INVESTING IN DRR

Cash Transfer in Humanitarian Action: Local Lessons for Global Use?

India has become a leading lab for social security and cash transfers innovations. According to the World Bank Group’s report ‘The State of Social Safety Nets 2015’, India’s Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) which provides a social security net to 182 million beneficiary (15 per cent of India’s population) is the world’s largest public works programme. The report ranked India’s Janani Suraksha Yojna with 78 million beneficiaries’ mothers as the top-most social security programme with conditional cash transfers and the Indira Gandhi National Old Age Pension Scheme as the second-largest unconditional cash transfer social security programme in the world.\(^1\) Similarly, the Direct Benefit Transfer of LPG, the PAHAL scheme, has been acknowledged by the Guinness Book of World records as the largest cash transfer programme in terms of number of households with 12.57 crore households receiving cash transfer as of 30th June, 2015. As on December 3, 2015, 14.62 crore LPG consumers have joined the PAHAL scheme and are receiving the subsidy directly into their Bank Accounts.\(^2\)

Introduction

Cash transfer in humanitarian action is now a well-accepted idea and several pilots that co-create knowledge and build capacities on this theme are well under way across the world. Even the June 2016 released National Disaster Management Plan (NDMP) of India highlights the role of cash for work in early recovery (03-18 months).\(^3\) The Ministry of Home Affairs (Disaster Management Division) in a letter dated April 3rd, 2017 has stated that effective from April 1st, 2017, State Governments should invariably use Direct Benefit Transfer (DBT) into the account of beneficiary to provide various kinds of beneficiary oriented assistance under SDRF/NDRF.\(^4\) This, AIDMI finds, is one of the most important step in making humanitarian action more citizen oriented.

The world is rapidly urbanizing and cash transfers in urban crisis are quicker and more effective. Cash transactions are a way of life for the urban poor and an important consideration to participate in disaster risk reduction or adaptation activities. An IIED study, “A review of evidence of humanitarian cash transfer programming in urban areas” notes that “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.”\(^5\)

It was in 1998, after the Kandla cyclone on the coast of Gujarat that AIDMI, with Oxfam GB, initiated its first cash transfer to the small

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Doing DRR Differently

Design Governance

A lot more can be done to plan better and faster, after and before, a disaster in a city. The publication, Design Governance, offers an up-to-date “informal tool box” drawing from a decade-long globally unique iterative process. Matthew Carmona, Claudio de Magalhaes, and Lucy Natarajan offer an exciting and forward looking way to shape urban design projects that is as useful to architects and city planners as to urban geographers and city managers. In short the new publication offers “ways of doing”, the process of managing design per se in a city or urban location.

AIDMI's resilience building work with over 28 local authorities and agencies across nine states in India shows that governance plays a key role in making DRR a reality. Far more donor education is needed to invest more in governance of DRR related measures. AIDMI also finds that Asia Pacific region has a lot to offer in terms of many ways to govern housing and habitat recovery and resilience after a disaster. As India has added more cities to its Hundred Smart City Programme that will change India's future irrevocably the book is especially of use to city planners, architects, resilience experts, and urban investors in India.

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Local Lessons

So what are the local lessons of cash transfer for global use in shaping international humanitarian action?

First, there is no universal framework that defines the scope and purpose of cash transfer in humanitarian action that the national authorities have agreed to and wish to use in humanitarian action.

Second, the objectives of cash transfer may change from context to context and there is no global support to offer this flexibility to local actors. Third, the progress so far is scattered and uneven. Targets are needed to use cash transfers for reducing losses and accelerating the recovery of livelihoods.

Fourth, a consensus on the top 3 to 5 priorities from a myriad priorities needs to be achieved to avoid unnecessary confusion. Fifth, the guiding principles of cash transfer need to be spelt out as well. How can cash transfer and minimum wages (such as MGNREGS) go hand in hand? Can electronic payments with cash transfers lead to greater accountability?

Sixth, fair estimation of contribution to larger socio-economic and ecological development must be made. Cash-based programming must lead to job-creation and local market development without any adverse consequences on ecology.

Way Ahead

These local lessons are highly relevant to South Asia, including Nepal where donors such as ECHO and UNICEF along with other agencies have used cash transfers in earthquake recovery efforts.

While EC considered cash transfers as the preferred mechanism for relief assistance, particularly in the Kathmandu Valley, “UNICEF supported the Government of Nepal to provide emergency cash transfers to more than 430,000 vulnerable people in 19 districts most affected by the earthquakes.”

Using cash as a leading option in responding to emergencies is gaining policy momentum worldwide. Newer forms of cash transfer approaches and operational modalities are being tried and tested. The following are needed to make cash transfers more effective: a) co-creation of knowledge with local actors, and b) capability building of local authorities and NGOs and citizen groups to monitor, measure, and enhance its regenerative impact on the household economy.

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