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Transfer Mechanism
Cash voucher –
paper or debit card

Budget
€199,018

Beneficiaries
2,516 households

Project Duration
June-August 2011

Areas of Intervention
Cotabato City and Sultan Kudarat,
Autonomous Regions of Muslim
Mindanao, Republic of the Philippines

Objectives

Support flood-affected households staying at evacuation centers by reducing their food insecurity and addressing health issues through a Cash-Based Intervention (CBI) using two cash vouchers and in-kind distribution of WASH items.

Situation

Tropical storms in May and June, 2011, caused rapid flooding in Cotabato City and Sultan Kudarat, Autonomous Region of Muslim Mindanao (ARMM). Clashes between the national government and the Moro Islamic Liberation Front (MILF), a local separatist group, have created enduring local instability in the ARMM.



Rationale

ACF pursued a CBI because basic commodities were available at markets close to evacuation centers (ECs), prices were stable, and the community was open to trying a CBI. Cash vouchers were selected because they offered a secure transfer option in the face of local conflict.



Beneficiaries

The CBI served 2,516 families (16,354 individuals) with vouchers, 305 of which received debit cards instead of paper vouchers. ACF targeted all affected families at ECs that served areas most heavily impacted by floods. ACF did their pilot test of debit cards at a single evacuation center.



Debit Cards

Advantages

- Allowed beneficiaries to shop multiple times;
- Simplified the set-up process;
- Reloaded electronically;
- Reduced opportunity for voucher duplication/fraud;
- Skirted the security issues in the area and eliminated the potential for diversion of funds.

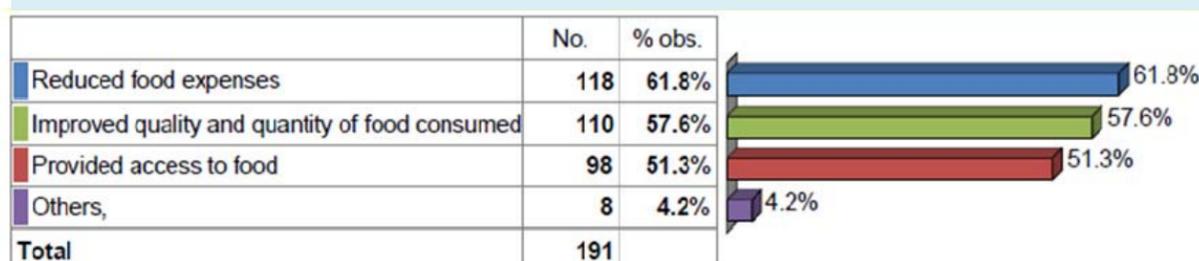
Disadvantages

- Cost more than paper vouchers to produce and operate;
- Prevented unspent funds from being reallocated;
- Complicated implementation because of lack of community awareness about debit cards.

Results

- Reached 2,516 households;
- Increased access to higher quality foods;
- Increased quantity of foods being eaten;
- Restored households' stocks of staple items;
- Expanded types of foods being eaten;
- Exposed local actors to a different aid tool.

What support did the debit card/voucher provide to you?



Conclusions

This project involved the first use of cash as a response tool in this area. It was also ACF International's first experience using debit cards. The CBI demonstrated that debit cards facilitate programs with multiple grant distributions and can reduce the strain on aid agency staff. Strong communication and coordination plans between the selected bank and the aid agency should be developed prior to implementation. Aid agencies should have a backup plan for if debit card issues persist to avoid inconveniencing beneficiaries.