

# Cash Based Assistance (CBA)

**Cash based assistance has emerged as an effective evidence-based means of meeting needs in humanitarian response.**

## Forms of cash based assistance

**Vouchers** - paper, electronic, or some other form which can be exchanged for services or goods of a predetermined value with preselected vendors.

**Cash** - money which can be given physically, through mobile phones or bank transfers. Transfers can be:

- **Direct** - payment made in cash or vouchers. This may be paid to cover monthly household needs, including food, medical, school, rent, etc. through multi-purpose cash assistance (MPCA). It could also be through paid through providing labour for work, e.g. community programmes.
- **Indirect** - grants or technical support to local businesses to regenerate income and market activity including restocking, 'market-system support', rehabilitation of infrastructure.
- **Conditional** - cash must be used for a specific purpose or beneficiaries must adhere to a specific condition, e.g. enrolling children in school.
- **Unconditional** - no restrictions imposed or limits on what the cash can be used for. Increasingly this is the most common form of cash transfers.

## Advantages of CBA

- Provides households with flexibility in meeting their priority needs.
- Assists in stimulating local markets and livelihood opportunities.
- Helps empower women through more control over resources.
- Promotes household and economic resilience.
- Deliveries are less visible, more dignified, using fewer intermediaries.
- Reduces costs of procurement, transport, storage.

## Disadvantages of CBA

- If markets not monitored can contribute to inflation/shortages.
- Whilst transfers increase access to education, health etc., there is virtually no influence of the quality of services provided.
- Interventions are often short term and don't link to the emergency recovery continuum.
- Limits the administrative capacity of implementing organisations.
- Transfers can lead to insecurity and encourage local corruption.

## Market analysis is critical to effective cash based assistance

**Minimum Standard for Market Analysis\***: Market analysis is a key component of response that informs the design and implementation of appropriate interventions using and supporting local markets. **Consider:**

- How can local markets supply the goods and volume needed?
- How will the market sustain supplies?
- How are price fluctuations likely to affect supply and demand and purchasing power?
- Can cash or vouchers be transferred and spent safely?
- Do local institutions have the knowledge and capacity to handle transfers?

\* See 2018 Sphere Handbook Annex 1: Delivering through markets



## Point to consider for effective cash based assistance

- Community and local authority acceptance
- Sustainable source of funding from taxation or donor resources
- Market mapping and analysis and a reliable supply chain
- Transparent, conflict sensitive targeting criteria
- Simple and robust delivery and verification mechanism
- Safe and flexible payment system that makes provision for poor, illiterate and vulnerable people
- Clear, appropriate and regular communication about targeting and entitlements for all those affected, including host communities
- Thorough staff orientation and training, particularly on use of new technologies

## Additional resources on All In Diary web site

Minimum standards for Market Analysis © CaLP 2013  
Cash Transfer Implementation Guide © Mercy Corps 2017  
Cash Feasibility and Response Analysis Toolkit © UNHCR 2017  
Doing cash differently © ODI 2015

## Web links for further information

Cash Learning Partnership: <http://www.cashlearning.org/>  
[Cash Based Assistance Programme Quality toolbox](#)  
[Operational Guidance and Toolkit for Multipurpose Cash Grants](#)  
[State of the World's Cash report](#)