

**HPG**

Humanitarian  
Policy Group

# Pros and Cons of digital transfers

aka “why do we over-think cash programming  
and under-think pretty much everything else?”

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CashEssentials Cash & Crises webinar  
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# The hierarchy of worries for ECT: no. 1

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## 1. The usual stuff

- Should a transfer be given?
- To whom?
- How to identify them?
- By whom?
- When?
- Where?
- How much?
- Conditionality?

Nothing specific here about *cash* programming

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# The hierarchy of worries for ECT: no 2

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## 2. The modality

- *Money, vouchers, in-kind*

Not much of a headache – most of the time cash is best.

**In-kind:** reduces agency, low VFM, depresses markets, feeds elite power....

**Vouchers:** reduce agency, centralise trade, more expensive, more corruption.  
(Useful where it's legit to limit spending to something not prioritised.)

**Money:** increases agency, spreads trade, feeds local economy, (usually) best VFM

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# The hierarchy of worries for ECT: no 3

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## 3. How ?

- Notes
  - smart-cards
  - Mobiles
  - Hawala
  - Banks
  - etc..... ?
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## What are we trying to achieve?

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- Cost-efficiency
  - Safety (recipients, staff)
  - Scale
  - Accountability (audit trail)
  - Ease of access
  - Alignment with local systems (SP)
- And maybe....*
- Speed
  - Counter-terrorism worries

**...and without turning cash into a voucher!**

For ECT, other considerations are very secondary  
(Financial inclusion, 'empowerment'...)

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## The answer?

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1. Don't assume problems: people usually find a way !
  2. Win-wins: digital transfer doesn't have to mean cash-less
  3. Judge the options *locally*.
  4. Coordination beats perfection
  5. Er, that's it.
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