key community members such as community leaders or health workers, rather than through the inclusive community meetings used in rural areas (Macaulslan and Phelps 2012). Such approaches can lead to bias in targeting and exclusion of some of the most vulnerable (Cross and Johnson 2011; Calvot 2014; Concern Worldwide and Oxfam GB 2011; Sokpoh 2011; Maynard 2015; MacAuslan and Crawford 2012).

However, reviews of urban emergencies conclude that despite the socially diverse and fluid nature of communities, community perspectives are still essential for accurate targeting, in terms of identifying which geographical areas are most in need and the profiles of those in the community likely to be worst affected, and also to generate buy-in and avoid community tensions (Sanderson and Knox Clarke 2012; Pavanello 2012). Box 3.13 provides examples of programmes where community engagement in and understanding of the targeting process for CTP was a challenge. Community-based targeting must therefore be adapted to the urban context. Concern Kenya's experiences of implementing community-based targeting approaches adapted to urban areas and the lessons learnt are

highlighted in Annex 3. Success requires inclusion of perspectives from a broad base of the community so as to understand urban poverty dynamics; a good understanding of local leadership; and taking steps to control engagement so as to mitigate risk of bias in selection. Neighbourhood approaches that involve local community organisations can provide such insights (Box 3.13).

**Proxy means tests and score cards:** some programmes have developed complex score-based targeting mechanisms, such as the proxy means test method of poverty targeting based on observable characteristics that is used in some social protection programmes, and poverty and vulnerability score cards

## BOX 3.13 CHALLENGES OF USING TARGETING MECHANISMS IN URBAN AREAS

**Experiences of targeting in Philippines:** in DFID's lessons learnt study of the humanitarian response to Typhoon Haiyan in Philippines, several interviewees noted that beneficiary identification was more difficult in Tacloban than in rural municipalities and that it required more detailed and time-consuming assessments because of: i) the number and diversity of households (and their livelihoods and living conditions); ii) the number of people who had migrated within, to or from the city; and iii) the number of migrant workers and disaster-affected people living with relatives. Selection and verification of beneficiaries was more challenging because people did not know each other as well as in rural areas and there were more likely to be political biases to the selection process.

Source: Maynard (2015)

**Geographical targeting in Haiti:** an evaluation of Oxfam's CTP in Port-au-Prince noted that the team faced challenges in how to target assistance. The densely populated urban area meant there was a large population in need across the city. However, faced with limited funding the team faced the difficult decision of whether to concentrate resources to address needs in a small geographical area or to operate over a large area but with lower coverage. Oxfam's EFSL team initially argued for a tighter geographical focus for the CTP but these arguments were overturned on the basis of the humanitarian mandate and need to respond to those most in need

in many areas. Whatever the mechanism chosen the review concluded that collecting 10,000 households to receive support out of the 2.5 million affected inhabitants of the city was a significant challenge.

Source: Macauslan and Phelps (2012)

**Community understanding of the targeting process in Lebanon:** an evaluation of Handicap International's CTP for vulnerable Syrian refugees in Lebanon found that the targeting process was not participatory and did not involve the community, due to the challenges of ensuring community participation in urban areas, which was considered to have led to poor understanding of the targeting criteria by beneficiaries.

Source: Juillard and Pinault (2015)

**Experience with score cards in Gaza:** in Gaza, Oxfam used community rankings to target geographically and scorecards to target households in their EFSL CTP. Evaluation showed that this led to a high degree of targeting effectiveness but that the scorecard indicators should have been made more relevant to the urban context. The indicators on the type and quality of housing and assets were not considered to be a sensitive indicator for household poverty meaning households falling into poverty on account of the blockade would not be targeted until after assets were lost. Household size was found to exclude many poor households without dependents.

Source: Macauslan and Phelps (2012)

involving extractive questionnaires. However, livelihood strategies and living arrangements are diverse and it can be difficult to identify indicators of vulnerability on which to base targeting criteria. Targeting can then be more time consuming and costly because indicators of socio-economic status are not as straightforward and must be cross-checked and verified. Oxfam's experiences using scorecards in Haiti are outlined in Box 3.13. Programme experiences in Lebanon are detailed in Annex 3.

Difficulties in the use of proxy criteria are noted in the literature. In Gaza, Levron (2011) raises some important concerns about the use of proxy indicators for identifying the most vulnerable households in urban settings. First, he argues that at a micro level, the use of proxy means tests and scorecards do not provide a comprehensive picture of urban vulnerability as they do not reflect poor social capital (isolation, inability to cope with poverty, lack of access to basic services and loans, irregular sources of income, and drop in social status) which are key in this context. Urban areas also change very fast and households and individuals can move very quickly into poverty on account of household level as well as covariate shocks. This means that observed wealth may not be a good proxy for current poverty since household assets may reflect inherited assets rather than current earnings. Similar challenges have been noted in the Syria crisis with the vulnerability assessments (Twose *et al.* 2015). This is similar to evaluation findings of Oxfam's emergency food security and livelihoods (EFSL) CTP in Gaza in Box 3.13.

Ultimately no targeting mechanism will be without error. The IASC's synthesis report of four urban case studies concluded that blanket (non-targeted) distribution may be appropriate in the early stages of an emergency, 'when the whole disaster-affected population needs some form of assistance and no distinction between the different groups is yet possible' (IASC 2010: 12). Similar conclusions were reached by Oxfam on their CTP in Port-au-Prince (MacAuslan and Phelps 2012). However, the scale of urban emergencies in terms of numbers affected, and funding restrictions, necessitates rationing assistance. Whatever mechanism is selected it will be more important to ensure it is communicated effectively to communities.

### 3.5.4 Deselecting households: the challenge of programme exit

Finally, it is important to have a clear exit strategy for humanitarian CTP. This can be challenging during urban emergencies when very high levels of chronic poverty exist during 'normal times' (Sanderson and Knox Clarke

2012) and where conditions are rapidly changing, with new vulnerabilities and opportunities being created as a result (MacAuslan and Phelps 2012). Without an agreed system for triggering exit based on clear criteria, there runs the risk that assistance continues indefinitely with no prospect of exiting or handing over to another responsible institution (such as the government). It is not always clear that price rises will be reversed or economic conditions improve. This has been a challenge for CTP in addressing the Syrian refugee crisis in the Middle East and was also noted in Concern Worldwide's and Oxfam's CTP in response to the food price rises in Kenya's informal settlements (Annex 3). This programme sought to address this by linking the humanitarian intervention to longer-term development programmes of the government of Kenya.

This underscores the importance of considering government linkages and advocacy for CTP in contexts of chronic poverty. However, can the targeting criteria employed on a national social assistance scheme match the requirements of a humanitarian intervention? The one documented experience identified in this review was the case of WFP's 'piggybacking' on the government of the Philippines' large-scale safety-net 4P programme to deliver emergency cash transfer 'top ups' to existing safety-net beneficiaries affected by Typhoon Haiyan. Reviews found that this was a very efficient and rapid way of reaching some of the disaster affected households; however, the 4P programme has a particular target group and others in the population who were equally affected by the disaster were thus excluded from this distribution of humanitarian aid. Given the increasing discussion on whether and how to link humanitarian CTPs and social protection systems, this is an important finding.

## 3.6 Communicating with beneficiaries

In urban areas, inhabitants tend to have access to a wider variety of media channels (TV, radio, newspapers and internet) than in rural areas. The strength of network coverage in cities and rate of mobile penetration also means that a larger percentage of the population communicate through voice calls, social media and text messages. This provides new opportunities to communicate with disaster-affected populations and CTP beneficiaries across a broad geographic area, including provision of information about entitlements and how to access programmes, programme monitoring, and for feedback and

complaints response. A review of programmes of IFRC in Haiti, Indonesia and Pakistan focusing on beneficiary communication and accountability concluded that urbanisation and expansion of new technologies were the two main reasons why agencies need to give greater consideration to communication channels and procedures in programmes (Pavanello 2012). This review found documented experiences of urban CTP taking advantage of such communication channels in Haiti and Jordan (Box 3.14).

The evidence also shows that there are still challenges to overcome for communicating with beneficiaries through such channels in urban contexts. Humanitarian

programmes tend to be targeted at the poorest and most vulnerable sections of society where literacy levels of the target population can still present a challenge to written communication. Even in MICs this can be a problem as experienced in Lebanon – see Box 3.15.

One of the lessons coming out of Lebanon is to keep the number of communication channels manageable, focusing on those that are proven to work in the context (British Red Cross 2015). Even in urban areas, it is likely that the use of technological channels should complement rather than replace face-to-face sensitisation, as experiences in Abidjan and Nairobi have shown (Box 3.16).

### BOX 3.14 COMMUNICATING WITH BENEFICIARIES ABOUT CTP USING MOBILE PHONES

The Syrian refugee crisis is a MIC context with a strong communications infrastructure, which means that the vast majority of refugees are comfortable using mobile phones. An assessment by Care in Jordan found that 94 per cent of Syrian refugees owned a mobile; however, most Syrian refugees typically still received information about available services and assistance through word-of-mouth (family, neighbours, friends) and to a far lesser extent through phone calls. The overwhelming majority of refugees stated that they preferred to receive information about services and assistance through phone calls or SMS; 29 per cent of adult respondents also use WhatsApp for communication with Syria.

Source: Buecher et al. (2014)

For their CTP for urban households affected by the earthquake in 2010 the British Red Cross set up a free beneficiary phone hotline complaints and response mechanism. The establishment of a phone hotline was found to be the most cost-effective and confidential way to manage feedback and response in such an urban context, where literacy levels were low and mobile phone familiarity and ownership was widespread. The complaints and response mechanism was found to improve the quality and efficiency of the programme since it allowed for the rapid identification of potential cases of fraud or technical problems.

Source: Pavanello (2012)

### BOX 3.15 COMMUNICATING WITH BENEFICIARIES – MOBILE-BASED COMMUNICATION IN LEBANON

Handicap International in Lebanon set up a hotline for handling queries and complaints for their CTP for Syrian refugees, which was accessible to beneficiaries and non-beneficiaries at the cost of US\$1 per two-minute call. During the programme evaluation, all beneficiaries were aware of the hotline and the service was reportedly useful for those who had accessed it. However, the financial costs of using the service were considered to be a potential barrier to access.

Source: Juillard and Pinault (2015)

The British Red Cross in Lebanon established a feedback, complaints and response mechanism for a CTP comprising three channels: a telephone hotline, an email address, and complaints boxes available during community activities. In practice, only the hotline became operational since during programme implementation it was realised that the target communities were unlikely to raise issues in writing due to literacy levels and their greater comfort with using the phone. It was also found to be too resource heavy for the organisation to manage three channels.

Source: British Red Cross (2015)

## BOX 3.16 USE OF TRADITIONAL COMMUNICATION CHANNELS IN URBAN CONTEXTS

As part of a CTP to improve nutrition in Abidjan, Save the Children Sweden combined radio with home visits to disseminate information to beneficiaries. They found that the face-to-face sensitisation was needed to ensure beneficiaries understood the programme, while radio broadcasts ensured consistency and wider reach of the messages.

Source: Cross and Johnston (2011)

With Concern Worldwide's and Oxfam's programme in the urban informal settlements in Nairobi,

community communication mechanisms 'baraza' were found to be an effective means of communicating programme information to the target group. This involved gathering people in common spaces near to their houses to communicate the goals and requirements of the intervention to beneficiaries and the broader community; the subsequent 'word of mouth' ensured comprehensive awareness-raising within the community.

Source: Wiseman (2011)

### 3.7 Urban cash preparedness: response linkages and lessons learnt

Contrary to recommendations and learning, urban cash preparedness is still not standard practice (Sanderson and Knox Clarke 2012; Austin and Frize 2011; Khogali and South 2014; Dodman *et al.* 2013). Although a number of cash implementing organisations have developed preparedness methodologies or undertaken cash-orientated preparedness programmes in the last few years (including but not limited to IFRC, Oxfam, Mercy Corps, CaLP, World Vision and Save the Children), a review of the available literature indicates that only a few urban cash-preparedness programmes have been implemented. Due to the lack of programme examples, in this section some of the main recommendations and learning from available documents relating to preparedness programming and learning documents are listed.

#### 3.7.1 Inclusion of market analysis in urban preparedness

Core to cash being an appropriate response tool is an understanding of the market systems and actors implicated by the response; either as part of the market chain, the market environment or as part of the infrastructure (Kyazze *et al.* 2012; Cross and Johnston 2011). IFRC is one such organisation that has embedded market analysis into their cash-preparedness work, developing market analysis tools specifically for preparedness (Khogali and South 2014).

As part of Oxfam's continued programming in Kenya and to improve their capacity to respond to urban needs, Oxfam undertook market analysis as part of its preparedness and contingency planning (Brady and Mohanty 2013). A main objective of the market analysis

was to identify and understand the potential role of cash assistance (and market-based assistance) to meet emergency and early recovery needs. A key outcome of the market assessment was a realisation of the importance of market-based thinking in preparedness and programme design as well as the significance of debt and access to credit to poor urban households. The analysis supported Oxfam in understanding its role as a broker and facilitator, rather than a service provider and in identifying ways in which the organisation could engage with the private sector (especially in water and credit markets).

#### 3.7.2 Understanding pre-disaster financial legislation and the technological landscape

As cash interventions increasingly utilise technology, an understanding of the pre-disaster financial legislation and technological landscape and its capacities is required. However, Grünwald and Carpenter (2014) also warn of an overreliance on technology, especially when disasters can result in a telecommunication blackout or marginalise populations less comfortable with their usage.

A review of the role of the business and private sector in the Haiti earthquake response by Bailey (2014) highlighted the importance of supporting preparedness measures with mobile network operatives to promote a more effective and coordinated response. Mercy Corps in Nepal undertook such an exercise prior to the 2015 earthquake (see Box 3.17). ACF in the Philippines undertook a mapping and assessment of e-transfer service providers (including legislative elements such as 'know your customer') immediately following Typhoon Haiyan, providing the cash-implementing community with valuable programming information and establishing valuable links between the humanitarian and mobile network operator communities (Smith 2013).

## BOX 3.17 MERCY CORPS: PILOT TEST OF MOBILE VOUCHERS IN KATHMANDU

Mercy Corps tested and evaluated two different types of mobile vouchers (SMS and a smartphone application) on some of poorest residents in Kathmandu who had limited literacy and were unfamiliar with basic mobile technology.

Results indicated that:

- Mercy Corps' understanding of available mobile voucher technology was improved.
- The purpose was to develop a globally deployable mobile voucher system. However, the pilot revealed that each new deployment of mobile vouchers will require customisation; therefore, a single, pre-

packaged, globally deployable mobile voucher solution is not cost effective for one NGO to develop and manage at this time.

- Mobile vouchers can improve the speed and cost-effectiveness of CTPs.
- The underlying technology and actors required for mobile vouchers exist. However, humanitarian practitioners need guidance and tools to create solutions that are more cost and time effective than traditional (non-mobile) methods.

Source: Murray (2013)

### 3.7.3 Engagement with governments is a critical preparedness activity

Section 3.3 illustrates the key role that governments play in CTP. As with the example of the Kenyan urban safety net programme (see Annex 3), governments (and donors) can also play a role in identifying an appropriate exit strategy for the vulnerable and chronically poor.

Raising awareness of CTP within and capacity building of government bodies as part of cash preparedness is an approach that CaLP has endorsed and implemented in recent years, developing a skeleton training that can be adjusted according to the government body targeted. CaLP provided training to government actors in the Philippines based on learning from the Haiyan CTP response. Additionally, prior to the recent earthquake

in Nepal in May 2015, Oxfam provided CTP-oriented workshops to various Nepalese government ministries. The effectiveness of this initiative is yet to be evaluated or documented.

Save the Children have undertaken a series of cash emergency preparedness (CEP) assessments globally to identify the main risks associated with implementing cash programmes and related effective mitigation methods. The CEP includes market research, beneficiary interviews, discussions with local authorities and NGOs, as well as a review of local delivery mechanism infrastructure (SCUK 2011). The findings from a CEP assessment in Bangladesh illustrate how government engagement can be done alongside other preparedness measures to check cash feasibility (see Box 3.18).

## BOX 3.18 CASH EMERGENCY PREPAREDNESS APPROACHES IN PERI-URBAN BANGLADESH

By engaging with government actors and identifying them as key informants and stakeholders, Save the Children UK reached the following conclusions:

- Local authorities play a key role in NGO coordination. Save the Children UK needs to engage with them to reduce response duplication and access other NGO plans.
- Local authorities can assist in the identification and reduction of security risks, and support communication with local populations and other key stakeholders.
- The government approved of cash interventions and was open to emergency CTP (past NGO CTPs and existing government-run cash-based social safety-net programmes).
- Connections existed between the mobile network operative, the financial service provider sector and the government. The network and strategic plans could be harnessed for future cash programmes.
- Continued coordination with the relevant ministry with regards CfW payment rates and existing labour market rates would be necessary.
- Further collaboration and coordination with local authorities is needed to ensure CTP can be implemented appropriately and at scale, especially when newer technology is used.

Source: SCUK (2011)

### 3.7.4 Improving coordination and linkages is critical in urban areas

Improving coordination and linkages between humanitarian, development, public and private actors is critical in urban areas. Numerous documents highlight the need to invest more in linkages between response, early recovery and reconstruction to long-term development, as well as risk mitigation and resilience especially in urban contexts where needs are complex, structural and diverse (Dodman *et al.* 2013; Kyazze *et al.* 2012). Urban shelter cash interventions underline this especially if durable shelter and settlement solutions are to be found (see Section 2.3.4 for more information).

Recommendations from the Philippines (see Box 3.19) demonstrate the number of key stakeholders who should be included in coordination preparedness; from private-sector actors and UN bodies to various government ministries such as those that manage social protection systems. Reflections from other major disaster responses reflect similar findings (Sanderson and Knox Clarke 2012; Grünewald and Carpenter 2014). Bailey (2014) underlines the need for the identification and/or creation of platforms for humanitarian and private sector engagement, as the actual and potential role private-sector actors have in emergency preparedness and response is increasingly understood.

Urban cash-preparedness programmes need to take into account the governance system and legal framework as well as understand social elements of vulnerability and protection (Kyazze *et al.* 2012). Dodman *et al.* (2013: 53) propose the use of a 'systems approach' to better understand urban complexity and

'as a potential entry point for situating humanitarian response in urban areas'. Preparedness programmes should be able 'to create solutions to challenging policy contexts i.e.: acting as "insurance" for non civil document holders whether it is due to their age (under 18, or elderly) or displacement status... [W]ithout these adaptations the most vulnerable may well be excluded' (Phelps 2015).

### 3.7.5 Donors: do they have a role?

**Donors have a key role to play** in terms of leveraging relationships with governments and other key stakeholders to create an informed, enabling, coordinated environment for humanitarian organisations planning cash responses. Better linkages between relief, recovery and development funding in disaster-prone high-risk countries could enable more durable, integrated and multi-purpose cash-orientated urban responses especially in shelter, WASH and health sectors.

This statement builds on recommendations from documents including: Dodman *et al.* (2013); Ramalingham and Knox Clarke (2012); Humanitarian Futures Programme (2014) and experiences from Kathmandu's preparedness outlined in Grünewald and Carpenter (2014). Although the role of donors has not been investigated in any great detail, which perhaps could be seen as a current limitation, donor governments could align their strategic approaches to urban disaster response: '[E]stablishing a cross-donor agency working group on urban disasters would be a useful first step' was recommended by a donor in Ramalingham and Knox Clarke (2012: 25).

## BOX 3.19 EMERGENCY PREPAREDNESS AND IMPROVING CASH COORDINATION IN THE PHILIPPINES

The following recommendations for better preparing for CTP are taken from Smith (2015) (see section 6.1 of that report for details).

- Institutionalise an active cash working group in a non-emergency setting.
- Develop a better understanding of how the Office for the Coordination of Humanitarian Affairs (OCHA) can support cash coordination.
- Conduct preparedness planning between aid agencies and financial service providers: pre-agreements, standards for contracting, mapping of services and coverage.

- Set up mechanisms for coordination with the private sector during emergencies.
- Develop mechanisms to ensure further coordination between the social protection system and humanitarian aid during emergencies.
- Define how to operationalise standards for cash-for-work activities during emergencies.

Source: Smith (2015)

## 4

# Conclusions and implications

Rapid urbanisation in middle- and low-income country contexts is a trend only likely to continue, contributing to a number of urban vulnerabilities and increasing the risk of future humanitarian emergencies. Urban CTP is in the early stages and learning and evidence are still emerging. Despite limitations of the evidence, the review was able to generate evidence that certain characteristics of urban areas create an enabling environment for CTP. Whilst there is also diversity of population groups, needs and vulnerabilities in urban areas, cash assistance can be a secure and effective response modality for urban emergencies and presents opportunities to 'do things differently'.

**Whilst response analysis is crucial to programme design, evidence suggests that cash can and should be considered as the first modality of choice to transfer resources to disaster-affected populations in urban emergencies, whether rapid-onset, slow-onset or protracted crises. CTP can enable beneficiaries to meet a diverse array**

**of recurring needs across a variety of sectors whilst contributing to market recovery.** Cash assistance will have value as a standalone humanitarian response tool, but when considering the complexity of needs is also relevant in other forms of assistance such as mixed modality interventions.

The review highlights aspects of urban environments and vulnerability that can present barriers to effective implementation of any humanitarian assistance programme that must be taken into account during CTP design. **The question is less about whether cash is appropriate but more about the conditions needed for CTP in urban contexts to be more effective.** Looking forward, the findings of this literature review have implications for the way that programmes are conceived and implemented in urban contexts to enhance effectiveness of humanitarian response in urban areas. In this final section the programming and policy implications of the literature review findings are outlined.<sup>26</sup>

<sup>26</sup> Although the authors are aware of a number of initiatives underway to review and revise assessment and response analysis tools to ensure their relevance to urban contexts, these initiatives and their activities have not been reviewed in detail and as such are not referenced specifically in this section.



## 4.1 Assessments and response analysis in urban emergencies: policy and programme implications

### 4.1.1 Programme implication: undertake an urban contextual analysis

Undertaking an urban contextual analysis will enable the development of more contextually appropriate programmes. This includes an understanding of the characteristics that define urban contexts, the complexity and dynamism of urban systems and processes, levels of remittance and debt, role of the private sector, potential hazards and risks and rural-urban relationships. Inclusion of response analysis will be crucial, reflecting the key characteristics and differences of the urban context. This includes an understanding of on-going national development programmes, that could represent opportunities for linking to or could influence the design of humanitarian support.

### 4.1.2 Programme implication: identify local public and private stakeholders and understand the power dynamics

Identification of not only government and civil society but also private actors, their influence and potential opportunities to add value to the response, as well as possible risks, should be an important part of response analysis. Private actors in an urban context could include financial service providers, training providers, health and water services, commercial players involved in market recovery, landlords and entrepreneurs.

### 4.1.3 Policy and programme implication: establish a strategic platform

Establish a high-level, strategic platform/working group to promote collaboration and coordination between key actors in the humanitarian and development sectors, private sector and government. Frequently cited as a gap in coordination, this platform or working group would enable, ideally under the joint stewardship of the host government and the UN and with support from donors, a space to bring together business and aid

agencies for improving the sustainability and efficiency of responses. Vital to the success of this approach is ensuring that each entity sees value in their participation.

### 4.1.4 Policy and programme implication: vulnerability assessments and MEB calculations are crucial

These should be harmonised to reduce inequity between organisations. Given the importance of income to urban household vulnerability and the use of cash by households to meet a diverse range of needs, a broader approach to needs assessments, focusing on 'economic vulnerability', may be more relevant than assessments focusing on needs relating to specific sectors. An output of this assessment is an analysis of the costs of meeting basic needs (ie the 'minimum expenditure basket' or MEB) in non-emergency settings. This would require investment in baseline studies into household economies. MEB calculations should consider levels of debt management in vulnerable households. Organisations such as OCHA and UNHCR that have an inter-cluster/sector coordination mandate should support the adoption of this approach.

### 4.1.5 Programme implication: scale responses appropriately

The scale of response should be part of response analysis, which could make use of area-based approaches. Response analysis processes need to facilitate the design of responses that can go to scale to ensure sufficient coverage of need. The use of area-based approaches<sup>27</sup> could perhaps assist in this process (see: Cross and Johnston 2011; Pavanello 2012; Sanderson and Knox Clarke 2012; Parker and Maynard 2015). Organisations such as OCHA and UNHCR that have a coordination mandate should enforce this approach.

### 4.1.6 Policy and programme implication: assess the market carefully

Market assessments are an integral part of urban programme design for all humanitarian sectors. Reviewing the features of market analysis tools was beyond the scope of this review and was not something that featured in the evaluations and reviews of urban CTP. However, the following recommendations are based on evidence collated and should be included in IASC guidance/ cluster guidance:

<sup>27</sup> Rather than assess entire metropolitan areas, an area-based approach involves mapping affected urban areas as a collective of smaller, more manageable units – such as neighbourhoods or communes, including such factors as infrastructure and services, local economic factors and environmental features so as to identify the most affected areas. Proponents of this approach argue that this can allow more in-depth understanding of communities. However, there is a lack of evidence to date. One challenge is defining a common understanding of how to define the unit of analysis (ie the community) (Twose *et al.* 2015).

- i. Assessments in urban areas need to consider markets for services as well as commodities and in displacement contexts rental and water markets may be particularly important to understand. Programmes require a better understanding of which markets for goods and services can match increased supply with greater demand, and should better link households to these markets.
- ii. Assessments should consider how changes to the urban market system impact not only the very poorest but other wealth groups in order to consider responses that support livelihood protection and promotion, rather than looking at survival needs only. They should also look at ways to support the poor indirectly through re-establishing those markets which deliver products and services and jobs to crisis-affected populations.
- iii. Practitioners should give further thought to ways in which cash transfers in urban contexts can be complemented by other interventions that improve the efficiency and performance of particular markets, to ensure effectiveness of CTPs. This is critical for CTP more broadly.
- iv. CTPs aiming to support the recovery, rehabilitation or diversification of livelihoods require an understanding of the capacity, previous experiences and aspirations of the target group as well as an understanding of local labour markets and the main opportunities and barriers the target group face in accessing these markets.
- v. Beneficiaries may also require training on how to penetrate markets. Linking cash to training and other support could then enable individuals to access employment opportunities based on an appreciation of market demand. Cash for training approaches should support a broad range of assistance options to reflect the diversity of livelihoods possible in the urban area and provide information to the target group to enable them choose which suit their needs.

#### 4.1.7 Policy and programme implication: consider CTP in displacement contexts carefully

Programmes in displacement contexts should be cognitive of host community vulnerability and inclusive of their needs. There is a need to consider ways to meet the needs of displaced populations without impacting negatively on host populations or their social

relationships. Whilst this is a priority in any setting it is of increasing urgency in urban programmes given the trends noted in this report of the movement of displaced populations to urban centres. Recommendations from the literature include:

- i. Targeting vulnerable host communities and hosting households.
- ii. Implementing programmes that have a positive outcome on host community services (such as improvements in school infrastructure, housing stock or water supply).
- iii. Implementing quick impact projects (QIPs), in partnership with local authorities, the private sector and community-based organisations to deliver labour-intensive projects in refugee-populated areas.
- iv. In refugee contexts it may be necessary for practitioners to engage with host governments on ways to ensure displaced populations are able to access the labour market.

#### 4.1.8 Programme implication: consider a range of CTP pilot options for WASH and health

Regarding experimentation with cash assistance, agencies aiming to support WASH and health needs through CTP should consider the merits of a range of cash-based instruments and pilot them accordingly. Partnerships with and learning from other organisations that have utilised cash and worked with the relevant stakeholders should be prioritised. Various policy instruments (an example being ECHO's ten principles on CTP (ECHO 2015)) could support and enforce this approach by providing flexible funding.

#### 4.1.9 Policy and programme implication: combine cash with other assistance in shelter programmes

Shelter programmes should combine cash assistance and housing, land and property (HLP) components, to be programmed and funded as a package. Shelter actors should systematically include an HLP component in urban cash shelter programmes including information on landlord and tenant rights and referral services, eviction monitoring and dispute resolution, with a particular focus on the discrimination faced by female-headed households.

## 4.2 Targeting CTP in urban contexts

### 4.2.1 Programme implication: review triggers for entry and exit in urban crisis situations

Concern Worldwide in Kenya, working through an inter-agency working group (Oxfam, UN OCHA and UN-Habitat), is in the process of developing an urban emergency assessment system for Nairobi (Chaudhuri 2015). Lessons from this approach should be well documented and shared globally through the Global Food Security Cluster (GFSC).

### 4.2.2 Programme implication: consider economic vulnerability in host communities as well as IDPs

Given the evidence that livelihoods and coping strategies of different wealth groups are inextricably linked in urban areas (Brady and Mohanty 2013), CTP in urban contexts should also consider the vulnerability of those operating in the poor- and middle-income wealth groups in order to prevent increasing poverty and to foster more rapid economic recovery.

### 4.2.3 Programme implication: coordinate and phase targeted approaches appropriately

Targeting approaches in urban areas are problematic, require coordination and may need to be staggered or phased depending on the type and scale of urban emergency, duration and type of needs, government influence and available funding. Blanket assistance followed by a more targeted approach may be the most appropriate (as has been implemented previously in Haiti and the Philippines). In large-scale emergencies spread over an entire city, geographic targeting to focus greater resources on the worst-affected neighbourhoods may be sensible. This could be based on indicators such as levels of poverty, as well as infrastructure damage in the case of rapid-onset disasters. However, agencies should remember that this will exclude the poor and vulnerable inhabitants living elsewhere, underlining the importance of coordination to support coverage of prioritised areas, and communication with the population. An on-the-ground

presence within each neighbourhood (perhaps through partners) may be useful to keep abreast of the fluid situation. This links with the area-based approaches mentioned above, in which Parker and Maynard (2015) provide useful advice.

When deciding between community-based and proxy indicator/scorecard targeting approaches, agencies should also consider other factors such as the scale of the need, the security context, the time and resources required to administer, and the extent to which communities can understand and buy in to it, to reduce the risk of creating tensions within communities. Some level of community engagement to identify targeting criteria based on locally appropriate indicators of vulnerability should be considered essential, to ensure that CTPs are relevant and do not generate tensions.

A final targeting approach which was not identified in the literature but that agencies could explore is self-targeting, which might go some way to dealing with large, mobile populations dispersed across large areas of a city (for example, in the case of refugees living in host communities). According to ALNAP this could save costs related to data collection and selection; however, this may only be feasible if benefits are set low enough to avoid creating a 'pull' factor (O'Donnell *et al.* 2009).

## 4.3 Mainstreaming protection in urban CTP

### 4.3.1 Policy and programme implication: consider carefully protection issues in CTP programme design

All urban CTPs should consider protection issues in programme design; since all programmes, not only programmes seeking explicit protection outcomes through the cash transfer, will have protection impacts. This is all the more important than in rural contexts given the specific protection risks facing vulnerable populations in urban areas, particularly women and girls, and the potential of negative impacts of CTP on eg relationships within and between households, gender-based violence, and security. Practitioners should analyse the main protection risks facing target populations (including through a gendered analysis of risk), and develop appropriate mitigation and monitoring measures to ensure programmes do no harm.

### 4.3.2 Programme implication: enhance social cohesion in displacement contexts

Social cohesion is an important element in creating a secure environment in displacement contexts and can be enhanced by being inclusive of host community needs and priorities. A major consideration given the increasing trend of urban displacement is the impact of humanitarian assistance for displaced populations at the expense of host communities on social cohesion and insecurity. In such contexts agencies should consider accompanying measures to support host communities as well as activities (through or alongside the cash assistance) that bring host and displaced communities together. These must however be designed based on a careful analysis of local attitudes, behaviours and power dynamics.

For those programmes aiming to achieve a positive impact on protection risks through CTP (such as reducing negative coping strategies or risk of eviction) this may well be possible. However, practitioners should be realistic about what can be achieved with short-term emergency resource transfers. Issues such as GBV for example, have multiple causes including socio-cultural factors and lack of services. Programmes must be realistic about the impact that cash assistance can have. CTP can support those at risk of GBV to meet their economic needs. However, to reduce the risk or impact of GBV is likely to require a core protection focus – based on detailed analysis of protection issues and their proximate and structural causes – and access to protection services such as access to information, legal counselling and assistance and psychosocial services. Without such an analysis practitioners risk doing more harm. This example highlights the potential cash has in meeting needs at the same time as acknowledging that it is not a panacea.

### 4.3.3 Programme implication: targeting and meeting the needs of specific groups

Urban cash assistance programmes need to consider how they are targeting and meeting the needs of people with specific needs (children, people living with disability, people living with HIV/AIDS and the elderly). Despite the positive impact cash can have supporting these groups in rural areas (directly and indirectly) there was a lack of evidence from urban contexts. Utilisation of databases and e-payment technology to record/ identify and ensure people with specific needs are receiving the assistance they require, in a manner that maintains their dignity and does not create any stigma, could be harnessed.

## 4.4 Cash delivery in urban areas

### 4.4.1 Programme implication: analyse cash delivery mechanisms

Organisations should undertake analysis of cash delivery mechanisms as part of a preparedness approach. There is real potential afforded by e-payment systems in urban areas but mixed findings regarding their appropriateness in certain contexts and for certain groups.

### 4.4.2 Programme implication: leverage the benefits of e-payment technology for CTP

Where deemed to be appropriate, agencies should consider the benefits of using e-payment technology for CTP in urban areas, which provide opportunity to go to scale and have benefits in insecure environments. Where e-payment services are well established, moving towards delivering more aid as cash assistance provides the potential to increase harmonisation through establishment of joint partnerships between CTP agencies and service providers, moving towards a single payment platform to leverage efficiency gains. Such assessments and partnerships will be best developed as part of preparedness planning. There are implications of this to how aid is coordinated and the potential to rationalise actors.

### 4.4.3 Policy implication: support the use of single platform approaches

The use of single platform approaches between implementing agencies on urban CTP should be trialled and supported. This is not only relevant for MPG programmes, but for single-sector cash assistance and mixed modality since the technology will allow for different layers of assistance (for example a MPG for basic needs and additional cash transfer for livelihoods assets) using the same instrument. This was also a conclusion of the evaluation of ECHO's cash and voucher programmes (Maunder *et al.* 2015). In countries with repeated urban emergencies donors should fund and support the creation of enabling environments between the private sector and government departments to set up and test cash delivery platforms at scale.

#### 4.4.4 Policy implication: involve existing social protection programmes in CTP

Research and testing ways that social protection programmes can respond to humanitarian crises in urban areas should be supported. In crisis-prone countries with established social protection programmes with high coverage in urban areas, such as Pakistan or the Philippines, this could focus on the potential for streamlining cash-delivery mechanisms and rapid support to existing and perhaps also new beneficiary caseloads. DFID is investing in research into the potential of shock-responsive social protection in multiple countries and the findings of this should be widely disseminated. In countries where social protection systems are not well established in urban areas this may require advocacy and support to governments from donors and NGOs.

### 4.5 Coordinating CTP in urban areas

#### 4.5.1 Policy and programme implication: are cash coordination systems fit for purpose?

Cash coordination structures, systems and procedures require continued attention by all key stakeholders to ensure they are fit for purpose for both urban and rural contexts. The sector-oriented cluster system is not lending itself well to economic programming based upon multisector needs assessments, response analysis and design and implementation of programmes meeting multiple needs through single-resource transfers. Whether this requires the humanitarian sector to adopt a new coordination mechanism, or make improvements to the cluster system, remains to be seen. This issue is not urban-specific, but the nature of the urban environment can have implications for the solutions to be sought. For example, one alternative proposed is area-based coordination of response activities (as per the area-based approach detailed above) across cities, to have 'neighbourhood coherence' rather than 'sector coherence' (Twose *et al.* 2015).

Recent urban emergencies have also attracted a large number of non-traditional humanitarian actors providing CTP including CBOs, faith-based organisations and the private sector. It will be important to establish coordination mechanisms which include these groups.

#### 4.5.2 Policy implication: is the organisational leadership fit for purpose?

In order to move towards a common, harmonised approach to assessment and response, organisational leadership is required to identify specific roles in the CTP project cycle (targeting, delivery and monitoring/accountability) for different actors, to reduce inefficiencies. The current response architecture can be called into question in urban and rural areas. However, the concentration of programming, adoption of cash assistance in multiple sectors and opportunity for linkages with the private sector provide great opportunities in urban areas for identifying common, harmonised approaches to assessment and response and making changes to the way that activities are currently organised within and between agencies. **A more efficient architecture could conceivably be achieved through rationalising the number of actors involved and perhaps by a single agency leading on delivery of cash assistance across a response.** This raises a number of further questions that humanitarian agencies will need to get to grips with including the operational and legal challenges such changes would bring, the distinct role of individual agencies – NGO and UN – based on their added value, and which stakeholders may be redundant.

### 4.6 Engaging with government and linking relief to development

#### 4.6.1 Policy and programme implication: all urban humanitarian programming should engage with government

The interrelated challenges and needs in urban settings; the underlying chronic poverty; and greater government presence in urban compared to rural areas makes this more important. Depending on the context, CTP practitioners, donors and UN agencies in urban emergencies could engage with authorities as follows:

- i. Depending on the policy environment, agencies may need to provide evidence on the use of cash and vouchers to convince government that CTPs are legitimate, effective and efficient ways of delivering humanitarian assistance to meet needs in multiple sectors and to assuage any concerns that may arise relating to risk of dependency or social tensions.

- ii. Advocate for the identification of government liaison staff for communication, collaboration and coordination purposes to ensure agencies and government entities have a channel by which they can engage effectively. The various government entities should not feel overwhelmed with agency requests. Donors and UN agencies can support this action.
- iii. Seek ways to ensure that relief efforts through CTP are linked with long-term development objectives, so that CTP (protecting needs and preventing use of negative coping strategies in the short term) can be linked to and complement longer-term actions to address underlying vulnerabilities or chronic poverty. This could include for example, transferring chronic vulnerable caseloads from humanitarian CTPs to national social transfer programmes; harmonising humanitarian assistance for basic needs with government assistance provided to poor host communities; and linking emergency cash-for-shelter approaches to national housing plans.
- iv. There may be opportunities to work with the government to actually deliver CTP through existing government services and systems serving urban areas. One example could be the 'piggybacking' of humanitarian aid onto national social protection systems serving urban populations.
- v. Agencies may find it valuable to integrate governance-focused activities into CTP to improve accountability, take into account local expectations and ensure CTP activities are in line with the policy and regulatory environment. This review highlighted NRC's approach of actively engaging with local governors, municipalities and CBOs and developing legal guidance for programme activities as one such useful example (NRC 2015c).
- vi. More clarity is needed from donors on the role of government in their bilateral agreements for humanitarian response.
- vii. Authorities should be included within cash coordination mechanisms rather than creating parallel structures.

## 4.7 Technical capacities required

### 4.7.1 Policy and programme implications: are the right tools and capacities in place?

Urban-specific technical tools and capacities are required for humanitarian agencies to implement recommendations listed in this document. These include the following:

#### Expertise:

- i. **Advisers:** aside from the GFSC there is reported to be a lack of specialist focus on urban issues within the global clusters, whilst most agencies do not have urban adviser positions.
- ii. **Government engagement and coordination:** given the importance of engaging with the government and for coordination, such roles need to be staffed appropriately, and require competences outside of the usual skills set of humanitarian practitioners.
- iii. **Livelihoods:** humanitarian practitioners may require more expertise to develop successful livelihoods programmes in urban areas – such as training on how to identify market opportunities or to design programmes that take into account the key barriers for poor, vulnerable and disaster-affected populations in urban areas in accessing labour markets.
- iv. **Shelter:** cash-based shelter programmes require HLP expertise to deal adequately with issues relating to property rights, eviction, resettlement/relocation and supply side constraints.
- v. **WASH and health:** these sectors require technical assistance to consider how cash programming can meet urban needs in an urban context, contributing to durable solutions.
- vi. **Assessments:** there is reportedly still a lack of existing institutional capacity in areas such as response analysis and market assessment on CTP (Michelson *et al.* 2012).

**Tools and guidance:** a study by DFID on the urban response to Typhoon Haiyan in Philippines (Maynard 2015) generated recommendations for additional guidance and tools required to support urban disaster response, something that this review agrees with to support effective CTP. The types of guidance proposed by DFID include:

- i. Guidance on monitoring and supporting people living with host families.
- ii. Tools and procedures to gather information and to analyse and understand the pre-disaster social and protection environment of the city.
- iii. Guidance for urban market analysis including such things as the rental market and labour markets.
- iv. Guidance on how to work with governments.
- v. Guidance on analysing and addressing housing, land and property rights (HLP) in urban areas.

Additional areas would be to address the gap in standardised tools for community-level vulnerability analysis (Twose *et al.* 2015) and methodological guidance on estimating the MEB and the transfer value for programmes providing MPG in different contexts.

## 4.8 Preparing for urban emergencies

### 4.8.1 Programme implication: focus on preparedness measures

Designing and implementing efficient and effective CTP in urban areas taking into account the lessons outlined above will require greater focus on preparedness measures.

- i. **Depending on organisational mandate and implementation context, organisations should undertake market system analysis of commodities likely to be in huge demand** (such as corrugated iron sheeting, water, rented accommodation) that could be of concern due to potential inelasticity of the market. In doing so, key contacts in relevant businesses and government departments should be made for future consultation and use.
- ii. To enable the use of e-transfers that could facilitate a timely cash response, or mobile communication with beneficiaries, **organisations need to understand the technological capacity, constraints and wider regulatory landscape ahead of an emergency**, in order to build capacity, ensure compliance and establish pre-agreements with relevant public and private entities ahead of time.
- iii. **Implementing organisations or those undertaking preparedness programmes should unite and liaise with relevant government departments and line ministries to ensure a common understanding and approach with regards to a potential cash response.** Advocacy may play a role where there is a lack of leadership with regards the relevant government body mandated with preparedness.
- iv. **Discussions and agreements regarding the monitoring of urban ‘emergency trigger’ indicators** and their cut-off points are critical to ensure invisible acute emergencies in informal high density settings are not missed.
- v. **‘Preparedness by design’ in urban development programmes.** Organisations implementing development-orientated programmes should by default include potential mitigation activities in light of a disaster, such as the scalability of infrastructure.
- vi. **Due to the relatively high number of private and public actors engaged in urban coordination, test out coordination platforms ahead of an emergency.** Coordination of preparedness activities by all key stakeholders (public and private sectors and civil society bodies) is a viable preparedness action and can ensure all actors have like-minded approaches and clarity in their roles and responsibilities.
- vii. **Clarity from donors about their urban cash-funding streams and potential role as enablers at the government level is required.** Donors also influence linkages between relief, recovery and development funding in disaster-prone high-risk countries.

## 4.9 Research gaps

Although the identification of gaps in research was not a central element of this literature review, a few gaps have surfaced. Urban humanitarian response would benefit from further applied research into the following areas to fill gaps in policy, evidence or practice.

- Studies to better understand market systems (particularly informal market systems) that cash transfers in urban contexts will impact on; how the very poor and/or displaced populations interact with these; the key bottlenecks and constraints including the regulatory environment; and the impact of CTPs on economies. This could include for example informal credit markets, rental markets and daily labour markets.
- Research to understand the value for money of different approaches to targeting in different urban emergency contexts – comparisons between community-based targeting, poverty scorecards, extractor questionnaires and proxy means tests. A review of targeting methods is being undertaken as part of an inter-agency ECHO-funded enhanced response capacity (ERC) grant led by UNHCR, focusing on building learning on MPG which should provide some useful insights.
- A greater understanding of the benefits and challenges of area-based approaches to vulnerability analysis, CTP design and implementation.
- Evidence from different contexts on the efficiency and effectiveness of MPG – robust monitoring and evaluation (M&E) and impact evaluations – as a means of holistically addressing household needs.
- Research into the scale of remittances in crisis-prone urban areas and the potential of the remittance market to influence cash preparedness, CTP scale up and the impact of humanitarian CTP on markets.
- A study by Luff (2014) into the extent of CTP in WASH programmes recommended operational research linked to WASH programmes implementing CTP to further learning in the following areas, which are relevant from an urban perspective:
  - i) The impact of cash on the WASH service-provision market.
  - ii) Trigger indicators for when to phase out WASH supplies and phase cash in.
  - iii) The effect of CTP on low subsidy approaches of development programmes.
  - iv) Whether CTP undermines hygiene behaviour and action that is normally considered to be voluntary.



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# Annex 2 Glossary

## TYPES OF CASH AND VOUCHER APPROACHES IN EMERGENCIES

Conditional cash transfers*	The agency puts conditions on how the cash is spent, for instance stipulating that it must be used to pay for the reconstruction of the family home. Alternatively, cash might be given after recipients have met a condition, such as enrolling children in school or having them vaccinated. This type of conditionality is rare in humanitarian settings.
Cash for work*	Payment (in cash or vouchers) is provided as a wage for work, usually in public or community programmes.
Unconditional cash transfers*	People are given money as a direct grant with no conditions or work requirements. There is no requirement to repay any money, and people are entitled to use the money however they wish.
Mobile money	'Mobile money is electronic currency stored in an electronic wallet on a mobile phone. This can be converted back into cash with designated agents at any time, and used to purchase goods or pay bills at affiliated merchants, or transfer money to other individuals. The e-wallet is protected by a personal identification number (PIN), and accounts are debited or credited as soon as the transaction takes place' <sup>28</sup>
Multipurpose grants/cash transfers**	Multipurpose grants/cash transfers can be defined as a transfer (either delivered in several regular tranches or as an ad-hoc payment) corresponding to the amount of money that a household needs to cover, fully or partially, their basic needs that the local market and available services are able to meet appropriately and effectively.
Vouchers*	A voucher is a paper, token or electronic card that can be exchanged for a set quantity or value of goods, denominated either as a cash value (eg US\$15) or as predetermined commodities or services (eg 5kg of maize; milling of 5kg of maize). Vouchers are redeemable with preselected vendors or at 'voucher fairs' set up by the implementing agency.

\* Source: Harvey and Bailey (2011: 4)

\*\* Source: Council for the European Union (2015: 5)

<sup>28</sup> <http://www.cashlearning.org/resources/library/390-e-transfers-in-emergencies-implementation-support-guidelines>

# Related reading

Parker, E and Maynard, V (2015) Humanitarian response to urban crises: a review of area-based approaches. IIED, London. See: <http://pubs.iied.org/10742IIED>

Urban poor populations frequently experience disasters of varying typology and intensity. When set against a backdrop of poverty and marginalisation, their needs can be complex. As recent urban crises have pushed humanitarian agencies to respond in urban areas, this literature review examines the opportunities and challenges afforded by cash transfer programming in urban areas. The evidence indicates a role for cash transfer programming in first phase urban humanitarian response objectives and potentially contributing to longer-term development objectives. However, effective and sustainable urban humanitarian cash responses demand cooperation, coordination, capacity, commitment and funding across key humanitarian, development and private-sector stakeholders, under the leadership of a strategic and answerable body, which is no easy task.

IIED is a policy and action research organisation. We promote sustainable development to improve livelihoods and protect the environments on which these livelihoods are built. We specialise in linking local priorities to global challenges. IIED is based in London and works in Africa, Asia, Latin America, the Middle East and the Pacific, with some of the world's most vulnerable people. We work with them to strengthen their voice in the decision-making arenas that affect them — from village councils to international conventions.



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