

CASH BASED RESPONSES – A MARKET BASED APPROACH CAPACITY STATEMENT



A beneficiary receives her monthly cash payment, South Sudan

About us

Adeso is a humanitarian and development organization that is changing the way people think about and deliver aid in Africa. We are an African NGO working in a very different way than most. We believe that development must come from within, not outside, African communities. That it is Africans themselves who must determine Africa's future, and that while international aid has provided much-needed support, it often falls short of enabling lasting change at grassroots level. We want to change this, and our strong bonds with African communities mean we are uniquely placed to do so. We listen to communities and respond to the needs that they value the most, providing sustainable outcomes for a sustainable future. Adeso has been in existence for 20 years and is a registered non-profit organization in Kenya, a registered 501(c) 3 non-profit organization in the USA, and a registered charity in England & Wales (no. 1131711).

Who We Work With

The strength of our relationships with stakeholders is the strength of our programming approach. Together with communities, humanitarians, donors, government and local authorities, we work towards our vision to bring positive change to the way in which aid is delivered.

Our Approach

At Adeso, we don't decide on the best approach for community development from the confines of our Nairobi or Washington DC offices, but from working and living in the field with local communities. We pioneered cash transfers as a form of aid that ensures the one thing people never lose is their dignity. Regardless of where we work, our approach is the same: we help vulnerable communities through partnerships and shared decision-making. The Inclusive Community Based Targeting (ICBT) approach is a unique methodology employed by Adeso to target communities in a participatory manner. Our field teams hold regular community meetings, and find a way for every group to have a voice.

A Market Based Approach to Humanitarian Response - Cash Based Transfers

For too long, support provided to communities affected by natural and manmade disasters was mainly determined by political agendas of donor countries and the method of aid that allowed most control for the aid giver. The impact of the aid on local markets, the dignity and ability of the impacted party and the beneficiaries' right to prioritize their own needs were never part of the decision-making process in humanitarian response. Cash based transfers are one of Adeso's flagship approaches to emergency and development work, because we believe that cash offers several advantages over other forms of aid. It is cost effective, often leads to a better use of resources, and has a positive effect on local economies. More importantly, cash is a flexible resource and empowers those in poverty by allowing them to prioritize their own needs. In this way, it is a much more dignified and respectful form of aid – two qualities that define everything we do.

Adeso was the first NGO to pioneer cash transfer programs in East Africa and the Horn of Africa, implementing the first unconditional cash transfer in 2002 in Somalia. Cash transfers are slowly becoming a tool of choice for Adeso and an increasing number of other humanitarian agencies. Cash transfers represent a power shift from the agency and the donor to the local market and beneficiary. Adeso plays a leadership role in this area, and advocates for the use of cash transfers among humanitarian players throughout Africa.

Emergency cash transfers

For 10 years Adeso has implemented cash based transfers in emergency-affected populations. These transfers are used to buy food, and a cash transfer of sufficient size can support nutrition security. Cash transfers also ensure access to essential non-food goods and services, support the purchase of drinking water, and help with health care costs such as transport and medicines. However, cash transfers are not just about a short-term response. After an emergency, we work to help people rebuild their lives. This may mean replacing livestock that a pastoralist family has lost, or providing families with cash so they can farm again. We also help communities to access seeds and tools, improve soil quality and maintain irrigation systems, and support people in finding alternative employment.

In response to the devastating 2011 famine in Somalia, Adeso led the formation of a consortium of four international organizations, which channeled over \$58 million in cash transfers to an estimated 512,778 people in Southern Somalia. Out of the total reached, 276,983 (54%) people received a total cash transfer of \$25 million (43%) from Adeso directly. This is the largest ever documented large scale cash program in Africa. Evaluations of the program show that not only were lives saved, but multiple impacts continue to be felt in terms of household food security, asset holding and local market stimulation.

Over a period of 10 years, Adeso reached approximately **1 million people** with direct cash distributions totaling **50 million US dollars**

Social Safety Nets

According to the 2013 World Development Report, advancing the global jobs agenda will require the right investment in people. This includes the right skills for people to secure good jobs, the right protection for people against risks arising from volatile economies, and the right mechanisms to help people transition smoothly and safely from one job to another. Adeso's approach in providing social safety nets is based on policies and programs that reduce vulnerability by promoting efficient labor markets, diminishing people's exposure to different risks and enhancing their capacity to manage these risks. Social safety nets provide for the long term recovery of households in perpetual crisis.

Social Safety net systems help people and families find jobs, improve productivity, cope with shocks, invest in health and education, and protect special interest groups. Adeso's social protection programs, which comprise both social assistance (such as cash transfers and subsidies) and job creation schemes, are a powerful tool to reduce poverty and vulnerability. They can have a direct, positive impact on poor families by building human capital through better health, more schooling, and greater skills.

Adeso supports social protection programs in developing countries as a central part of its mission to reduce poverty through sustainable, inclusive and pro-poor growth. Adeso recognizes that social safety net programs can become disjointed and lack coordination, hampering their effectiveness. Consequently, Adeso aims to move from fragmented approaches to harmonized systems. It focuses on making these systems more inclusive of the vulnerable and more attuned to building people's capacities and improving the productivity of their work. The Adeso strategy looks at ways to deepen capacity, knowledge, government involvement and impact of social safety nets on targeted communities. There are a number of issues that Adeso consider to be pertinent to the success of the social safety nets approach. These include: targeting mechanisms, monitoring and evaluation systems, and the economic and market factors while implementing Social Safety nets.

Delivery mechanisms: Through its 30 month pilot Social Safety Nets project co-implemented with Save the Children in Northern Somalia, Adeso has effectively delivered outcomes through various methods including:

- **Labor market interventions** - Job creation schemes, skills training and agricultural incentives;
- **Social assistance** – Predictable transfer (either cash or in-kind) transferred to vulnerable households;
- **Community-based or 'informal' social protection** - Mechanisms by which social safety nets, mitigation and coping strategies are provided and sustained at community level.

From Adeso's experience, the benefits of social protection programs include:

- Reduces risk and actual incidence of poverty;
- Promotes inclusive long term pro-poor growth;
- Increases labor force capacity through skills and material inputs;
- Increases capital or asset accumulation for livelihood investment;
- Sustains a productive economy ensuring availability, continuity and access to food and other essential items thus increasing the chances of quick recovery from crisis.

Government as a stakeholder: Adeso endeavors to promote social protection as an agenda that can strengthen the legitimacy of government by allowing it to re-shoulder responsibilities for the basic survival of its citizens. Social protection instruments implemented by government are a central part of the political and social “contract” between a state and its citizens, which should be incorporated into the design and planning of state policies and development plans. Adeso considers government a key partner in the design and implementation of social safety nets programs.

Cash based trainings

Adeso holds regular cash based response trainings for humanitarian and development workers throughout Africa. The training curriculum is based on our own experience of cash programming in Somalia, Kenya and South Sudan. To date, trainings have been held in these three countries as well as Burkina Faso, Central African Republic, Ethiopia, Ivory Coast and Nigeria. The trainings aim to develop the capacity of participants to assess when cash based responses are appropriate, and to provide them with practical knowledge and skills in the implementation of cash transfer programs.

Since 2010, Adeso has delivered cash based response capacity training to over 150 humanitarian and development practitioners across the African continent

Adeso has developed a number of publications to guide implementation of cash based responses, including thematic studies on issues pertinent to cash based programming. In addition, Adeso regularly participates in global discussions on cash interventions. We have also led advocacy efforts around large scale cash programs and social safety nets programming in response to the 2011 famine in Somalia.

Designing cash based responses

Wherever we implement cash based responses, Adeso always evaluates the specific context and analyzes the risks to ensure that markets are operating and that money transfer systems are in place. There are many different sizes and types of cash transfers, including both conditional and unconditional. A ‘condition’ may be contributing labor to a community micro-project, taking your child to get vaccinated, or using the money to buy particular items like livestock or food. This ensures that the root causes of an emergency are addressed, whilst providing immediate relief to households in need. Both the type of cash transfer and the size of cash grant are designed in response to the needs of each situation. Adeso has developed a “Practical Guide to Cash Based Responses”, which follows the same order as the project cycle, covering assessments and feasibility of cash based responses, planning and design, setting grant sizes, risk mitigation, implementation, monitoring and standards.

Stay informed: Want to learn more about who we are, what we do, and how we do it? Read our blog posts and social media updates, download our various reports and publications, and browse through our photo and video gallery. Find us at www.adesoafrica.org.

If this still leaves you with questions unanswered, please get in touch.

Contacts: Please contact Adeso if you have questions or comments related to our work. We have our headquarters in Nairobi, as well as several field offices in Kenya, South Sudan and Somalia. We also have a liaison office in Washington, DC.

Adeso Headquarters – Kenya

P.O. Box 70331-00400
Nairobi, Kenya
M: +(254) 710-607-378
T: +(254) 20-800-0881
info@adesoafrica.org

Adeso – United States

1250 Connecticut Ave. NW, Suite 200
Washington, DC 20036
C: +(1) 202 510 4137
T: +(1) 202.263.4608
info.usa@adesoafrica.org