

European
Commission



EU Cash Compendium

Scaling up Cash-Based
Assistance: The ECHO
Experience





Introduction

The use of cash to deliver humanitarian assistance is growing and has the potential to change the way humanitarian responses are designed and the role of traditional humanitarian partners. Cash is seen as an efficient way to deliver humanitarian assistance and as contributing to improved effectiveness.

Traditionally, humanitarian assistance has been delivered sector by sector. With cash, sectors become blurred and when this develops further into a multi-sector response, with partners coming together to jointly assess and address needs in a holistic way, the traditional sector approach shows its limitations. A multi-sector response will use the most appropriate mix of modalities, but cash transfers will often represent a significant component.

While cash-based assistance has been used for many years, it is the response to the Syria crisis that has been the catalyst to scale-up its use. The Syria crisis created an opportunity to design a humanitarian assistance, which better suited the needs of the affected population and which could be delivered more efficiently. Needs are being considered holistically across most sectors. Assistance is delivered through coordinated and more efficient channels. The fungible nature of cash allows a variety of needs to be met. Cash-based responses are not however confined to the Syria crisis – they are a key part of the humanitarian toolbox throughout the world.

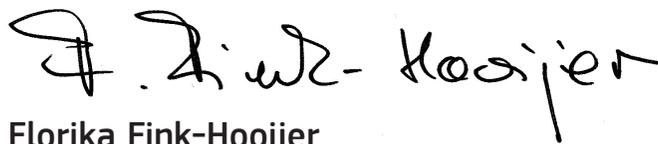
A number of policy milestones have helped to further the debate. This has taken the form of initiatives such as the Common Principles for Multi-Purpose Cash-Based Assistance to respond to Humanitarian Needs, subsequent Council Conclusions and ECHO's engagement in the DFID High-Level panel on Humanitarian Cash Transfers. ECHO has also made a concerted effort to engage with the donor Community through the Food Assistance Convention, through policy statements delivered during the regular sessions of the World Food Programme Board and through ad hoc events such as field missions and seminars, ECOSOC, and of course ECHO's contribution to the World Humanitarian Summit process.

On a practical level ECHO, through the Enhanced response Capacity (ERC) budget facility, has supported WFP, the Cash Learning Partnership (CaLP), UNHCR and Norwegian Refugee Council (NRC) in boosting their capacity to deliver cash-based responses.

The evidence shows that cash is an efficient means of delivery, particularly when it is at scale. Cash is also good at stimulating markets and perceived risks, such as diversion and misuse, potential negative intra-household effects or protection risks have not materialised.

Cash-based assistance is here to stay and it will increase – ECHO has consistently stressed the benefits of cash to beneficiaries – dignity, choice and flexibility; as well as the evidence based advantages to donors and taxpayers – greater efficiency, value for money and ultimately improved effectiveness.

With this short publication, ECHO would like to share some of its experiences with cash-based assistance and to put this in the context of a rapidly evolving policy landscape, which is already influencing the way humanitarian assistance is delivered.



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I. The EU policy framework

1. Overview

The increasing frequency and intensity of disasters and humanitarian crises poses a [?] The EU is committed to responding to humanitarian crises in the most effective and efficient way possible, tailoring its response to the individual context. Increasingly a response that addresses needs across sectors is required and the manner in which assistance is delivered can either facilitate or hinder this. A multi-sector cash-based response has the potential to contribute to meeting the basic needs of those affected by a crisis, whatever they may be, with flexibility and dignity. However, providing assistance in this way challenges current practice - it demands inter-agency coordination and cooperation with different partners, improved and harmonised targeting, robust indicators and a sophisticated monitoring and evaluation system.

The EU formally moved from a food aid to a food assistance approach with the adoption of the Humanitarian Food Assistance (HFA) Communication in October 2010. The principle difference between the two concerns the modalities with which resource transfers can be made to assist people made food insecure as a consequence of a shock. These include in-kind assistance, vouchers (commonly exchangeable for a variety of food commodities) and cash. To help ECHO staff and partners to make this transition, ECHO developed the Cash and Vouchers Guidelines. The use of cash and to some extent vouchers is intended to improve cost efficiency, empower beneficiaries with more choices, and have a positive side effect on markets (multiplier effect). While initially the focus was on replacing in-kind food assistance, cash and vouchers can potentially be used to meet needs across all humanitarian sectors.

A shift to market-based assistance has been supported by the development of reliable delivery mechanisms - telecommunication and cash transfer technologies have greatly improved the efficiency and security of cash and voucher delivery, which now takes place securely through a variety of mechanisms including mobile phones and electronic cards. Cards with chips also allow multiple «wallets» that can support both unrestricted cash and vouchers that can be redeemed at point of sales (POS) devices in retail outlets. Simultaneously, advances in electronic registration systems and biometric identification offer the possibility of linking with the delivery systems to improve efficiency and security.

2. Common Principles for Multi-Purpose Cash-Based Assistance to respond to Humanitarian Needs and Council Conclusions

The EU, together with some of its Member States has been at the forefront in the development and the use of cash-based responses in humanitarian contexts. Between September 2014 and March 2015, EU Member States, Switzerland and

Norway, ECHO colleagues, with contributions from a wide group of humanitarian actors and stakeholders (NGOs, the UN, international organisations and other donors), taking inspiration from operations in Lebanon, where great efforts have been made to design a harmonised and holistic approach, where cash is intended to meet needs across multiple sectors, drew up a set of principles that should apply to cash-based assistance. The principles aim to guide donors and humanitarian partners alike on how best to work with multi-purpose assistance.

In June 2015, EU Member States adopted Council Conclusions on the principles, giving them political endorsement at EU level. This endorsement sends a clear message from the EU that cash-based assistance is firmly part of the humanitarian response and, where appropriate, it should be used.

Indeed, the considerable evidence base available today demonstrates that cash-based assistance works. Cash has been shown to be appropriate and effective, but as with all other modalities, the optimum approach will be context specific. Concerns over the impact on markets, a propensity for cash-based assistance to be more prone to corruption or supposed negative effects on gender have all been shown to be unfounded. Instead, cash-based assistance is a challenge to the ways that humanitarian assistance has been delivered in the past and this may be placing a brake on the extent to which it is being used – a brake that is costing donors money and compromising the lives of those affected by humanitarian crises.

The international community is mobilised to address the challenge of improving efficiency and effectiveness of humanitarian assistance. In March of this year the first major agreement of the Post-2015 development agenda, the new framework for disaster risk reduction, the Sendai Framework for DRR 2015-2030, was adopted. This is being followed by complementary global frameworks and political processes: financing for development, the post-2015 development framework, the climate change agenda, and the World Humanitarian Summit in 2016, which aims to reform the humanitarian system to be able to face the challenges we face. In addition, the report of the High Level Panel on Humanitarian Cash Transfers, convened by DFID to examine the transformative potential of cash transfers for humanitarian responses and the humanitarian system, and which is seen as a key input to the World Humanitarian Summit, was published in September 2015.

The EU is convinced that these international processes need to be backed by improvements in the efficiency and effectiveness of humanitarian assistance, with every effort made to identify and make the most of innovative solutions, of which multi-purpose cash-based assistance is a key part.

3. The Common Principles – summary

The international community is evolving towards multi-purpose assistance. It has always been recognized that beneficiaries have many needs, but these are often met by different actors and in a variety of ways. Sometimes the response is exemplary, but there are also examples of where coordination fails or where delivery of assistance is late or not what is needed. Humanitarian assistance must be able to meet these basic needs on time, every time, effectively and efficiently, if those affected by crisis are to be helped to see out the crisis and to rebuild their lives quickly.

The common principles apply to humanitarian assistance as a whole, but take food assistance as the starting point. This is due to the scale of food assistance in

humanitarian contexts, the perception by beneficiaries of food assistance as a means to meet other basic needs (through sale or exchange) and to policy developments, which have changed the approach to food and how it can be delivered. Policy developments include the modernisation of the Food Assistance Convention and the approach described in WFP's Strategic Framework.

Humanitarian assistance partners now deliver aid differently - whereas cash was initially seen as a substitute for food and a means to buy it, it quickly became apparent that cash is an efficient way to meet basic needs, whether food, non-food or services. A shift to cash-based assistance has been supported by the development of reliable delivery mechanisms - telecommunication and other technologies that have greatly improved the efficiency and security of cash delivery.

However, while working in this way offers great potential, it is important to ensure that multi-purpose assistance takes place in a way that upholds humanitarian principles, is appropriate to the situation and meets expectations in terms of effectiveness and efficiency. Humanitarian assistance should also take place in a way that best encourages coordination with development actors and, where possible, with governments. This favours greater resilience and long-term sustainability.

It was therefore considered useful to develop a set of principles to guide donors and humanitarian partners alike on how best to work with multi-purpose assistance. The principles have emerged from recent experiences with such programmes and are intended to provide a common framework for the way donors and humanitarian partners provide multi-purpose assistance.

The principles point to challenges with the traditional way of delivering humanitarian assistance. Where in-kind donations or vouchers are being sold, primarily to meet other non-covered, essential needs, this effectively means that there is a gap in these other sectors or points to a need for improved needs assessment and prioritisation, targeting and coordination among humanitarian actors. It also raises questions about the current system of allocating funding to specialised agencies and humanitarian actors, which tend to be sector driven.

The principles urge donors to provide assistance to their partners in a form that allows them to respond to the needs of beneficiaries with flexibility and in the most appropriate way possible.

The principles can be found at:
http://ec.europa.eu/echo/files/policies/sectoral/concept_paper_common_top_line_principles_en.pdf

- 1. Responses to a humanitarian crisis should be effective and efficient, responding to the most pressing needs of affected people and representing the best value for money*
- 2. Humanitarian responses require needs to be met across multiple sectors, assessed on a multi-sector basis and provided to meet basic needs*
- 3. Humanitarian assistance must be provided in a way that enhances protection and upholds the safety, dignity and preferences of beneficiaries*
- 4. Innovative approaches to meeting needs should be fostered*
- 5. Multi-purpose assistance should be considered alongside other delivery modalities from the outset – we need to always ask the question «Why not cash?»*
- 6. A combination of transfer modalities and delivery mechanisms may be required depending on the nature and context of the crisis and used at various stages of the crisis – an optimum response may require them to be used in combination*
- 7. An appropriately detailed assessment of the capacity of markets and services to meet humanitarian needs must be carried out at the outset of a crisis, integrated within the overall assessment and regularly monitored and reviewed*
- 8. Agencies involved in responding to a crisis should establish, from the outset, a clear coordination and governance structure and streamline assessment, beneficiary registration, targeting and monitoring*
- 9. Linkages with national social protection systems need to be exploited whenever possible*
- 10. Accountability considerations require the use of robust impact and outcome indicators, which should be limited in number and which will be a combination of agency specific and broader indicators*

These principles are expected to complement existing guidance on cash-based assistance and policy positions on those thematic areas which lend themselves to a multi-purpose approach. The thrust of the principles is to move away from a one dimensional response and towards one that uses the tools at the disposal of donors and humanitarian partners alike to address the basic needs of vulnerable people.

Donors and their partners are encouraged to take the principles into account in designing and implementing their responses to humanitarian crises. They are also intended to reassure host governments that assistance is provided in a responsible way so that local markets and systems are not disrupted and to satisfy donors that multi-purpose assistance meets accountability standards and requirements.

4. The Council Conclusions – summary

Council Conclusions provided political endorsement for the common principles and paved the way for greater advocacy with other donors and ECHO's partners, as well as in view of the WHS.

In endorsing the common principles, EU Member States focused on the innovative nature of multi-purpose cash-based assistance and its potential to achieve greater effectiveness and efficiency. It saw cash-based assistance and the ideas highlighted in the principles as central to the World Humanitarian Summit discussions.

The Council conclusions recognise that despite a compelling and ever-increasing evidence base, only a small percentage of humanitarian assistance is currently cash-based – less than 10% of humanitarian assistance. There is therefore significant scope to increase the use of cash-based assistance in humanitarian responses, depending on the context.

The advantages in terms of better «value for money», the potential for recovery and resilience building, allowing beneficiaries a wider and more dignified choice of assistance and the empowerment of vulnerable groups as well as the contribution of multi-purpose assistance to making affected people the prime agents of response are central to the Council Conclusions.

The Council notes that a “one size fits all” approach is not indicated and outlines certain caveats in terms of programme design and access to markets.

The Council invites the EU and its Member States as well as humanitarian partners to take the principles into account in designing and implementing responses to humanitarian crises. It encourages the EU and its Member States to ensure that the principles are advocated in the lead-up to the World Humanitarian Summit. The Council also recognise that the principles may also be used to reassure humanitarian partners and other stakeholders that cash-based assistance is, in appropriate contexts, not only effective and efficient, but is a way to meeting needs responsibly, while helping to promote recovery and resilience.

The Council Conclusions can be found at:

<http://data.consilium.europa.eu/doc/document/ST-9420-2015-INIT/en/pdf>

II. International frameworks

1. High-Level panel on Humanitarian Cash Transfers

The High-Level panel on Humanitarian Cash Transfers was convened by DFID (the United Kingdom's Department for International Development) to examine the transformative potential of cash transfers for humanitarian responses and the humanitarian system. It was asked to look at the blockers to scaling up humanitarian assistance and the implications for the current humanitarian assistance architecture of scaling up cash. A submission to the WHS has been made reflecting the final report, which was published mid-September 2015.

The panel's report challenges the status quo – it starts from the premise that the evidence supports scaling up of cash and sets out its views on how this can be accomplished. The final recommendations are compatible with the EU's common principles in many respects. However they go further in the quest for greater cost efficiency and reliance on the private sector as the key delivery option. Recommendations on coordination lean towards reducing the number of actors and the report recommends the separation of assessment from delivery.

The Panel's report urges the humanitarian community to give more aid as cash and to make cash a central part of the humanitarian response. Cash is seen as making humanitarian resources go further at a time when the ever increasing complexity of crises and their protracted nature is resulting in funding gaps.

This report makes a strong case for the body of evidence that supports cash. The evidence shows that cash transfers can be provided to people safely, efficiently and accountably. It shows that people can be trusted to spend cash sensibly. The report points to evidence that allays fears of diversion or concerns on protection. Cash is also well placed to generate positive impacts on local economies and to build resilience.

The 12 Recommendations of the High Level Panel on Cash Transfers

A. More cash transfers

1. Give more unconditional cash transfers. The questions should always be asked: 'why not cash?' and 'if not now, when?'.
2. Invest in readiness for cash transfers in contingency planning and preparedness.

B. More efficient cash transfers, delivered through stronger, locally-accountable systems

3. Measure how much aid is provided as cash transfers and explicitly distinguish this from vouchers and in-kind aid.
4. Systematically analyse and benchmark other humanitarian responses against cash transfers.
5. Leverage cash transfers to link humanitarian assistance to longer-term development and social protection systems.
6. Capitalise on the private sector's expertise in delivering payments.
7. Where possible, deliver cash digitally and in a manner that furthers financial inclusion.
8. Improve aid agencies' data security, privacy systems and compliance with financial regulations.
9. Improve coordination of cash transfers within the existing system.
10. Implement cash programmes that are large-scale, coherent and unconditional, allowing for economies of scale, competition and avoiding duplication.

C. Different funding to transform the existing system and open up new opportunities

11. Wherever possible, make humanitarian cash transfers central to humanitarian crisis response as a primary component of Strategic Response Plans, complemented by in-kind assistance if necessary.
12. Finance the delivery of humanitarian cash transfers separately from assessment, targeting and monitoring.

The Panel's report comes out at a key moment and will ensure that cash-based assistance is put firmly in the sights of the World Humanitarian Summit. It asks donors to be more demanding of their partners and to insist on a more effective and efficient response. The report criticises the «patchwork» of sectoral responses that keeps costs high. It throws down a challenge to the private sector to get involved in humanitarian assistance and to bring their skills to bear on making good business good for beneficiaries.

2. The Food Assistance Convention

The Food Assistance Convention (FAC), which entered into force on 1st January 2013, is the successor to the Food Aid Convention, created in 1967 as an instrument for the coordinated disposal of agricultural surpluses from developed countries to developing countries in need. The FAC reflects a modernised approach to food assistance, which aims at responding to food and nutrition needs of vulnerable populations in an effective and efficient manner, going beyond the mere provision of food aid, in keeping with EU's Humanitarian Food Assistance Policy.

Humanitarian food assistance is a key element of a holistic response to victims of a humanitarian crisis, which may involve the direct provision of food, but which also uses a wider range of tools, such as the provision of services, inputs or commodities, the use of cash or vouchers, and fostering skills or knowledge.

The FAC includes many of the world's largest humanitarian donors – together annual commitments to improving the food security and nutritional status of vulnerable populations amounted in 2014 to over US\$2.7 billion dollars.

The scale of food assistance is such that it has played a major role in encouraging the shift to cash-based assistance. The EU held the FAC Chair during 2015 and has promoted the FAC as a platform to push forward the policy agenda in a range of areas and to shine light on policy innovations. It is increasingly recognised that cash-based assistance is often the appropriate response and greater use of cash-based assistance as a key tool to assist victims of humanitarian crises is something that the EU continues to promote through the FAC.

3. World Humanitarian Summit

The first ever World Humanitarian Summit (WHS) called by the UN Secretary-General will take place on 23-24 May 2016 in Istanbul. In the challenging context of an ever widening gap between the unprecedented scale of humanitarian needs and available funding and the increasing variety of actors involved in humanitarian assistance, the Summit is a unique opportunity to review the functioning of the humanitarian system, to develop a clearer common understanding of how it should function in order to better serve people in need, saving lives and alleviating suffering.

In the lead up to the summit, a two-year consultation process took place with the aim of building a more inclusive and diverse humanitarian system by bringing all key stakeholders together to share best practices and find innovative ways to make humanitarian action more effective.

Aid effectiveness is one of the main thematic areas around which the discussions of the humanitarian community have focused. The EU, as one of the world's major humanitarian donors, is a reference for policy setting and best practice in advancing aid effectiveness, notably for issues of speed, quality, and suitability of aid delivery in line with internationally recognised standards and principles. The use of cash transfers, where appropriate, have been encouraged by the EU (and other donors) in the discussions leading up to the WHS, as a proven and evidence-based example of an effective delivery modality, providing the best value for money in many contexts, but which is also people-centred.

The EU approach to humanitarian effectiveness has been reaffirmed in the recent *Communication from the Commission to the European Parliament and the Council Towards the World Humanitarian Summit: A Global Partnership for Principled and Effective Humanitarian Action*, which also recommends increasing the proportion of beneficiaries receiving cash-based assistance, whenever suitable to the context, with the possibility of envisaging a target.

III. Tools, guidance and practical support to the scale-up of cash

1. ECHO's Cash and voucher Guidance

In 2007 ECHO commissioned an external evaluation on the use of cash and vouchers in humanitarian assistance. The evaluation report laid the foundations for an increased use by the EU of cash-based interventions. In 2008 ECHO published the *Cash and Vouchers Funding Guidelines* to guide the use such interventions.

The adoption of new a Financial Regulation and Rules of Application in 2013, in particular with the removal of the € 100.000 ceiling on cash grants for NGO partners, paved the way for greater use of cash-based assistance. These changes are reflected in the revised version of *ECHO's Thematic Policy Document n° 3, Cash and Vouchers (2013)*. This document encourages partners to systematically consider all delivery modalities and to respond in the most context appropriate manner.

This policy document provides the necessary rationale to help humanitarian agencies make the appropriate choice in term of transfer modalities. It offers a variety of tools, including a decision tree and a checklist to be used during the design and appraisal of cash-based interventions. It also describes the steps to be taken into account when designing cash-based responses. These steps follow a logical sequence including the phases of programming, assessment, presentation of proposals, implementation and monitoring and evaluation. Ultimately it encourages capacity building by identifying areas that need to be further developed and understood.

ECHO's policy document on cash and vouchers is an important milestone in encouraging the use of cash-based interventions in humanitarian assistance. It is an essential guide for all ECHO partners in designing actions to be funded by the EU. It has inspired other donors to develop similar guidance.

2. Evaluation of the use of different Transfer Modalities in ECHO Humanitarian Aid actions 2011 – 2014

In 2014 – 2015 the EU commissioned an external evaluation on the use of *Transfer Modalities* in humanitarian actions funded by ECHO for the period of 2011-2014. The evaluation sought to determine the efficiency and the effectiveness of the modalities funded by ECHO, in order to define a future strategy. The evaluation built upon an

earlier DFID funded study - «Value for Money of Cash Transfers in Emergencies» - where ECHO was a member of the steering committee.

The evaluation outcomes will be used to: a) identify possible measures for ECHO to undertake, with its partners, to improve efficiency and effectiveness of humanitarian actions funded by the EU in terms of use of different transfer modalities to provide inputs for a future ECHO strategy on transfer modalities; b) advocate with other donor agencies on the question of transfer modalities and on the implications for improved humanitarian responses.

Six main areas of investigation were identified for this evaluation: 1) cost-efficiency (cost per output), 2) cost-Effectiveness (cost per outcome), 3) multi-purpose versus sector-specific cash transfers, 4) driving factors conditioning the use of transfer modality, 5) social transfers and cash-based intervention and 6) accountability and cross-cutting issues.

Some of the key findings of the evaluation, which was undertaken by Analyses for Economic Decision (ADE), are listed below:

- When used in comparable contexts, cash transfers are consistently more efficient to deliver than either vouchers or in-kind transfers. However, in some specific contexts (for example where large savings can be made on international procurement in bulk) in-kind transfers can offer a more cost efficient option.
- The data demonstrates that other features of the project design have a potentially more significant effect on the overall cost efficiency than the modality selected, including: the scale of the project, the size of the transfer, the transfer distribution mechanisms (e.g. electronic or manual), the context (rural versus urban).
- Evidence relating to the cost efficiency and cost effectiveness of multi-purpose cash transfers (MPCTs) overlap with the evidence on the comparative cost efficiency and effectiveness of single sector cash transfers. There is a common perception that a consolidated MPCT must be more efficient with potential savings; however there is a need to generate more quantitative evidence.
- Challenges to scaling up MPCTs are perceived to lie within the broader humanitarian system. MPCTs are understood to challenge the current humanitarian architecture – there is also a lack of organizational preparedness and poorly developed tools and capacities. General donor funding procedures were also seen as major constraints.
- ECHO's role in encouraging MPCTs is evident and perceived as necessary and ahead of many donors and peers, including the support given to develop the capacity building and advocacy tools.

3. The ERC budget facility

The EU's Enhanced Response Capacity (ERC) funds aim to support capacity building of the humanitarian system and increase efficiency and effectiveness of humanitarian aid. Since 2010, a number of projects proposed by ECHO's partners have been funded to increase the capacity of humanitarian actors to better perform Cash Transfer Programming (CTP). Some of the actions funded are listed below:

Between 2010 and 2013 ECHO funded the Cash Learning Partnership (CaLP), the IFRC and other partners. Support focused on three main areas: 1) capacity building and training programmes of humanitarian actors working in NGOs and UN agencies and government officers, through online and face to face training modules; 2) research, including operational studies and publication and dissemination of scientific studies on CTP (e.g. – the Fit For The Future study; 3) advocacy, in particular towards the IFRC, the UN and major NGOs to systematically adopt CTP within their own policies.

Between 2011 and 2014 ECHO funded a corporate capacity building programme to develop the corporate capacity of WFP and its partners to adopt and scale up the use of cash transfers. It included support to the «Cash for Change» initiative, the development of standard operating procedures, internal advocacy and sensitization, online and face to face training modules, development of various tools, deployment of technical support at regional and country level in the major humanitarian interventions supported by WFP, conduct and document operational studies. As a result, cash-based assistance is now firmly institutionalized in WFP and the overall budget devoted to it rose from less than 7% in 2011 to 27% in 2014.

Between 2012 and 2014 two actions implemented by Oxfam with other partners aimed to build institutional capacity for timely food security emergency response to slow onset crises at scale, to reinforce the capacity of humanitarian actors to use market assessments, and develop an integrated situation and response analysis framework (SRAF) supporting appropriate decision-making related to the type of modality and delivery mechanism.

In 2014 UNHCR started an ERC funded action aimed at improving cash based programming through elaborating the operational implications of the multipurpose grant. The action also includes a strong protection component. By the end of 2015, UNCHR and its partners will have the necessary tools to work with MPCTs in refugee contexts.

In 2014 the Livelihood Resource Centre supported by the IFRC and the Spanish Red Cross and other partners including CaLP, received ERC funds to strengthen the capacity of humanitarians to deliver tailored assistance by integrating livelihoods strategies and cash transfers, promoting a common understanding and building skills for livelihoods and cash transfers.

In 2015 ECHO funded a 2-year action implemented by the Norwegian Refugee Council (NRC) with other partners to address two strategic gaps for cash transfers through: 1) the establishment of a multi-sectoral Cash and Markets Standby Capacity Roster (CashCap) to better support the mainstreaming of cash transfers in humanitarian response on a needs basis; and 2) the development of specific guidance for remote cash transfers.



IV. Case Study – Multi-Purpose Cash Transfers in Lebanon and Jordan

Introduction

Given the magnitude of the Syria crisis and its potential to change the way humanitarian assistance is delivered, an in-depth review of experiences in Lebanon and in Jordan has been completed. The following summary highlights the main elements and lessons of this experience. It should be noted that this is a snapshot of the situation as of early 2015. Many of the lessons learned are being taken on board and incorporated into the ongoing response to the crisis.

Situation Analysis

The context of the Syrian refugee crisis is radically different from the more familiar caseloads of recent conflicts in Africa, with more similarities to the Balkans war of the 1990s. With refugees originating in, and taking refuge in middle income countries, profiles and expectations are very different. In Lebanon, refugees are not constrained to formal camps and are generally dispersed among the host community in urban settings. Jordan is different with two formal refugee camps (Zaatari and Azraq), but this only represents 16% of the total number of registered refugees in the country. In many ways the profile of refugees and the settlement patterns in Jordan and Lebanon have presented opportunities to «do business differently», such as a move to providing market-based assistance; and has introduced new challenges, targeting being prominent among others.

In terms of statistics, the evolution of the crisis is well documented, at least for the refugees who registered with UNHCR. Refugee flows out of Syria into neighbouring countries started in late 2011 (8,000 registered refugees), increasing to just over 500,000 by the end of 2012. The largest outflow occurred during 2013, with a total of 1.8 million refugees crossing the borders, continuing at a slightly reduced rate (1.4 million) through 2014 to reach a cumulative total of 3.7 million. In Lebanon the influx in 2013 was over five times the rate of 2012, and then reduced by nearly half during 2014. The number of refugees crossing the borders of Lebanon and Jordan has reduced dramatically due to enforced border closures in December 2014, which continue.

Response Analysis

ECHO has supported the development of a market-based multi-purpose assistance approach for Syrian refugees in Lebanon and Jordan since the crisis started.



There has been much debate about the benefits of a single cash transfer covering multiple basic needs, and while that did not come about, the programmes still represent the first at-scale effort to transfer cash and vouchers across sectors to meet needs that can be supplied by the market through a coordinated multi-agency approach.

One of the key expected benefits of moving to a basic needs approach was greater cost effectiveness and efficiency. At field level, ECHO advocated with the International community, and UNHCR in particular, to develop a harmonized cash-based strategy. A Round Table meeting took place in January 2014 in Brussels to discuss on the main issues. Key points of agreement included: that a one programme approach was feasible and desirable; it should be market-based, though the delivery mechanism could remain dual for the time being; that targeting is a requirement; and that a graduated transfer value could be developed as a desirable outcome of a more refined targeting system. In Lebanon, UNHCR and the Cash Working Group together with the Round Table participants established a number of task forces to tackle the various components required for a «one programme approach», namely: targeting; Minimum Expenditure Basket (MEB); market analysis; M&E; programme functionality; and mass communications strategy.

Working across sectors to meet basic needs raises key weaknesses with the conventional humanitarian coordination system that is well organized along sector lines, but with weak inter-sectoral linkages. In the Lebanon example, a cash working group (CWG) was established in an attempt to better coordinate cash-based responses, and to support a one programme approach. However, the CWG did not sit easily within the cluster system, neither being a sector in itself, nor being able to be situated within an existing cluster. Not being a formal part of the cluster system raised important issues around accountability and decision making.

While the size and scale of the task undertaken by the Cash Working Group should not be underestimated, it is important to note that separating the strategic coordination of the cash modality across sectors from more technical tasks is a possible solution to the CWG's coordination issues. In addition, issues with targeting proved that there was a need for strong management within the CWG.

Implementation

The humanitarian response developed along similar lines in both Jordan and Lebanon, with similar critical events. Although Lebanon is perceived to be more advanced in terms of its market-based approach, Jordan was implementing cash transfers from the very beginning of the crisis, with many partners such as CARE continuing and improving their experience from cash and livelihoods projects with Iraqi refugees which had been running since 2002. The initial ECHO emergency decision in response to the situation in Jordan in 2011/12 was focused primarily on registration and protection with UNHCR and with emergency health with Handicap International, but by the end of 2012 the first cash transfers were started through a number of INGOs and UNHCR. The 2012 Humanitarian Implementation Plan totalled € 38M, of which about 28% was spent on cash and voucher programming: 8% (€ 3.15M) was on unrestricted cash and a further 20% (€ 7.5M) on e-vouchers with WFP. However, difficulties with the delivery of



supplies during the 2012/13 winterization programme reinforced the decision to move away from in-kind items.

In 2013, resources in response to the Syria crisis were increased to € 76.5 million, of which some 60% was spent on cash and voucher programmes, though principally through funding for WFP in a single sector approach. It became clear that cash for rent as a separate payment was being exploited by landlords, and this was curtailed. While ECHO funded international NGOs and UNHCR to do cash transfers, WFP continued with in-kind distributions in the form of hot meals for new arrivals and in the formal camps. A first attempt in February 2013 to convert to paper vouchers in the camps in Jordan met with riots from refugees and the traders in the camp but the vouchers were finally accepted in the camps by September 2013. Paper vouchers replaced in-kind rations in the communities from 1st August 2012, and have since been replaced by the e-vouchers; the last paper vouchers were replaced in the camps by the end of 2014. In Lebanon, paper vouchers were used by WFP from March 2012 and e-vouchers were piloted in August 2013. It is perceived that the introduction of vouchers in the camps has generally had a calming effect as it has empowered the recipients to choose their own food rather than rely on hot meals. In the Jordanian camps, supermarkets have been set up to provide food to refugees, while in the communities 91 supermarkets from three large chains are being used. In contrast, Lebanon tends to use smaller shops, which has some advantages for WFP (tracking commodities, expenditure patterns, etc.). It is interesting that the approach in Lebanon has been different, focusing more on smaller shops in rural areas rather than on larger chains.

For the most part the operations in Jordan and Lebanon share the same or similar key challenges, although there are some issues that are specific to each. Although it is easy in hindsight to identify challenges and things that did not go so well, there are lessons to be learned if operations are to be improved in terms of efficiency and effectiveness. The issues discussed below should be seen in the context of developing a one programme approach designed to deliver multi-purpose assistance to meet basic needs, as distinct from cash transfers or a one-card system.

Key Lessons Learned

In general terms the collaboration between the different levels and functions of ECHO was good. The acceptance and uptake of cash transfers as an appropriate modality in the context, and more so the support to the field for the one programme approach at HQ level, was effective in moving the process along and maximising the involvement of key partners. The key lessons learned were:

- Expectations should be managed as to how far it is possible to persuade organisations to adopt multi-sector objectives that may conflict with a narrow interpretation of their mandates. Insufficient effort has been devoted to looking at why in-kind donations or vouchers are being sold by the beneficiaries and how the international community might best meet gaps in other «sectors»- more research in this area could help alleviate the fears of partners towards using cash transfers.

Reticence on the part of WFP to commit fully to a multi-purpose cash transfer approach and the absence of government from this process has effectively resulted in the perpetuation of a dual delivery system on the one hand and a lack of buy-in by government to the solutions proposed.



- Involving local governments at the very early stages of the operation is vital towards the success of the programme, as is open communication with these governments. As well as the fear that cash transfers could cause dependency and encourage refugees to stay long-term, there is a perception that beneficiaries may not spend the cash on the purpose for which it is given; even the counter-argument that if the refugees are provided with vouchers instead, they will lose money if they go to sell them has been dismissed in some cases. Governments also cite security concerns about the use of cash transfers, implying the cash could be used for unknown purposes, and claim that such transfers cause tension between the refugees and host communities as the value of the transfer is higher than the local minimum wage. Adjusting the value of transfer to harmonise better with social norms (minimum wages; poverty thresholds; value of national social transfers etc.) should be considered to help reduce these negative perceptions.
- Coordination strategies at a global level between partners, agencies and donors must be implemented immediately as some mandated or specialised partners or agencies may oppose the use of cash transfers as they may feel their position is being threatened. They may also use similar arguments to local governments i.e. that the beneficiaries will not spend the cash on its designated purpose and therefore champion the use of vouchers as a method of controlling the beneficiaries' spending - these concerns should be addressed through the coordination strategies. In addition, the provision of evidence (including indicators) demonstrating the effectiveness and efficiency of cash transfers and multi-purpose assistance to mandated/ specialised agencies and partners will help to mitigate over-cautious response decisions. ECHO and others need to build up this evidence base in an accessible format for advocacy along these lines.
- Ensuring the timely availability of well trained staff with expertise in cash transfers is critical.
- Having a strong and agreed vision and the firm commitment of key UN agencies and donors from the beginning of an operation should enable the roll out of a harmonized multi-purpose assistance programme in the future. The development of a more standard (while maintaining flexibility and the ability to adjust for context) approach including agency Standard Operating Procedures will be a positive step towards greater preparedness.
- The Minimum Expenditure Basket calculation should be context driven and take into account the market conditions as well as the cultural norms of the beneficiaries. However, there a need for better guidance on how it should be calculated: what items should be included, what is considered an acceptable minimum etc. In addition, given the high demand and decreasing resources, a better estimate of the recommended transfer value (i.e. calculating the cash equivalent for a number of "essential" items in the local market that a family needs which can therefore be covered by a cash or voucher transfer) is important.
- The issue of coverage versus comprehensiveness should also be carefully examined, with the current context taken into consideration. As this crisis has wide vulnerability differentials and limited resources, guidance is needed to strike a balance between the number of refugees helped and the level to which they are helped - do we give a small number of people a lot of assistance or a large number of people a small amount of assistance?



Provision of mobile phones and SIM cards for new IDPs so that they can get emergency cash relief through mobile money transfer system. Photo credit: Concern Worldwide/SHACDO

 **COMPENDIUM FICHE**

Somalia - Provision of mobile phones and SIM cards for mobile money transfers

Country
Somalia

Numbers of Beneficiaries
Approximately 8,215 Households (49,290 beneficiaries) over 2 projects (April 2012 to March 2015). This included chronically food insecure IDPs living in urban areas (Mogadishu) both those wishing to return to their areas of origin and those that were not willing to do so.

Partner
Concern

Brief Description
As part of a multi-sectoral project, beneficiaries were provided with cash grants via mobile phone to meet the minimum expenditure basket (MEB). The value of the MEB was established at 84 to 112 USD and the value of the transfer was between 95 to 100 USD.

Innovations/ what the project does differently

- This was one of the earliest ECHO funded projects to make use of use of electronic cash transfer through mobile phones in Somalia. This has proven to be a more efficient and

secure way to transfer cash. It is discrete and contributes to the dignity of the beneficiaries. It saves them time required for travel and long and potentially dangerous queuing at the money vendor sites which were used initially.

- The partner was also able to continue supporting IDPs that opted to return to their areas of origin with a return package even with limited access to cash in some of the areas. Access to data from mobile phone companies was also used to verify the location of returnees.
- Use of mobile money enabled quick response to sudden onset emergencies. Disbursement of cash transfers to newly displaced households could happen quickly. Due to a more efficient process a very short turn-around period of two weeks was possible.
- The action targeted very vulnerable IDPs in transition from the acute emergency 2011/12 to an early stage of recovery. Due to the high level of needs compared to resources only the IDPs that were deemed to be very vulnerable (IPC phase 4) were targeted. In the absence of an institutionalised social protection system, this provided a level of safety net to ensure that they did not fall into destitution. Concern maintained the transfers over several months and retargeting was done after several cycles to graduate those IDPs whose status had improved and ensure inclusion of the most vulnerable.

Delivery mechanisms

Electronic cash transfers through mobile phones.

What led to the decision to do cash

Beneficiaries expressed the need to buy a variety of food stuffs and other basic non-food needs. The intervention evolved from commodity vouchers to a mixture of commodity vouchers and cash and eventually to cash only. Markets in the targeted locations were functioning throughout the action period. While some areas of Somalia face trade restrictions due to blockades caused by military action, most of Somalia enjoys well established markets. A network of traders exists with capacity to increase supply to match

increases in demand for both local and imported goods.

Coordination with safety nets/ social transfers/ other projects

This was part of a multi-sector intervention by the partner including WASH, Nutrition and Livelihoods responses.

Challenges and lessons learned

To mitigate the potential for conflict, due to the security situation and clan dynamics in Somalia, the partner was obliged to use two different mobile phone companies even though this was less efficient.

A relatively small investment of solar powered mobile phones provided to beneficiaries was necessary but this provided a number of benefits including ability to set up a complaints mechanism, monitor and collect information on the satisfaction and immediate impact of the transfers etc.

Coordination with other donors

The action was complemented by a similar action funded by DFID.



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Beneficiary at the market in Ixcán, Guatemala. Photo credit: ACF

COMPENDIUM FICHE

Guatemala – Cash transfers to cover the food basket

Country
Guatemala

Numbers of Beneficiaries
28 000 individuals, 6 103 households. The value of the contract was €1 million.

Partners
ACF, GVC, MDM, TSF, TROCAIRE, MERCY CORPS

Brief Description
The effects of climatic shocks, including erratic

rainfall, earthquakes, floods, and coffee rust have exacerbated the humanitarian impact of the 2014 prolonged dry spell in Central America. 361,000 families were affected by this situation. The NGO consortium proposed to cover the food needs of the population most affected and not covered by other programmes. A consortium provided greater geographical coverage. The response was through:

- Cash covering the food basket for 2 months, with the amount linked to the number of Household members (20 euros per member per month)



- One of the consortium partners provided in-kind instead of cash to those beneficiaries unable to get to the bank (such as elderly, sick persons, or mothers that had just delivered a child). The number remained very limited.

The food assistance was combined with trainings on good nutrition, agricultural practices etc.

Innovations/ what the project does differently

Tablets were used for data collection at the baseline, and for the monitoring (post distribution and end line). The tools were developed by Telecom Sans Frontiers for the consortium using ODK technology. They also developed a web-based platform with the data from the project that is still being updated: consorciohumanitario.tsfi.org

Delivery mechanisms

Cash was delivered through banks.

What led to the decision to do cash

Food was available in markets – the main challenge for families was accessing it. Another reason was to allow for some flexibility in the use of cash for some other basic needs, such as medicines and tools for water storage at home (as mentioned by the beneficiaries themselves).

Coordination with safety nets/ social transfers/ other projects

The consortium coordinated with national and local authorities as well as with WFP in order to identify gaps in the responses. This demanded an intensive work to access the lists, and to verify the lists in the field.

In addition the consortium shared the information collected through their baseline with the relevant institutions.

Challenges and lessons learned

One of the main challenges that the consortium had was to identify quickly the areas or communities not covered by other programmes.

This has been done very efficiently with a strong coordination with other actors.

Coordination with other donors

Coordination with all funded actions in the country.



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Using a cash-card in Jordan. Photo credit: WFP

 **COMPENDIUM FICHE**

Jordan - Use of innovative technologies to register beneficiaries and to deliver cash

Country

Jordan

Numbers of Beneficiaries

11, 345 individuals, corresponding to 2269 households.

Partner

IFRC

Brief Description

During the second half of 2015, 2,269 of the most vulnerable Syrian refugee households (registered and non-registered) living in host communities in South and East Amman benefit from monthly unconditional cash assistance of approximately 100 JOD per family. The value of the assistance varies with the level of vulnerability, the duration of the assistance is 5 months under ECHO funding but will be



complemented by funding from other donor to attain the six-month cash assistance as per the Cash Working Group guidelines and is meant to help beneficiaries meet their urgent needs and improve their living conditions.

While working under the umbrella of the Jordanian Red Crescent, IFRC benefits from a number of pre-conditions, which facilitate the implementation of its activities. Those are:

- IFRC can target registered as well as non-registered Syrian refugees.
- IFRC can concentrate its assistance on Syrians refugees; it does not have to include vulnerable Jordanians in their caseload.

Innovations/ what the project does differently

Following the experience of UNHCR in Jordan, IFRC uses one of the most innovative technologies to register beneficiaries and to deliver cash. The IRIS technology uses the IRIS system (retinal scanning) instead of fingerprints to identify a person. Registered IRIS beneficiaries can withdraw cash through ATM machines. The number of ATM machines with IRIS technology in Amman is over 40 (80 countrywide).

Delivery mechanisms

Unconditional cash to Syrian refugees through ATM cards using IRIS scan technology. Beneficiaries will be registered through the IRIS system and receive an ATM card from the Cairo Amman Bank. The IRIS technology eliminates fraud and improves monitoring and accountability.

What led to the decision to do cash

Food was available in markets – the main challenge for families was accessing it. Another reason was to allow for some flexibility in the use of cash for some other basic needs, such as medicines and tools for water storage at home (as mentioned by the beneficiaries themselves).

Coordination with safety nets/ social transfers/ other projects

While there is not yet complementarity with the Jordanian social security system, IFRC's «longer-

term» approach is complementary to emergency cash assistance (on-off) of UNHCR CARE, DRC, among other actors programming cash in Jordan.

Challenges and lessons learned

Targeting has been a big challenge in Jordan, where a significant number of refugees lives in host communities. The interagency Vulnerability Assessment Framework (VAF) has improved matters, but targeting nevertheless remains an issue in camps, where it is yet to be introduced.

Coordination with other donors

Continuous coordination with UNHCR, the cash-working group and other humanitarian actors in order to ensure that no duplication of services is taking place, and that targeting is conducted with harmonized criteria.

This five-month project will be complemented by funding of other donor to reach the six-month cash assistance, as per the Cash Working Group guidelines.



Cash distribution to beneficiaries. Photo credit: Save the Children

COMPENDIUM FICHE

Lebanon – Multi-purpose cash transfer to vulnerable households

Country
Lebanon

Numbers of Beneficiaries
3.800 households (ECHO funds only)

Partners
Lebanon cash Consortium (Acted, Save, WV, IRC, CARE, Solidarités)

Brief Description
This project follows the recommendations of

the Cash Working Group for multi-purpose cash assistance projects. It will transfer \$ 175 per month for one year to the most vulnerable households. The aim is to cover the basic needs and the amount has been calculated to cover the gap between income and the minimum expenditure basket. This complements the food vouchers being handled by WFP.

Innovations/ what the project does differently

The project has been designed as a multi-purpose cash transfer, i.e. cross sector and with the intention of covering the basic needs of a household.



Delivery mechanisms

The Lebanon cash Consortium (LCC) is transferring the cash on the same card as WFP's e-voucher.

What led to the decision to do cash

Refugees have a variety of needs, including as one of the top priorities the need to pay for their rent. It made cash unavoidable. Markets are accessible and elastic enough to absorb this extra injection of cash (checked with a market survey).

Coordination with safety nets/ social transfers/ other projects

There are currently no safety nets for refugees – and the safety net for poor Lebanese is not cash-based. Coordination with other humanitarian actors providing multi-purpose cash is well oiled. All assistance is being registered in the refugees database (RAIS), so there is no duplication. When cash assistance started, the in-kind distributions of the items included in the minimum expenditures basket stopped (for instance the regular distribution of hygiene kits). Articulation with other forms of cash (e.g. cash for work) or other types of assistance (support to livelihoods, support to shelter, etc) is not yet fully worked out.

Challenges and lessons learned

The main obstacle to such an approach is that agencies think along sector lines. It is difficult to overcome this: targeting is still different for food and for multi-purpose cash, and it took time to achieve the one-card response (even now the solution remains imperfect as the card is a dual modality one, with a cash component and a WFP food component in the form of a voucher). As said above, the overall coordination with other sectors remains to be worked out.

Other operational challenges include determining the value of the minimum expenditure basket – agreeing on what is in, how much each component should represent, having a nation-wide or a region-specific one, etc.

Targeting is never perfect and the standardisation overlooks some specific protection cases in the process. There are currently reflections on how to ensure space for protection cases.

The key lesson learnt is that not having the perfect design should not stand in the way of an operation when there is the commitment to learn as we go, through strong monitoring and M and E. For instance, the amount of the MEB should be revised based on monitoring and not just on theoretical discussions and price monitoring.

Coordination with other donors

The design of the cash transfer operation in Lebanon is fully harmonised – so no matter what donors fund, they will fund the same operation, with coordination at implementation level on targeting. ECHO has presented the approach several times to donors. The harmonised approach to multi-purpose cash has been a big topic of the operation in Lebanon. Progress and challenges are being flagged (usually by ECHO thanks to its field expertise) in donor meeting.



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Delivery of one-off emergency cash assistance from NRC to be used to buy food, clothes, and pay for healthcare. Photo credit: NRC

COMPENDIUM FICHE

Iraq – Delivery of one-off emergency cash assistance to buy food, clothes, and pay for healthcare

Country

Republic of Iraq (with a focus on urban and semi-urban centres)

Numbers of Beneficiaries

Roughly 50,000 individuals; Internally Displaced Populations (IDPs).

Partners

NRC, DRC, IRC and Mercy Corps (referred to as Iraq Cash Alliance). The alliance is not a consortium of

NGOs, as each partner has individual contracts with ECHO; however they have agreed to use the same methodology, logic of intervention and framework to implement a rapid cash response to complement the RRM (Rapid Response Mechanism). Total ECHO funding to the Alliance in the course of 2015 was € 6.5 million.

Brief Description

This project is designed as a follow up action to the Rapid Response Mechanism (RRM) run by UNICEF and its implementing partners. Displaced



populations on the move receive a basic food and non-food items package to address immediate needs while fleeing conflict. During these distributions, rapid household screening takes place and contact details are collected. Emergency cash assistance is then provided within 30 days from the identification of the IDPs. The most vulnerable continue with an additional 2 months of support until the individualized cluster response kicks in. Value of the transfer: One-off \$350 (80% of the agreed Minimum Expenditure Basket - MEB) and 2nd/3rd installment at \$270 (60% of MEB) but these figures may change as the situation evolves.

Innovations/ what the project does differently

The design of this project is unique in the sense that Multi-purpose Cash Assistance is used as a frontline aid modality. A coordinated mechanism has been put together in anticipation of new displacements and not retroactively or only after extensive population movements have occurred. This is essentially an extension of the traditional RRM with unconditional cash assistance being a core building block within a model that calls for sequential humanitarian aid delivered through adapted modalities.

Delivery mechanisms

The delivery modalities favoured by the implementing agencies are Hawala agents and the QI smart card, a prepaid cash card with over 2,000 Point of Sale locations (PoS) across the country.

What led to the decision to do cash

The response model presented here has been adapted to the local context with a significant number of new displacements occurring in major urban centres where markets function pretty well and over the years have developed flexi muscles and quickly adapt and respond to higher demand (see past crises and seasonal population movements for pilgrims).

Coordination with safety nets/ social transfers/ other projects

The Government of Iraq (GoI) has an extensive but largely uncoordinated social protection program implemented by three different

ministries with the main caveat being the lack of socioeconomic targeting. GoI's recent decision to switch to electronic emergency cash transfer for new IDPs employing the QI smart card provides the humanitarian community with a unique opportunity to create synergies, in real time, with the government run schemes.

Challenges and lessons learned

The difficulty in bringing technical expertise to Iraq was the main challenge. This has affected, for instance, the Cash Working Group (CWG), as the recruitment of the coordinator took some time. An important lesson learnt is that the latter needs dedicated human resources if timely and quality work is the expected output. The rigidity of the humanitarian system and the UN architecture and their ability to move quickly to different ways of working has also been a factor as has been the lack of a harmonized approach among the UN agencies. While cash has been, by now, well understood and accepted as modality/tool at the cluster/sector level, multi-purpose cash for basic needs as a frontline response is yet to be further explained.

Coordination with other donors

ECHO has actively coordinated its response and shared information with other key donors in Iraq, to promote a common and harmonised donor approach to cash in the country. This has favoured synergies and complementarities, for instance with Canada, which decided to use the same partners as ECHO for cash assistance and to support the formulation of the Iraq Cash Consortium. The alliance participates actively in the Cash Working Group. The CWG is a technical body, which sits outside the cluster system and is seen as an inter-sectoral platform.



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Women reconstructing their home in Afghanistan. Photo credit: PIN (People in Need)

COMPENDIUM FICHE

Afghanistan - Cash-for-Shelter

Country

Afghanistan

Numbers of Beneficiaries

14,489 individuals (approx. 2070 households) in 2014 and 2015

Partners

Danish Refugee Council (DRC), Norwegian Refugee Council (NRC), People in Need (PIN), Concern Worldwide (CWW)

Brief Description

The objective of these programmes is to provide

shelter to the most vulnerable in the aftermath of conflict displacement or natural disasters, either under the Emergency Response Mechanism (ERM) framework or as standalone actions such as for the 2014 flooding. ECHO has shifted towards a cash-for-shelter (CfS) approach in Afghanistan. Depending on the size of the family a different shelter size is proposed (18sqm, 25sqm, 35sqm) to try to match SPHERE standards. The cash provided is 50,000 AFN to 75,000 AFN (EUR 700 – EUR 1200). In addition to this, partners have the flexibility to give an additional amount to households that cannot provide an able-bodied labour force for the construction, which is otherwise to be done by the beneficiaries themselves.



Innovations/ what the project does differently

The shelter cluster in Afghanistan does not yet have agreed standards. This prompted ECHO and its partners to forge ahead and draw up clear standards for ECHO funded partners. The resulting common set of guidelines covers assessments, shelter design, tools and monitoring for CfS projects, using cash-for-shelter as the delivery modality. The ECHO Cash for Shelter standard has now been accepted by the cluster and has been shared widely to encourage adoption.

Delivery mechanisms

All partners are directly present in the field which is considered very important in the Afghan context to ensure quality and proper targeting. Cash instalments are provided in advance to selected beneficiaries together with an initial training on appropriate DRR measures to be integrated into the new construction. Monitoring of each house is conducted for each of 5 milestones and the next instalment is only transferred when the previous milestone has been satisfactorily achieved.

What led to the decision to do cash

In kind delivery of assistance or the use of construction companies were considered expensive and miss the opportunity to strengthen the local economy after disasters. Initial pilot projects using cash-for-shelter were successful and close monitoring demonstrated a very high completion rate of shelters comparable with in-kind modalities. In 2014, this approach was rolled out more widely and culminated in a “Cash-for-Shelter Guidelines” developed and agreed by all partners.

Coordination with safety nets/ social transfers/ other projects

There are no government or other safety net programmes in Afghanistan that would be appropriate. The use of cash-for-shelter is a new development and has been led by ECHO partners.

Challenges and lessons learned

- Initial doubts related to cash-for-shelter (CfS) had to be overcome by carefully documenting and monitoring the achievement rate of shelters provided through CfS

and demonstrating the effectiveness and efficiency of the CfS approach.

- Clear and simple DRR measures (Build Back Better) can be incorporated by including them into the milestones and providing adequate training.
- Different modalities (and higher cash amounts) necessary for households that could not provide the labour required for reconstruction (e.g. disabled, child and female headed households)

Coordination with other donors

The CfS approach has been widely shared with other donors and UN agencies. UNHCR has recently introduced a CfS pilot in Afghanistan.



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Christian Aid intervention. Photo credit: ECHO

COMPENDIUM FICHE

Burkina Faso - Food and nutrition assistance in the form of social safety nets

Country

Burkina Faso

Volontaires Civiles (GVC), CARITAS and Gret

Numbers of Beneficiaries

14,653 very poor and poor households (105,873 individuals) and 6,032 children 6-23 months in 2014, with € 2,757,000, with just over €1.4 million of this in the form of cash transfers to beneficiaries. Fortified flour was also distributed and this amounted to almost €110,000.

Brief Description

Overall objective is to contribute to the reduction of malnutrition and food insecurity of very poor and poor households in Burkina Faso, and more specifically, to:

- reduce the household economy deficit (survival and livelihood) by providing food and nutrition assistance in the form of social safety nets;
- Strengthen the Common Framework in its

Partners

ACF, SOS Sahel, Oxfam, Christian Aid, Groupe des



various dimensions, including technical support to NGOs, capitalization of experience and advocacy.

Innovations/ what the project does differently

- Integrates food and nutrition assistance into the national social protection system with the development of a common framework. In short the common framework means that all partners use the same logical framework. It eases external communication and exploitation of results. Human resources dedicated to specific technical areas of the work (M&E/documentation and advocacy mostly) are shared. The same approach is now implemented in 5 countries (Burkina Faso, Mali, Niger, Mauritania, Senegal) and has been instrumental in influencing the design of nascent safety nets mechanisms, to ensure they effectively reach the poorest households.
- Locally produced enriched flour has been integrated into the social protection package for children between 6-23 months – the flour has been produced with support from ECHO and EU development funds. This has been a link between humanitarian and development work and it is hoped that the market for these fortified flours will grow.
- National Advocacy: the project has capitalised on evidence-based best practice for the development of social protection systems.
- The assistance has been used to pilot one of the country's first safety nets mechanisms at a time when the national protection system was under development. It contributed and still contributes to feeding into technical discussions (on targeting, modalities, delivery, M&E) with humanitarian and development actors (MOSW, WB, UNICEF, EUD).

Delivery mechanisms

Three different combinations of transfer were applied according to the context:

- Paper vouchers (food and non-food)
- Electronic transfers (unconditional cash)
- In-kind delivery of enriched flour for 6-23 month old children

Coordination with safety nets/ social transfers/ other projects

As described above, this was a main objective of the project and provided good evidence for use in advocacy.

Challenges and lessons learned

There was no difference between the modalities used in terms of the improvements to the indicators monitored: dietary diversity, food consumption and coping strategies. An evaluation concluded that the combination of vouchers/cash and the enriched flour was the most important reason for the positive impact, rather than the modalities selected. There has been no cost-efficiency analysis between the modalities, which might give another perspective on selection. The choice of the modality (cash vs voucher vs in-kind) has tended to stabilize, as over the years partners have chosen the modality that works best for them in their environment. Where appropriate, ECHO is trying to encourage a further to shift from vouchers to more direct cash as the involvement of traders (involved in voucher systems) is not necessary in most circumstances, except perhaps in some areas where the security situation makes cash distributions difficult.

Overall the project had three main outcomes:

- An improvement in food access and the food consumption score, confirming the strategic importance of social safety nets for food security of poor households.
- Maintaining good nutritional status in children 6-23 months.
- Protecting livelihoods, opening opportunities to build resilience in the longer term.

Coordination with other donors

A main objective of the project was to pilot a social protection system that combined transfers for food, goods in the market and the provision of enriched flour for 6-23 month old children. The evidence gained has enabled advocacy messages to be delivered to government institutions and external donor agencies such as the World Bank and MS.



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Cash distribution in North Mali. Photo credit: OXFAM

COMPENDIUM FICHE

Mali - Cash distribution to foster resilience for poor households hardest hit by food crises

Country

Mali - northern Mali (Gao and Timbuktu)

Numbers of Beneficiaries

40.000 households (about 260.000 people) - ECHO funding €10 million

Partners

5 international NGOs (ACF, DRC, HI, Solidarités International and OXFAM) gathered in a "Common Framework", a loose NGO consortium, but with a common pool of staff.

Brief Description

The Common Framework on Seasonal Social Safety Nets (CCFS) in northern Mali is an initiative, the main objective of which is to lay the foundations of resilience for poor households hardest hit by food crises and the political-military events of 2012/2013 and through the establishment of social safety nets based on monetary and non-monetary transfers.

The project ran from March 2014 to May 2015 and focused on three areas:

- Protection and rehabilitation of livelihoods with cash transfers or vouchers of a value equivalent



to 100,000 CFA (150 EUR) per household;

- Food Assistance and prevention of malnutrition, targeting pregnant and lactating women and children (6-23 months), as well as nutrition screening, community mobilization and sensitization;
- Capacity building, capitalization and sharing of lessons learnt.

Innovations/ what the project does differently

Food markets function well and have made large scale market-based responses possible since 2005. Cash programming is no longer an innovation although there is significant evidence that it is a more efficient way to deliver assistance than in-kind aid.

- Data collection format developed jointly with the National Safety Net programme.
- Community-based targeting using the HEA framework, including a wealth ranking of households.
- Linking with long term social protection initiatives
- Nutritional objective
- Common initiative of ECHO's NGO partners ensuring greater coherence.

Delivery mechanisms

Local traders, microfinance institutions, phone company ORANGE. Unreliability of the phone network has led to partners developing alternative ways to distribute assistance (i.e. using the services of traders, MFIs to actually hand the cash out to beneficiaries).

What led to the decision to do cash

Use of cash was decided to complement large-scale food operations in order to cover needs other than basic food. Markets were able to support cash interventions, as long as GFD operations took place at the same time. In 2015, however, many partners have opted for commodity vouchers due to the deteriorating security context.

Coordination with safety nets/ social transfers/ other projects

These relatively small scale cash transfer projects have been instrumental in (and still are) in supporting the technical development of national safety net systems. Stakeholders tend to agree that this approach might be a part of the solution to significantly reduce poverty and vulnerability of the poorest households to climatic shocks. The people likely to suffer from such shocks are those being assisted year on year by ECHO during the lean season.

Challenges and lessons learned

- Joint framework by 5 NGOs: positive, as dialogue with the "big players" became possible.
- Common pool of HR: positive, as it improved M&E quality and harmonisation of approaches, but internal organisational issues became a challenge, as there was no clear lead among the NGOs (accountability, management).
- Initial census/data collection took too long, delaying the initial cash transfer to the peak of the lean season, instead of pre-lean season.
- LRRD: Follow-up funding not assured.
- High-risk security context where vouchers can be better adapted than direct cash.
- By strengthening coordination among ECHO partners, there is a risk of weakening existing coordination mechanisms such as the Food security Cluster and the Cash working group.

Coordination with other donors

- EU Delegation: the programme was funded with development money, and had an LRRD/ resilience objective. However, so far no follow-up funding has been made available.
- World Bank: for initial census, to link work with National Register.
- FFP/ USAID: used the same approach for their partners intervening.



