

# Moving Cash



*Fast*



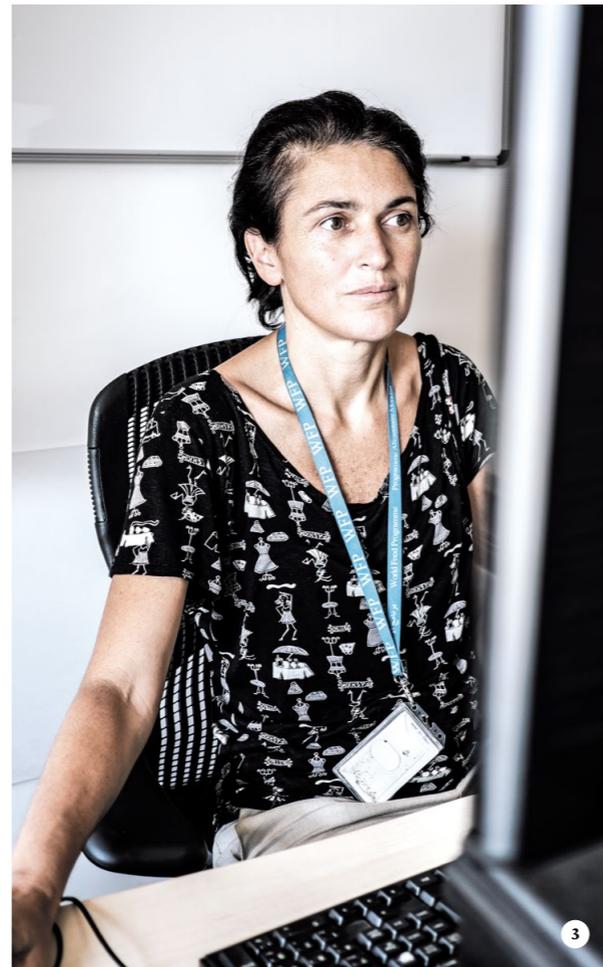
Cash-based assistance is reshaping humanitarian aid. NGOs like the World Food Programme confirm this in Lebanon, where 700,000 refugees use an e-card to spend money in 500 shops all over the country. Quite apart from its efficiency and the boost it gives to local economies, cash also grants beneficiaries more dignity in uncertain times.

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alf a dozen kilometers south of Beirut, the dusty two-lane Beirut-Saida Highway cuts straight through Ouzai. This densely populated neighborhood has become little more than a forgotten ghetto, and Ouzai today is a backwater of poverty and overpopulation. Some say that there are more Syrian refugees than Lebanese people living on both sides of that highway – which you could also call a lifeline, bordered as it is by shops, garages, and gas stations; some smaller, some bigger, but all colorful, loud, hot, chaotic. In the lots behind the businesses, canopied by black cables stretching like spider webs from the tan walls lined with trash, families make their homes in poorly constructed houses.

Rabiaa Yassin is a 24-year-old mother of two who fled from Idlib, Syria almost four years ago. She opens the heavy iron door to her shelter and leads the way into a small, stuffy room, maybe 10 square meters, with another room beyond and then some kind of kitchen or bathroom beyond that. “It costs me 200 USD per month,” says Rabiaa, “water and electricity not included.”

**A CARD THAT REPRESENTS A CHANGE IN AID AND EFFICIENCY**  
Rabiaa’s Household Profile created by the World Food Programme (WFP) reads: “The



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1 Syrian kids playing in a backyard in Ouzai, south of Beirut

2 Shopkeeper Aref Rayya in his “Nour Market” in Ouzai

3 Martina Iannizzotto, WFP Mount Lebanon Head of Sub-Office

4 Sign indicating the procedures regarding the shopping process with WFP’s e-card



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family of three lives in one small independent room which is part of a common shelter holding around fifteen families in the al Ouzai area. There are two children aged four and six. The household representative is a 24-year-old mother; her husband is not enrolled on the UNHCR certificate. Both have no permanent job and are constantly searching for any temporary employment in order to gain additional income to supplement the humanitarian assistance they receive.” Rabiaa takes out a red card, which represents the reality of what the NGO-speak documents. Just a card, but it represents a step change in mindset, humanitarian aid and, yes, efficiency.

**“CASH ADDED TO THE CARDS HAS A MASSIVE DOUBLE IMPACT THAT YOU DON’T HAVE WITH FOOD.”**

**Edward Johnson**  
WFP spokesperson

For years and years our collective awareness of global aid has been shaped by the same, almost iconic, images. Whether in Lebanon, Somalia, Haiti, or elsewhere, whenever there’s a crisis we see NGOs delivering boxes of food and distributing bottles of water to groups of thirsty, emaciated beneficiaries. Are these responses helpful? More helpful than doing nothing, certainly. Are these scenes dignified? As dignified as queuing for the very basics of life can be. Is there a change under way? There is. Time for our collective awareness to adjust.

“Initially we were giving out parcels of food; then we switched to paper vouchers, and over time we moved to a system using cards that function just like debit cards,” explains Martina Iannizzotto, WFP’s Head of Beirut, Mount Lebanon and South sub-office. On the 5th of every month, around 700,000 refugees

receive 27 USD on an e-card which can be used to buy food in almost 500 WFP-contracted shops across the country.

During the early stages of Lebanon’s response to the Syria crisis, humanitarian agencies began the move from in-kind assistance to cash-based assistance (CBA), in order to more effectively meet the needs of refugees. “This change was facilitated by functioning markets, sufficient technical capacity, adequate banking services and sound infrastructure throughout the country,” Iannizzotto continues. It’s not like South Sudan or Somalia, where WFP’s food aid programmers require a huge logistical operation. “That’s what we are known for doing: we have a reputation for giving food, and for moving food fast. Here, we are moving cash fast.”

**CASH OFFERS AN ELEMENT OF DIGNITY AND TRUST**

CBA is not only fast to arrive, but also cheaper to implement than bringing in food, which carries enormous logistical expense: there are costs to buy the food, move it, then the hundreds of WFP staff needed to put grain and oil in a box and then give it to a person. “It’s not efficient,” says WFP spokesperson in Lebanon, Edward Johnson. “Not to forget that element of dignity: beneficiaries can buy what they want to eat and not what we are telling them to eat.” And when it comes to cash being spent on alcohol and cigarettes, those transactions are disallowed at the point of sale. “It won’t work,” Johnson says, “and the shopkeepers know that they are not allowed to sell alcohol or whatever to people with a red card.”

The system, developed in conjunction with MasterCard and the local financial services provider, Banque Libano-Française, has supplied a card to nearly 180,000 households. And it should be noted that cash-based assistance doesn’t just provide hope to refugee families, but also gives a ➤

**Big data, more efficiency**

*With roundabout 18 to 22 million USD uploaded to e-cards every month the WFP’s programme in Lebanon is currently the agency’s largest cash-based transfer intervention – and a huge source generating a useful amount of data: WFP and the Centre for Innovation (CFI) at Leiden University collaborated on researching how to support food security programming in Lebanon, using the records of more than 6 million individual e-card transactions over an 18-month period from 2014 to 2015. Why? “Because WFP needs to understand the behaviour of beneficiaries and retailers better and to minimize unintended practices,” says Tobias Flämig, WFP’s Head of Economic and Market Analysis Unit. ▶*



**1,100,000**

**SYRIAN REFUGEES IN LEBANON**  
*in March 2016, registered by UNHCR. The world’s largest concentration of refugees compared to population.*

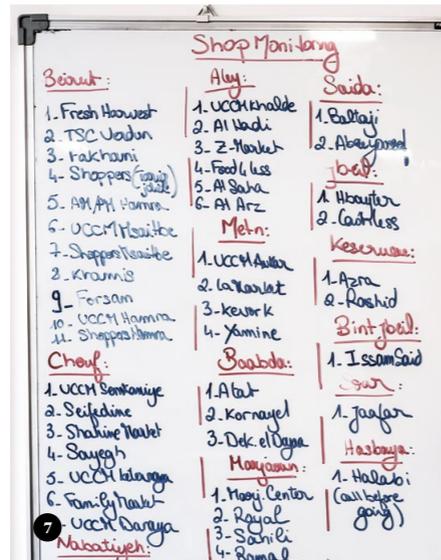


substantial boost to the Lebanese economy. “Where we deliver cash, all the evidence indicates that people are using it correctly. When it comes to our impact here, we are seeing that for every 1 USD of cash assistance that we deliver in Lebanon, 2.13 USD is generated for the Lebanese economy,” says Kevin Murphy, Cash Manager at the International Rescue Committee (IRC) in Lebanon.

This multiplier effect on local business shouldn't be overlooked either: since its inception, WFP's cash-based assistance has directly injected more than 900 million USD into the economy via the card system. Lebanese shopkeepers have benefitted, expanding their shops, employing additional staff and increasing their profits.

**DOING CASH DIFFERENTLY – AND BOOSTING THE ECONOMY**

Aref Rayya owns “Nour Market” in Ouzai, and his store became one of the WFP's contracted shops in November 2016. Its monthly sales from WFP beneficiaries total between 18,000 USD and 21,000 USD. “I added different brands to meet requests from Syrian refugees, particularly margarine, oils and cheese.” What do his regular customers think? “They often stay away when the refugees go shopping; my shop is quite crowded on the days



5 Mohammed-Al-Amin-Mosque at Martyrs Square

6 POS in Nour Market, Ouzai

7 Monitoring the WFP's partner shops

when the card gets loaded.” And yes, sometimes they say, “I wish I was a refugee and I had a card that let me shop for free.”

Aref insists that he has not lost any of his Lebanese customers, and is not anxious about the day the refugees – and therefore 25 percent of his income – leave the area. “It won't affect me much, as the shop is in a good location. If they leave, others will come.” Inshallah.

According to its study “Doing Cash Differently – How cash transfers can transform humanitarian aid”, the Center for Global Development estimates that cash and vouchers



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together have risen from less than 1% of total humanitarian spending in 2004, to around 6% today – with all its ups and downs: “Giving people cash is not always the best option. Sometimes markets are too weak, or supply cannot respond, in which case cash transfers are not appropriate and could lead to inflation,” the study states. It goes on to point out

**“THE WFP E-CARD SYSTEM INCREASED MY EARNINGS OF ABOUT 25% SINCE NOVEMBER 2016.”**

Aref Rayya  
Shop owner

► WFP's regular monitoring led already to shops being disqualified, partly for financial irregularities. “We noticed that many disqualified stores saw ‘high volatility’ in their sales, suggesting that large fluctuations in turnover could be a good indicator of unusual transactions”, Flämig continues. However, there are legitimate reasons for sudden increases in a shop's turnover, including a new influx of e-card users or the closing of a nearby shop. “But by following digital footprints, humanitarian agencies can monitor a programme's performance and have atypical transactions automatically flagged – all in real time” (Flämig). This could improve programme accountability and efficiency, ensuring more resources reach those who need them most.

that sometimes, government policies make it impossible to provide cash – though these situations are rare and often temporary. “It should not be used as a bad excuse for providing in-kind relief or vouchers long after these constraints cease to apply.” Cash transfers should also be complemented by the provision of those public goods that markets will not provide efficiently, such as security, sanitation or immunization.

What about future plans for what we can call “aidficiency”? “To roll it out in other countries,” says WFP spokesperson Edward Johnson, “and start a trial with 140,000 people, that will move towards a system where users can withdraw cash from an ATM and do what they want with it.” He adds that the WFP is quite confident that the cash will be spent on food, as that is the biggest area of need that people face. “We are putting cash assistance at the forefront of what we do: we have an ambitious plan to increase the use of cash assistance to 25% by the year 2020,” says IRC's Cash Manager Kevin Murphy.

“Go back to my country,” says Rabiaa Yassin from Idlib, Syria, stranded in that dusty suburb half a dozen kilometers south of Beirut.

Beneficiaries use the e-cards like a debit card in over 500 WFP-contracted shops around Lebanon.

**900**

**MILLION USD SINCE 2013** have been injected by WFP directly into the Lebanese economy.