

# DRC HUMANITARIAN CRISIS: WHY CASH IS BEST

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Violence and instability, combined with a severe lack of basic services, have affected the population of the Democratic Republic of Congo (DRC) for decades. The country's eastern provinces have become a perpetually insecure and hostile environment, with low intensity but increasing conflict. As a result, more than 25 million people – a quarter of the population – are estimated to need emergency assistance to survive in 2024, with 40 per cent of the population facing severe levels of acute food insecurity (IPC 3 or higher). The DRC is one of the largest internal displacement crises in the world, with an estimated 7 million people displaced, mainly in the east of the country.

In 2024, eastern DRC, particularly North Kivu, experienced unprecedented levels of displacement due to a surge in violent conflict. The number of displaced people has almost tripled since August 2023, reaching over 1.6 million, with the majority being women and children (75 per cent). In Goma for example, the number of displaced households in 2024 is 70 per cent higher than in 2023.

Although the humanitarian situation has clearly deteriorated, the DRC remains one of the most neglected humanitarian crises today, with a lack of political attention and chronic funding shortfalls. In 2024 thus far, only 35 per cent of the humanitarian response plan has been funded.

The DRC is emblematic of the complexity and protracted nature of crises where interconnected challenges persist. Despite nearly 30 years of humanitarian assistance, humanitarian and development actors have struggled to make significant and lasting improvements in the lives of affected populations. According to the Food Security Cluster, depending on the type of intervention, only 40 to 70 per cent of every 100 USD invested in humanitarian aid in the DRC reaches those in need, which is significantly lower than the baseline for other countries. In the face of escalating challenges - such as climate-related shocks like flooding, persistent insecurity, and weak government capacity to deliver services - a new, more effective and efficient intervention model is urgently needed in the DRC.



## Cash is more cost-efficient than other modalities

Cash assistance is a flexible and cost-efficient modality that provides dignified solutions to vulnerable households. A 2021 value for money study of the SAFER program, the largest rapid response mechanism for cash transfers in the DRC, found that when comparing modalities, **cash transfers are four times more efficient and about 86 per cent cheaper than in-kind assistance.**<sup>1</sup> This efficiency means that the same amount of funds can support a significantly larger number of vulnerable people when delivered as cash transfers compared to in-kind assistance.

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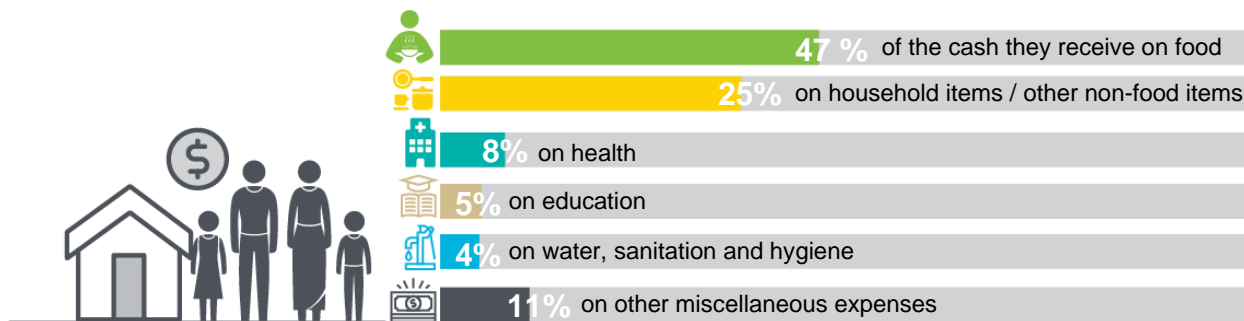
<sup>1</sup> Value for money study, SAFER Consortium, Key Aid Consulting, Dec 2021.

Current developments led to a situation in Goma where markets are flooded with in-kind donations being sold at a fraction of their cost, indicating how desperate people are to get cash. When goods are resold at prices lower than their original purchase cost, there is a loss of value, further reducing cost efficiency and coverage of in-kind aid.

## Cash can address complex and multiple needs

Cash transfers offer more agency and dignity to vulnerable communities, who have the power to decide what to buy, rather than receiving supplies that are unlikely to meet their specific needs. Where markets are functioning, people can choose to use cash transfers for the goods and services that they need most. In the DRC, the heterogeneity of contexts and the protracted and complex nature of the crisis have created a wide diversity of needs among affected populations, making multi-sectoral assistance critical to the effectiveness of the response.

[Evidence](#) shows that when Congolese people receive cash, they purchase a wide range of goods and services in local markets, leading to improved outcomes across multiple humanitarian sectors. Expenditure data collected by SAFER between 2022 and 2023 shows that cash program participants spend:



Generally, non-food items are more expensive than food, which can explain the relatively lower proportion of total expenditure on food even as populations face a serious food crisis.

A wide range of studies provide strong evidence that people affected by crises tend to make thoughtful and strategic choices to meet their needs. Concerns that cash will be spent on 'temptation goods' are largely unfounded. In fact, almost all [studies](#) show either no significant impact or a significant decrease in spending on such items following cash transfers.

Food, which is a particularly critical need for many households, can be successfully addressed through cash. Aggregated SAFER data since 2019 shows that at baseline, food consumption levels were alarming; only 2 per cent of program participants had an acceptable level, 15 per cent had a borderline level, and 83 per cent had a poor level of food consumption. After a one-off cash distribution, food consumption scores improved dramatically. 50 per cent of respondents had an acceptable score, 35 per cent had a borderline score, and only 15 per cent had a poor consumption score. On average, a single cash transfer moved 68 per cent of program participants from poor to acceptable or borderline food consumption scores.

While these findings confirm the effectiveness of cash in meeting the diverse basic needs of the people in the DRC, there is also some [evidence](#) showing that the impact of cash can be limited by design factors such as the amount of money transferred, and the frequency of transfers. This suggests that designing cash programs with a stronger focus on adapted transfer values and multi-round support or enabling linkages with second-line actors would improve outcomes and enable communities to address a wider range of needs over time.

## Cash is often preferred by communities

Communities in the DRC have a strong preference for cash assistance, as consistently demonstrated by humanitarian actors' experience and confirmed by a [study](#) conducted by Ground Truth Solutions (GTS) in May 2023. The study shows that the priority unmet needs identified by affected communities include food

(64 per cent), cash for basic needs (58 per cent) and health (36 per cent). In addition, 64 per cent of respondents indicate preferring cash to other modalities. It was also found that people who had received CVA in the last six months were more positive about having their needs met than those who had only received in-kind assistance.

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The GTS study found that there is a general perception among local communities in the DRC that the humanitarian community does not provide adequate opportunities for meaningful participation and feedback, let alone participatory decision-making. This usually means that humanitarian actors deliver aid in-kind without prior consultation with local communities.

According to the [Operational Review of Corrupt Practices in the DRC](#), if the host community does not see a program as relevant, there is greater motivation to engage in corrupt practices. **The GTS report points out that a quarter of respondents knew of community members who sold in-kind aid to meet their basic needs.** This data demonstrates both the potential inefficiency of in-kind programming and its failure to respond to the diverse needs of communities.

### Buswaza's story

*"This money will help us to eat little by little and to buy clothes for our children".*

In Ituri's Drodro health zone, Buswaza's life has been marked by constant displacement and unimaginable suffering. The 28-year-old mother of five children, four of whom are still alive, has been forced to flee several times due to armed conflict, leaving her with severe hardship and vulnerability. *"I can't even count. It's more than five times, probably no less than 12. The last one was in January,"* says Buswaza.

Buswaza and her husband, Innocent, were both teachers, but after four years without a salary, they had to give up their profession and turn to farming. *"We farm together, but even farming is difficult because of the problems we have here,"* she says.

To feed her younger twins, Buswaza sometimes has to give them porridge made from mud because of the lack of food. *"We gave this to the children because there was nothing to eat. Because the breastfeeding mothers were not eating well, they could not produce milk for their children, so we gave them this porridge."*

## Cash is consistently adequate amidst resilient markets

While markets in the DRC are inevitably subject to disruption due to poor or non-existent infrastructure and decades of conflict, several robust market monitoring and price monitoring initiatives implemented by [REACH, the Cash Working Group \(CWG\)](#), the World Food Program (WFP) and SAFER demonstrate markets' high level of resilience to disruptive events. Despite 30 years of instability, poor infrastructure, and weak demand driven by chronic and extreme poverty, Congolese markets remain vibrant, with trade deeply penetrating regions across the country and actively involving all Congolese populations. More than 85 per cent of the workforce is engaged in the informal economy, with markets providing a modest but steady income to vulnerable populations. However, the injection of large amounts of in-kind aid into these markets has led to the closure of small businesses and price fluctuations, further destabilizing the incomes of local vendors.

Market assessments conducted by SAFER prior to each intervention show that markets are generally functioning well enough to support a multi-purpose cash assistance (MPCA) response. To date, SAFER has conducted 117 market assessments, of which 70 per cent (80 cases) were conducive to cash programming and resulted in MPCA distributions.

In addition to helping keep local markets afloat, cash transfers have been shown to have a multiplier effect, stimulating spending and boosting the local economy. [Research](#) shows that for every dollar of cash transfers, an additional 1.30-2.50 USD is generated in the local economy - a significant benefit beyond the immediate recipient households.

## Overcoming challenges

### Market fragility

Despite their capacity to support communities in need, markets remain fragile. In April this year, [the Market Monitoring Report](#) showed that 19 out of the 26 markets assessed had full or limited functionality, while the remaining seven had little or no functionality. The analysis shows that the main factors affecting market functionality and the ability of vendors to replenish their stocks include fluctuating currency exchange rates, volatile security, poor infrastructure and road conditions, and transport costs. However, some of these challenges can be mitigated through increased and sustained demand, which can be achieved through linking first-line MPCA programs to longer-term support - ideally for more than three months. By empowering people with financial support over a longer period, markets would benefit from stable demand, helping small businesses to recover through sustained cash flow, reducing price volatility, adjusting the quality and quantity of supply, and fostering a more resilient local economy. As experience shows, cash transfers can be successfully [adapted to contexts of economic volatility](#).

### DRC's underdeveloped financial system

While aid agencies work with various financial institutions to distribute funds in hard-to-reach areas, large financial providers often refuse to provide the service in some areas due to logistical and security issues. Expanding digital financial services nationwide beyond key territories such as Goma, while maintaining strong and context-appropriate anti-fraud measures<sup>2</sup> could significantly improve the reach and speed of cash programming.<sup>3</sup> Working with digital financial services could also provide opportunities for longer-term resilience-building activities, such as digital and financial literacy and inclusion. Meanwhile, alternatives exist to access remote and hard-to-reach communities. Through the Cash Working Group (CWG), cash actors work towards the diversification of FSPs and the use of alternative local providers such as merchants, cooperatives, and national NGOs that provide financial services. This ensures that cash transfers reach communities that would otherwise be missed by large financial operators. Such partnerships could also deliver cash at a lower cost, with service fees benefiting local communities rather than large financial corporations.

### Fraud prevention vs speed

The DRC is particularly vulnerable to risks of fraud and diversion, instances of which have caused significant damage to organizations and communities in need in the past, and continues to affect all humanitarian programming, including cash. These risks can be increased by a drive to increase the speed of humanitarian assistance to vulnerable communities. The Operational Review of Exposure to Corruption in the DRC found a clear correlation between the risk of corruption and the time taken to deliver humanitarian aid, particularly in the case of emergency aid. Corruption risks increase when the time available to carry out both the necessary due diligence and to implement anti-fraud measures in the field is reduced. Striking the right balance between speed and fraud prevention has been at the heart of cash actors' efforts, and SAFER recently piloted several initiatives aimed at reducing the time from alert to distribution, without compromising the extensive mitigation measures put in place to prevent diversion, fraud, and waste in humanitarian aid. Findings from a recent external evaluation show that the process changes saved an average of 39 days compared to the typical intervention timeline (from an average of nine to twelve weeks). The changes did not result in any significant compliance, accountability, efficiency, or equity issues. The results are promising and put SAFER on track to deliver cash assistance faster than before, while ensuring that compliance, fraud prevention, and PSEA measures are maintained.

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<sup>2</sup> For example, in the case of Give Directly, fraud happened when the implementers waived one of their process requirements (registration of SIM cards with vendors).

<sup>3</sup> To note that in the first trimester of 2014, 27% of cash assistance was delivered through mobile money, representing approximately 6.6million USD. 69% was delivered through banks. In June 2024, 43% and 2.1million USD were delivered through mobile money and 43% through traditional banks.

## So, why not cash?

Despite challenges, humanitarian actors' first-hand experience shows that cash assistance is a viable emergency response modality in the DRC. For example, over five years of humanitarian operations, SAFER has reached 4.2 million people with emergency assistance, of which 73 per cent, or more than three million people, received cash transfers. This corresponds to 40 per cent of the total number of displaced people since 2019.

### A mindset issue

While the DRC Humanitarian Response Plan (HRP) was one of the first international humanitarian strategies to include multi-purpose cash, it remains an underutilized modality. Since 2018, [the Financial Tracking Service \(FTS\)](#) and [CWG](#) have reported that an average of 4 per cent of total funding has been allocated to cash and voucher assistance (CVA).<sup>4</sup> Similarly, since 2019, SAFER has disbursed 68.1 million USD worth of MPCA, representing only one per cent of the total funds spent in DRC from 2019 to 2024.

These figures speak to a context in which the use of cash-based programs severely lags far behind global progress. According to the [State of the World Cash Report](#), globally, CVA accounted for 21 per cent of all international humanitarian funding in 2022 and has the potential to account for 30-50 per cent. In the DRC, if 30 per cent of all humanitarian funding had been pledged to CVA in the DRC between 2018 and 2024, the humanitarian community would have reached 8.2 million displaced people with 1.1 billion USD in direct assistance.

The humanitarian response in the DRC has the right conditions to scale up cash transfers. Cash is feasible, accountable, timely, and a preferred modality, yet it is largely driven by a few organizations such as SAFER Consortium partners, rather than being the default response. While in-kind assistance is necessary in some areas where markets have been severely affected by conflict and poor infrastructure, it should never be the default option. Yet some humanitarian actors continue to prioritize in-kind assistance when market analysis and community consultations show that cash would be more appropriate. There is still work to be done by aid agencies to embed cash transfers into their systems and cultures<sup>5</sup> to ensure that the needs and voices of crisis-affected communities are at the heart of the response.

### A coordination issue

In the current humanitarian landscape, there are persistent coordination challenges that prevent the coordinated implementation of cash interventions, limiting their overall impact. A key challenge is the lack of coordination and harmonization among humanitarian actors, leading to inconsistencies in the transfer values provided in similar contexts. This inconsistency results from a lack of adherence to the national Minimum Expenditure Basket (MEB), leading some agencies to provide blanket cash transfers without considering local market prices or the severity of needs. Meanwhile, other agencies calculate transfer amounts based on these factors, leading to disparities and in some cases tensions between communities, as well as missed opportunities to compare impact across interventions.

In addition, the lack of coordination between sectoral and MPCA actors hampers joint interventions. This disconnect often prevents the implementation of joint responses where sectoral in-kind assistance could be complemented by MPCA, providing a partial MEB without the corresponding sectoral component. Such integration could maximize impact, reduce the resale of in-kind aid on the market, and ensure more targeted and effective assistance. Intentional efforts to share data between agencies to assist the same population with complementary services are rare and ad hoc. To address these issues improved coordination and data sharing among humanitarian actors is a fundamental step towards an integrated response and improved accountability.

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<sup>4</sup> According to the ODI paper Humanitarian Cash Transfers in the DRC: <https://media.odi.org/documents/11416.pdf> <sup>4</sup> The data includes CWG reported CVA figures for 2021, 2022, 2023 and 2024. The rest of the data was taken from the FTS, acknowledging this might not be accurate, but indicative. FTS reports zero MPCA in 2019 and 2020, and significantly lower figures for 2021, which points to an unreliable reporting system.

<sup>5</sup> According to the ODI paper Humanitarian Cash Transfers in the DRC: <https://media.odi.org/documents/11416.pdf>

# RECOMMENDATIONS

For humanitarian action to become more effective and accountable to affected populations, the humanitarian community in the DRC must embrace and fully implement the global cash revolution. In-kind assistance cannot continue to be the default response even where cash or other modalities are more appropriate, simply because of inertia and a lack of willingness to change the status quo.

**Humanitarian donors and actors should take the following steps to responsibly scale up cash assistance and increase the efficiency of the humanitarian response in the DRC:**

1. Donors should significantly increase their budget allocations for CVA in the next financial year.
2. Humanitarian actors should use cash as the default response wherever market functionality and security allow, and in line with community preferences.
3. The HCT, CWG and Cluster Leads should lead efforts by all humanitarian actors to standardize the design and reporting of cash programming. These efforts should include:
  - Establishing a robust de-duplication mechanism to increase efficiency and de-duplicate assistance among cash actors.
  - Harmonizing the value and frequency of cash transfers to prevent inequities across the response and improve the overall response quality
  - Designing MPCA and sectoral CVA programming to complement each other strategically, ensuring that MPCA meets essential needs while sector-specific CVA addresses targeted vulnerabilities and specific outcomes.
  - Adopting a data sharing agreement format that meets the needs of all humanitarian actors operating in the DRC to facilitate coordination and cross referrals.
  - Establishing a harmonized reporting and monitoring mechanism to provide timely and accurate information to monitor CVA growth across all sectors and key CVA and MPCA indicators as well as progress towards harmonized quality indicators, in line with the [Tracking Minimum Requirements methodology](#) and [IASC guidance on MPCA and CVA overview in HRP](#)s.
4. Humanitarian cash actors, the HCT and the CWG should collectively engage with and push financial institutions such as banks, transfer agents and cooperatives to increase coverage and expand services to include wider adoption and coverage of digital transfer mechanisms, such as mobile money. Innovative approaches should be encouraged where feasible and supported by documenting lessons learned and best practices by the CWG and its members.
5. Humanitarian donors and operational actors should ensure that the design of cash programs is informed by evidence of what works and evolving risks. This should include refusing to compromise on quality and fraud prevention to achieve greater speed. Donors and cash actors should explore diverse CVA designs that are appropriate for specific contexts in the DRC including both short-term and protracted displacements.

