

# Cash For Work – Lessons learnt in Northern Afghanistan

Lately there has been a surge of interest in international development circles in the use of cash payments as an aid instrument and alternative or complement to in-kind forms of assistance, such as food aid. In the past, the vast majority of international humanitarian assistance programmes in developing countries has focused on the in-kind distribution of relief materials. However, during the last few years, the international debate on the use of cash transfers as an aid instrument has gained momentum. A recent report examines a GTZ-supported Cash For Work (CFW) programme in Northern Afghanistan and relates its experience against key issues emerging from the wider literature on cash-based responses.

The debate on the usefulness of cash as a humanitarian assistance tool has shifted quickly from being a relatively neglected instrument to an effective part of the humanitarian toolbox. Discussions have undergone a metamorphosis from the question of whether cash is an appropriate tool at all, to „the modus operandi“ through which way organisations, donors and governments can best use cash transfers. This does not mean that cash transfers should be seen suddenly as a universal panacea to fit all sets of conditions. In fact, cash transfers need to be considered in the context of whether peo-

ple can buy what they need in local markets and whether or not cash can be safely delivered and spent by beneficiaries.

Thus, the debate about cash as an assistance tool has tended to move beyond delineating the ‘pros’ and ‘cons’ towards the complexity of implementation. This is because it has been recognised that concerns about the potential for cash being diverted to corrupt abuse or spent to the disadvantage of women were often not borne out in practice. The relative risks of cash versus its in-kind alternatives need to be assessed on a case by case basis. The current debate is, therefore, focused on processes of context analysis and assessment to determine when, where and how cash programmes may be appropriate. Cash transfers will be simpler to implement in situations with robust markets and cash delivery systems already in place (i.e. banks, remittance services), with infrastructure

intact, and where a degree of security can be guaranteed.

## ■ The Cash For Work projects in Northern Afghanistan

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) has been implementing development-oriented emergency and transition assistance (DETA) programmes in the northern provinces of Afghanistan, *Kunduz*,

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*Opening up the area with roads had a mobilising effect on the population.*



Takhar and Badakhshan, since 2002 (Kunduz had to be excluded from coverage of this article). The first Cash For Work (CFW) activities started in 2004, but really only gained momentum in 2006. The DETA programme was extended to two provinces in South-eastern Afghanistan in 2007 (*Khost* and *Phaktia*) as well as – in response to the drought and food crisis in 2008 – to six other provinces in the North (*Baghlan*, *Balkh*, *Samangan*, *Sar-i-Pul*, *Jowzjan* and *Faryab*), where CFW projects have also been started – albeit on a smaller scale.

DETA programmes are financed by the German Ministry for Economic Cooperation and Development (BMZ), and are short- to medium term responses in line with the “linking relief to rehabilitation and development” (LRRD) continuum. The overall goal of DETA is to ensure that public services are delivered during and immediately following emergencies for a limited period of time, while simultaneously promoting self-help capacity at all levels of society and the state (BMZ 2005). Since 2006, the DETA programmes have introduced a people-centred approach that aims to increase the sustainability of poor people’s livelihoods in North-Eastern Afghanistan: the “Sustainable Rural Livelihood” (SLR) approach (N. Schall 2005).

Initially, investments were concentrated in two selected districts each in Takhar, and Badakhshan provinces in what are known as “backbone projects”. These comprise large, mostly infrastructure, projects, such as road or bridge construction with Cash For Work components of a notable size. Within the districts selected, the majority of interventions target specific communities based on food insecurity or poor livelihood criteria. The main instrument used within the GTZ’s DETA projects is cash-based interventions as opposed to in-kind interventions. Cash For Work was given preference over Food for Work (FFW) for various reasons, including the character of the chronic, i.e. not acute, crisis phase, and the easier logistics for cash than for costly food deliveries, given the mountainous nature of Northern Afghanistan. The preference also reflects Government policy regarding the shift towards cash-based approaches.

The projects are implemented by the target groups and Afghan partners in the districts, communities and provinces. Technical know-how and supervision as well as monitoring is supported by GTZ-employed Afghan staff, mainly construction engineers, agricultural engineers and community workers, assisted by a few international staff. The entire approach from project conception to final implementation is bottom-up and oriented towards Afghan ownership.

The main CFW types of activity are in the area of basic infrastructure, where needs have become immense after the decades of conflict. Areas less affected by hostilities have been connected to roads for the first time after centuries of seclusion, like the mountain villages in Badakhshan, but also in southern parts of Takhar. Apart from roads, projects cover a wide range of construction and rehabilitation work, such as bridges, culverts, school buildings, flood protection, wells, and drinking water supply.

## Development oriented emergency and transition assistance (DETA) programmes in Afghanistan



- **Field work conducted**  
Districts: Faysabad, Taluquan, Warsaj
- **Cash For Work concentration**  
Provinces: Badakhshan, Takhar
- **Recent Cash For Work**  
Provinces: Kunduz, Balkh, Samangan, Baghlan, Faryab, Jowzjan, Sar-i-Pul, Paktia, Khost

As regards beneficiaries, the GTZ-supported CFW activities have guaranteed roughly 15,000 workers access to some cash over the last three years, benefitting more than 100,000 Afghans on an annual basis. In Badakhshan province alone, 150,000 work days were provided on a yearly basis as an income opportunity. On average, CFW beneficiaries have participated in CFW schemes for 15 days and roughly 10,000 skilled and unskilled workers have participated annually, benefitting over 80,000 poor in Badakhshan alone (the average-size family is estimated to be of 8 persons in Badakhshan province and 5 persons in Takhar province).

Measured against the original goals, the overall effects and impacts of the CFW schemes reviewed can be summarised as set out in the following. The main objectives of the CFW schemes were:

- To improve the food security situation in vulnerable districts.
- To increase economic opportunities and social services for the rural population.
- To improve access and travel facilities within the districts.



Photo: gtz archive

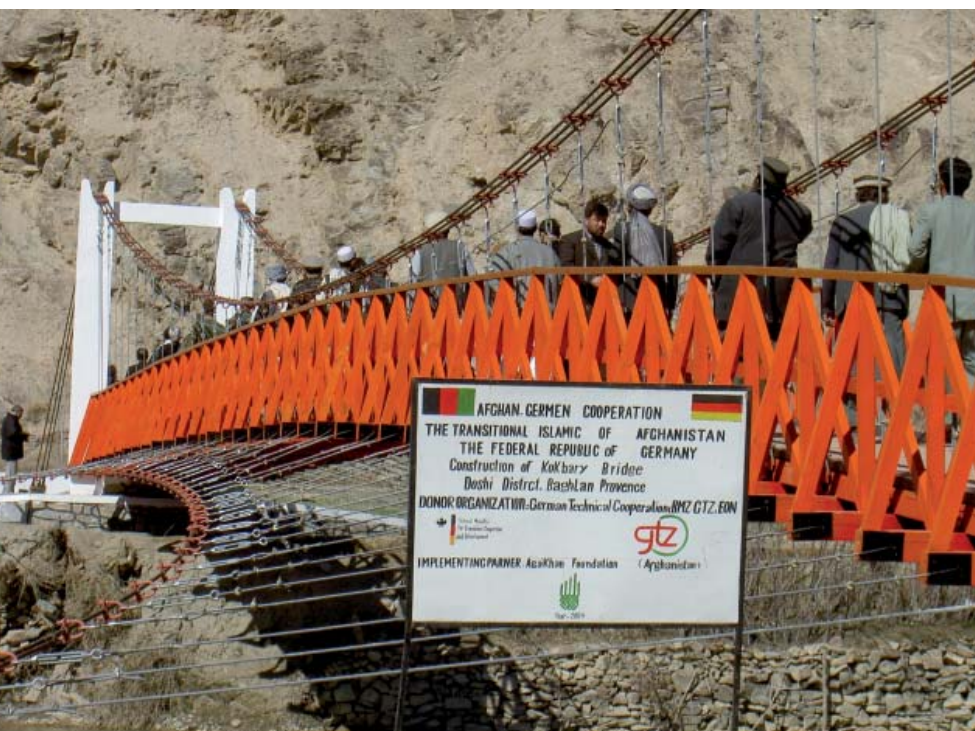


Photo: giz archive

*Decades of conflict in Afghanistan have heavily damaged the country's infrastructure. Roads and bridges need urgent restructuring to interlink the regions and connect urban centres with rural areas.*

- To provide short-term work opportunities for the residents of the communities.
- To provide capacity building to Community Development Councils (CDCs) through transparent use of CFW funds.
- To strengthen the local economy in general.

Almost all of these objectives have been reached generally, albeit in different degrees associated with varying local conditions. Projects had substantial positive impacts on economic conditions, local markets and social amenities as well as attitudes of targeted communities. In most cases, projects yielded very positive short and medium-

term results and laid the foundation for longer-term structural impacts. In particular, in various locations, road construction projects contributed to solving transportation problems, especially in winter and spring time. For the first time buses, cars and trucks were able to reach some of the remote areas. Regular road access contributed to the opening of shops along the roads and helped villages to take sick persons to hospitals on time in order for them to receive medical treatment. The opening up of the area by roads had a mobilising effect on the population. Furthermore, in various sites, town inhabitants considered roads connecting rural areas with main town centres and bazaars as a starting point for further investment in infrastructure of the district centres. Occasionally, families with migrant workers abroad expected returning emigrants to invest in the local economy as a result of their improved financial situation.

## Zusammenfassung

Das vom BMZ finanzierte und von der GTZ durchgeführte DETA-Projekt in Nord-Afghanistan stimmt in seinen Ergebnissen weitgehend mit anderen auf Geldleistungen basierenden Ansätzen überein. Cash for Work (CFW) hat sich als ein wertvolles Instrument für schnelle Hilfe und als ein wirksamer Mechanismus erwiesen, mit dem langfristig Motivation und ein Wertewandel in traditionellen afghanischen Gemeinden bewirkt werden kann. Ob Geldleistungen als Ersatz oder ergänzend zu Sachleistungen sinnvoller sind, muss im Einzelfall und kontextbezogen entschieden werden. Vorbehalte hinsichtlich des Einsatzes von Geldleistungen aus Gründen der Sicherheit, der Gefahr von Korruption und unter Gender-Aspekten erwiesen sich in der Praxis als unbegründet. Weder wurden eine Zweckentfremdung von Geldleistungen oder erhöhte Risiken bei der Verteilung von Geld anstelle von Sachleistungen nachgewiesen, noch verstärkte Korruption

oder Schmiergeldzahlungen oder eine Benachteiligung von Frauen durch Geldleistungen. Die Feldstudie gelangt zu dem Schluss, dass eine bessere Koordination der Akteure auf nationaler Ebene nötig ist. Die große Anzahl der Akteure, die in CFW-Programmen in Afghanistan tätig sind, macht diese Koordination und den Erfahrungsaustausch besonders wichtig.

## Resumen

El proyecto DETA en el norte de Afganistán, financiado por el BMZ y ejecutado por la GTZ, concuerda en gran medida con otros resultados de enfoques basados en dinero en efectivo. El canje de trabajo por dinero en efectivo fue concebido como un instrumento válido de respuesta rápida con el potencial de convertirse en un mecanismo eficaz para desencadenar cambios de largo plazo en las motivaciones y los valores de las comunidades afganas tradicionales. La pregunta sobre si las transferencias en efectivo son apropiadas como

reemplazo o complemento del apoyo en especie sólo se podrá dilucidar en base a cada caso individual y dentro de contextos específicos. Las dudas sobre la viabilidad del canje de trabajo por dinero en efectivo en relación con los riesgos de seguridad, corrupción y género no se materializaron en la práctica. No se encontró ninguna evidencia de un uso antisocial perceptible del dinero en efectivo, de mayores riesgos de seguridad al manejar dinero en efectivo en lugar de aportes en especie, de mayor corrupción ante las entregas de dinero en efectivo, o de desventajas particulares para las mujeres en relación con las sumas de dinero. En última instancia, el estudio de campo llegó a la conclusión de que se necesita una mayor coordinación entre los actores a nivel nacional. El gran número de agencias que mantienen programas de dinero en efectivo a cambio de trabajo en Afganistán hace que la coordinación y el intercambio de experiencias resulten de importancia realmente vital.

## ■ Conclusions

The results of the field study affirm the conclusions that the GTZ project largely tallied with other findings about cash based approaches. CFW was seen as a valid rapid response tool with a potential as an effective mechanism for triggering longer-term motivational and value changes in traditional Afghan communities. However, whether cash transfers are appropriate as a replacement or complement to flank in-kind support, can only be decided on a case-by-case basis within specific contexts. The GTZ experience with Cash For Work projects in Northern Afghanistan show that cash transfers can be successful on a large scale. Concerns that cash is misused for **anti-social purposes** has proved unfounded as the money was spent to a large extent to cover basic needs, mostly food. Another critique to CFW programs often put forward, i.e. that cash could be more vulnerable

to looting or misuse than food aid and that, therefore, cash transfers would only make sense in secure situations, has also remained unsubstantiated. The results in Afghanistan rather suggest that cash-based programming can be successful, also in insecure environments.

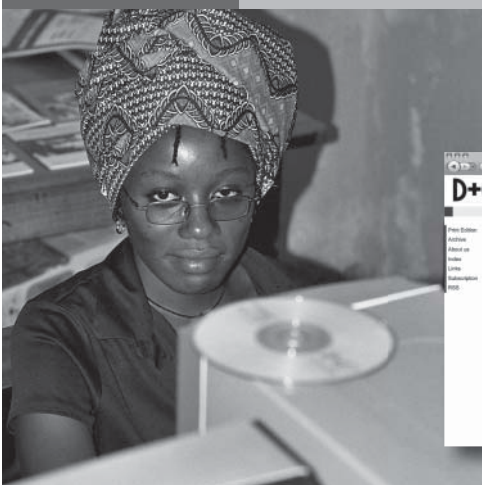
Neither has there been any evidence that cash transfers would **disadvantage women**. The results of the field report show that men and women in northern Afghanistan frequently make joint decisions on how to spend money most appropriately, and that women often have access to their husbands' cash deposit and also participate in economic activities, provided that these are among their responsibilities. Another criticism of cash programs has been that they do not necessarily **target** the most vulnerable. Given that workers were selected in co-operation with the shuras, elected CDCs and project staff, evidence sug-

gested that in Northern Afghanistan the poorest and food insecure of the villages represented the bulk of the unskilled labour force employed by GTZ. However, one unresolved problem has been that many workers were only permitted to join the unskilled labour force for a few weeks due to high demand for the limited work available. This limited the income that each household received and meant that the wages made a relatively small contribution to household food security. It was also felt that in macroeconomic terms the magnitude of cash disbursed was too insignificant to have major **price impacts on food markets** or labour migration. The field study ultimately arrives at the conclusion that better co-ordination among actors at national level is needed. The large number of agencies engaged in CFW programmes in Afghanistan makes co-ordination and exchange of experience particularly important.

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