



Report: Cash Transfers Against Poverty

Briefing on the 100WEEKS webinar hosted by Partos on September 1, 2020

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Lotte Claessens [Plan International](#)
Nico Smith [Dorcas](#)
Pepijn van Dijk [LittleBitz](#)
Madelon Cabooter [PharmAccess](#)

Growing momentum behind cash revolution

More than 70 people joined last week's webinar to discuss cash-transfers as intervention against poverty. A fight more important than ever today as COVID-19 might force half a billion people back into poverty, meaning efforts need to be stepped up to effectively scale cash transfer programs.

Speakers and attendees represented numerous organisations at the forefront of the cash revolution in the Netherlands and beyond. While their approaches and perspectives varied, almost all present were united in a common goal: using cash to combat poverty directly.

The online meeting proved to be an excellent platform for the exchange of ideas and best practices, but also offered irrefutable evidence that the momentum behind the direct-giving revolution is growing fast. While many expressed a keen interest in closer cooperation with others active in the cash transfer business, the discussion also highlighted interesting differences between the approaches adopted by the main players in the field.

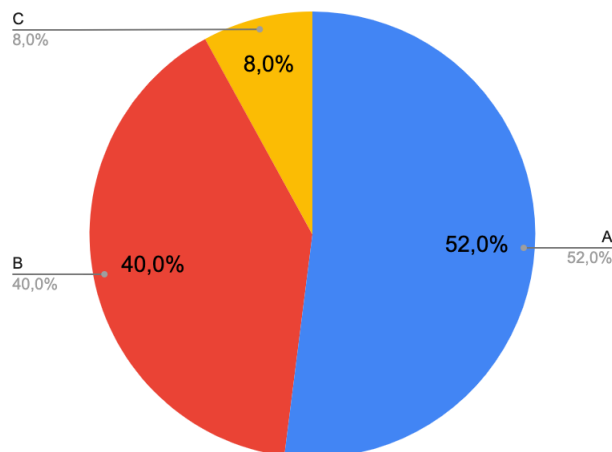
Time to join forces is now

With millions set to join the ranks of the global poor due to the economic crisis following in the wake of the COVID-19 epidemic, there is an urgent need to act. We hope that this discussion will serve as a first step towards a joining of forces amongst those active in direct giving in the Netherlands.

To ensure you benefit optimally from the webinar, Partos and 100WEEKS have drafted this briefing which includes summaries of all speakers' contributions and a brief digest of the main points discussed. Thank you again for joining us!

Poll

Are cash transfers the way to solve poverty?



- A Yes, unconditional cash transfers
- B Yes, but only if conditions are applied
- C No, cash transfers will not solve the problem

Discussion highlights

Cash transfers: means to an end or goal in itself?

While some organisations see cash transfers as a means to propagate a primary goal (e.g.: reducing child labour by giving money to their parents) others see cash transfers as the most direct means of combatting poverty.

Just cash or cash and some more?

Views differ regarding the effectiveness of cash donations on their own. While some believe that a simpler approach is better, many think cash is more effective when supported by other forms of aid, with (financial) training being particularly favoured.

Role of governments

Cash transfers play a societal role which in some countries is covered by a government-run social safety net. Some fear that further extending the reach of cash transfers would lead to a parallel form of social security which could lead to inefficiencies. Others pointed out that in some countries it is neigh-on impossible to distribute large amounts of money effectively through the state.



Jeroen de Lange

100WEEKS

“Cash changes lives by extending the planning horizon of people living in poverty”

100WEEKS is a giving platform dedicated to connecting people living in extreme poverty with donors in other countries. Its program consists of three core activities:

- 1) A weekly, unconditional, mobile-money transfer of 8 euros in local currency
- 2) Weekly training sessions in financial literacy, entrepreneurial skills and life-skills
- 3) Peer to peer coaching in groups of 20 women on a weekly basis. These groups become mutual support networks for the women.

The program lasts for approximately 2 years (100 weeks) and is open only to women. The cash support offers them a chance to ensure their basic needs are met, allowing them to extend their horizons and develop sustainable livelihoods.

De Lange explained that an extensive measuring and evaluation system has proven the intervention is effective in a large majority of cases, leading to increased psychosocial wellbeing and a permanent boost in income.

100WEEKS is looking to scale the delivery of cash transfers in the nations where it is active (Rwanda, Ghana and Uganda and Ivory Coast) by building a platform that will enable local community based organisations to run their own direct cash programs. 100WEEKS works with existing, local community-based organisations, but maintains its own digital infrastructure for cash delivery and outcome measurement through mobile surveys, De Lange said.

Lotte Claessens

Plan International

“We need to better consult with the people we work for, especially young people”

Since its introduction in 2011, cash and voucher assistance (CVA) has become an important part of Plan International’s humanitarian aid package, currently a 100 million euro portfolio. Plan International uses cash assistance as a means to achieve its humanitarian objectives, such as basic needs assistance of families affected by crisis, and protecting children who are separated or at-risk of child labour or child marriage. Typically these CVA interventions are short-term and focused on meeting immediate humanitarian needs.

Plan International has launched a new initiative to strengthen humanitarian programming for adolescents in crisis settings, a group often overlooked in crisis situations. Claessens shared the results of a study conducted by Plan International into the use and effectiveness of CVA for adolescents in crisis settings. The research highlighted that while there are promising practices, there is still limited evidence regarding the effectiveness of CVA for holistic adolescent well-being outcomes. Within the sector there is little consensus on when and how to provide CVA directly to adolescents.

One of the key recommendations shared by Claessens was the need to include recipients in program planning as well as discussion about program effectiveness. Sometimes young people challenge assumptions about what works and consulting them can lead to surprising findings.

“We need to better include the young people in decision-making about cash assistance”, Claessens said.



Nico Smith [Dorcas](#)

“We believe cash alone is not sufficient”

Dorcas is a faith-based NGO dedicated to creating lasting change in the lives of people living in poverty, excluded or caught in a crisis. While Dorcas started 40 years ago with providing aid packages in the form of boxes filled with humanitarian goods, the organisation has since then shifted to an integrated approach in addressing chronic poverty and now also includes cash assistance in its humanitarian programs, Nico Smith explained.

Currently Dorcas offers cash support in six countries, always in combination with other forms of aid. “Cash alone is not sufficient”, said Smith. “We try to give additional assistance, be it psychosocial, legal or another form of safety net.”

Like 100WEEKS’, Dorcas’ approach is rooted in the Graduation Model developed by the Bangladeshi NGO BRAC, a multi-step program intended to lift people from extreme poverty into sustainable livelihoods. Smith noted that Dorcas was trying to move away from conditional cash giving, since it had led to unintended consequences in the past. One example Smith gave was that the need to produce evidence of specific spending could be an obstacle in informal economies.

‘We need to think more in terms of cooperation’

Pepijn van Dijk [LittleBitz](#)

LittleBitz is a platform that tries to make giving easier by teaming up with NGOs to develop new digital ways of donating money. Pepijn van Dijk of LittleBitz was unique amongst webinar participants in offering a perspective from the donors’ point of view.

According to Van Dijk, younger generations do not give to charity because they cannot see the impact their money is having and do not like the way donations are solicited. New forms of technology offer unparalleled control and transparency in consumer choices that many people have come to expect. NGOs are lagging behind in this respect, in part because they are reluctant to adopt winning strategies developed by organisations they see as competitors.

This lack of cooperation amongst NGOs is one of the underlying fundamental issues facing the sector, Van Dijk said. “We need to make direct giving into a movement, build a coalition and integrate it into other environments, only that way can we reach new donors.”

“Digital infrastructure is expensive to develop, easy to scale”

Madelon Cabooter [PharmAccess](#)

PharmAccess is the driving force behind I-Push, the innovative partnership for universal sustainable health. At its core lies mobile digital infrastructure allowing families living in extreme poverty to take out health insurance at reduced prices, supported by donors in the Netherlands. “Women often drift below the poverty line when they have catastrophic health expenditures, like a caesarian”, Madelon Cabooter explained.

Using a specially developed digital socio-economic mapping tool, PharmAccess identifies the level of poverty of recipients, determining how much of the insurance they are able to afford themselves. The rest of the premium is paid for by institutional donors and governments.



PharmAccess is working on a system that will allow donors to buy into health-insurance wallets directly with the ultimate goal of offering universal health coverage. “This type of digital infrastructure needs an initial investment to develop, but once it’s there you can scale it at marginal costs”, Cabooter said.