



# Growing Programs with Cash Readiness

A CASE STUDY FROM CRS AND PARTNERS

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## CRS Cash Readiness

Cash and Voucher Assistance (CVA) used within humanitarian contexts has nearly doubled as a proportion of international humanitarian assistance since 2016 and now accounts for approximately 19% of international humanitarian assistance. Catholic Relief Services (CRS) commits in its Vision 2030 strategy to deliver \$1 billion in CVA by 2030. To achieve this ambitious goal, CRS began improving its CVA institutional and technical capacity within CRS headquarters, regions, country programs (CPs) and partners. This improvement process is called “cash readiness” and refers to specific activities designed to holistically improve the targeted organization in certain areas.

Cash readiness prepares an organization to implement cash transfers promptly, at scale and efficiently according to quality standards. CRS launched the Readiness to Respond (R2R) project in 2019 to support CPs and partners in their cash readiness efforts. By 2023, 27 organizations were in progress or had completed the cash readiness approach. The results of cash readiness are emerging. In just a few short months, CPs and partners are seeing ways to use cash assistance in their current programs. They are recognizing opportunities to include CVA in new projects they are designing and proposals they are writing. They are realizing how CVA allows them to access new funding sources. These are the advantages that cash readiness brings to an organization. The following case studies are the experiences of CPs and partners as they leverage cash readiness to access funding for the benefit of the vulnerable populations they serve.

## CRS and Caritas El Salvador

*“Cash assistance has become an effective way to reach people without having a lot of risk. We are reaching people, and delivering cash to them, without them standing in a line like they do in a small village waiting for items. We would often have to tell people they were not included in the item distribution. This is why we are establishing a better way to provide support using cash assistance.”*

— Antonio Baños,  
National Director, Caritas

Caritas El Salvador is an experienced response organization that often delivers many types of humanitarian aid, including CVA, in the weeks following a disaster. It has used CVA since around 2012 to meet the needs of vulnerable populations. Prior to using CVA, Caritas El Salvador purchased the food or necessary items that it delivered to people after a disaster. It maintained warehouses to pre-position items until they were needed. It needed foresight to decide what materials would be needed by each community. This response was expensive and difficult, and the items or materials were often not what was needed most. In El Salvador, CRS introduced Caritas El Salvador to multipurpose cash assistance (MPCA) in 2020 during the R2R Phase 1 project. Caritas El Salvador immediately saw the advantages of using MPCA. Cash assistance was preferred by recipients, reduced warehousing and transportation costs of items and materials, and was flexible. When the R2R Phase 2 project was announced in 2021, Caritas El Salvador was ready to expand its cash assistance capabilities throughout the dioceses in El Salvador.

Caritas El Salvador noticed the versatility of MPCA and could see its potential in the organization’s emergency responses, social programs and anticipatory actions. For example, during the R2R Phase 2 project, Caritas El Salvador used MPCA to support people impacted by climate change in the dry corridor. The forecast showed irregular rains and increased temperatures and predicted higher-than-average food prices across El Salvador. Caritas El Salvador worked in the department of Santa Ana in four sectors to deliver MPCA. This support helped to sustain families and livestock as well as assist with drinking water shortages. Caritas El Salvador distributed cash assistance to hundreds of families, who used these funds to prepare for the likely crisis ahead. CRS and Caritas El Salvador, working together, used the flexibility of cash assistance to respond to an expected crisis with anticipatory actions.

In October 2022, Tropical Storm Julia brought flooding to areas of El Salvador. Using cash assistance, Caritas El Salvador provided support to families impacted by the flooding within three weeks of the disaster. Caritas El Salvador follows each cash assistance delivery with a post-distribution monitoring (PDM) survey. From the data, about 80% of the money given to recipients is used to purchase basic needs items such as food or medications. Some use the money for working capital. For example, recipients report getting more land to plant crops for an improved growing season. Cash assistance meets the needs of each individual, family and community without in-depth knowledge of each recipient. It reduces the risk of providing the community

with items they don’t need. Mr. Baños says, “We believe programs have more impact when people receive money. To do that, we need funding. Most of our funding comes from our partnership with CRS and the U.S. Agency for International Development Bureau of Humanitarian Assistance (USAID/BHA).”

CRS’ partnership with Caritas El Salvador is long-standing and strategic. The two organizations have worked together for years. In El Salvador, CRS was a participant in R2R Phase 1 from 2019–2020, strengthening its capacity for cash assistance and introducing its partner, Caritas El Salvador, to a systematic method of providing cash assistance. Through the R2R Phase 2 project, CRS in El Salvador and CRS Humanitarian Response Department staff gave technical support, tools and training to Caritas El Salvador. From this experience, Caritas El Salvador adapted and created their own set of cash tools, procedures and training for their context and the



[Photo credit: Raquel Valencia/CRS El Salvador]

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*“We tell our partners that donors are requesting CVA more and more. If the partner organizations want to access funding, they need to work on their cash programming capacity and readiness. Cash will continue to be a priority for donors and CRS. We already see that from donors for El Salvador.”*

*– Isabel Martins,  
CRS Partner Emergency  
Program Quality Advisor,  
Central America and  
Mexico*

dioceses. Caritas El Salvador showed dedication and an incredible increase in capacity very quickly. In 2021, CRS designated Caritas El Salvador as its sole partner for CVA in humanitarian responses across El Salvador. In this role, Caritas El Salvador trains its network of dioceses in the tools and processes of CVA. When a crisis happens, Caritas El Salvador coordinates the efforts of the dioceses as they collect information about the markets, the people’s needs, and the feasibility of using CVA in response to the crisis. The Caritas El Salvador national office quickly compiles this information and sends reports to donors like CRS and USAID/BHA. Caritas El Salvador also oversees the local dioceses as they register participants, make the cash transfers, conduct PDM, and respond to feedback and complaints. In just a few years, Caritas El Salvador grew in its CVA capacity, capability and experience. Now, when USAID/BHA approaches CRS to deliver cash assistance to vulnerable populations, CRS immediately turns to its partner, Caritas El Salvador. Caritas El Salvador has become highly efficient, using many of the newly developed tools and Standard Operating Procedures (SOPs) from the R2R project to move aid quickly to participants. In a recent humanitarian response, Caritas El Salvador was able to distribute cash assistance through a Financial Service Provider (FSP) within three weeks of receiving the funds, which is a requirement for USAID/BHA partners. In emergencies, providing aid as quickly as possible is critical. For Caritas El Salvador to distribute cash assistance so quickly and with high program quality is truly an invaluable achievement.

Caritas El Salvador is seeing the results of their CVA capacity-strengthening efforts not only in speed but also in increased funding opportunities. Between September 2020 and September 2021 (FY21), USAID/BHA provided CRS with about \$2,400,000 for Agriculture and MPCA.<sup>1</sup> For the same period in FY22, funding more than doubled to about \$5,700,000.<sup>2</sup> As an NGO in El Salvador, the funding CRS receives from USAID/BHA is surpassed only by the U.N. World Food Program. Additionally, CRS receives funds from USAID for development work, population movements and disaster risk reduction. As CRS’ designated partner for CVA in El Salvador, Caritas El Salvador is implementing many of these programs and utilizing funds for the people of El Salvador. With its speed, program quality, and expansive dioceses across El Salvador, Caritas El Salvador is a big part of the reason for the increasing funding given through USAID/BHA to CRS in El Salvador for MPCA. And this is only the beginning. Caritas El Salvador is well placed to expand its provision of cash assistance beyond humanitarian aid in the coming years as further opportunities present themselves from CRS, USAID/BHA and other donors.

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<sup>1</sup> *El Salvador, Guatemala, and Honduras – Regional Response: Fact Sheet #12*. United States Agency for International Development – Bureau of Humanitarian Assistance; 2021. Accessed October 10, 2023.

[https://www.usaid.gov/sites/default/files/2022-05/2021-09-](https://www.usaid.gov/sites/default/files/2022-05/2021-09-30_USG_El_Salvador_Guatemala_and_Honduras_Regional_Response_Fact_Sheet_12.pdf)

[30\\_USG\\_El\\_Salvador\\_Guatemala\\_and\\_Honduras\\_Regional\\_Response\\_Fact\\_Sheet\\_12.pdf](https://www.usaid.gov/sites/default/files/2022-05/2021-09-30_USG_El_Salvador_Guatemala_and_Honduras_Regional_Response_Fact_Sheet_12.pdf)

<sup>2</sup> *El Salvador, Guatemala, and Honduras – Regional Response*. United States Agency for International Aid – Bureau of Humanitarian Assistance; 2022. Accessed October 10, 2023. [https://www.usaid.gov/sites/default/files/2022-11/2022-09-30\\_USG\\_El\\_Salvador\\_Guatemala\\_and\\_Honduras\\_Regional\\_Response\\_Fact\\_Sheet\\_5.pdf](https://www.usaid.gov/sites/default/files/2022-11/2022-09-30_USG_El_Salvador_Guatemala_and_Honduras_Regional_Response_Fact_Sheet_5.pdf)



## CRS in Timor Leste

*“We had 3 days planned for the distribution but finished in 1.5 days instead. All the departments in the CP helped. We had very good communication between the CP staff. Everyone is very happy with the cash pilot... I do hope the CP will continue with cash assistance in future responses. The CRS TL leadership is highly committed to using cash in Response. They want to incorporate cash assistance into the country program strategy and planning.”*

— Marcel Pinto, R2R Focal Point, CRS Timor Leste



[Photo credit: Jennifer Hardy/CRS]

For CRS in Timor Leste (CRS TL), CVA is a natural fit for the complex and increasingly disaster-prone environment found in the country. Cash assistance is potentially the most effective way of getting assistance to populations affected by natural disasters, displacement or crises throughout Timor Leste.

In the early months of 2022, CRS TL began using CVA, specifically paper vouchers, in response to flash floods, providing households with means to recover. CRS TL at first found that participants preferred traditional in-kind distributions. However, after participants experienced the flexibility the paper vouchers gave them to control their aid, participant surveys at the end of the program showed an increased preference for vouchers and a further increase for cash assistance. The government of Timor Leste recently approved the CVA modality to be used in humanitarian response settings as a response to COVID-19 emergency response and recovery programs. This program was one of the first to use cash assistance. With an eye on leveraging the change in government policy, CRS TL made building capacity in CVA a priority. When CRS announced the R2R project for strengthening cash readiness, CRS TL was delighted to apply. “We [CRS TL] are not seen as a big emergency actor here in Timor Leste. However, we knew that cash would be a way to boost our capacity and our reputation in the country. We made a strategic decision, documented in our country strategy, to develop our CVA capacity in the country program,” says Edwin Wong, the CRS TL Program Manager. The CP senior leadership made a conscious decision to embrace and utilize cash assistance, with the hope of building its reputation and presence in emergency response. Their decision had quick results and a return on their investment in cash readiness in just a few short months.

In January 2023, as part of the R2R project, CRS TL, with its partner Caritas Diocesana de Baucau, conducted a cash pilot for 241 households in the village of Lelalai in the municipality of Baucau. Using the newly contracted FSP, Telkomcel, each household received \$100. The CP undertook the full process of a cash assistance component, from participant selection and registration to the rapid market and needs assessment, PDM and financial reconciliation. The pilot project involved staff from the Operations, Programming, and Monitoring, Evaluation, Accountability and Learning (MEAL) departments. It used the tools developed throughout the R2R project, including the CVA procedures and pre-loaded assessments in CommCare. Monitoring results showed that participants spent their cash on a range of items that would not have been possible if in-kind distributions were used. The data showed that households spent an average of 50% on food, 30% on education, 7% on savings and 5% on hygiene items. The vast majority of respondents mentioned they felt safe throughout the cash distribution, including getting to and from the site. About 83% of respondents mentioned they preferred cash over other modalities.

A few short weeks after the R2R project finished, CRS TL used cash assistance to meet the urgent needs of a community with acute food insecurity in the municipality of Ermera. CRS TL was able to integrate the lessons learned from the R2R pilot project into the new program. The team reaped the benefits of the R2R project by using CVA SOPs, cash tools, and registration forms that are pre-loaded into CRS’ CommCare technology platform. They also benefited from staff who had gone through training and gained CVA experience through the R2R Cash Pilot. CRS TL more than doubled the number of households and tripled the number of villages served in the pilot project, reaching 545 families with \$200 each, for a total of \$109,000 distributed to those in need.

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*“We are seeing a lot more satisfaction with the cash assistance modality than with in-kind and vouchers.*

*If we can do it well in Timor Leste, it is a great place for cash assistance. It is a very safe country compared to other contexts.”*

*— Edwin Wong, Program Manager, CRS Timor Leste*

CRS TL continued to expand cash assistance in programs. In October 2023, CRS TL distributed cash assistance as part of the “Prepared and Resilient III (PARIII)” project. The CRS TL team targeted villages with high food insecurity, a situation that was likely to worsen due to the impending drought forecast due to El Niño weather patterns. The project had an emergency contingency line item allowing the CRS TL team to support villages in the event of an emergency, and cash assistance was deemed the most appropriate modality. CRS TL was able to successfully advocate with the donor to use the emergency contingency funding to support over 600 households with \$300. It gave over \$180,000 to households through the response. In just eight short months, the CRS TL moved from having little to no cash assistance experience, tools or processes to providing over 600 households with cash assistance. The CP began its journey using small funds for a pilot of \$24,000, and in less than eight months, it was able to successfully advocate donors to provide nearly seven times that much (\$180,000) using the tools, contracts and training received from the R2R project.

As CRS TL grew its cash assistance experience, it gained recognition from its peers in other NGOs, U.N. organizations and the government. Within two short years, CRS TL moved from solely providing in-kind distributions during emergencies to being a leader in emergency response using cash assistance. CRS TL staff were instrumental in establishing the country’s Cash Working Group and continue to actively lead and contribute to the group’s crucial activities. CRS TL, along with other NGOs and the United Nations in the Cash Working Group, is advocating cash-friendly policies for both private and government institutions. These include asking private FSPs to expand their networks, reducing service fees for cash transfers used as humanitarian assistance, talking with governments about adjusting minimum expenditure baskets to the current market costs of basic, and allowing for people without government identification to receive aid. The Timor Leste Cash Working Group is small but growing in influence as it continues to work on behalf of the populations it serves. CRS in Timor Leste is also growing—growing its programs, expanding its influence, and serving those in need through cash assistance.



[Photo Credit: Annika  
Hammerschlag/CRS West Africa  
Region]

## CRS in the West Africa Region

*“I think the cash readiness approach and structure is so important. I really love the concept. What the R2R project did was create a roadmap with clear and easy “plug and play” activities. It has the templates, the plans, everything an organization needs to do cash readiness.”*

— Kyla Neilan, CRS  
Humanitarian  
Response Department  
Program Quality  
Manager, West Africa  
Region

International humanitarian organizations have difficulty finding funds for organizational readiness. Only a few donors recognize the value and necessity of funding an organizational change process. CRS was fortunate to have a donor who recognized that funding for organizational readiness would increase the efficiency and effectiveness of CRS and its partners in humanitarian responses. The R2R project remains unique among CRS projects and programs. Because cash readiness involves organizational change and improvement, finding funding to replicate the model across CRS’ CPs and partners is a challenge. Yet this challenge is not an insurmountable barrier. CRS in the West Africa region cleverly included cash readiness into at least one Sahel food security proposal.

CRS partners in West Africa often use CVA in humanitarian rapid response situations. This assistance may be given along with other items and food or as MPCA in place of items or food. Partners have shown an openness, willingness and ability to distribute cash assistance in projects as implementing partners, with CRS providing technical oversight. Yet many partners lack in-depth technical knowledge and understanding of market-based programming. They have not yet learned the skills to analyze market assessments, create risk mitigation matrices, or justify using CVA over other assistance modalities. Many do not have framework agreements with FSPs. Partners may have many of the skills for CVA implementation but lack the confidence to conduct a cash assistance project on their own. This lack of technical knowledge and understanding provides CRS an opportunity to strengthen its partners’ capacity through the cash readiness approach. In the West Africa region, CRS views the cash readiness approach as part of overall capacity building for partners. Partners independently implementing CVA can become implementers for other organizations or donors. CRS sees this as part of its efforts to strengthen local leadership and support national-level partners to provide aid directly to the people.



In 2022, when USAID BHA put out a call for food security proposals in the Sahel, the CRS West Africa Region responded by submitting a proposal with partner capacity-strengthening through the cash readiness approach and included a cash assistance component. Cash readiness activities are part of the program design. The 2.5-year project has all the cash transfers included in the CRS portion of the budget. CRS will provide accompaniment to the partners during the first year of the project. The partners will complete the Partner Cash Readiness Assessment (TCAT) baseline and then will have funds from the project to work on the activities recommended. CRS will support the partner in following the steps in the cash readiness approach and making capacity improvements during the first year of the project period. At the end of the approach, the partner will take the TCAT endline to determine whether they have reached a “cash-ready” level.



[Photo credit: CRS El Salvador]

Depending on the scores, CRS will move the cash assistance funding from their budget to the partner’s budget for implementation. During the last year of the project, the partner will use the knowledge, tools, processes and systems built during the cash readiness phase and apply their knowledge throughout the remainder of the project. CRS will continue to provide support and accompaniment as needed to the partner, yet the oversight will decrease over the last year of the project, allowing the partner to increase their capabilities and confidence.

The West Africa Region found it quite easy to include the cash readiness approach in the project proposal. After the R2R project, the cash readiness approach was packaged with the basic tools to provide accompaniment and support to partners. This approach can now be used or dropped into proposals in the future. Donors are interested in funding partners as part of their “localization of aid” agendas. This makes cash readiness, a partner capacity-strengthening activity, a great fit for CRS and an attractive opportunity for many donors who otherwise would reject giving capacity-building funds.