



## Process case study

# Piloting labelled cash transfers for market stability in the provision of livestock

Cash and voucher assistance (CVA) is increasingly used in humanitarian response as it allows recipients to set their own priorities. LEGS guidance is that CVA is now the preferred approach for the provision of livestock, as full use is made of local markets and recipients can make their own choice of animals. In this case study from Somalia, Mercy Corps used LEGS to understand different approaches to the provision of livestock, and LEGS assessment tools helped inform the design of the intervention. Mercy Corps followed LEGS recommendation that a cash transfer modality is an appropriate practice for livestock distribution after a crisis or emergency, and also piloted a 'labelled' cash transfer activity to test the effectiveness and additional benefits of this different modality. The pilot revealed a number of new outcomes.

## Background

Livestock is the primary means by which Somali families store social and economic wealth. The ownership of cattle, goats and sheep serves as the household's safety net to meet their food and other cash needs. In 2019 Mercy Corps began the two-year Somalia Emergency Assistance and Early Market Recovery Program (SEAM) to address the humanitarian needs of people affected by natural disaster and economic crisis. Establishing ties between herding, trading and animal health professionals aimed to contribute to a stronger and more stable local livestock market system.

In August 2020, Mercy Corps hypothesised that a 'labelled' cash transfer activity might allow for more agency in decision-making and, by keeping cash resources local, help strengthen social networks and build household resilience. It was also hypothesised that that this modality would promote a change of behaviour in participating communities. Not only would they be able to procure the best animals to fit their needs, they would be more inclined to utilise community animal health workers (CAHW) with the cash resources available to them. Traditional in-kind distribution of animals provides little incentive for herders to seek out CAHWs and they are often unwilling to pay for their services.

## Process

The labelled cash transfer method is a category of cash transfer in which the funds are indicated, or 'labelled' for a specific purpose, but the conditions are not enforced. In the case of the Mercy Corps pilot, these transfers were given to programme participants after they had received training in sourcing quality animals and preventative animal health treatments, as well as messaging around the purpose of the cash transfer. It was anticipated that this modality would lead to:

- greater confidence of participants when engaging in livestock markets;
- stronger relationships with their animal health service providers, increased social capital; and
- greater participant ownership of purchased animals than previously reported in voucher-based or in-kind distribution modalities.

The pilot prioritised families that had lost the majority of their animals because of drought, disease or conflict-related displacement. Funds distributed were 'labelled' for livestock purchases and animal care purposes, but the conditions were not enforced. This enabled cash to be used for health visits provided by CAHWs or other activities in relation to the herd, or to be saved by the families for future use. Collaborating CAHWs provided regular follow-up visits to address questions and provide advice in selecting quality animals.

A total of 95 households, spanning three regions and nine villages, were selected to participate in the pilot. The comparatively small number of households reflected the targeting criteria, which prioritised female-headed households, widows, divorced women, and women with children under five. Direct distribution of livestock can prevent women from building the support networks necessary to source and negotiate prices for livestock; and the pilot approach was aimed at increasing their long term engagement in livestock market systems. Out of the 95 households, 62 were female-headed households.

The households received USD 375 as cash or via mobile money, calculated as sufficient for the purchase of five animals. They were asked to purchase livestock within a three-month period, but ultimately had the freedom to use the money how they felt best. The labelled cash transfer method sought to encourage the use of CAHWs through their involvement in initial deworming/vaccination and on-going monitoring activities.

## Outcomes

- The participating households appreciated the freedom to purchase a mixture of animals based on their needs and context, including lactating animals and young stock. Households in Jowhar district, for instance, selected only sheep on the basis that they are less expensive, resistant to diseases, and reproduce faster. Some variability in the quality of the animals was noted based on limited access to formal marketplaces. Participants also kept some of the cash to cover future animal health needs, water containers, and other household expenses.
- CAHWs provided consistent follow-up messages, post-purchase inspections and health treatments. It was an effective way to strengthen producer-CAHW relationships and produced a much stronger relationship than under the direct distribution modality. This is especially significant for women livestock producers who may not have the confidence, knowledge, or networks necessary to access animal health services.
- Among the participants, 41% reported feeling pressured by vendors to purchase lower-quality livestock, which often resulted in multiple trips to the marketplace. Having CAHWs to provide continuous support and advice regarding pricing and animal selection allowed participant households to be more confident in their purchase.

## Lesson learnt

Mercy Corps recommends wider implementation of cash transfer methods within pastoral communities to continue test the impact of the modality. Greater participation of community leaders, sustained training of community animal health workers, and improved data collection are among the other strategies to be considered for future interventions.

If women's ownership or control of livestock is a priority, local community leadership and animal health systems must be fully integrated. This will allow women to obtain animal health services safely and confidently, seek advice, access markets, and, in some cases, access quality grazing areas.

### Source:

LABELLED CASH TRANSFERS A Case Study on Livestock Distribution Methods for Market Stability. NOVEMBER 2021, 11pp. A shorter version produced by Agrilinks is at: <https://agrilinks.org/post/supporting-somalias-livestock-industry-labelled-cash-transfer-0>

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