



DISASTER RESPONSE AND CASH TRANSFER FOR HOUSEHOLD'S ECONOMIC RESILIENCE IN UGANDA

Abdoulie Fye^{1*}, Dr Umar Kabanda², Nakkazi Sheila Christine³

¹Director of Programmes and Operations, The Gambia Red Cross Society, and Rapid Response (Surge) Member of the International Federation of the Red Cross and Red Crescent Societies (IFRC) Deployed in Uganda 2022;

² Research Associate Economic Policy Research Centre – Uganda;
Mail Id: kabandaumar97@gmail.com; Contact No: +256777094001

³ Intern Economic Policy Research Centre – Uganda;
Mail Id: sheilanakkazi@gmail.com; Contact No: +256781461836

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Corresponding Author:

* **Abdoulie Fye**

*Director of Programmes and Operations, The Gambia Red Cross Society, and Rapid Response (Surge) Member of the International Federation of the Red Cross and Red Crescent Societies (IFRC) Deployed in Uganda 2022;

*Mail Id:

fye_abdoulie@yahoo.com;

fyeabdoulie78@gmail.com;

Contact No: +2202507929

ABSTRACT

This policy brief demonstrates how cash transfers could provide a viable economic solution for households' resilience among survivors of natural disasters in Uganda. Although the primary disaster in Uganda is flooding, majority of Ugandans also experience landslides, earthquakes, epidemics, pandemics, and storms. All of these have a long-term effect on survivors of natural disasters thus necessitating alternative pathways for economic sustainability in disaster-prone communities. At the national level, the Ministry of Gender, Labor, and Social Development (MGLSD) launched a cash transfer program for chronically poor households and the funding was provided from the Department for International Development (DFID). The cash transfer program among households, is hoped to enable households with persistent poverty to improve consumption and make communities resilient to economic hardships. However, disaster prone communities require a more customized cash transfer intervention. Succinctly, the case study of The Uganda Red Cross Society (URCS) with support of the German Red Cross, and International Federation of Red Cross and Red Crescent Societies (IFRC) in strategising for disaster response action, provide evidence on impact of cash transfer among disaster survivors. This adds to the national cash transfer plan and demonstrates how communities can be made more resilient to disaster effects. This policy brief therefore presents cash transfers as a viable option to help disaster-affected households and people to increase recovery by developing economic resilience.

Key Words: Cash Transfer, Disaster, Economic Resilience, Households, Policy, Response.

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1.0. INTRODUCTION

The bulk of Ugandans (as indicated in Table 1) continue to be affected by hazards and disasters, however, the ability of relief efforts to effectively meet the needs of households affected has remained constrained. While several relief initiatives have been introduced in Uganda,

cash transfers in times of disaster [1], has not been prioritized to boost household consumption levels of disaster survivors.

Following the countrywide rollout of the Senior Citizens' Grant (SCG) and the Viability Gap Funding (VGF) based

on a micro-simulation approach by [2], general cash transfers evidence studies demonstrate returns to education through household investments in education and child health [3].

Therefore, unconditional and unrestricted cash transfers can enable receivers in disaster-affected communities to increase investments in human and physical capital, to control consumption, and to engage in riskier but more productive activities [4]. Subsequently, it has long been acknowledged that those living in disaster affected zones

find it challenging to gain access to mainstream development programs.

As a result, a household are hit by disaster manifesting in the form of floods, drought, epidemics, and landslides in Uganda (see figure 1). Despite a growing body of evidence on the effects of cash transfer programs [5], few studies focus on the long-term effects of disaster response programs [6]. In this regard, this policy brief presents more evidence on cash transfers as a suitable approach to boost survivors of disasters in Uganda.

Table 1: Natural disasters in Uganda, 1900-2020

Natural Hazard (1900–2020)	Subtype	Events Count	Total Deaths	Total Affected	Total Damage ('000 USD)
Drought	Drought	9	194	4,975,000	1,800
Earthquake	Ground Movement	5	115	58,100	71,500
Epidemic	Bacterial Disease	28	3,204	237,665	0
	Viral Disease	10	466	108,036	0
Flood	Flash Flood	4	76	8,614	0
	Riverine Flood	15	267	1,051,945	6,871
Storm	Convective Storm	1	23	47	0
Landslide	Landslide	8	540	151,546	0
	Mudslide	1	51	0	0

Source: Climate Risk Country Profile- Uganda, World Bank Group, 2020 [26]

1.1. Cash Transfer as a response to livelihoods at risk in Uganda

The prevalence of disaster demands varying interventions and modalities to support survivors. Such interventions may include the non-food relief kits. An example of such response was adopted by MTN-Uganda to support 2022 flood affected people in the Elgon region through The Uganda Red Cross Society [7]. Other evidence confirmed that cash transfer increased higher consumption expenditures among households and enabled families to use part of the transfers on health and education related expenditures and investments in productive assets [8].

Similarly, a cash transfer can be made in different ways, the most obvious ways being either a free digital transfer or a manual direct payment to survivors of disaster in Uganda [3].

However, the devastating high prevalence of Natural disasters in Uganda (shown in figure 1) indicates floods as the highest natural disasters at 55%, 15% for landslides, 12% for droughts and 9% for storms and Earthquakes. These calamities lead to demand for humanitarian assistance, such as the distribution of goods, food vouchers, and cash transfer [9].

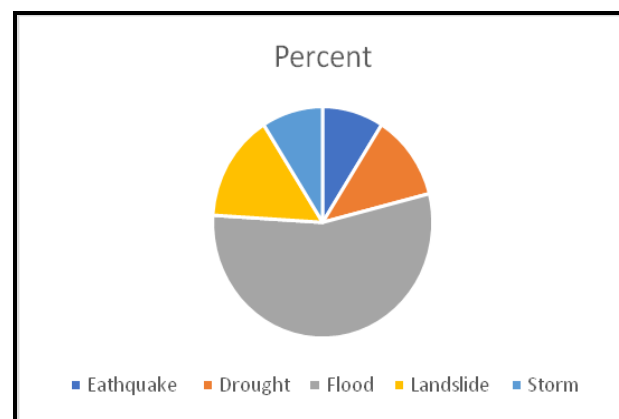


Figure 1: Prevalence of Natural disasters in Uganda (1985-2021)

Source: International Monetary Fund. African Dept, 2022 [27]

Therefore, with a focus on cash transfer, the policy brief asserts that it could enable the poorest and survivors of disaster to achieve short-term goals from the disaster preparedness, mitigation, and recovery perspective. This is also true to cater for long term household resilience as survivors overcome the damages caused by the disaster. For example, survivors of drought would need a long-term cash transfer system to setup food resilience alternatives after a long span of drought and its effects on agriculture.

There also several debate on whether aid should be given to people directly in the form of cash or traditional in-kind food aid and food vouchers [10]. In this regard, the brief suggests that in instances of disasters such as floods, landslides, storms and earthquakes, a cash

transfer can be applied to minimize the temporary damages caused by the disaster and increase household resilience in dealing with the long-term effects experienced from long spans of drought and floods.

Table 2: Survivors of natural disasters

Survivors	Periodicity	2015/16	2017/18	2018/19
Deaths registered	Annual	28	38	38
Injured persons	Annual	32	411	411
Missing Persons	Annual	0	51	51
Persons Affected	Annual	199,351	341,222	341,222
Persons relocated	Annual	0	37	37
Persons Evacuated	Annual	150	22	22

Source: UBOS Statistical Abstract 2021 [28]

Noting that there is an increase in the number of persons affected in Uganda (Table 2) being 141,871 persons in 2015/16 to 2017/18 fiscal year. The attempt to evacuate survivors from disaster risk communities was reduced by 128 from the 2015/16 to 2017/2018 fiscal year. In the case of relocation, the Uganda National Policy for Disaster Preparedness and Management [11] relief guided the management of survivors of landslide in Bududa. According to [12], the survivors of affected communities were relocated to Kiryandongo district, in western Uganda majorly because of the availability of vast lands in the resettlement plan with an increasing demand for the resettled livelihoods to recover from the disaster shocks.

Furthermore, recent evidence shows that at least 7.5 million Ugandans [13] live in chronic poverty and that most of these people are not benefiting from the traditional poverty reduction programmes. Notwithstanding initiatives from the Government to increase relief programmes and impact vulnerable communities, cash transfers can help extremely poor households in disaster affected zones to voluntarily take decision to sustain their livelihoods.

Furthermore, in neighboring country Kenya, cash transfers are reported to be effective for disaster risk financing [14]. They are also considered to be typically less expensive to administer and have the advantage of transferring the purchasing power to the recipients. In turn, this leads to a more resilient disaster survivor population, promotes sustainable community function, and mitigates the damages experienced due to sudden effects of the disaster.

While it is true that the cost of implementing a cash transfer can be high sometimes, the cost of not supporting those affected by disaster and need the support is even higher. In detail, the hidden costs created

by disaster related effects can manifest in the form of lost productivity, the burden of disease and crime conducted by survivors of disaster to survive. In addition, a high increase of missing persons (shown in table 2) suggest that in 2015/16 to 2017/18 over 51 persons were missing after natural disasters in Uganda. This adds on the pain among live survivors of deaths of loved ones recorded from 28 death persons in 2015/16 to 38 lost in 2017/18.

As a relief to survivors of disaster, there several good lessons to be learned from other African countries like Kenya [15] and in Malawi where cash transfers are reported to be less paternalistic as they enable individual choice and reduces dependency and disincentive. More evidence suggest that they can also generate pro-poor growth through investment, job creation in addition to consumption; and have been associated with boosting purchasing power thereby stimulating market growth [16].

2. METHODOLOGY

The study uses a case study and external validation methodology. The approach identifies the experiences of cash transfer adopted by The Uganda Red Cross response to survivors of disaster-prone communities. The method explains a few interventions and reports the reaction of survivors on the impact of cash transfers. Furthermore, an in-depth external validation of the experiences of cash transfer in Uganda was made following similar experiences from other countries like The Gambia, Zambia, Malawi, and Kenya. External validation was done to find the reliability of cash transfer initiatives as an efficient intervention in boosting survivors economic resilience in disaster affected zones in Uganda.

3. FINDINGS

3.1. Evidence from the Disaster Cash transfer response by URCS- Uganda

The Uganda Red Cross Society (URCS) reported that in December 2019, close to 1,218 households in the districts of Mbale and Butaleja were left homeless or without shelter, and majority were displaced due to the severe destruction caused by the floods and landslides on their shelter (houses) [17].

Human settlements, human lives, public infrastructures, and food items (potatoes, cassava, beans, rice soya beans bananas, yams and maize etc) according to Fye (2022) were destroyed by the 2019 disaster, hence exposing many families to hunger and increasing their vulnerabilities.

As a response, the Uganda Red Cross introduced in 2020 Cash Transfer Programming in disaster response, piloted in Mbale, Namabasa Village, Eastern Uganda. The pilot was implemented with support from the German Red Cross and Fye (2022) explains that the Uganda Red Cross on January 21st, 2020, gave out 88 million Ugandan shillings in cash to over 245 families that were affected by floods in December 2019. The medium of cash transfer to the beneficiaries was that of using MTN Mobile and Airtel Money transfer services.

Speaking at an event, Robert Kwesiga Secretary General URCS [17] expounded that the approach of cash transfer also builds and maintains the dignity of people. Cash Transfers boost survivors of disasters purchasing power to meet immediate needs. In the contrary, making choices for disaster survivors with pre-positioned emergency response kits is reported not to be addressing their immediate needs.

In the 2020 Uganda Red Cross Society disaster intervention, findings show that the Cash Transfer Programming (CTP) initiatives were found to be more feasible in Mbale-Namabasa Sub- County. In this light, the beneficiaries and partners also confirmed that the cash transfer targeted to help families to meet their immediate needs such as food, health, education among other critical services as well as enable them recover from the adverse climate change [17].

Concretely, in the recent disaster that occurred in July 2022 in the same Region, URCS supported 660 households with Cash estimated at CHF 44,088.00 through funding from IFRC DREF (IFRC, 2022). Afterwards, a Post Distribution Monitoring survey was conducted on the distribution among affected households in Bulambuli District. The assessment aimed to assess the impact of in-kind and cash transfers to the 2022 floods and landslide disaster survivor. Findings

indicate that out of 130 beneficiaries, 90% of them preferred cash thus confirming the evidence from a similar survey done in Mbale District where 85.2% of the beneficiaries who also preferred cash.

In other African countries disaster-prone communities, the desire of people to benefit from cash transfers is seen in The Gambia (Fye, 2022). According to Fye (2022), cash and voucher response in 2021 showed a positive impact on the Windstorms victims in Gambia. Following the feedback from a Post Distribution Monitoring tool (survey) after deploying the cash and voucher assistance response by The Gambia Red Cross Society, findings confirmed that one hundred percent (100%) of households support the assertion that cash transfers were useful to support emergency shelter.

According to Fye, (2022), approximately 59% of the respondents received the cash transfer on the same day that they expected to be sent. In addition, of the 217 Households who received cash, 84% (182 HH) reported that the cash transfer was provided when it was seriously needed, as they were sleeping in the open. Therefore, the cash assistance was confirmed and perceived as a very useful and timely intervention and the same is observed in Uganda.

3.2. Impact of cash transfers on Household affected by disaster

Though some evidence on the short-term benefits of cash transfers exists, there is little known about how these effects develop in the medium- and long-term.

In concrete sense, Cash transfers according to [18] have been confirmed to have a short-term positive impact on outcomes at the individual and household levels. In some cases, such transfers to survivors in disaster have been confirmed to encourage the use of healthcare services, shelter, promote child education, source of income generation, strengthen livelihood initiatives and improve dietary diversity among disaster affected households (Fye, 2022). Similarly, according to [19], cash transfers was found to have a positive impact on women's decision-making power and choices, but do not always reduce emotional abuse in disaster-affected communities.

In existing schemes elsewhere in Africa, like in Malawi [16] evidence confirms that most beneficiary households invest part of the transfer in livestock or agricultural supplies at some point in time. This suggests that among disasters prone communities in Uganda, deploying cash transfers could grant them an opportunity to spend on the most pressing household needs and boost alternative sources of supporting livelihoods.

Considering the design of cash transfer initiatives, policy implementers need to prevent households supported from permanently relying on the cash transfers from disaster relief programs. In order to prevent this, there is need for mechanisms to assess whether and how beneficiaries will develop a self-sustaining livelihood needs to be prioritized.

3.3. Delivery Mechanism of cash to disaster survivors

The mechanisms required to improve cash transfer to survivors of disaster demand improvement in connectivity of mobile phones among disaster communities. MTN Uganda advanced connectivity among survivors of disasters as one of the enablers to have mobile network operators contribute to digital cash transfers[20]. In an example, experiences from Uganda MTN Uganda's initiative to improve connectivity for disaster survivors in 2007, presented a joint project with Ericsson, GSMA and UNHCR. In the project, refugees were provided with affordable and sustainable access to a wide range of mobile services, including voice calls, internet access, and electronic learning programmes.

Experiences from an intervention by MTN Uganda shows that in Kyangwali settlement [21], a need to expand network connectivity, setting up additional mobile agents, and increasing the provision of cash for agents were identified and these are also identified in this brief to be enablers of cash transfers among survivors in disaster-affected communities.

Other modalities from Africa Region are seen in Kenya, where the government adopted URCS approach of sending cash to vulnerable communities through selected banks or pre-determined payment service providers (PSPs) [22]. While in Zambia and Malawi [23] authorities designated pay points which were made for all cash transfer beneficiaries to receive their money. In a different initiative by Concern Malawi, a mobile bank reached out to communities once every month [24]. Similarly, in other instances in Malawi, the mobile bank used electronic cards which are used by each beneficiary to access the cash. In the case of adopting cash transfers among survivors of disaster in Uganda, an integrated approach to meet the dynamics of different communities' damaged by disasters should be prioritized.

3.4. Cash-transfer leakage avoidance in disaster interventions

The cash transfer coordinators have different roles to play to avoid leakages. Such roles in the URCS cash transfer initiative processes usually involve registration of possible beneficiaries, verification of beneficiaries, enrolling beneficiaries, delivering the cash and

verification of cash. Consequently, there is a possibility of avoiding/reducing leakage by separating accountability of all cash transfer initiatives processes. Furthermore, reconciliation of payments between the organization's Finance, Logistics and Programme staff needs to also be enhanced (Fye, 2022). More so, the Financial Service Provider can reduce and control leakages, thereby ensuring transparency and accountability in the whole Cash Transfer process.

However, complaints over failed payments for digital cash transfer in Uganda regarding Covid 19 relief cash transfer interventions presents another reality of mode of supporting vulnerable groups [25]. It emerged that out of the total 501,107 records submitted, a total of 87,603 records did not pass the verification requirements by telecom databases due to invalid national ID numbers, telephone numbers registered under different names, non-existent or unregistered telephone numbers, and non-mobile money registered numbers [25].

In response to survivors of disaster in Uganda, digital cash transfer interventions based on telecom companies may not apply in some cases. Digital cash interventions necessitate immediate registration among survivors of disaster, generating a new and accurate cash transfer list. This should not be based on telecom company verification requirements where some survivors might not be having personal mobile phones for digital cash transfers. In addition, the other greatest approach to prevent leakage is to integrate community leaders in the manual and direct cash transfer relief initiative among survivors of disaster in Uganda. This is expected to make the process accessible to everyone, especially members of the community. In another situation where beneficiaries are without the required mobile phones, mobile phone sim cards or lines, valid identification documents etc., the donor, community leaders, local authorities and Financial Service Provider can agree on the use of next of kin (proxy) for beneficiaries to access their cash and to avoid leakages (Fye 2022).

4. CONCLUSION AND RECOMMENDATIONS

In conclusion, to promote household resilience and community relief among disaster-affected communities in Uganda, this can be achieved when beneficiaries receive cash as opposed to other non-cash relief. Experiences from URCS in Uganda show that the recipients spend it on immediate needs, thus boosting household resilience and purchase from the local economy.

Secondly, more recovery among survivors of disaster experience can be promoted. This can accommodate the many disruptions in their regular income activities, including a new change in and irregular incomes and devastating consumption needs. Examples from disaster-affected communities like from The Gambia, Malawi and Zambia suggest that adopting the cash transfer methods reduces the impact of disaster damages on survivors by

enabling them to choose on what to spend on those better suits the needs at the time.

Thirdly, reliable cash transfers can directly address the school and demands of children of disaster-affected survivors, for example by making it possible for them to buy uniforms, textbooks, meals or pay for transport for children to continue school. Evidence from Ugandan rural communities affected by disaster show that households can also have access to funds to benefit from health services and treat damages caused by easily meeting the transport costs.

Fourthly, Cash and Voucher Assistance (CVA) is one of the most dignified approaches in humanitarian response to affected people and provides an opportunity for the beneficiaries to have options in addressing their immediate needs. Therefore, Humanitarian Organizations/Actors and Government should encourage and increase CVA interventions during disaster responses as it can be done in a very short time and needs less logistical arrangements and expenses.

Fifthly, Cash Voucher Assistants interventions can contribute to the economy of the affected countries and whilst at the same time it can boost the local economy and support market functioning hence needs to be explored by Governments, Humanitarian Actors, and other bodies in responding to disasters and social protection initiatives.

In addition, humanitarian organizations should engage the services of Financial Service Providers (FSP) for timely, effective, and efficient service delivery but also to reduce the high risk of Direct Cash / Cash in Envelope by their own personnel.

Furthermore, Conditional Cash Transfers can be used to prevent disasters through Disaster Risk Reduction and Nature-based Solutions Initiatives. This is true, for disaster risk reduction with an example of flooding where efforts to dig trenches can be financed through cash transfers to create trenches for easier flow of water to avoid flooding.

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