



A blockchain revolution in digital cash for Vanuatu

A blockchain-based cash and voucher assistance (CVA) project supports more than 35,000 people to recover from triple crises of Cyclone Harold, Volcano Yasur's eruption and COVID-19

Already grappling with severe economic difficulties from COVID-19 restrictions, the island nation of Vanuatu was hit hard in April 2020 by Category 5 Tropical Cyclone Harold and an intense volcanic eruption. The cyclone destroyed communities, houses and livelihoods, leaving some **160,000 people – nearly half the country's population – in need of humanitarian assistance**. The situation was made worse by constant ash falling and acid rain killing crops and food supplies in Tafea, while Shefa Province bore the brunt of tourism-related job losses triggered by COVID-19.

Vanuatu is ranked as **the world's most disaster-prone country**: major events occur annually and their effects are compounded over time, while the resources needed to respond to them dwindle. There are dozens of islands across these provinces, spanning over 500km from north to south, so assisting people efficiently and swiftly is complex, slow and expensive for government and humanitarian agencies.

The damage wrought by three concurrent crises in 2020 put organizations under enormous strain when trying to meet assist affected people. The island's remoteness, the urgency of the needs, the lack of surge support and very little visibility to encourage fundraising all posed major logistical challenges. Cash and voucher assistance (CVA) in particular was complicated by the limited reach, poor quality and high cost of financial services infrastructure, while most organizations lacked experience in CVA as it is a relatively new approach for the Pacific region.

As such there was a **critical need for innovation in designing an intervention that could be scaled up quickly across complex geographic terrain**. The response would also have to simultaneously address economic and humanitarian impacts while remaining inclusive and accessible to local stakeholders.

FSC partner Oxfam's [Un-Blocked Cash project \(UBC\)](#) harmonizes delivery of assistance through e-vouchers, including a live dashboard to track transaction analytics by purchase categories, age, vulnerability, gender, location and frequency.

The UBC is designed to **put affected communities at the centre of innovative response programmes**, and was conceived specifically to face the geographic challenges of the Pacific islands. The UBC **leverages the presence of local organizations in a community** and works with small and informal vendors across the islands. Successfully piloted in Vanuatu in 2019, the system's replicable, decentralized and digital nature drastically increased scalability for many islands and implementing partners, and now functions as a single, shared payment platform.

The blockchain-based e-vouchers circumvent costly payment instruments offered by local banks, allowing for electronic transactions to be made even with minimal or no financial infrastructure in place. The ‘tap-and-pay’ e-voucher cards are easy to use and adaptable to the different needs of affected people, affording recipients greater agency and empowering them on the path to economic recovery. So far the project has **supported 35,000 people directly and 351 vendors across 12 islands in Vanuatu, meanwhile injecting over USD 1.2 million into the economy.**



Micah, 89 years old, bought food and tin roofing to repair his cyclone-damaged home, paying for it all with his #UnBlockedCash e-voucher card.

The project works with local markets and the Vanuatu Chamber of Commerce to leverage supply chains and existing market ecosystems, supporting a network of more than 350 local small-to-medium enterprises (SMEs) including shops, transporters, and market and informal vendors, who all bore the economic brunt of the triple crises. In addition to receiving a simple android phone to accept payments, each vendor receives a grant amount as financial liquidity and to replenish their stock.

“I am so thankful. I am too old to work but this programme allows us old people access to food and other things that we need.”

Micah, e-voucher beneficiary

The collective approach also improved localization for the Vanuatu Cash Working Group (VCWG), leveraging Oxfam’s technical assistance and innovation, a push from donors to enhance CVA knowledge and capacities, and broader community and field presence of local and INGO partners. To ensure coverage and

scale, the VCWG created a 17-partner consortium with members from government, civil society and INGOs, financial service providers, Clusters such as shelter and food security and agriculture, donors, the Reserve Bank of Vanuatu and international financial institutions (African Development Bank, World Bank). **This allows all partners to participate in CVA implementation while drastically speeding up delivery times.** Moreover, it enabled rapid and transparent monitoring of transactions, accessible by all partners through the dashboard mentioned earlier.

The UBC approach proved that inclusive, localized innovations can bring scalable technological solutions into humanitarian toolkits, especially in challenging contexts. Likewise, UBC showcased how the automation, transparency and light infrastructure offered by digital solutions can:

- ✓ **lower capacity barriers** for partners to collaborate in the delivery process;
- ✓ **enhance local business and civil society participation** to meet the needs of affected communities (without surge support);
- ✓ **increase scalability** and access across complex and scattered geographic contexts;
- ✓ introduce **parallel benefits**, such as digital access and financial literacy.

Feedback from recipients and participants indicated an overwhelming preference for assistance of this kind. Although the idea was born in Vanuatu, it is not exclusive to it: the project is already being piloted by Oxfam in Papua New Guinea and Venezuela, with Oxfam Ireland, Oxfam in the Pacific and the Solomon Islands being the next teams to use it.

Find out more about this programme here:

[UnBlocked Cash: Piloting accelerated cash transfer delivery in Vanuatu, Research Report](#)

[The UnBlocked Cash Project](#)

[Oxfam video on UBC](#)

[FSC Cash and Markets Working Group](#)