

Market Based Interventions Cash Transfer Programmes (CTP)/ Cash Based Interventions (CBI) CWG Greece, August 2016

Justification for Market (or Cash) Based Interventions or Cash Transfer Programmes for Greece Response

Market based interventions are any programmatic responses that employ existing market places to meet the needs of an affected population. They are usually referred to as Cash Transfer Programs (CTP) or Cash-Based Interventions (CBI). Over the past decade Market Based Initiatives through hundreds of Market based projects have been usefully completed, with millions of Euros of support being given each year.

In Greece cash programs are viable due to the ability of refugees and migrants to access local markets and buy the items that their families require. Humanitarian organizations' attempts to provide the required items through in kind donations have often been either misdirected or inefficient as the individuals they seek to support come from a diverse range of nationalities and backgrounds and can have different priorities (food, health, clothing etc.). From the pilot projects that were undertaken in Greece from November 2015 to March 2016 the findings consistently showed that individuals/families provided with Cash Assistance were able to take responsibility for their own situation and purchase goods/services that met their needs as they knew what was best for themselves. The assistance provided by humanitarian actors via market based responses is viewed as being both culturally appropriate and cost effective at the same time.

Benefits of Market/ Cash Based Interventions or Cash Transfer Programmes

Flexibility and Choice: Provision of cash transfers provides an opportunity for beneficiaries to choose what they need and want, instead of pre-defined handouts of items or food selected by humanitarian organizations.

Dignity: In allowing beneficiaries to prioritize what goods and services their households need, cash transfers are considered by many as more dignified than receiving goods in kind and recognize beneficiaries as active participants in providing for the welfare of their families. Families or households are able to tailor their purchases according to their varying needs.

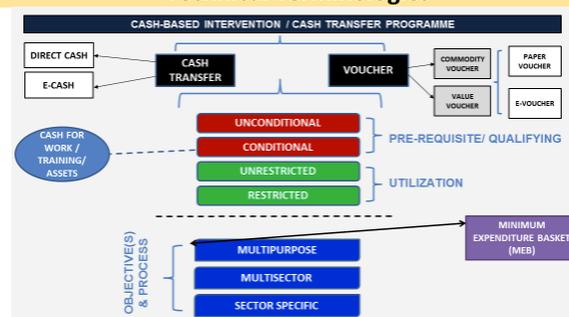
Empowerment: The availability of cash gives households a sense of restored power over their immediate situation. In addition, there is evidence that receiving cash may empower women within the household. Past experiences and evidence shows that cash is beneficiaries' top preference for humanitarian assistance.

Reduces negative coping strategies: When aid is given in kind, families are often forced to seek cash in ways that may be detrimental. Evidence shows that cash transfers reduce negative coping strategies used by beneficiaries.

Supporting local economy: The injection of cash through the distribution of financial assistance has a multiplier effect on the local economy in comparison to in-kind distributions. The distribution of in-kind assistance, specifically non-food items, requires extensive procurement procedures that support the international market and decreases the level of financing carried out in country. Through the provision of financial assistance, humanitarian organizations are in a position to support refugee and migrant populations in Greece, meanwhile enabling a secondary outcome of improving the economic situation of the host community.

Cost effective: Increase overall emergency response efficiency and effectiveness. Market-based response will reduce logistical costs as well as reduce wastage from people receiving items that are not matching their perceived needs. Once the system is setup, it may be used as frequently as needed without additional investments.

Technical Terminologies



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Cash Transfers are the delivery of financial/ monetary assistance.

These can either be in the form of a voucher or in the form of cash:

- Cash can be provided either directly (in hand) or as electronic cash (e.g. prepaid cards, mobile phones etc)
- Vouchers can either be provided as a commodity voucher (e.g. worth 50 kilos of rice) or value voucher (e.g. 50 EUR worth of food and NFI in a specific shop) and as a paper or electronic voucher.

These programs are usually either: conditional or unconditional and restricted or unrestricted.

- Conditional or unconditional refer to the pre-condition or pre-requisite in the form of an action that a beneficiary of cash assistance must make PRIOR to receiving cash assistance (e.g. sending children to school, attending a workshop) in order to meet the objective of the assistance (e.g. education, livelihoods). Unconditional assistance is provided without such pre-requisite however it can have its own set of criteria and be targeted (e.g. female head of household) or blanket (e.g. all residents in a camp).
- Restricted or unrestricted refer to the utilization of money and how flexible the agency providing cash assistance allows it to be. Restricted assistance would only allow beneficiaries to withdraw 'stuff' and not cash (hence making it a voucher). Unrestricted cash assistance allows people to withdraw money from an ATM machine, a supplier, a mobile network provider or in any other form and spend it as they wish.

They are distributed through the following delivery mechanisms:

- Paper or electronic vouchers (restricted cash)
- Pre-paid debit cards for ATM and POS machines access (unrestricted)
- Mobile phones, cheques, remittance agencies and others
- Local cultural ways of exchanging money (e.g. hawala)

Greek markets and its economy are highly developed hence the direction of assistance that has been undertaken by Humanitarian actors has been increasingly towards the provision of pre-paid debit cards, that may be topped up remotely on a monthly basis or as required. These cards have been used by several agencies over six months with over 700,000 EUROS transferred successfully. Currently all Market based assistances provided in Greece have been provided on an unconditional basis with assistance given without the requirement of work on the precipitants side, and mostly it is being given unrestricted with individuals/families able to withdraw funds from ATMs due to the limited number of POS devices in small and medium Greek businesses outside of urban areas.

Cash Working Group Coordination and Minimum Expenditure Basket (MEB)

To support the roll out of market or cash-based interventions, all of the major international UN agencies and NGOs (as well as national/ local NGOs) who are providing significant amounts of humanitarian assistance have agreed to dedicate resources and time to meet regularly to discuss issues around CTP and CBI and have over the last six months taken significant steps in moving forward with common efforts to expand its use.

The group's goal and responsibility are to:

- Develop consistent, harmonized and coordinated approach around the provision of cash assistance to all refugees and migrants in Greece in order to support them meeting their basic needs through access to markets in a way that is empowering, dignified, cost-efficient and benefiting of the local economy.
- Avoid gaps, conflict and tensions through clear, transparent and consistent programming across all sites and in urban areas as well as coordinated provision of cash assistance utilizing guidance from other sectors.