

# EVALUATION AND REVIEW OF THE USE OF CASH AND VOUCHERS IN HUMANITARIAN CRISES

Part 1 - Evaluation Report



EUROPEAN COMMISSION



Humanitarian Aid

The report has been financed by and produced at the request of the European Commission (DG ECHO). The comments contained herein reflect the opinions of the consultants only.

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## Acknowledgements

The consultants<sup>1</sup> would like to thank DG ECHO's 0/1 Unit for their support in organizing this work. We appreciate the assistance and guidance received from the operations directorate, especially the cash focal officers and the geographical desks in accessing the documentation, answering our questions and advising on the field visits. We also remain grateful to Resource, Finance and Legal Directorate for in-depth, open and informative discussions.

We would also like to thank all those support staff that helped develop the lists of cash/voucher projects from the database, and for making available the supporting documents and preparing project summaries.

Importantly, the interest and energy of the Technical Assistants and their staff in the countries visited was invaluable and we would not have been able to achieve our objectives without their kind and untiring assistance, given without complaint despite extremely heavy workloads. The organization of the multi-agency meetings to explore similarities and differences in approach, and field visits, were particularly challenging for the DG ECHO team to organize, but these activities proved to be extremely valuable for the consultants.

We would like to thank DG ECHO partners in the projects visited. Their staff gave us their time, gave information openly, set up meetings as requested and organized field visits. The project visits and discussions with partners were the most valuable element of this research, and we thank the staff that worked with us for their generous assistance.

We would also like to acknowledge the participation of the project beneficiaries met during our field visits; while they were not accustomed to questions about the use of cash/vouchers they contributed their time and provided us with a very useful perspective.

The consultants would finally like to thank Prolog Consult for managing the logistics of this work and for providing valuable reviews and guidance to the preparation of this report.

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## Table of Contents

<b>Acknowledgements</b> .....	3
<b>Table of Contents</b> .....	5
<b>Abbreviations &amp; Acronyms</b> .....	9
<b>Terminology</b> .....	11
<b>1 Executive Summary</b> .....	13
<b>2 Background</b> .....	21
2.1 Objective of this Report .....	21
2.2 Report Structure .....	21
2.3 Approach and Methodology .....	22
2.4 Report Limitations .....	23
2.5 Constraints Faced .....	23
<b>3 Main Report</b> .....	24
3.1 Context Analysis: .....	24
3.1.1 Cash/Vouchers and in-kind Resource Transfers in Humanitarian Assistance .....	24
3.1.2 DG ECHO's Cash/Voucher Policy Parameters .....	24
3.1.3. Knowledge of DG ECHO policy among partners .....	26
3.2 Overview of DG ECHO funded Cash/Voucher projects .....	27
3.3 Project Cycle Analysis of the Use of Cash/Vouchers .....	31
3.3.1 assessment (providing a basis for project design and resource transfer choice) .....	31
3.3.1.1 Examples of Justification for use of Cash or Vouchers after Assessments .....	34
3.3.2 Project Design .....	35
3.3.2.1 Design of the Single form .....	35
3.3.2.2 Relevance of project objectives to assessment information .....	36
3.3.2.3 cash or voucher value provided .....	36
3.3.2.4 effects of conditional resource transfers .....	37
3.3.2.5 exit strategy .....	38
3.3.2.6 cost-efficiency .....	38
3.3.2.7 risk analysis .....	39
3.3.3 Proposal Review: submission and approval .....	39
3.3.3.1 stakeholders .....	39
3.3.3.2 Systems and information needs: .....	43
3.3.4 Project Implementation .....	44
3.3.4.1 targeting of beneficiaries .....	44
3.3.4.2 operational systems and capacity .....	46
3.3.4.3 Human Resource Capacity and Budgetary Implications .....	50
3.3.5 Project Monitoring .....	51
3.3.6 Project Evaluation .....	53
3.3.7 Project Audit .....	54

3.4	Cross-cutting Issues .....	56
3.4.1	Linking Relief, Rehabilitation and Development .....	56
3.4.1.1	LRRD in practice .....	56
3.4.1.2	LRRD potential of cash and voucher initiatives .....	57
3.4.1.3	LRRD in partners' organisational planning .....	58
3.4.1.4	Lost LRRD opportunities .....	59
3.4.2	DG ECHO's humanitarian mandate and implications for choice of resource transfer .....	59
3.4.2.1	Timing .....	59
3.4.2.2	"Humanitarian" vs "Development": how do cash/vouchers fit in? .....	60
3.4.3	Coherence .....	60
3.4.4	Co-ordination .....	62
<b>4.</b>	<b>Conclusions</b> .....	<b>64</b>

### **Annexes**

Annex I:	Terms of Reference .....	70
Annex II:	Inception Report .....	77
Annex III:	Checklist for Research .....	86
Annex IV:	List of People Consulted .....	91

### **List of Figures**

Figure 1:	Types of cash/voucher project funded .....	27
Figure 2:	Countries with experience in cash and voucher projects .....	28
Figure 3:	Trend in cash/voucher project funding since 2000 .....	28
Figure 4:	dg ECHO's Cash/voucher project partners .....	29

### **List of Tables:**

Table 1:	Summary of the range of cash projects funded by dg echo .....	30
Table 2:	Reasons for adoption of cash/vouchers among DG ECHO-funded projects .....	34

### **List of Boxes**

Box 1:	Determining the value of basic needs assistance: the icrc uvp in Palestine .....	37
Box 2:	The case for unconditional Cash Transfers .....	37
Box 3:	Lrrd in practice .....	56
Box 4:	The multiplier effect of cash/voucher projects .....	57

## Abbreviations & Acronyms

<b>AAA</b>	Agro Action Allemande
<b>ACF/AAH</b>	Action Contre La Faim/Action Against Hunger
<b>ACTED</b>	Agence d'Aide à la Coopération Technique Et au Développement
<b>ALNAP</b>	Active Learning Network for Accountability and Performance in Humanitarian Action
<b>CCT</b>	Conditional Cash Transfer
<b>CFR</b>	Cash for Returnees/Refugees
<b>CFW</b>	Cash for Work
<b>CRS</b>	Catholic Relief Services
<b>DfID</b>	Department for International Development (UK Government)
<b>DG ECHO</b>	Directorate-General for Humanitarian Aid (EC)
<b>DR Congo</b>	Democratic Republic of Congo
<b>EC</b>	European Commission
<b>FAFA</b>	Financial and Administrative Framework Agreement
<b>FAO</b>	Food and Agricultural Organization (of the UN)
<b>FEWS-Net</b>	Famine Early Warning System Network
<b>FFW</b>	Food For Work
<b>FPA</b>	Framework Partnership Agreement
<b>FSIS</b>	Food Security Information System
<b>HAP-I</b>	Humanitarian Accountability Partnership—International
<b>HQ</b>	Headquarters
<b>ICRC</b>	International Committee of the Red Cross & Red Crescent
<b>IDP</b>	Internally Displaced Person
<b>IFRC</b>	International Federation of the Red Cross & Red Crescent
<b>IOM</b>	International Organization for Migration
<b>LRRD</b>	Linking Relief, Recovery and Development
<b>MC</b>	Mercy Corps
<b>NFI</b>	Non-Food Items
<b>NGO</b>	Non-Governmental Organization
<b>NRC</b>	Norwegian Refugee Council
<b>ODI</b>	Overseas Development Institute
<b>OPT</b>	Occupied Palestinian Territory
<b>PA</b>	Programme Assistant (DG ECHO)
<b>PU</b>	Première Urgence
<b>RCRC</b>	Red Cross & Red Crescent
<b>RRP</b>	Rural Relief Programme (ICRC Palestine)
<b>RSO</b>	Regional Support Office (DG ECHO)
<b>SCUK</b>	Save the Children UK
<b>SDC</b>	Swiss Agency for Development & Co-operation
<b>SENAC</b>	Strengthening Needs Assessment Capacity (WFP)
<b>SST</b>	Sector Support Team
<b>TA</b>	Technical Assistant (DG ECHO)
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations Children's Fund
<b>UN-OCHA</b>	UN Office of Humanitarian Coordination
<b>UNRWA</b>	United Nations Relief Works Agency
<b>UVP</b>	Urban Voucher Programme (ICRC Palestine)
<b>VFF</b>	Vouchers which can be exchanged for food items
<b>VFW</b>	Vouchers for work (work remunerated in vouchers)
<b>WFP</b>	World Food Programme
<b>WV</b>	World Vision



## Terminology

<i>Basic services</i>	Services which are the minimum necessary for human existence and development (water, health care, education)
<i>Cash transfer</i>	The provision of cash with or without conditions to a person or household in need of goods or services in order to enable beneficiaries to purchase these goods or services in the market place.
<i>Conditional cash transfer</i>	(In this report) the term relates to the provision of a cash grant to beneficiaries, where the beneficiaries are required to fulfil specific obligation or activity. These conditions can relate to behaviour (e.g. attending a clinic), or to an action (e.g. return to home country), or to work (e.g. 8 hours work).
<i>Cost-efficiency comparison</i>	A measure which provides a ratio of the resources required for a particular activity/objective compared to the costs associated with alternative approaches
<i>Fact Sheet</i>	Guidance notes for DG ECHO partners which set out the main parameters and conditions for different aspects of DG ECHO-funded operations
<i>Food aid</i>	Traditionally, a term interpreted as food commodities donated as food aid by governments of countries with surplus production to export. Broader interpretations are starting to emerge within the aid community—which include any kind of assistance which addresses household food insecurity.
<i>Halwaladar</i>	Cash transfer agent
<i>Hawala</i>	System of cash transfer in Afghanistan which uses local traders and is based on trust
<i>Humanitarian aid</i>	Assistance whose sole intention is to prevent or relief human suffering
<i>In-kind</i>	The provision of goods and/or services to a person or household deemed to be in need of these items/services
<i>Safety net</i>	Provision of assistance to households who would otherwise be unable to cope
<i>Unconditional cash transfer</i>	The term “unconditional cash transfers” used in this document refers to the use of grants (only) as described by the DG ECHO’s management note of August 2007. In conformity with its legal parameters DG ECHO has not issued any unconditional cash transfers prior to this management note. As such, all references to unconditional cash grants are in the context of its possible use by DG ECHO in the future only.
<i>Voucher</i>	The provision of a voucher to a person or household which can be exchanged for the goods through a fair or through the market.
<i>Voucher Fair</i>	The organization of an opportunity whereby people who are in need of humanitarian assistance are helped to access it through a fair. Traders with the needed items are invited to supply these in exchange for the vouchers which they submit to the donor for reimbursement after the fair.
<i>Watsan</i>	Water and sanitation programmes

## 1 Executive Summary

### Background

- 1 With an overall organisational objective to develop a coherent policy regarding the use of cash and vouchers in the context of humanitarian assistance, DG ECHO has commissioned two interrelated studies (an *Evaluation* and a *Review*) examining cash and voucher projects within projects funded by DG ECHO as well as other donors.
- 2 The first in the series of two reports, this evaluation report's focus is two-fold: to draw on DG ECHO's past experience; and to articulate the potential future challenges of an expanded use of cash and vouchers in the specific context of DG ECHO's mandate, policy, procedures and instruments.
- 3 The key purpose of this evaluation document is to provide the decision makers with a preliminary understanding of the key issues that may require consideration in order to develop a workable policy for the use of cash and vouchers by DG ECHO. And while the findings included in this report make use of past organisational experiences, the emphasis is on identifying needs and implications of an *expanded* policy.
- 4 The findings of this evaluation report will be further studied and validated in the second report: through the review of the best practices emerging from the key donors and organisations with experience in the use of cash and vouchers. It is based on the findings and understanding of these two reports together that the consultants will draw up conclusions and recommendations for consideration by DG ECHO in its ongoing policy development.
- 5 This evaluation is carried out in the specific context of cash and voucher projects, and as such it does not attempt to make comparison with the use of in-kind assistance. Moreover, some of the findings of this report may well be equally relevant or common to DG ECHO's other resource transfer methods. Where necessary, this report aims to highlight the implications of each issue specific to cash and voucher projects.

### Overarching Finding of DG ECHO's Past Experience

- 6 In the light of an extensive study of over 180 project documents, stakeholder interviews and field visit, the cash/voucher projects funded by DG ECHO in the past were found to be in clear achievement of their project objectives. No evidence was found of erroneous decisions about the use of cash, of objectives not having been achieved, or of negative impact. The satisfaction of beneficiaries, implementing partners and DG ECHO's in-country experts about the use of cash or vouchers was systematically verified during interviews and documentary review.
- 7 Cash and vouchers have proved to be a valuable tool for humanitarian response in a wide range of contexts and within a number of sectors. Comparison with non-ECHO-funded projects (in the review) will reveal to what extent other agencies are using cash and vouchers with good effect in different sectors or at a larger scale which would fit within the parameters of DG ECHO's current policy.

## Other Key Findings

### DG ECHO's experience

- 8 For DG ECHO, the use of cash and vouchers as a mechanism to address the needs of vulnerable populations represents a departure from "traditional" forms of humanitarian assistance. While the use of cash and vouchers by DG ECHO and its partners has increased over the last few years (around 180 since 2000), such projects remain relatively limited in both scope and scale.
- 9 Moreover, such projects are largely assessed, designed, delivered and monitored by the partners in the same way as a traditional "in-kind" assistance projects. As such, critical in-house learning—concerning the specific needs and challenges of funding cash and voucher projects by DG ECHO—remains to be fully understood and documented. Such in-house learning will be critical to the sustainability of an expanded cash and voucher policy.
- 10 Among the cash projects funded by DG ECHO, there is a clear domination of one particular type of project: Cash for Work. This largely reflects the parameters set by DG ECHO's past legal interpretation concerning the use of cash. The revised interpretation should allow more flexibility to address needs of vulnerable households for whom work is not an option.
- 11 The use of vouchers is both limited and new within DG ECHO, mostly representing a "half-way house" between in-kind assistance and a cash grant. The understanding of the implications (advantages and disadvantages) of using vouchers (for beneficiaries, traders and the implementer) remains limited among most partners.
- 12 The number of cash or voucher projects funded since 2000 has increased steadily from less than two in 2000 to over 45 in 2006. There remains also considerable geographic variation. The majority of projects come from three countries (Afghanistan, Palestine, DR Congo), which are—notably—some of the most challenging environments globally for humanitarian assistance. In terms of partnerships there is no clear dominance and DG ECHO has funded a high number (39) of organizations for cash and vouchers.

### DG ECHO's Policy

- 13 DG ECHO's current policy is represented by Fact Sheet D3, which sets out principles and parameters on the use of cash/vouchers. The fact sheet is largely focused on the objective to maintain accountability and safeguard resources. While the legal interpretation is consistent with EC's financial regulations, it nevertheless has the potential to limit resource transfer choices—and choice underpins the principle of responding to the "victims' needs and interests", "economy", "efficiency" and "effectiveness" as set out in the Council Regulations 1605/2002 (revised 2007) and 1257/96.
- 14 The latest legal update (issued August 2007) expands the parameters on the use of cash transfers, thus increasing the range of resource transfer options open to partners. While enhancing DG ECHO's ability to fund context-specific responses, it nevertheless also brings with it the urgent need for knowledge and systems necessary for meeting the challenges of implementing Unconditional Cash Transfers.



### Project Assessment

- 15 Assessment methods and information used by the partners to design the past portfolio of projects have been mostly adequate, but being tailored to the requirements of traditional in-kind assistance, they have focused mainly on identifying corresponding beneficiary needs. As such, in a significant number of cases they have not sufficiently captured the specific information required for a potential decision to initiate cash/voucher projects.
- 16 DG ECHO will need to specify the extent and type of information and analysis required within assessments for cash and voucher initiatives. To meet such requirements, partners may need to employ specialized personnel (which may carry cost and capacity implications that will require consideration).
- 17 However, a major challenge will be to ensure that the extent and detail of assessment information required is consistent with the nature of the problem to be addressed, the context, and the size of the cash and voucher project, thus not making it overly complicated in an emergency framework.

### Project Design

- 18 Proposals submitted by partners mostly do not contain comparative analysis concerning the proposed method of resource transfer as well as other options. For example, proposals rarely explained why cash or vouchers have been proposed (and not in-kind assistance); or the value to be provided to beneficiaries, and how this was determined; or the reasons for attaching conditions (e.g. work), and implications for the most vulnerable. Furthermore, they do not routinely consider the relative cost-efficiency of the different options.
- 19 These limitations arise partly because the project design instruments, such as the Single Form and supporting documentation, are tailored mostly to DG ECHO's specific information needs for traditional (in-kind) approaches and partly because a comparative analysis has never been required by donors in order to approve in-kind assistance. As such, in order to ensure that the choice of resource transfer is efficient and effective, both the project design instruments and the underpinning analysis may need to be adjusted to accommodate the realities of cash and vouchers. In this regard, DG ECHO may need to specify its own information needs and develop guidance to help partners articulate a comparative analysis of different delivery options (including their associated risks and benefits).

### Project Review: Stakeholders

#### *Partners*

- 20 Among the partners funded by DG ECHO for cash/voucher projects, most are relatively new to this kind of intervention. As such, the projects are generally designed and analysed based on the criteria used for in-kind projects. Given that partners' analysis and design information is fundamental to DG ECHO's review process, any broadening of the policy on the use of cash and voucher will require careful attention to addressing the partner capacity limitations and the costs involved in developing enhanced capacity for cash and voucher initiatives.

*DG ECHO*

- 21 Discussions with DG ECHO staff explored the issue of cash/vouchers in relation to each cadre's role and responsibilities. Although competent and experienced in the traditional resource transfer methods, many staff are relatively new to the subject of cash/vouchers, with limited background and expertise for dealing with issues such as market analysis. As such, DG ECHO's policy to broaden the use of cash beyond its current scope and scale will have to include a clear strategy on how to address the need for relevant in-house knowledge, training and expertise.
- 22 The field team (the Technical Assistant (TA) and the Programme Assistant (PA)) are pivotal to the review process. The current high variation in use of cash/vouchers within DG ECHO's global portfolio is partly a consequence of the high variation in the knowledge and experience of TAs and PAs. Capacity building of this cadre would bring greater consistency in the field-level approach to cash/voucher projects. In the case of proposals for higher risk ventures (either large scale, or in remote locations, or those implemented within a context of high food insecurity) this cadre will need to be able to assess the validity of the partners' market analysis and consequent proposal.
- 23 Geographical desks, while having a largely management approval function, maintain a fundamental role in screening and reviewing project proposals and seeking legal endorsement for the same. The Desk's current technical experience remains largely in the area of in-kind assistance. Given the limited scope of current cash and voucher projects, the knowledge required by the desk for review and approval remains mostly adequate. However, a significant expansion in the use and scope of cash projects may require some training and added capacity to review more comprehensive and perhaps complex assessments provided by partners.
- 24 DG ECHO's overall capacity to review cash-based proposals may partly remain constrained by the fact that the current system registers only partners' financial and procurement systems and capacities at HQ level (as set out in the Framework Partnership Agreement (FPA)). Whereas, in the case of cash/voucher projects, the knowledge of partners' field capacities and systems becomes equally important. Such information may need to be systematically required by DG ECHO and documented by its partners, thus creating a solid basis for the review of partner field accountability systems and capacities.
- 25 The Regional Support Offices (RSO) are expected to provide technical support to both geographical Desks and TAs. The expansion in the use of cash and voucher may raise the need for specialised knowledge and capacity to advise and assist both TAs and Desks. DG ECHO may therefore need to consider the benefits and economies of scales that could result from having such capacity available within the RSOs.

**Project Implementation**

- 26 Partners were found to have stricter beneficiary targeting standards for cash/voucher projects than for in-kind projects. The rigour of the systems they currently employ requires intensive staff involvement. Although this remains quite manageable in the current context of small-scale cash/voucher projects, the viability and the cost implications of targeting beneficiaries for large-scale projects have yet to be studied and validated.

- 27 In remote or insecure areas where banks are not available, the cash transfer needs of the partners for their own field operations (e.g. office running costs, staff salaries etc.) invariably required transfer of far larger sums than those transferred directly to beneficiaries within cash/voucher projects. As such, even without cash and voucher projects, partners maintain well-developed field operational systems and procedures for cash transfer and storage.
- 28 Partners were found to make use of banking services where available and suitable. Elsewhere partners transferred cash using either their own staff or remittance companies. In all cases, the arrangements were found to be context specific and well managed.
- 29 A number of areas of partners' implementation and accountability systems were found to require further attention. These include: the need to document field systems and procedures associated with cash transfers, storage and disbursements; the communication of these arrangements as part of project design information; and systems to encourage field reporting of suspected cases of financial mismanagement. It would benefit all parties if DG ECHO established and communicated minimum requirements for field accountability systems for cash and voucher projects.
- 30 Inflationary risks were not analysed nor were contingency plans considered to deal with different price scenarios. At a larger scale greater attention would be required to this issue.

### **Project Monitoring**

- 31 Monitoring, as it stands now, is often used as an instrument of reporting by the partners. One reason why this is so could be that DG ECHO has in the past often seemed satisfied with input monitoring rather than results or impact monitoring. The revised single form is expected to address this issue with its greater attention to results-based monitoring.
- 32 In the case of cash and voucher projects, the monitoring system needs to include—in addition to project progress—information on the adequacy, coherence, process, accountability and impact of the resource transfer choice and the systems employed, thus ensuring it is used as an important learning tool to refine and improve the use of cash and voucher by both DG ECHO and its partners.
- 33 In practice, the monitoring function is carried out mostly by the same partner staff whose responsibilities sometimes included targeting, registration and delivering the resources. In the case of cash-based projects (as with any kind of resource-transfer), this may potentially result in conflict of interest. Clear guidelines are required.

### **Project Evaluation**

- 34 The choice of whether to conduct an external project evaluation appears to be mostly left to the partners, and the reasons underpinning such decisions remain undocumented. DG ECHO needs to establish the conditions which ensure that evaluations are carried out according to need for organizational learning, and that such learning is captured systematically—particularly for cash and voucher projects as they are relatively new.

35 Evaluation is wrongly perceived by some of the partners as part of the DG ECHO control/audit mechanism, and therefore its benefit for organizational learning is not fully appreciated. From both programme and accountability perspectives, DG ECHO needs to clearly articulate the aspects of evaluation that are of interest in cash and voucher projects. A reformed approach to evaluation becomes even more important given the need to refine and validate the use of cash and vouchers, and their accountability systems.

### Project Audit

36 DG ECHO currently considers audit of cash and voucher projects as identical to in-kind projects. However, an expansion in the scope of cash-based projects to incorporate unconditional cash transfers could change the *nature* of risks involved, thus requiring appropriate systems for an adequate audit trail. The challenges here also relate to the need to define minimum audit requirements for a cash project; to articulate clearly the limits to manageable and residual risks; and to establish an effective system of audit feedback to facilitate refinement of both standards and instruments underpinning design, delivery and accountability.

### Cross-cutting Issues

#### *LRRD (Linking Relief, Rehabilitation and Development)*

37 This evaluation found examples where DG ECHO's funding of cash-based initiatives had created both the environment and the capacity conducive to EC's development services to take over. However, such instances are not always fully documented and/or reported.

38 Cash projects were found to carry greater potential than in-kind projects for preparing the ground for transition out of the humanitarian phase. This aspect however remains to be fully studied and incorporated into DG ECHO's exit strategies.

39 The critical potential for DG ECHO funding to promote LRRD to a greater extent—given the strong attention to LRRD in many partners' own country strategies—is not fully acknowledged nor systematically documented. This is an area where DG ECHO already plays a fundamental role and it therefore deserves a better understanding.

#### *Humanitarian Mandate and Choice of Resource Transfer*

40 DG ECHO takes a critical view of funding requests which approach what is classified as "development", to avoid overstepping its humanitarian mandate. It is in this context that cash/voucher initiatives could at times be misinterpreted. In some cases, the fact that a cash/voucher intervention is feasible could be perceived to indicate cessation of the humanitarian phase. However, it should be appreciated that humanitarian needs of some groups may well continue to exist even after markets have recovered. An analysis of context, market and beneficiary needs - in a form appropriate to resources and time available - is therefore critical to ensuring that the choice of using cash/voucher for resource transfer is consistent with the humanitarian mandate and that it is not rejected due to weak or missing information.

## Conclusions and Preliminary Recommendations

- 41 Most partners' experience of cash and vouchers is relatively new. Nevertheless, both DG ECHO and its partners have demonstrated strong capacity to manage and account for such initiatives. Of the 180 or so projects implemented, all achieved their objectives, and in many projects the potential benefits of cash or vouchers over in-kind assistance were realized (but often not made explicit).
- 42 However, it is also appreciated that, for the use of cash and vouchers to remain manageable in terms of accountability and delivery if expanded, a number of issues need addressing by DG ECHO and its partners. These fall into four broad categories.
- a Organisational learning regarding cash and vouchers will be enhanced only through improved systems of information management, and systematic use of specifically tailored monitoring and evaluation studies.
  - b Adequate staff capacity and training is needed within both DG ECHO and its partners to:
    - i conduct assessments incorporating the appropriate level of market analysis and routinely compare different resource transfer options (cash, vouchers, in-kind);
    - ii review, approve and implement projects which consider the context-specific economic and market-related risks of cash/voucher projects (e.g. inflation).
  - c Operating procedures and guidelines are required for delivery, management and accounting of cash resources (particularly, but not only, in remote and/or insecure areas). DG ECHO needs to articulate information required, and minimum standards expected of the partners.
  - d Instruments—such as the Single Form and the FPA—need to be adapted to accommodate the specific realities and information/analysis required for cash and voucher initiatives.
- 43 With existing limits to partner delivery capacity and the current legal and financial parameters regarding use of cash and vouchers, DG ECHO's funding of such projects - in the foreseeable future - may see only a modest rise in project size. As such, the system adjustments, capacity development and procedural requirements identified in this report need not become an immediate prerequisite and/or impediment to continuing DG ECHO funding of cash and voucher initiatives, specially considering its positive experience so far.
- 44 However, organisational learning needs to be improved with some urgency, through a systematic use of well-designed monitoring systems and evaluations and opportunities for horizontal and vertical sharing of learning. This is to ensure that the risks and opportunities anticipated for cash and voucher projects, together with experiential learning about the successes and challenges, are fully captured and integrated into ongoing policy dialogue and tailoring of DG ECHO's procedures and instruments.
- 45 In the light of this report's findings, the issue facing DG ECHO is not just to what extent the use of cash and vouchers should be allowed. Instead, of equal (if not greater) importance are the issues surrounding processes, systems, procedures, manpower, capacities and resulting costs that remain to be studied, understood and addressed in order to develop a sustainable expanded policy.



- 46 Since both DG ECHO's experience of cash and voucher projects (and the experience of most of its partners) is limited, attention is needed to understand and develop these elements in the future. Otherwise, a cash and voucher policy may by itself remain either impractical to implement or carry unnecessary accountability risks.
- 47 The biggest challenge in doing so will be to ensure that the procedures and systems are not made overly stringent or costly. Otherwise the use of cash or vouchers may very well become an unattractive proposition from the partners' point of view, and the comparative advantages anticipated for these projects may be diluted.
- 48 Indeed, while the attention here has been on cash/voucher projects, this report does not suggest that measures recommended here are not applicable to in-kind projects (which likewise deserve to be routinely analyzed for cost-efficiency, relevance, appropriateness and impact).

**The Next Step:**

- 49 Based on the findings of this evaluation report, in an interrelated Review the consultants will attempt to:
- a identify the best practices developed by other donors and organisations that are either of direct relevance or could potentially be adapted to the specific needs of DG ECHO;
  - b make final recommendations, based on the findings of *both* the evaluation report and the review paper, towards the development of DG ECHO's policy on the use of cash and vouchers.

## 2 Background

### 2.1 Objective of this Report

With an overall organisational objective to strengthen consistency and coherence in its policy matters, DG ECHO has commissioned two interrelated studies (an *Evaluation* and a *Review*) exploring the use of cash and vouchers in the context of humanitarian assistance. See Annex I for the Terms of Reference and Annex II for the Inception Report.

In the series of two reports, the focus of this *Evaluation* is two-fold: to draw on the past experiences and to articulate the potential future challenges of an expanded use of cash and vouchers in the specific context of DG ECHO's mandate, policy, procedures and funding instruments. In doing so, this evaluation report attempts to lay the groundwork for discussion among the decision makers on the issues that may require addressing in order for DG ECHO to develop a workable policy necessary for systematic consideration of cash and vouchers as two options available for delivering assistance in a context-specific and accountable manner.

This evaluation highlights the major trends and patterns observed by the consultants. Some of the findings of this evaluation may well be equally relevant or common to in-kind assistance funded by DG ECHO. Where necessary, an attempt is made to highlight the specific considerations surrounding these common areas in relation to the use of cash and vouchers.

In the next stage, findings of this evaluation report will be studied and validated by the consultants through the review of the best practices emerging from the key donors and organisations with most experience in the use of cash and vouchers. It is based on the findings of these two studies (the evaluation report and the review paper) together that the consultants will be recommending alternatives for policy consideration within DG ECHO.

### 2.2 Report Structure

To ensure objectivity, this report considers the use of cash and vouchers to be two of the various possible resource transfer tools available to designers and implementers of humanitarian projects. It is acknowledged that the choice of resource transfer tool is subject to a range of considerations and factors.

For the purpose of documentary and field review, the consultants used a checklist based on standard evaluation methodology (see Annex III). However, for reporting purposes, the consultants selected the Project Cycle as a means of articulating the findings in a systematic manner, linking these findings to the organisational processes, procedures, practices, capacities, and legal and financial instruments.

To ensure coherence across this report, each step in the project cycle is explored and analysed using a standard set of questions, as follows.

- What is the current policy or practice?
- What observations were made in the field or through documentary review?
- What elements need attention and why?
- How and to what extent are these elements in the process of being addressed?
- What are the practical or policy implications for DG ECHO and its partners?

### 2.3 Approach and Methodology

The approach adopted by the consultants for field and documentary review of projects was to systematically explore the output, impact, appropriateness, risks and any inconsistencies of DG ECHO-funded projects against the projects' objectives, context, organisational capacities, delivery mechanisms, and systems used for monitoring and evaluation.

The consultants adopted a consultative approach to the evaluation process, ensuring that all relevant DG ECHO units and staff and related partners could proactively contribute to the findings of this report as required by DG ECHO. Annex IV lists the DG ECHO staff and partners consulted.

The main following methods were used by the consultants.

- Interview and consultation with DG ECHO's headquarters officials in the Policy and Evaluation Unit, in the three Operational Units, in Finance and Legal, Internal Control and Audit, and in Food-Aid.
- Visit to DG ECHO-funded projects in countries in each of DG ECHO's three operational units. The country visits included Eastern Democratic Republic of Congo (Ituri province), Jerusalem and Palestine (the West Bank), Afghanistan (Kabul), Azerbaijan (Baku), and Kenya (Nairobi). The visit to Kenya included a study of projects implemented in Somalia also. The main elements of these visits comprised:
  - interviews with DG ECHO field technical experts (Technical Assistants (TAs) and Programme Assistants (PAs);
  - workshops with partners, exploring the assessment, design, choice, coherence, coordination and context aspects of cash and voucher projects;
  - one-to-one meetings with partner managers, operational and control staff. This included study of the partner field accountability systems, operating procedures, human capacity/limitations, and security/risk-related concerns relevant to the implementation of cash and voucher projects;
  - visits to project sites and interviews with beneficiaries, particularly women.
- Interviews with DG ECHO Regional Office and the Sector Support Team (SST) team based in Nairobi.
- To further assess the use of cash/vouchers in the specific country contexts visited, the

consultants also consulted the EC delegation, other donors, and implementing agencies/ organisations funded by other donors to compare with DG ECHO's projects.

- The desk study included:
  - Review of around 180 project support and summary documents provided by the policy and operational units.
  - Project documents – single forms, final reports etc. relevant to the countries and projects visited.
  - DG ECHO/EC's Financial and Legal Regulations, Fact Sheets, partnership agreements (FPA) and (FAFA)<sup>2</sup>

#### 2.4 Report limitations

This evaluation is done in the specific context of DG ECHO-funded cash and voucher projects only, thus it does not provide comparisons with in-kind assistance initiatives. For a full understanding it would be useful, in a separate study, to review in-kind assistance to identify cases where the use of cash/vouchers might have been appropriate, or where it might have carried advantages over in-kind assistance (or vice versa) This would be quite difficult to do under the current arrangement, simply because the in-kind assistance projects rarely assess whether beneficiaries would have preferred another form of resource transfer or whether another form would have been appropriate.

#### 2.5 Constraints Faced

Most of the partner cash and voucher projects funded by DG ECHO are assessed, designed, implemented and monitored using the criteria and approach of traditional in-kind assistance project. Moreover, given that it is currently not a requirement, the proposals do not include a systematic analysis to underpin the choice of using cash and vouchers. This difficulty is symptomatic of a broader issue: the topic is not a category found normally within standard organizational classification systems. "Cash" and "voucher" projects, for instance, are not a sector (most evaluations are of specific sectors-such as Water-sanitation, Health, or Livelihoods. This topic is also not generally treated like a cross-cutting theme, such as "Gender" or "HIV/AIDS". Indeed: cash and vouchers are, after all, just resource transfer tools that are used for project delivery.

Moreover, in multiple-activity humanitarian interventions it is often difficult to separate the cash and voucher element from the rest of the programme - for instance it was quite difficult during the analysis of the 180 projects funded by DG ECHO to isolate the exact amount of money that went directly to beneficiaries from the overall amount that was spent on beneficiaries (which included various other programme elements).

As a consequence, drawing lessons and quantitative conclusions based on project document review – in the specific context of the use of cash and vouchers, proved to be significantly challenging. This was compensated through auxiliary documentary review and extensive interviews with all parts of DG ECHO and its key partners.

2 Framework Partnership Agreement (NGOs), and Financial and Administrative Framework Agreement (UN).

### 3 Main Report:

#### 3.1 Context Analysis:

##### 3.1.1 Cash/Vouchers and In-kind Resource Transfers in Humanitarian Assistance

In-kind assistance is a “catch-all” traditional humanitarian resource transfer approach, sustained by long experience and well-established delivery and accountability systems and tools. Food aid is often included in this category, which also includes provision of kits (household, hygiene and shelter kits etc.) and materials to kick-start livelihoods activities (seeds and tools, productive assets and the like). However, an increasing body of research and empirical evidence has started to question the economy, efficiency and effectiveness of such a “one size fits all” approach to the diversity of humanitarian situations and country contexts.

Recognising the weakness of context-insensitive delivery options, and the resulting cost to both their taxpayers and the beneficiaries, some of the main humanitarian donors and organisations (including SDC, DFID, Oxfam, ICRC, WFP etc.) have started systematically experimenting and learning by funding cash and voucher-based interventions.

It is beyond the scope of this report to debate the merits of the learning emerging out of the above-mentioned work by donors and their partners (this issue will be addressed partly in the review paper). However, it is important to recognise that major progress has been made by these agencies in addressing some of the more critical issues and risks concerning the policy, design, implementation, monitoring and accountability of cash and voucher interventions. Nevertheless, it is also recognised that cash and voucher initiatives—with few exceptions—remain mostly small-scale and experimental in the pure humanitarian context.

##### 3.1.2 DG ECHO's Cash/Voucher Policy Parameters

DG ECHO is currently in the process of developing policies concerning the use of cash and vouchers. In the meantime, the ‘Fact Sheet D3’ sets the principles and legal parameters on the use of cash as a means of resource delivery. The fact sheet however, sets no limits or conditions on the use of vouchers, considering these as largely similar to in-kind distribution.

The fact sheet D3 covers three main categories of cash intervention:

- Cash for returnees: cash transfers are permitted in order to facilitate return of IDPs or refugees to areas of origin. These type of projects are only allowed under the supervision of an international organization, such as UNHCR.
- Income generation: this covers both cash for work schemes (where employment is created temporarily by the implementing organization) and projects whereby assets and tools for income generation are provided to people to resume livelihoods activities. The provision of credit (micro-credit) is not allowed as it is perceived to require long-term commitment.



- Cost recovery: the cost recovery projects mentioned in the fact sheet relate to initiatives aimed at developing commercially-viable providers of basic services in humanitarian contexts (for instance, revolving drugs schemes). Cost recovery entails some kind of pay-back system and for this reason this type of intervention is not considered here.

The parameters set by the fact sheet D3 remain subject to debate within DG ECHO. It is beyond the competency of this study to comment on the legal interpretation provided in this fact sheet. However, based on the study of DG ECHO's mandate, EC financial regulations and its principles, the following section attempts to highlight the aspects that are equally important to the current debate.

Council Regulations 1605/2002 (issued 2007) sets three principles for Sound Financial Management.

- The principle of **Economy**: requires resources to be made available in due time, in appropriate quantity and quality and at the best price.
- The principle of **Efficiency**: requires best relationship between resources employed and results achieved.
- The principle of **Effectiveness**: requires attaining specific objectives set and achieving the intended results.

In agreement with Council Regulation 1257/96 on Humanitarian Aid, DG ECHO confirms, in the partnership framework agreement, that its first duty remains towards the victims—its major stakeholders—to ensure that aid is delivered in the most relevant, effective, efficient and rapid manner.

In short, the above extracts from Council regulations point to three key considerations for making funding decisions. These being:

- understanding of victim's needs and interests;

*Comment: This entails a sound needs assessment to be used as the basis for designing a humanitarian response.*

- making sure that the humanitarian response is based on the principles of economy, efficiency and effectiveness;

*Comment: This entails the need to be able to compare the merits and costs of different delivery options – in-kind assistance, vouchers and cash.*

- ensure accountability, safeguard resources and to put into place measures for managing risks.

Although consistent with the Council Regulations, the fact sheet D3 appears to be mainly driven by the last of the above three main considerations i.e. accountability and safeguarding of resources. In doing so, the parameters set by it could potentially have a limiting effect on resource delivery options, thus reducing the critical element of choice that underpins the principle of “beneficiary-first”, economy, efficiency and effectiveness. Here, it is important

to recognise that the parameters set by the fact sheet on the use of Unconditional Cash Transfers are based on the Financial Regulations and therefore not limited to humanitarian aid but applicable to all sectors.

Based on the flexibilities introduced by the Revised Financial Regulations – Articles 120 (2) and 184 (a), the latest Legal Note of August 2007 opens the possibility for DG ECHO to fund unconditional cash grants<sup>3</sup> as means of resource transfer to beneficiaries.

In conformity with EC Financial Regulations, the note sets a maximum limit<sup>4</sup> of EUR 100,000 per contract for an unconditional cash grant, subject to approval of project funding. It means that in practice, the partners will now have the possibility of adding a limited component of unconditional cash transfer to their regular projects for DG ECHO funding.

The consultants understand that the limit of EUR 100,000 may be raised in future revisions. However, this may largely depend on how well the systems for the management and accountability of unconditional cash transfers are addressed by both DG ECHO and its partners. It is with this consideration that the consultants—in this report, in addition to DG ECHO's past experience—also systematically analyse and highlight the instruments, means and capacities necessary for dealing with any expansion in the scope and scale of cash transfers in an accountable manner.

### 3.1.3 Knowledge of DG ECHO policy among partners

Most partners interviewed during field evaluation seemed either unaware or appeared to show limited interest in DG ECHO policies on cash and vouchers. The most common perception is that DG ECHO remains “against” the use of cash and vouchers. As such, many partners, instead of applying to DG ECHO for cash/voucher project funding, either preferred to pursue more flexible donors or resorted to in-kind assistance. A clear DG ECHO policy combined with clear proposal guidelines on funding of cash and voucher projects would therefore be quite timely.

3 The term “unconditional cash transfers” used in this document refers to the use of grants as described by the management note of August 2007. In conformity with its legal parameters DG ECHO has not issued any unconditional cash transfers prior to this management note. As such, all references to unconditional cash grants are in the context of its possible use by DG ECHO in the future only.

4 The limit of EUR 100,000 is, for now, applicable only on DG ECHO financing of NGO projects. This limit does not apply to either International/UN Organizations or the Specialised Agencies of the Member States.

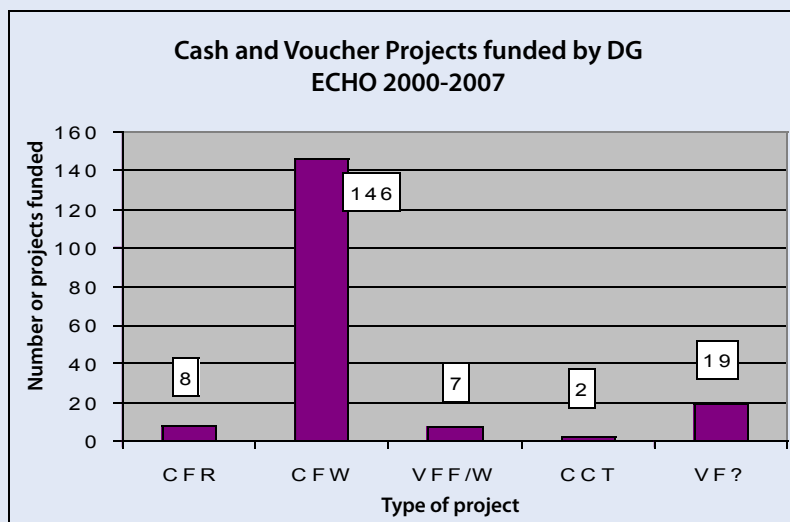
3.2 Overview of DG ECHO funded Cash/Voucher projects

Contrary to an earlier perception that DG ECHO has not funded many cash/voucher projects, the HOPE database has yielded a list of over 180 such projects that have been funded since the year 2000. Given that projects are not necessarily registered in the database for their means of delivering resources, it is possible that the actual number of projects with a cash/voucher component is larger. The full extent of relevant cash/voucher projects implemented since 2000 identified through the database is summarized below<sup>5</sup>.

While the consultants are mindful of the limitations of such quantitative analysis, the data is presented to highlight a number of patterns and trends, as follows.

**Types of projects funded:** Figure 1 below shows a clear dominance of cash for work projects. Other forms of cash and voucher transfer are less common, and some options have never received DG ECHO funding (the use of cash for provision of livelihood recovery inputs, for example, or the use of cash to help food insecure households access food without having to work).

Figure 1: Types of cash/voucher project funded



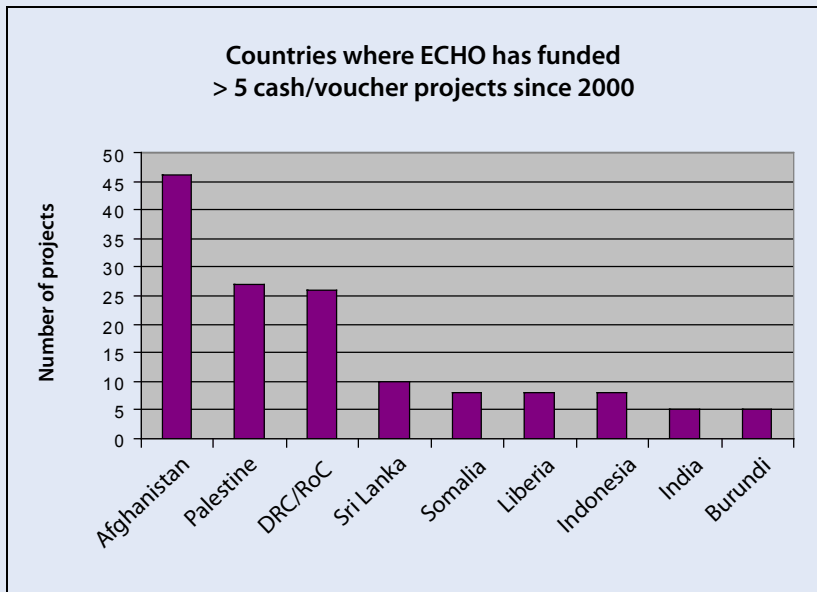
Key

- CFR** = Cash for Returnees/Refugees (a cash grant which enables the household to meet specific needs.)
- CFW** = Cash for Work
- VFF/W** = Voucher for Food or Work
- CCT** = Conditional Cash Transfer (cash provided to address a specific need against a specified behaviour or condition (e.g. attend training; destocking)
- VF?** = provision of vouchers to help households access specific items – e.g. agricultural inputs, livestock, water.

5 Source (for all graphs and tables): Inventory of cash/voucher projects compiled by DG ECHO Policy Unit, Brussels, edited for inclusion error (where no mention is made of use of cash/vouchers).

**Variation across countries:** in several notable countries cash is a core resource transfer option. In Afghanistan, for instance, the cash/voucher project inventory records DG ECHO as having funded 44 cash for work projects since 2000; in the Occupied Palestinian Territories the figure is 23. The graph below—which features only the countries with more than five projects funded by DG ECHO since 2000—illustrates the dominance of three countries in this field.

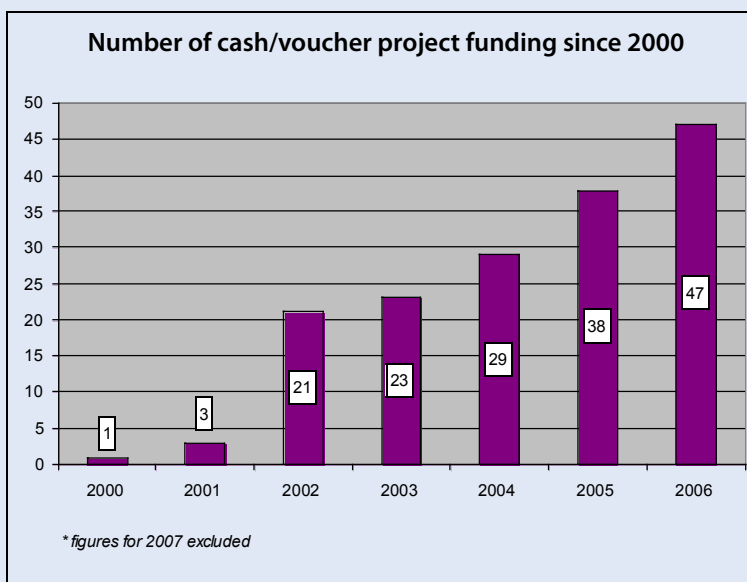
**Figure 2: Countries with experience in cash and voucher projects**



In ten countries DG ECHO has funded only one cash/voucher project, and there are a number of countries where cash/voucher projects do not seem to have received DG ECHO funding within the last seven years. For the Africa, Caribbean and Pacific regions the following country programmes have not featured cash and voucher transfers: Angola, Caribbean, Chad, Eritrea, Guinea Bissau, Kenya, Mozambique, Suriname, Tanzania.

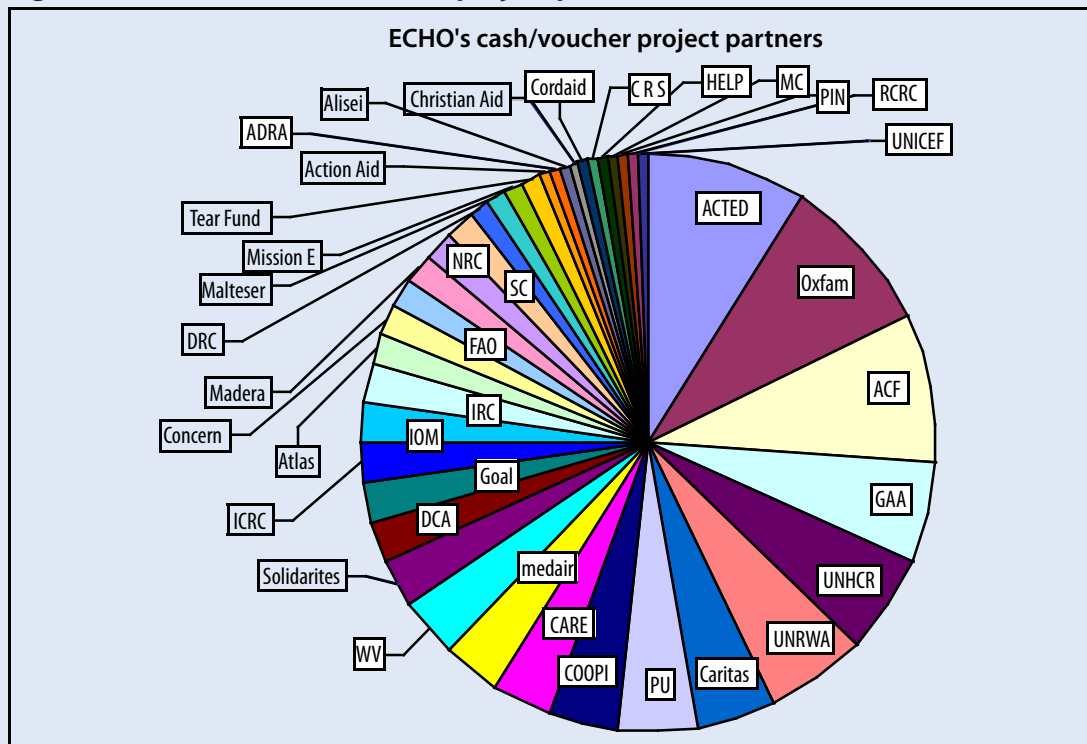
**Longitudinal trend:** In terms of the longitudinal trend the accompanying graph shows that in recent years the number of projects funded by DG ECHO have steadily increased.

**Figure 3: Trend in cash/voucher project funding since 2000**



**Project Partners:** The graph below shows the relative importance of different partners for DG ECHO in terms of cash and voucher projects. Unlike some of the above analyses, there is less overall dominance here; partners with the largest numbers of projects are ACTED and Oxfam with 16 each, and ACF/AAH with 15 projects.

**Figure 4: DG ECHO's Cash/voucher project partners**



This graph is slightly misleading, however. While it represents the relative importance of these agencies to DG ECHO's knowledge and experience of cash/vouchers, it does not represent the importance of cash and vouchers to these organizations. Some of the leading proponents of cash and vouchers (such as Oxfam) often use their own funds, or seek funding from other donors for cash and voucher component of projects. The ICRC, for example, has received funding from DG ECHO for four projects since 2000 but the agency has implemented a total of 28 cash/voucher projects between 2003 and 2007, most funded from other sources.

**Limits to Quantitative Analysis**

It should be noted that a major limitation of this quantitative analysis is the fact that as the study has not looked at in-kind projects it is not possible to determine the *relative importance* of cash/voucher projects compared to in-kind projects. Given the fact that cash and voucher projects were deemed acceptable—because the market was functioning—it is possible that further use of cash/vouchers in place of in-kind assistance might have been viable had the partner considered it, and/or DG ECHO permitted it.

It would also have been useful to investigate the number of cash/voucher projects that have been rejected for funding at any stage of the project cycle, but this is not possible as DG ECHO only records details about projects where funding was agreed.



### Qualitative analysis of use of cash/vouchers among DG ECHO partners:

The following table is a summary of some key examples of DG ECHO-funded cash/voucher projects, illustrating the range of types of projects where cash and vouchers have been used.

**Table 1: Summary of the range of cash projects funded by DG ECHO**

Type of intervention	Examples
Providing beneficiary with cash or vouchers as a direct grant with no conditions or work requirements	UNHCR grants to Chechen refugees in Baku, Azerbaijan (primarily to cover a portion of rental expenses) Cash for host families (UNHCR Kosovo) Transport allowance for families returning to Liberia from Ivory Coast (UNHCR, IOM and NRC)
Paying beneficiaries in cash for taking part in a public works programme	Palestine job creation programme (SC, Mercy Corps, UNRWA and others); Creation of jobs among traders (PU Palestine) Road clearance (ACF in Afghanistan) Road construction/rehab – DR Congo Water and sanitation projects Somalia
Paying beneficiaries in vouchers	Vouchers for work, Oxfam Mali and Niger
Providing a cash grant during training	Medair, Afghanistan: cash was provided to encourage trainees; the trainers were elderly women with craft-making skills which risked being lost to the community
Paying beneficiaries to repair their own houses or rehabilitate farm land	ACTED Afghanistan ICRC Liberia (clearing of cash crop farm land for returnees)
Providing beneficiaries with cash on condition that they do something (attend school, plant seeds, demobilise) Destocking	UNHCR grant for Afghan families returning to Afghanistan from Pakistan and Iran (provision of cash at transit centres in country of return)  Livestock purchase – CORDAID Ethiopia
Providing beneficiaries with vouchers for a particular type of good (e.g. seeds) or a bundle of goods	Seed voucher fairs in DR Congo (AAA, PU) Seed/fertilizer/tools voucher schemes by FAO/CRS in Lesotho Seed/tuber replication (e.g. Sweet Potato replication (WV Zimbabwe) Donkey vouchers (Oxfam Sudan) Water vouchers (UNICEF Madagascar – <i>proposed for 2007</i> ) Vouchers for food (PU DR Congo, ICRC Palestine) Vouchers for fuel – DCA and French Red Cross, Lebanon Vouchers for seed (exchanged through market traders) – ICRC Liberia

### 3.3 Project Cycle Analysis of the Use of Cash/Vouchers

#### 3.3.1 Assessment (providing a basis for project design and resource transfer choice)

This section deals with the information collected by partners to assess needs and to determine the most appropriate resource transfer intervention in the given context.

**Current situation:** the majority of assessments provided by DG ECHO's partners rely on instruments designed to cater for traditional forms of assistance (including food aid). These "traditional" needs assessments methods are not meant to provide a basis for comparative analysis and determining the merits of different resource transfer options specific to the local context. They instead tend to assess the need as: the number of beneficiaries that require supply of a specific item (e.g. NFI kits, seeds/tools, or a food aid ration) and the quantity per beneficiary. As such, cash and voucher proposals submitted to DG ECHO rarely include basic information on markets, disaster-induced changes in the economic environment, a comparison of the relative cost of delivery and benefit to the beneficiaries of different resource transfer methods, or the relative risk (or feasibility) of different options etc. And it is not evident in all cases that information has been sought (where available) from national food security information systems.

In many cases a partner's decision to use cash or vouchers was found to be driven mainly by the difficulties associated with in-kind provision—such as high sales of received items by beneficiaries, very high logistical costs, constraints with the supply pipeline—or government policy requirements. In these cases, it was the constraints surrounding in-kind assistance and not necessarily market information that was the reason for choosing cash/voucher as a means of delivering humanitarian assistance. However, examples were found of partners collecting information about the cause of household food insecurity, and hence the decision to use cash or vouchers.

- The Danish Refugee Council's proposal for supporting vulnerable households in the North Caucasus, gave clear justification why it had decided to replace in-kind food assistance with a targeted cash transfer (the situation had changed for the general population, who were no longer food insecure; however, the poorest households were unable to earn sufficient income to cover their basic needs). Traders were interviewed to determine whether they would be willing to participate in a cash or voucher scheme—information that resulted in the removal of the voucher component, and the decision to provide cash. Following a small-scale pilot funded from other sources, the agency submitted a proposal to DG ECHO for a larger-scale programme which was accepted for funding in late 2007.
- The ICRC's Urban Voucher Programme (UVP) was designed following a household economy assessment (summarized in the UVP evaluation) and a market assessment. No details are given why vouchers were chosen over direct cash support, but the decision to shift from an in-kind approach to a market-based approach was due to the fact that the urban economy was contracting, that many households had debts due to income shortfalls, and that prices for many items had dropped due to the loss of the export market. The ICRC continued in-kind assistance in the rural assistance programme (RRP),

although no market information is given about how the urban and rural areas differed in terms of commodity supply.

**Market assessment capacity** has improved considerably within WFP and among the major NGOs as a result of the ECHO-funded SENAC<sup>6</sup> project (located within WFP's assessment section, ODAN). Within the SENAC project the open exchange of information—which is a core principle of the project—has been important in raising the standard of market assessment across participating agencies. A challenge that remains for all agencies is the determination of the appropriate level of detail and complexity required at the assessment stage.

Market assessments conducted by agencies funded by other donors are further discussed in the review report. This will include examples of different types of market assessments conducted to determine the appropriateness of cash-based responses to acute food insecurity and examples where an agency has compared different resource transfer options.

**The underpinning reasons** identified by the consultants for the current limitations in partner assessments are the following.

- a Collecting primary data is costly and time consuming, with implications for partner's overhead costs. This is especially true for the smaller partners with no established system for regular assessments. Moreover, as the assessment precedes the eligible period for project funding, the cost involved is not foreseen to be funded by DG ECHO.
- b Many projects get repeated over the years, thus primary data collection (including market data) is not seen as necessary for the assessment. In most cases, partners use the previous year's field observations and experience as substitutes to needs assessment information.
- c Many NGOs report that their choice of using cash/voucher or in-kind assistance is dependent on predetermined donor preferences. In such cases, providing a detailed assessment that looks beyond immediate needs becomes a futile and expensive exercise, and therefore avoided.
- d If requested by the partners, DG ECHO has the provision for funding specific stand-alone assessments. However, DG ECHO does not have its own instruments for systematic and independent market assessment. For this, it largely depends on the information provided by the partners in the single form, and the supporting input provided by the relevant TAs. But the quality of market specific input is subject to partner capacity and the individual knowledge, experience and interest of the TAs.
- e DG ECHO (as part of project submission) currently has no specific requirements in terms of what should be included in the assessment of a cash/voucher project, and therefore the level of input and analysis remains subject to partner agencies' interpretations and features significant variation.
- f Implementing organizations admit that market assessment is currently a challenge – not just because standard tools to guide cash/vouchers are not available, but because there

6 SENAC: Strengthening Emergency Needs Assessment Capacity.

are no accepted means of determining the appropriate complexity for assessments in different disaster scenarios and operating contexts.

**The missing elements** related to assessments appear to be:

- a a clear organisational policy encouraging the choice of resource transfer to be based on informed assessment and good comparative analysis of different resource transfer options;
- b a clear requirement of assessment information/analysis, consistent with the complexity, size and nature of the project and resource transfer options under consideration;
- c the TAs (the front-line staff who review the assessment information) and the Desk (the final level reviewing the assessment findings) may need training and added capacity to review the aspects relevant to cash-based transfers, such as market implications of a cash approach, cash transfer options etc;
- d a considerable number of partners also lack competence in the areas of financial, economic and risk analysis etc. The involvement of finance and administrative staff in the assessment phase is not routine for many agencies. Similarly, few have developed capacities and systems for measuring cost-efficiency, as this has not been a requirement from DG ECHO.

#### **Main considerations for DG-ECHO and partners**

- a The magnitude and details of the assessment will need to be decided on a case-by-case basis, taking into considerations issues such as context and objectives, funding size, operational security, partner experience and capacity etc. This may require added capacity within DG ECHO.
- b Assessments concerning markets, inflation etc. may require specialized human resources (with probable cost implications) for the partner. As part of its cash/voucher policy, DG ECHO may have to identify the circumstance under which it will consider reimbursing costs for market and other assessments.
- c Market and economic assessment are specialised activities for which DG ECHO and many of its partners lack institutional competence. However, WFP and other large food-aid players, and some early warning specialist agencies (e.g. FEWS-Net etc.), are better placed to conduct these assessments<sup>7</sup>. In addition to its current support of WFP's SENAC project, DG ECHO may have to consider supporting specific market assessments, thus creating economies of scale necessary for addressing the information needs of the smaller partners.
- d To be able to advise partners on relevant assessments, in the context of cash and voucher, DG ECHO may need to develop in-house capacity.
- e Instruments such as the single form may need to be supported by explanatory notes, articulating the assessment requirements for cash and voucher projects.

<sup>7</sup> WFP has invested in improving its needs assessment and market assessment capacity in recent years. Many emergency assessments (EFSAs) include market assessment and consideration of different resource transfer options.

### 3.3.1.1 Examples of Justification for use of Cash or Vouchers after Assessments

The following table gives examples (from different types of projects and project contexts) of reasons why a cash/voucher approach was selected over in-kind assistance. In most of these cases it is not usual to find explicit information (in the project documents) explaining how assessment findings contributed to the decision to use cash or vouchers over in-kind assistance. This lack of documented information does not mean that there was no formal assessment of different options—rather it seems the knowledge contributing to the discussion was implicit. Recent project documents, however, have included this kind of information (e.g. Danish Refugee Council’s proposal for North Caucasus) and provide useful models, but for cash/voucher operations, particularly in food insecure areas, more attention is needed to analysing markets. Information below was obtained largely through interviews with DG ECHO and partner staff involved in the respective projects.

**Table 2: Reasons for adoption of cash/vouchers among DG ECHO-funded projects**

Dem. Rep. Congo (Ituri district): PU and AAA’s cash for work projects since 2003	These cash and voucher projects followed similar projects where food aid was provided to beneficiaries. The decision to change to cash and vouchers stemmed from the high costs of commodity supply (DG ECHO had been subsidizing the local transport costs for its partners—which were not fully covered by WFP). Cash was also seen as complementary and advantageous as labour payments for work on the road rehabilitation projects which sought to open up markets to returnee populations. The cash projects were directed at populations who returned to areas where markets were functioning.
Afghanistan: UNHCR cash grants for returnees: 2002-current	UNHCR has provided assistance to Afghans returning from exile in neighbouring countries to facilitate their return for several years. This used to include food (a standard WFP ration) and household items (tarpaulin, blanket, jerry can, kitchen set, hygiene items). In 2004 the government recommended provision of cash. UNHCR’s cost-benefit analysis identified cash as preferential, and with a change in government the security situation was more conducive to a cash transfer. A further reason for cash was that household kits had been sold by the returnees, at low cost.  Cash grants were also useful to UNHCR as they provided an incentive to returnees to pass through the processing centres, facilitating the collection of critical demographic data.
Afghanistan (during Taliban blockade in Hazarajat region in 1998): cash for work	The Taliban blockade prevented the supply of food by road to the drought-affected population and the cost of the alternative—airdrops—was excessive. DG ECHO funded cash for work projects that enabled households to earn income, and food was brought into the area by local traders.
Afghanistan (2005 onwards): cash for work	The government recommended agencies refrain from provision of free relief (then food relief) to avoid dependency; and requested agencies to provide cash rather than in-kind aid in areas where markets had recovered. DG ECHO partners responded with cash for work projects where appropriate.



**Table 2: Reasons for adoption of cash/vouchers among DG ECHO-funded projects**

<p>Azerbaijan: UNHCR cash subsistence allowance, which covered basic needs and particularly a proportion of the costs of renting.</p>	<p>The decision to provide cash to Chechen refugees living in Baku, the capital of Azerbaijan, to cover part of the cost of renting, accompanied the steep rise in the cost of housing and living. Alternatives (resettlement, construction) were not possible due to political reasons, and the most appropriate assistance was cash grants. The subsistence allowance accompanied food parcels provided through NRC; the decision to provide food parcels rather than add the value to the cash subsistence allowance related to the need for coherence with the government national social support system which addresses the needs of vulnerable nationals.</p>
<p>Palestine: ICRC food vouchers for vulnerable urban households (2002-3)</p>	<p>The decision to use vouchers (replacing food aid) was because of the desire to support the struggling local economy, and to preserve the dignity of beneficiaries through allowing them choice and flexibility to make their own decisions in purchasing essential commodities.</p>
<p>Liberia: Tear Fund: mixed FFW/CFW project for returnees (2007)</p>	<p>Cash was added to the pre-existing food ration as the work (swamp development) required hard physical labour, and payment in food would not have been sufficient.</p>
<p>Democratic Republic of Congo: seed voucher fairs: AAA and PU: since 2005</p>	<p>Seed voucher fairs were designed to address two issues simultaneously: the first was to provide recent returnees with a variety of quality seeds; the second was to enable those who had returned earlier (and who had been provided with certified seeds the previous season) with improved marketing opportunities.</p>

### 3.3.2 Project Design

This section considers how agencies articulated the design of the cash and voucher project, what factors influenced the design, and partners’ use of standards (if any) at this stage.

The basic document articulating the project design for both partner and DG ECHO is the Single Form. It is based on the information provided in this document that DG ECHO ultimately decide on whether to fund a partner’s proposal, or whether changes are required.

#### 3.3.2.1 Design of the Single Form

The design of the single form is such that it caters mainly for what are often termed the “traditional” humanitarian delivery methods i.e. supply of commodities (including food aid) or services. This is most apparent from the budget lines under Title One. These currently do not include lines for clearly representing either cash or voucher transfer. To overcome this limitation, partners currently use the budget line closest to the objective of the project (and not its resource delivery mechanism) to represent the funding requirements. While this makes practical sense the lack of transparency (resulting from the form’s limitations) could lead to a number of shortcomings.

**Budget Lines:** The lack of an appropriate budget line for cash/voucher transfers means that decision makers are not alerted about the field accountability measures, implementation arrangements and specific risk analysis associated with the resource delivery option selected by the partner. For example, CFW project variously appear in single form as either “infrastructure rehabilitation”, “non-food goods” or “self sufficiency”. It makes a considerable difference if the delivery method is simply procurement of a contractor (in-kind assistance), or if, instead, it involves a system to account for the beneficiaries employed in return for wages.

Some partners have provided information that justifies elements of the design of cash/voucher interventions (e.g. the Danish Refugee Council proposal for North Caucasus), but this is not typical of most proposals, which do not clearly articulate information that is needed to decide whether a cash/voucher project is appropriate.

**Guidelines:** When projects involve procurement, the FPA provides clear guidelines to the partners concerning DG ECHO’s requirements. However, no guidelines currently exist to advise partners about their responsibilities (and DG ECHO’s accountability expectations) when designing the delivery mechanisms for cash or voucher projects. More details about the consequence of the current lack of clarity are discussed in the following sections.

### 3.3.2.2 *Relevance of Project Objectives to Assessment Information*

In the review of DG ECHO-funded projects, it is not always clear how far the assessment results underpin the decision to use cash or vouchers, as there is limited mention of this in the project design narrative. This does not imply that wrong choices are the norm (no evidence was found of erroneous judgements), but it highlights that absence of a clear policy combined with inconsistency between the design tool and the specific needs of cash and vouchers as delivery mechanisms. This has potential for limiting coherence between the beneficiary needs, the context and the project objectives.

It is important to highlight that most of DG ECHO’s cash and voucher projects are “repeat” projects, thus the fact that a project was funded in the previous years becomes part of its justification. Moreover, the portfolio of cash and voucher projects funded by DG ECHO remains both small in scale and limited in scope which has meant that hitherto the limitations of design instruments and lack of market-related assessments have not been problematic.

### 3.3.2.3 *Cash or Voucher Value Provided*

In the case of CFW projects, the consultants could not identify a systematic analysis by partners for establishing rates for daily wages appropriate to the project and its context. In most cases, partners claimed that they used local wage rates as the primary guide. But most often, partners were found to follow the rate used by the previous projects and/or other agencies in the area.

A key issue that needs consideration is that while for in-kind projects beneficiaries are not affected by inflation (the higher costs are absorbed by the agency procuring the items),

with cash/voucher projects beneficiaries stand to lose out if the price analysis is weak, or if the project does not allow for adjustment of the price in the event of inflation. Such considerations are not currently included in the project design.

Voucher projects potentially carry the options of providing either the value or the quantity of a commodity. Most of the voucher projects visited by consultants used a cash value, thus shifting the inflation implications on to the beneficiaries. Moreover, among the voucher projects visited the agencies were not monitoring the value of the items that beneficiaries received in exchange for the voucher. It was mostly assumed that the purchasing power of the voucher (determined at the assessment stage) remained unchanged.

***Box 1: Determining the value of basic needs assistance: the ICRC UVP in Palestine***

The ICRC urban voucher programme was designed following a detailed household economy assessment which identified the cost of vulnerable households' minimum expenditure. This guided the value of the voucher—which was set at 100% of food expenditure (or 65% of overall monthly expenditure). Part of the voucher was exchangeable for a fixed set of locally produced foods (including wheat flour and olive oil), and the remainder had a cash value. The total value was \$90 per household.

***3.3.2.4 Effects of conditional resource transfers***

DG ECHO's legal parameters have in the past restricted the use of unconditional cash transfers. But, as observed by the consultants during the evaluation missions, there have been instances where use of unconditional cash would have possibly been both appropriate and manageable in an accountable manner (see box below). This aspect should now be addressed with the introduction of the latest legal note, allowing the use of unconditional cash grants.

***Box 2: The case for Unconditional Cash Transfers***

Première Urgence provided assistance to families of malnourished children discharged from a therapeutic feeding programme in Ituri. The agency developed a system of food voucher fairs whereby the mother would return a month after discharge to collect foods from producers and traders to take home. As the nutrition centres covered a large number of communities the children discharged in any one period were dispersed over a wide area. Some had to travel a long distance to reach the fair (30km) and the transport of some 20kgs of food was a major constraint for women with child care responsibilities; some failed to show up at the voucher fair.

A cash transfer paid to the mother on the child's final visit to the nutrition centre could have been an effective way of addressing what is likely to have been a major factor contributing to malnutrition—poverty. While it is recognized that other factors influence malnutrition (e.g. morbidity) and that control of cash at household level may be an issue that warrants monitoring, the point here is that the distribution of cash should have been an option that might have been preferable for the child's carer and for the implementing agency had it been permitted.

Having studied the cash-for-work (CFW) projects funded by DG ECHO, it is clear that adding a work requirement to the provision of cash has mostly been an appropriate choice. In many instances the beneficiaries themselves preferred to work, because a) they were underemployed; b) they appreciated being able to contribute to the development of their community; c) the activity of work brought psycho-social benefits (and elements of peace building); and d) it is perceived as more dignified than a handout.

However, a critical issue for CFW projects is that while its primary objective may be to address an income deficit for vulnerable households, the inherent labour requirement has the potential to cause exclusion of *labour-poor* households (who are often the most vulnerable). These include women-headed households with childcare responsibilities and the elderly and infirm. This aspect is not always assessed and addressed in the design of such projects. Moreover, because monitoring tends to mostly focus on the beneficiaries only, this could therefore inadvertently fail to identify those who are not project beneficiaries, and therefore unintentionally excluded. It is therefore critical that design of CFW project also provide an analysis of most vulnerable that could get excluded due to the provision of work, articulating the corrective measures. The addition of unconditional cash transfers in the revised policy note gives partners the flexibility of addressing these particular households' needs without having to resort to in-kind assistance.

#### 3.3.2.5 *Exit strategy*

Similar to in-kind assistance, and as part of their design, cash and voucher projects should have a clear exit strategy. This is perhaps more important with cash and voucher projects, considering the potential for creating unsustainable expectations and dependency. However, the cash and voucher projects funded by DG ECHO, past and present, are so limited in both magnitude and scope that potential risk in terms of sustainability remains quite small. As such, partners' responses to the section on exit strategy (in the single form) remains generally limited. A partial reason for this could also be the limited duration of DG ECHO's funding cycle, and consequently partners finding it difficult to articulate exit strategy plans for a one-year funding period.

One aspect that remains to be fully understood and appreciated is the potential carried by cash and voucher in relation to DG ECHO's own exit strategy from a country or a region. Cash and voucher initiatives could easily be translated into projects aimed at reducing humanitarian aid dependency of beneficiaries when preparing for handover to recovery/development donors in the LRRD preparatory context. Irrespective of considerable in-house debate on the subject of DG ECHO's exit strategies, the use of cash and vouchers remains to be fully explored for its immediate relevance and significance.

#### 3.3.2.6 *Cost-Efficiency*

As it stands now, the single form does not require partners to calculate cost-efficiency. The only place where cost-related information is considered is in the in-house project support analysis provided by the TA. In this regard, the cost-efficiency analysis remains mostly limited to the calculation of "cost per beneficiary" only.

With the expansion in the choice of resource transfer methods, analysis of different options' cost-efficiencies is of considerable importance. As such, DG ECHO may need to determine its own information needs and develop guidance to help partners calculate—at the design stage—the relative cost efficiency of different delivery options.

#### 3.3.2.7 Risk analysis

Risk analysis provided by the partners in the Single Form remains fairly general in nature – e.g. focusing on the risk of adverse climate, or political change, or the risk that beneficiaries might not accept the agency's vulnerability criteria etc. For example, partners do not articulate—in the case of cash and voucher projects—the risks to the resources, fiduciary and accountability systems and/or the possible security risk for the field staff etc. This will require DG ECHO to specify what it expects as risk analysis in the specific context of cash and voucher projects.

Improved risk analysis is in DG ECHO's interest as it would promote safer programmes in what are often difficult environments. However, partners may be reluctant to share risk analysis if they fear that their transparency could lead to refusal of funding. Rather the presentation of such information could be seen as evidence that the partner has strong capacity to manage cash and voucher projects in difficult environments. DG ECHO may have to develop a better understanding of real risks for cash and voucher transfers in different contexts. This will require a keen understanding of how partners have reduced exposure to risk by adapting or improving field accountability systems and capacities. It is with such knowledge that DG ECHO can negotiate with partners what is an "acceptable" level of risk, and to ensure risk-reduction measures are in place.

### 3.3.3 Proposal Review: submission and approval

For DG ECHO to be able to sustain a policy of determining a context-specific system of resource transfer – including cash or vouchers, it may need to consider a number of issues relating to its own and its partners' capacities and arrangements. This section highlights the most relevant issues concerning the review and approval stage of the project cycle.

#### 3.3.3.1 Stakeholders

##### A) DG ECHO's Partners

Context: There are three types of partners of relevance to cash/voucher projects.

The first are the large organizations (NGOs such as Oxfam, Save the Children, CRS, Mercy Corps) that have been implementing cash/voucher projects for several years. These agencies tend to approach other donors for funding because they often perceive DG ECHO as an 'unlikely' donor for such projects. These organisations tend to have better capacity to provide comparative analysis for the different resource transfer options in a given context and often blend innovation with sound planning and practices to result in successful projects.

The second are organizations who, by and large, have not explored the use of cash and voucher projects, perhaps because they have not seen the need to change from their current approach (essentially in-kind supply).

The third group are those who have started to explore the use of cash/vouchers, but it is not yet mainstreamed through their organizations. These tend to have relatively limited in-house capacity, expertise or experience for comparative resource transfer analysis in a context-specific manner.

**Relevance:** the inventory of DG ECHO-funded cash and voucher projects is dominated by organisations that belong to the third group (see **Figure 4**). The quality of these organisations' project funding-related studies and subsequent analysis remains limited due to their historic reliance on in-kind assistance only. These organisations tend to have used cash and vouchers projects in some cases because either the in-kind assistance has been logistically not feasible (e.g. Afghanistan) or extremely expensive (DR Congo), or because government policy discouraged it (Afghanistan). As such, in many cases, the request for funding is not based on a comparative analysis of the benefits of the resource transfer method being proposed.

To make an informed decision, and for cash and vouchers to become a genuine option for resource transfer, DG ECHO mostly depends on the capacity of the partners to analyse benefits and compare advantages/disadvantages of using such systems in a given context. Such an analysis should in turn present DG ECHO with options, differentiated by cost-efficiency, impact and accountability considerations.

The study of the field capacity of DG ECHO's partners (visited by the consultants) shows that their experience, expertise and capacity (with a few notable exceptions) is weighted towards sectoral interventions and logistics—which is consistent with the design and implementation of traditional in-kind, food and/or service-delivery type projects. As such, a number of partners currently have very limited capacity to analyse, for example, the implications of using cash as opposed to in-kind assistance on e.g. food prices etc.

To be able to sustain their funding proposals for cash initiatives with a good comparative analysis, the partners will have two options.

- One, is to develop in-house (in-country) capacity and expertise. Given the cost implications—especially for the smaller partners—this will remain a distant objective for some time to come.
- Two, a more realistic option will be for partners to hire short-term specialised human resources, for specific projects, to conduct the required feasibility analysis. This is likely to have serious cost implications too. Agencies such as WFP, CARE, SCUK and Oxfam have carried out such studies in recent years. Generally speaking they take between 1 and 2 months, and require extensive field research.

In short, any broadening of the DG ECHO policy on the use of cash and voucher will remain of limited effectiveness unless four fundamental issues are considered and addressed, these being:



- the need for requiring a solid analysis to underpin choice between resource transfer options, specially cash and voucher;
- current limitations to partner capacity to produce relevant analysis and the need for strengthening this capacity;
- cost implications for the partner of addressing capacity shortfall;
- DG ECHO's policy and willingness to support these additional costs.

## B) DG ECHO

### • **Field Technical Assistant**

DG ECHO's Technical Assistants (TA) are generally the key reference persons for partners in the field. They are available to partners for guidance and discussion on project preparation and other issues such as selection of resource transfer options. This makes the capacity and knowledge of the TA—concerning not only of DG ECHO's policies and procedures but also of various resource delivery options and their implications—of vital importance for cash-based interventions.

DG ECHO's TAs are essentially 'generalists' with various technical – and often NGO-backgrounds. Their knowledge of DG ECHO's ongoing policy discussions can vary. Of particular relevance in this case is their *capacity, knowledge and understanding* of the use and implications of non-traditional resource delivery mechanisms (such as cash and vouchers). This is reflected in the considerable variation across projects, countries and continents in the proportion of different resource transfer approaches used. For example, two entirely different TA approaches to DG ECHO funding of cash/voucher projects were found in two countries in the same region, visited by the consultants.

In one country the partners had started to explore the use of CFW and vouchers for seed, as a context-specific means to help vulnerable households access basic needs. These partners—until quite recently—had been focusing only on traditional food and in-kind assistance. This change was brought about largely by the arrival of a new TA. With his prior knowledge of the use of cash/voucher projects and his understanding of relevant policy approaches, he helped partners to explore the viability of non-traditional resource transfer methods in a context specific manner. An important contributory factor was the exorbitant cost of distributing in-kind resources. Coinciding with the TA initiative, a workshop on cash/vouchers (funded by DG ECHO and led by the Overseas Development Institute (ODI)) helped de-mystify some of the partners' reservations, and paved the way for the use of cash and voucher projects.

In the second country (from the same region) however, although DG ECHO's partners had a keen interest in the use of cash and vouchers, they had been discouraged by the responses of successive TAs. The current TA's resistance seems to stem from lack of prior exposure to cash and voucher projects. Moreover, the TA had little understanding of the information and field research needed to validate cash/voucher initiatives, and he did not appear to fully understand the options available.

The desk review revealed considerable variation in the extent to which the cash/voucher element itself is explored at the review stage. Some TAs have been diligent in requesting partners for further information about disbursement procedures, whilst some project documents make no mention of this at all.

The above examples illustrate the current disparities that may exist in the knowledge and understanding of TAs concerning cash and vouchers. As the first point of contact, they can potentially both inspire and discourage partners in being context-specific in their choice of resource transfer methods. As such, any broadening of DG ECHO policy on the use of cash and voucher has to also consider the issue of building and maintaining uniform capacity across its key field representatives. Otherwise, it is difficult to see how DG ECHO will ensure that its partners' cash and voucher initiatives receive equal treatment when screened at the field level.

#### • **Programme Assistant (National Staff)**

The importance of the national programme assistants (PA) of the TAs should not be underestimated. In some cases, where the TA turnover is significant, they may become the institutional in-country memory of DG ECHO. Although with no direct decision-making role, some PAs may contribute towards proposal review and the decision process, and again the contribution varied considerably across countries. Two factors underpinning such variation appear to be the PA's own professional capacity and training, and the extent of the TA's confidence in the PA's capacity.

Similarly, the knowledge and understanding of PAs concerning DG ECHO's approach to the use of cash and vouchers can vary considerably. PAs interviewed fell into two broad categories:

- Those with project-specific hands-on knowledge about a particular aspect or type of cash/voucher initiative. These PAs had a limited understanding of the broader subject and underpinning considerations. This was mainly due to the fact that the same type of projects were repeatedly proposed and funded in the same country.
- Those with no prior exposure to the use of cash and vouchers, and with a very limited knowledge of related assessment, planning, review or operational needs.

To ensure consistency in their approach, specific guidance may be needed for PAs (and possibly TAs also) on the appropriate level of involvement in, and influence on, key project design decisions made by the partners. In parallel, ensuring the consistency of their knowledge concerning cash and voucher policy and instruments carries challenges for DG ECHO that may be rather similar to those mentioned above concerning TAs if one considers the continuity factor that they bring to field offices.

#### • **Geographical Desk**

Geographical desks play a crucial role at HQ level when it comes to screening and approving both concept notes and project proposals (single form). They are also involved in matters pertaining to DG ECHO's developing policies and working parameters.

Essentially, the desk officers have managerial backgrounds and are experienced in DG ECHO and EC procedures concerning the administration of funds. Their technical judgment and decision on whether a certain resource transfer mechanism is appropriate depends mostly on the TA's input, as well as on the analysis prepared by the partner (both of which may vary in quality and depth).

Most of the desk officers -with some exceptions, are familiar mainly with the methods of traditional resource transfers i.e. in-kind assistance and direct service delivery. They have therefore a good understanding of the relevant issues to consider, and of the information which should be provided for making decisions on traditional types of projects. However, when it comes to the use of cash and vouchers, there may be need to reinforce the awareness and training of the desks about their use such that the technical knowledge is commensurate with the decision making function.

Currently, DG ECHO funds a very limited set of cash and voucher projects which are in turn limited in both scale and scope (almost all cash-related projects are cash-for-work (see table 1). These are invariably run on the daily labour principle. As such, the knowledge required by the desk for review and approval of such a project, in the current context, is relatively straightforward. However, if DG ECHO were to expand the use and definition of cash projects, then Desks may need both training and added capacity to be able to adequately review the relevant proposals.

### 3.3.3.2 *Systems and information needs:*

Information concerning partner operational arrangements: currently, DG ECHO reviews a funding proposal in the context of the partner's HQ financial and procurement capacities/arrangements, agreed under the FPA. This arrangement works well as long as the proposal being reviewed involves a "traditional" in-kind resource transfer, thus involving consideration of the partners' HQ procedures for procurement. However, in the case of cash and voucher-based projects, the partner's HQ procurement capacity and procedures become substantially less relevant. Instead, it is the partner's field operating and accountability systems and human resources that are relevant and important for the proposal review process. Currently, such information regarding partners' field operating systems is neither required nor provided in a systematic manner. As part of its policy on the use of cash and voucher, DG ECHO may need to specify the extent of information on field operational arrangements that the partner will be expected to provide.

Accountability boundaries: in the case of cash and voucher projects, a fundamental issue that needs to be defined are the accountability boundaries between DG ECHO and the partner. Existing accountability boundaries—defined in the FPA—are based on the traditional resource transfer systems i.e. bulk procurement of goods/services and their distribution by the partners. However, in the case of cash-based projects, the DG ECHO funding remains in cash form until it gets disbursed to the individual beneficiary. Without clear accountability boundaries for cash projects, the real danger is that DG ECHO will shift its attention down the supply chain, thus blurring the accountability boundaries with partners. Above all, this could leave DG ECHO exposed to accountability risks that should be purely a partner responsibility.

Added support capacity: the Regional Support Offices are expected to provide technical support to both geographical Desks and TAs. The expansion in the use of cash and vouchers may increase need for specialised knowledge and capacity to advise and assist both TAs and Desks during the review process. DG ECHO may therefore need to consider the benefits and economies of scales that could result from having such capacity available within the RSOs.

### 3.3.4 Project Implementation

The following key issues for the implementation stage of cash/voucher projects emerged during field discussions and project visits.

#### 3.3.4.1 Targeting of beneficiaries

As part of the DG ECHO application process (single form), the partner identifies the key criteria to be used for selecting the most vulnerable beneficiaries. However, translating this into reality is a different matter as targeting any resource comes with challenges, and most approaches have limitations. The same is the case also for other donors and implementers. Errors in targeting can be ascribed to “inclusion error” (which is the practice of including those who are not eligible) and “exclusion error” (excluding those who are).

The main factors influencing the actual beneficiary selection includes: accuracy of needs assessment; relevance of delivery means to beneficiary context; partner experience and its presence in the area; ease of access to beneficiaries; local resource sharing traditions; and potential for political influence and corruption.

It is almost impossible to identify a project where all factors influencing beneficiary selection are fully addressed. Numerous studies and evaluations concerning the selection of beneficiaries for in-kind assistance (including food aid) testify to such difficulties and the resulting partial loss of resources.

An emerging body of studies also shows that reaching targeted beneficiaries is only part of the challenge. A more serious problem concerns the provision of beneficiaries with inappropriate in-kind assistance, which leaves them with no choice but to sell part of the assistance (often at a loss) to raise money for other basic human needs. This is sometimes documented in DG ECHO monitoring reports but it should be standard for all resource transfers.

Over the years, both implementers and donors have continued refining beneficiary targeting systems concerning food and in-kind assistance. Irrespective of the progress made in targeting, there exists a varying degree of informal acceptance that a certain proportion of in-kind assistance (including food) will either not reach the intended beneficiary, or will fail to have its full intended impact. This acceptance is also partly driven by the recognition that excessive control over resource targeting has a cost, which in turn reduces the amount of resources that can be made available to the beneficiaries.

In the case of cash-based assistance however, a similar acceptance is currently unimaginable.

To some extent this comes from the generalised perception about the inherent attraction and risk of corruption for cash compared to in-kind assistance. As such, targeting of cash assistance is perceived to be considerably more difficult. But, while bearing in mind that experience in the use of cash is fairly limited, there exists no comprehensive comparative study to either sustain or reject such fears and perceptions. From the discussions and field visits that took place during this study, and the consultants' experience of cash transfers elsewhere, these perceptions are not borne out by field experience.

Experience of DG ECHO in the use of cash and vouchers remains very limited, both in nature and scale. Nevertheless, the cash and voucher projects visited and studied by the consultants showed that partners and DG ECHO staff constantly check and refine processes for beneficiary targeting and resource delivery. Quite clearly, both operational partners and DG ECHO staff were found to be very conscious of the risks involved. However, most of these field level experiences and innovations remain mostly undocumented and limited to the individuals involved.

Beneficiary targeting and the identification process used by the partners for cash and voucher projects was reported to be far more rigorous than that used for food and other forms of in-kind distribution. Beneficiaries of cash and voucher projects get identified, confirmed and reconfirmed many times over. For example, in the case of DG ECHO funded subsistence allowance to Chechen Refugees in Azerbaijan, UNHCR has established a system of beneficiary identification and verification, involving a rigorous system of monitoring visits which are carried out by two separate sets of staff plus social workers. The system works very well, ensuring not only accountability but also a flexible system of targeting which optimizes the impact of limited resources. However, this is a very small caseload of just over 2,500 refugees and therefore quite manageable. Being able to maintain a similar level of targeting and monitoring rigour for a much larger caseload will not only be difficult but also costly.

In the less secure areas of Afghanistan, D.R. Congo and Palestine partners were found to have developed multi-layered systems for beneficiary identification, using village committees, local administrative bodies, local NGOs, and their national and international staff to identify and reach beneficiaries for CFW projects. In addition to this, where possible, the daily payment for cash-for-work projects is set slightly below the market wage to enhance self-selection –as a day's hard labour will be less attractive to those other than the most vulnerable beneficiaries.

Overall, the systems for beneficiary targeting in DG ECHO-funded cash and voucher projects were found to be well implemented. However, these remain small projects with limited and therefore manageable numbers of beneficiaries.

### 3.3.4.2 Operational Systems and Capacity

#### A. Procedures and Systems

The following section provides information and examples from the conflict-affected countries visited by the consultants where the use of cash-based activities is often perceived to involve high risk. This section looks at the ways in which DG ECHO's implementing partners have addressed some of the concerns surrounding handling of cash-based transfers, and the areas where tighter systems and capacities are required.

Given that all cash or voucher initiatives eventually involve movement, storage and disbursement of cash in difficult field locations, this section therefore focuses on the innovations and consequences of cash transfers systems and procedures underpinning both cash and voucher-based projects.

##### i) Cash Transfers and Payment Systems

The implementing organisations working in insecure areas were found to have well developed cash handling procedures and arrangements in place. This is mainly true among the partners with experience in the use of cash and vouchers who tend to demonstrate a proactive approach to anticipating and minimizing risk through the development of procedures and capacities to manage the risks involved. The following section provides an analysis of the consultants' findings in different contexts.

##### a) Locations where a commercial banking system exists

Where available, implementing partners were found to use the local banking systems for cash transfers to their remote field offices and/or beneficiaries. In Palestine (the West Bank) for example, partners pay beneficiaries with a bank cheque. Beneficiaries would either cash these cheques in the bank, or in some cases they used a local shop as intermediary for a relatively small fee (less than the cost of a return bus journey to the bank).

However, in D.R. Congo (Ituri district) while there was a bank in the main town which was capable of receiving money transfers from an international bank in Uganda, DG ECHO's partners avoided using this local banking system for a number of reasons, the main one being that the system was considered unreliable: the bank often had liquidity constraints, and transfer costs were high. The partners in Ituri therefore chose to transfer cash using their own staff on commercial flights from Uganda.

In D.R. Congo, one of the partners had taken insurance cover for all physical transfers of cash and its retention in their main office in Bunia. Another partner had no system of cash insurance in place, and instead made efforts to ensure that the arrival of cash coincided with its rapid disbursement. In both cases, none of the partners had ever lost any cash in the process prior to July 2007. Nevertheless, they were not aware of both eligibility and



obligations for insurance coverage of resources provided by the fact sheet C-4.

As already stated, it is important to note that for partners working in conflict-affected and/or remote areas, the physical transfer of cash for staff salaries and operational running costs far exceeds the transfer amount paid to beneficiaries under the cash and voucher projects. For example, a partner working in Ituri, DR Congo, with over 100 staff, transfers over USD 200,000 per month for its entire programme. Out of this, a sum of only USD 20,000 was destined for CFW project beneficiaries. As such, it could be said that cash transfer risks exist even without cash/voucher projects. Handling and transferring large amounts of cash in insecure locations—for humanitarian operations—has a long history with relatively limited cases of resources being lost.

b) Locations lacking a viable commercial banking system

- Using staff to transfer cash to remote locations

In situations where a commercial banking system is not available for transfer of cash, the implementing organisations were found to have different but quite structured and elaborate operating systems. These took into consideration both contextual constraints and opportunities available for the movement of cash and its distribution to beneficiaries. Documentation of such operating systems varied from partner to partner. In a limited number of cases (usually organizations which have a solid background in cash transfers) these procedures are extremely thorough and well documented. In most cases—especially among smaller partners—the procedures were documented either partially or not at all.

Currently, DG ECHO does not specifically require partners to provide operating details of how they intend to manage cash storage and delivery at the field level. As mentioned earlier, FPA and FAFA only capture partner HQ accountability systems in-terms of procurement and finance. Cash-based projects however fall outside this traditional arrangement and require field-level operational accountability arrangements, and a donor system which understands, assesses and acknowledges the same.

- Using Remittance Companies/Traders to transfer money to remote locations

Countries like Afghanistan and Somalia have well established traditional systems of cash suppliers (known as Hawala in Afghanistan) with capacity to transfer cash to remote location in their respective countries. In the absence of any banking system, humanitarian organisations working in both countries have long been using this system for local transfer of cash.

Irrespective of some donor reservations concerning transfer of resources through *Hawala*, the humanitarian organisations continue to find the system to be reliable, safe and economic for transfer of cash to remote and insecure areas of the country. The issue of legality is not discussed here since (as mentioned above) the use of *hawala* goes beyond cash and voucher transfers and is a solution to operational constraints of working in stateless and/or conflict-affected countries.

The selection process for the *hawaladar* (as the operators are known) follows standard procurement procedures to the extent possible. Organisations working in Somalia and

Afghanistan—through local knowledge and reputation—annually invite a selected number of reputable *hawaladar*/money traders to submit bids. Open bid invitations are purposefully avoided due to security concerns. A further reason to avoid open bids relates to efficiency: in fact most *hawaladar* operate only in specific areas – where their clan or ethnic affiliations allow them to work with an acceptable level of security.

The terms of the agreement (e.g. the extent of the *hawaladar*'s involvement in the transfer up to the final beneficiary, and the charge for this service) are variable. In Somalia it is common for the cash to be transferred into the hands of the final beneficiary through a radio network (incurring a higher fee); in Afghanistan most agencies use the *hawaladar* to transfer cash from the capital to the field office, and from that point the agency takes responsibility for paying the beneficiaries direct.

DG ECHO partners were found to have different procedures for providing cash supplier with money to be transferred. One agency reported that the money trader transferred the cash first and was reimbursed after the transfer/receipt was confirmed by the field office. In many cases, the money traders were paid by cheque ahead of the cash transfer to the field office. In a few cases partners reported carrying cash physically to the money trader's office for ongoing transfer to the field – an approach that could be risky for the partner staff. In all cases, the cash suppliers took responsibility for any money lost whilst in their possession. As such, the fee paid by the partner serves to cover both the cash transfer cost and insurance to cover any loss. The consultants could not find a case of cash lost by partners while using this system.

One partner reported that DG ECHO would not pay the cost involving cash transfer through the system of Hawala. However, consultants found that DG ECHO was paying this cost to other partners using the same system in the same country. Inconsistency in partner approach in this regard may be due to their lack of understanding of DG ECHO's fact sheet C-3 and its flexibilities.

#### B. *Limitations with the procedures and systems used by Partners*

The study of DG ECHO's implementing partners revealed a rich mix of locally-developed operating systems used to ensure accountability and security of all cash transfers and payment to beneficiaries. However, at the same time, some recurrent procedural and capacity issues were identified that require addressing, i.a. the following.

- Locally developed operating systems being practiced by the partners are not always documented, officially approved by the partner's own headquarters, or known/understood by DG ECHO. These are seen to be a local arrangement, adjusted to reflect the changes in security and risk. As such, on paper, a partner may appear to have very limited field operating procedures for handling cash-based project, thus failing to reflect the presence of a good accountability system to an outsider. This can be a real concern when an auditor compares system coherence with actual cash handling and disbursement practices.
- Two DG ECHO partners—implementing CFW in insecure areas—were found to use different procedures for cash disbursement to beneficiaries. In one case, the national programme staff—responsible for beneficiary identification and project monitoring—was also required to undertake field cashier responsibilities and to make the payments.

Whereas another partner organisation required the office cashier to personally make all payments in remote field locations. In both cases, consultants could not locate the related approved operating procedures.

- Partners implementing cash-for-work projects in difficult and insecure areas, such as Afghanistan and D.R. Congo were found to have developed extensive beneficiary payment systems. However, the system requirements were, in some cases, not consistent with the information registered on the payment and receipt forms. In one case, the partner payment systems required the village chief, the expatriate project engineer, the liaison programme officer, and the supervisor to be present at the time of payment to the beneficiary. This elaborate system was meant to ensure transparency and accountability, especially where most beneficiaries lack identification papers and cannot read or write.
- While these systems strive towards accountability, there are often some limitations in practice. For instance, the related Payment Form failed to capture the essential elements of this accountability system. The form did not carry signatures of any of the four witnesses actually present, and was instead signed (in addition to the beneficiaries) by the head of the partner programme—who was not involved in the payment. As such, although a well-designed accountability system is intended, and is largely practised, it is neither documented nor it is reflected in the payment forms.
- A relevant issue that emerged is the absence of clear communication to staff and partners about penalties and sanctions that would be levied in the event of diversion or other forms of misuse of funds or abuse of the system<sup>8</sup>.

### C. *Key observations*

Four areas emerged from the study of partners' implementation and accountability systems as requiring attention.

- Partner operational/field offices remain very conscious about the risks of cash and voucher programmes, and therefore take a lot more care in putting into place locally-specific and often elaborate accountability systems, at times exceeding their standard HQ accountability requirements. However, these remain weak in terms of documentation and coherence.
- For various reasons – including the lack of specific DG ECHO requirement, the partners' field accountability and cash handling arrangements are little known to the managers of DG ECHO.
- There are currently no DG ECHO guidelines setting minimum standards for partner field accountability systems when dealing with cash and voucher projects.
- No specific “whistle-blowing” policy currently exists and/or is required by DG ECHO. Such systems would reinforce accountability by protecting the staff that report malpractice.

<sup>8</sup> In other contexts—particularly countries where corruption is endemic—agencies have made efforts to actively communicate policies on this issue, and to include it explicitly in staff contracts, or to include it routinely in the induction/briefing process for new staff.

### 3.3.4.3 Human Resource Capacity and Budgetary Implications

The bulk of the partners' projects continue to be dominated by food and in-kind transfers. Consequently their human resource capacity for implementation reflects this tendency, and their staff come mostly from logistical and technical service delivery backgrounds. As such, with very few exceptions, partners have limitations in terms of the specialist human resource knowledge and skills needed for implementing, for example, unconditional cash transfers or voucher schemes.

- *Current situation*

- In case of Cash-for-Work projects, partners use their existing logistical and sectoral technical capacities for implementation. This is mainly because implementation of CFW projects is perceived as an infrastructure project, where the beneficiary gets paid for the work done. The only additional capacity partners currently arranged in such projects is for cash transfer and its disbursement in field (discussed above).
- The voucher-based projects funded by DG ECHO are far less in number than cash-for-work. Mostly this relates to limited partner knowledge, capacity and desire to organise and manage the implementation of these often very demanding initiatives.
  - In the cases studied by the consultants, the process used by the partners tended to be highly control-focused, thus ensuring that the local producers (traders) and their goods/prices were screened and weighed, that identification of each beneficiary was repeatedly verified, and it was ensured that they could not manipulate the system. Similar to CFW projects, partners mostly manage the voucher implementation by using staff from a previous in-kind programme. As a consequence, the focus of these initiatives remains on logistics for delivery and control of resources.
- The systems, procedures and capacities to implement and manage both CFW and voucher-based projects were found to be mostly local innovations, tailored to specific circumstances, and very similar to implementation of in-kind initiatives. Most notable of all, the small organizations who had never used cash or vouchers before did not attempt to access information and resources from organisations experienced in their use—even when they were known to implement similar schemes in the same country.
- Partners interviewed did not see the need for specialist human resources for implementation of their current CFW and voucher initiatives. This could be attributed to two factors—the limited size and scope of current initiatives, and the limited understanding among partners' field staff about the possible implications of these initiatives on, for example, market prices and inflation etc.
- The cash and voucher projects implemented by DG ECHO's partners, were found to require intensive staff and logistical involvement. Given the current limited scale and scope of cash and voucher projects, the partner capacity to implement and control was found to be, at times, stretched, but mostly adequate. However, all attempts to expand

either the scope or the scale of cash and voucher initiatives will have to be carefully assessed against partner human resource and implementation capacities.

- *Cost/Budgetary implications of cash/voucher projects*

Traditional food and in-kind assistance programmes tend to be cost intensive in the areas of procurement and logistics. The budget proportions - between Title One and Title Two (70% and 30% respectively)—of the single form largely reflects this reality.

However, a well studied, designed and implemented cash or voucher project could be more cost-intensive in terms of technical human resources, and far less costly in terms of logistical and procurement costs. As a result, to accommodate the cost realities of cash and voucher projects, the proportions and design of budget lines within Title One and Title Two may need reconsideration. This important aspect remains to be studied and verified.

The systems and procedures currently being used by the partners in cash and voucher projects for beneficiary targeting, accountability and resource delivery are fairly intensive, requiring high levels of human resource input. Although this has ensured that a high level of care and control goes into cash and voucher projects, the real cost of operating such systems is not entirely either understood or analysed. Understanding the cost implications becomes even more difficult when partners fund their cash and voucher projects through a multi-donor initiative.

Further expansion in the scope of cash and voucher initiatives for DG ECHO will need a better understanding of the corresponding cost implications and acknowledgement of the same in the single form's budgetary arrangements.

### 3.3.5 Project Monitoring

The term “monitoring” is used here as including progress, process and results/impact monitoring. Monitoring systems are understood as systems for routine data collection during the course of project implementation which can be used to revise policies or procedures.

- *Current situation*

- Similar to in-kind assistance, the monitoring of DG ECHO funded cash and voucher projects is the responsibility of the partner. This tends to focus mostly on measuring project progress against the indicators set in the logical framework of the single form, such as the number of beneficiaries employed under CFW project, or the length of road rehabilitated etc. Given that these indicators are required to be “objectively verifiable”, partner monitoring tends to focus mostly on measurable quantitative deliverables. Under this aspect, partner interim and final reports mostly show adequate statistical information. What however is not clear from partner reports is the extent to which the project process and impact (to the extent that the latter is indeed measurable within the limited framework of emergency operations) are systematically monitored, such as the appropriateness of the resource transfer method and/or its relevance to the beneficiary needs or preferences etc.

- Monitoring, as it stands now, is used mainly as an instrument of reporting. A study of partner final reports indicates that DG ECHO seems often to be satisfied with input monitoring, rather than monitoring of the whole process and the results/impact. Introduction of the revised single form is expected to address this issue. It is however important to mention that many partners, as part of their own internal organisational requirement, often do undertake more in-depth result-based monitoring. But these are neither systematically required nor are they separately submitted to DG ECHO.
- Another important aspect of monitoring is the periodic project visits undertaken by DG ECHO field staff and Desks. These tend to generate useful qualitative insights and information as part of in-house monitoring/reporting mechanism. These focus not only on project progress but also interview beneficiaries to assess their satisfaction and/or concerns with regard to project deliverables/method.

- *Potential consequences of the current approach to monitoring*

Based on the documentary review and interviews, the following are some of the more important consequences of the current partner and DG ECHO approach to monitoring.

- Excessive focus on quantitative indicators means that qualitative change and/or impact on the lives of beneficiaries may not be fully appreciated or reported.
- The monitoring function is currently not designed to guide project implementation. This limitation means that early detection and remedy of both system and process-related problems may not get identified or used for future improvements.
- Excessive focus on progress reporting means that the adequacy and relevance of the resource delivery method, accountability systems, process, and beneficiary targeting etc. are not systematically studied or reported.
- Current practice by some partners to require the same staff who are in charge of implementation to also provide objective monitoring reports on both project progress and its shortcomings carries the risk of biased reporting. Separation of the two functions becomes even more important if one considers that in unconditional cash transfers, uniting the functions of targeting, implementation and monitoring could result in conflict of interest/responsibility.

- *Monitoring issues specific to cash and vouchers*

In the specific case of cash and voucher projects, the need for monitoring not only progress but also adequacy, coherence, process, accountability and impact etc. carries a much higher importance than in the case of in-kind assistance. The two most important reasons for this are:

- compared to in-kind assistance, cash and voucher initiatives inherently require partners to devolve a larger part of the traditional management of cash accountability from HQ to its country and field offices;
- process, tools and systems used currently by both DG ECHO and its partners, which



are mostly tailored to in-kind assistance, need to be made compatible with the specific requirements of cash and voucher initiatives. This would in turn require establishing a system of organisational learning, and enabling adjustments to be made through a result-based and system-oriented monitoring process.

**Note:** Monitoring as a function of control, ensuring that resources are accurately targeted and reach the intended beneficiaries in an accountable manner, is also discussed in this report within the section on “project implementation”.

### 3.3.6 Project Evaluation

DG ECHO funds and conducts two different sets of evaluation. One—the evaluations commissioned by the evaluation unit of DG ECHO to cover specific subjects and geographical areas. Two—the evaluations covered under project funding, which are considered the partner’s responsibility. The following analysis concerns the latter only.

Currently, under the single form, the partner has to indicate its intention to commission an external evaluation of the project. The basis on which the partner makes this decision is not recorded and therefore remains unknown to the consultants. This is true for all type of projects and not necessarily limited to cash and voucher initiatives. However, what is clear is that criteria may need to be established under which partners are required to justify their decision in this regard, and for this to be systematically recorded for future reference.

One subjective deterrent for an external evaluation, identified by the partners, is the cost consideration. Partners explained that evaluation costs are normally high, and this results in an increase in the support costs, which they are actively encouraged to maintain under 30 per cent of the total budget. As such, the decision to conduct an evaluation may at times be influenced by budgetary considerations.

Project evaluation is the most important learning tool available to both implementers and donors, as it helps them understand not only the impact on beneficiaries but also helps validate all elements of the project cycle. Ideally, the learning from project evaluation reports should feed into the next project design and implementation cycle. However, in the case of DG ECHO partners, evaluation is often perceived as being part of the donor control mechanism, aimed at auditing project accountability. This is perhaps due to the fact that in both the single form budget and the general conditions for EC-NGO grant agreements (Article-21) “Control, Audit & Evaluation” are placed under one heading. Moreover, in both of the above mentioned documents, the terms “audit” and “evaluation” seem to be sometimes interchangeably used, which goes to reinforce partner perception that evaluation for DG ECHO is an instrument of control, thus diminishing its intended learning objective.

It is therefore important to address the purpose of evaluation, ensuring that it is recognized as a vital part of the learning process for both DG ECHO and its partners. A reformed approach to evaluation becomes even more important with the need for refining and validating the use of cash and voucher projects and their accountability systems.

The ongoing DG ECHO funded study to develop evaluation tools for humanitarian projects is a clear sign of the importance attached to the subject. This study should outline a need-based approach, describing when, and under what circumstances, external evaluation of a project is necessary, thus making it less subject to partner choice and/or cost considerations. In addition, both from programme and accountability aspects, DG ECHO needs to clearly articulate the aspects of evaluation that are of its interest in the case of cash and voucher projects on case-by-case basis.

Cost-efficiency is often difficult to evaluate in a humanitarian emergency context, but in protracted crises it could –and probably should- be better analysed than it is now. This, together with the lack of adequate impact monitoring prevents any kind of statement about the cost-efficiency of cash/voucher projects as opposed to an in-kind approach. This type of analysis, where feasible, would strengthen DG ECHO's ability to fund projects which are increasingly efficient and effective.

While most project evaluations have not specifically considered whether the cash/voucher itself was an appropriate transfer, there are some notable exceptions. The ICRC Urban Voucher Programme (UVP) in Palestine—which provided nearly US\$ 5 million worth of vouchers in 2002—is one example. The evaluation explores the relevance and appropriateness of the voucher initiative, finding that it was appropriate in helping beneficiaries meet their needs, that it maintained dignity, that it showed significant impact on household economy, that it was relatively well targeted, and that it benefited larger traders (the evaluation, however, specifies that the traders who benefited were “not those who were most vulnerable to the collapsing economy”). The evaluation argued that the US\$1.8 million injected monthly was beneficial to the wider economy, but it was unable to quantify this benefit. The question of why vouchers were selected over cash was not, however, discussed either in the needs assessment nor in the evaluation. No details were given about the costs associated with the UVP, although the report compared the overheads of the urban with the rural assistance programme (11% of the urban programme and 41% of the rural programme). The evaluation also recorded the challenges encountered with the use of vouchers. A second example is the UNHCR evaluation of the cash assistance to Chechen refugees in Azerbaijan.

### 3.3.7 Project Audit

The issue of audit is of specific relevance to the policy on the use of cash and voucher. The following are the issues that require consideration.

DG ECHO currently considers the audit of a cash and voucher project to be no different to that for in-kind or service delivery projects. This is mainly due to two reasons:

- the very limited use and financial size of cash and voucher projects funded by DG ECHO;
- the scope, design and use of cash and voucher projects funded by DG ECHO remain essentially based on the principles of in-kind assistance.

However, an expansion in the scope of cash-based projects by DG ECHO, such as the use of

Unconditional Cash Transfers may change the nature of risks involved and the capacity and systems needed to manage the same. As such, the systems and instruments used by DG ECHO for design, monitoring and evaluation of cash initiatives will therefore need to be fine-tuned to the specific needs of corresponding managing and accounting.

In doing so, DG ECHO will also need to specify the minimum operational, organisational, management, accountability and capacity measures that partner has to clearly define in support of a cash and voucher-based initiative.

In all cases, these very systems and arrangements—articulated by the partner and agreed under the single form—are used subsequently as the basis for the field audit by DG ECHO. As such, an additional challenge to the application of cash and voucher policy will be to ensure that audit instruments (including audit trail) are fine-tuned to take into account the specific delivery and accountability needs of cash and voucher initiatives. Similarly, it will also be important that basic audit requirements are reflected in the relevant project design tools.

To move towards an expanded but manageable and accountable policy for the use of cash and voucher, DG ECHO will need to consider three audit-related issues:

- the acceptable minimum audit accountability/trail requirements that must be incorporated in the design of a cash project;
- clear articulation of what amounts to manageable and residual risks concerning cash and voucher projects;
- an effective system of audit feedback to facilitate the refinement of both standards and instruments underpinning the design, delivery and accountability of cash and voucher projects.

## Cross-cutting Issues

### 3.4.1 Linking Relief, Rehabilitation and Development

#### 3.4.1.1 LRRD in practice

A significant amount of literature already exists regarding the key issues associated with LRRD. The priority areas for EC's development funding are based i.a. on longer-term institutional strengthening and major infrastructures, whereas DG ECHO's humanitarian funding remains focused on establishing and providing access to basic emergency services in the areas of Watsan, Health etc for the most vulnerable, leaving a well-identified but hard-to-bridge "grey area" gap. Key differences can also be found e.g. in the procedures by which DG ECHO and EC's development services carry out their respective priority identification, programme design and funding cycle, partner selection, etc.

The analysis of such examples of divergence between EC's development and Humanitarian policies/design is beyond the scope of this evaluation. Nevertheless, at the level of individual projects, the consultants found examples where DG ECHO's funding of cash-based initiatives had created both the environment and the capacity conducive to EC's development services to step in. A clear example of this was found in DG ECHO's funding of a small partner's cash and voucher projects in DR Congo. With no prior experience in this field, this partner—with DG ECHO support—had developed necessary capacities and experience in implementation of cash and voucher projects that eventually proved vital to acceptance for EDF funding on a related food-security project, in the same area. However, it remained unclear for the consultants if the resulting LRRD linkages in this case were coincidental or actually intended.

An example of LRRD in practice (see below) is drawn from a DG ECHO partner working in Ituri province, DR Congo:

#### **Box 3: LRRD in Practice**

Première Urgence (PU) was funded for an innovative swamp reclamation project in an Ituri district, DR Congo. This project was effectively a pilot to test the acceptability of introducing irrigated rice cultivation to an area where it was previously unknown. The second but equally important key objective was to address humanitarian needs of vulnerable returnee households.

The project was successful in that it managed to achieve the dual objectives: the development and allocation of small but productive parcels of irrigated farm land to vulnerable returnee households, and the improvement of vulnerable households' food security status through their engagement in the cash for work swamp reclamation/irrigation project during the land preparation phase. The project also included standard cash for work projects (road rehabilitation and construction) which opened up the areas' markets and transport links.

At around the same time AIDCO had identified the area as conducive for starting up development activities. DG ECHO's relationship with PU in the area prior to this, and its funding of this type of "transition" project, helped the partner make what was a seamless transition from DG ECHO funding to AIDCO funding. Under the AIDCO project the partners' focus changed to improving production through helping producers to organize themselves into cooperative structures.

The most important element underpinning LRRD at the implementation level remains the level of communication, mutual understanding and sharing of information between EC delegation and DG ECHO's field office. The consultants could not study this in detail, but a few good examples of this happening were encountered, for example in Afghanistan. However, even a good level of field coordination was found to be limited by the fact that the final decisions and choices are made in Brussels, and field offices/delegation's role appears to be limited to making recommendations only.

#### 3.4.1.2 LRRD potential of cash and voucher initiatives

The LRRD potential of cash projects is recognized by both partners and some DG ECHO staff as significantly greater than that of in-kind assistance projects. This is mainly because the cash/voucher projects tend to inject resources directly into the local economies closest to the beneficiaries themselves and the revitalization of local economies in this way can be a major push towards broader and more rapid recovery. Cash/voucher projects provide local traders with the incentive to trade with beneficiary communities and to develop local markets. This in turn helps create jobs vital to transition out of the humanitarian economy.

The monitoring data collected by some of the DG ECHO partners on the beneficiaries' use of CFW wages provides very interesting trends. It shows that as the cash/voucher transfer allowed beneficiaries to regain control over the resources and to choose what to buy, they usually purchased food—as expected—but in addition they also spent cash on other things including health and education.

Partners interviewed by the consultants indicated that in some areas the original beneficiaries of CFW projects were found to have started micro enterprises. One example was observed by the consultants during a visit to a DG ECHO funded CFW project in D.R. Congo (Ituri). Beneficiaries interviewed showed that the combination of cash and work provided through the project—combined with the new access road—had resulted in a sense of security which inspired communities—although still in need of humanitarian assistance—to get involved in productive activities, such as small scale agriculture and road side stalls. Cash-based projects could therefore carry higher potential to strengthen LRRD objectives<sup>9</sup>.

9 This needs to be systematically studied and further verified in the context of DG-ECHO funding.

#### ***Box 4: The multiplier effect of cash/voucher projects***

One of DG ECHO's partners in D.R. Congo had employed men and women on the CFW project. One woman was engaged to provide lunch for the workers. Prior to the CFW project she would earn money by transporting items to market on her head, an occupation which was socially problematic for her as a widow and often caused problems as her remuneration from the employer was often delayed or less than agreed. After participating in the project her earnings were sufficient to enable her to switch to transporting larger quantities of local products by bicycle. This allowed her a bigger profit (even after paying for the transport) and it created employment also for the bicycle owner.

#### *3.1.4.3 LRRD in partners' organisational planning*

Analysis of partner input on LRRD potential/linkages identifies three areas requiring attention:

- DG ECHO's partners, at the field level, still have considerably limited understanding concerning EC/ECHO's LRRD objectives and requirements;
- given the short funding lifespan of most projects, partners have serious limitations articulating LRRD potential and its linkages;
- the objective and purpose of the section on LRRD in the single form needs further clarification so it is not left to open interpretation.

The result is that the partners' proposals do not clearly articulate perceived linkages in the LRRD context. One further possible reason for this could be that partners, in order to be relevant, try to articulate their response in the context of DG ECHO/EC funding. In doing so, both partners and DG ECHO may be missing on the most important element of LRRD in implementation.

Quite a number of DG ECHO partners tend to work at all or most stages of the relief, recovery and developmental continuum. In their annual country strategy, the partners (to varying degrees) tend to incorporate all elements of LRRD. It is based on this annual country strategy that the partners apply to specific donors for funding. For example, they would approach DG ECHO for funding of the relief and humanitarian content of their annual plan.

However, in the LRRD section of the single form, the partners are neither required nor do they consider describing their own programming LRRD, in the context of which they are asking DG ECHO to fund a specific project. This would be both relevant and useful in creating awareness about the vital role that DG ECHO funded projects have in the context of partner LRRD plans – which may involve e.g. other donors. It would nevertheless also require a much wider – 'outward-looking' - approach to LRRD, but without such a change in perspective some of the most vital and tangible element of LRRD may continue to be missed-out.



#### 3.1.4.4 *Lost LRRD opportunities*

A unquantifiable number of projects may not be getting DG ECHO funding due to these being considered outside its humanitarian mandate. Most of this may well happen in informal discussion between DG ECHO field offices and the partners, thus some of the concept notes and ideas may never be formally presented to DG ECHO for consideration/approval. Without getting into the merits of the informal process, the more important issue is what happens to such projects—some of which may have been worth exploring.

It is equally important to recognise that it is not currently clear what should happen to the projects submitted by partners which are viewed as being at the limits of humanitarian action. It is quite possible that such projects simply get discouraged at the field level on the basis of being perceived as outside the DG ECHO mandate, thus missing a possible opportunity for DG ECHO to play a catalytic role in moving the LRRD process forward.

The consultants could not identify a process through which DG ECHO systematically plays a role in bringing “borderline” projects to the attention of development agencies. A clear policy on this matter—to help focus attention of field staff on the LRRD role that DG ECHO is expected to play by recommending borderline initiatives—is accorded added significance if cash and voucher projects are intended to be used as part of a humanitarian exit strategy.

### **3.4.2 DG ECHO’s humanitarian mandate and implications for choice of resource transfer**

#### 3.4.2.1 *Timing*

DG ECHO and its partners are amongst the first on the ground following major disasters and other events resulting in humanitarian crises. In the majority of situations the type of assistance that is first considered—and is often most appropriate—is the provision of life-saving assistance. Large international agencies and some governments have become specialised in such in-kind emergency response. Capacity to deliver this type of assistance is critical and any efforts to use other forms of resource transfer should not compromise the importance of such initiatives.

However, as part of the process to prepare grounds for recovery initiatives, there remains a strong case for a more rational planning that is not constrained by the choice of delivery methods. Rather than set arbitrary timeframes for initial in-kind responses, key questions that early response agencies therefore need to consider are:

- when would a market-based resource transfer approach be appropriate/advantageous for beneficiaries and also for the wider community; and
- how should the implementing agencies manage response so that coherence between the different types of resource transfer approaches is achieved and it remains consistent with the needs and the context of the beneficiary?

### 3.4.2.2 “Humanitarian” vs “Development”: how do cash/vouchers fit in?

In principle, as soon as key humanitarian needs are adequately addressed, DG ECHO should start considering to withdraw and hand over to the EC’s development arms. This is an oversimplification, however, and in many of DG ECHO’s operational contexts it could be argued that humanitarian needs exist, or emerge periodically, within what could be argued to be a recovery or developmental context. This is particularly true in the case of protracted emergencies or fragile stability.

As such, humanitarian needs may exist for a sub-group of the general population while the context within which they live has improved such that markets have re-established themselves, or are functioning relatively well. Such situations are often described using terms such as “recovery” or the “grey” area between relief and development. The EC’s LRRD approach is expected to address this issue and allow for a seamless transition from one phase to the next.

DG ECHO may sometimes be questioned for apparently overstaying its humanitarian mandate and for getting involved in recovery activities. To address such concerns, the Legal office of DG ECHO takes a critical view of the funding requests bordering on recovery/development. It is in this context that cash and voucher-based initiatives may be misinterpreted, or the assumptions on which the funding decision is made may be erroneous or misguided.

A further important issue is that in order not to undermine the fragile attempt of local markets to recover, it may be important to adjust the resource delivery systems from food or in-kind assistance to cash or vouchers.

Apart from helping towards recovery, there are cases where DG ECHO’s Cash-for-Work projects, such as in DRC, allowed the local population to not only benefit from improved access to employment, but the engagement of the workers from different communities along the road (which were previously in conflict) also brought peace dividends.

As far as DG ECHO’s mandate is concerned, the Humanitarian Aid Regulation foresees in its principles that *“humanitarian assistance may be a prerequisite for development or reconstruction work and must therefore cover the full duration of a crisis and its aftermath”*. Further in its objectives (Article 2 d) it confirms the importance of *“starting to help those affected regain a minimum level of self-sufficiency, taking long-term development objectives into account where possible”*.

DG ECHO and its partners need to ask the question: What should happen when response and/or resource transfer methods are no longer “humanitarian” in the traditional sense of the term (i.e. they still address the needs of those without resources but may start to negatively affect a fragile balance for the wider population). Moving from an in-kind transfer to a cash/voucher approach can often be beneficial by signalling increasing confidence in the recovery process. Victims of a prolonged humanitarian situation come to associate food and in-kind assistance with continuing insecurity and lack of progress. Changes in humanitarian resource transfer methods—at the right time and reflective of the context—have the

potential to reassure the affected population and mark the beginning of improvement in the humanitarian context. It should therefore be within DG ECHO's mandate to play a catalytic role by adapting its resource delivery systems to acknowledge the realities of the context.

At the same time agencies working in these areas need to ensure that all projects conform to the principles of the Do No Harm approach. *Any* resource transfer has the potential to exacerbate conflict and cash and voucher transfers are often considered to have greater potential for diversion to fund military campaigns by armed groups. While this has not been proven there is need for clear documentation of the whole project cycle for cash/voucher projects in such areas.

### 3.4.3 Coherence

Coherence—for cash and voucher projects—is taken to refer to the degree of compatibility and harmony between the DG ECHO funded humanitarian cash/voucher interventions and other organizations' policies and practices. It is important to note that coherence might sometimes not be achieved because other co-existing policies or programmes might not be appropriate for the context.

The review of the evaluation reports available to the consultants concerning DG ECHO's cash and voucher projects noted little evidence that the issue of coherence is considered in any detail. In addition, it highlighted a lack of clear understanding on the nature and the type of coherence issues that should potentially be of interest to DG ECHO and its partners for cash/voucher projects. The issues that were identified by the consultants as important to cash and voucher projects include the following.

- **Coherence between DG ECHO-funded cash projects nationally, regionally and globally**

While there is generally clear coherence between DG ECHO's cash/voucher projects at national level (at least under the stewardship of each successive TA/Desk officer), little evidence was found of systematic effort to create coherence between one TA/Desk approach and the next, between past interventions and current interventions, between interventions in different countries of the same region, and between the three geographical units.

- **Coherence between cash/voucher and other types of projects funded by DG ECHO**

No evidence was found of a systematic approach by either DG ECHO or its partners to highlight or understand coherence issues that may result due to the competing and/or conflicting realities of funding different resource transfer systems in the same area.

- **Coherence with humanitarian policy or response established by government or other stakeholders**

Some good examples were found of this happening in practice. For example, in Afghanistan, DG ECHO's cash/voucher programmes remain coherent with the government of Afghanistan's policy – promoting work where possible over gratuitous assistance, and paying people in cash where appropriate.

- **Coherence with existing government safety net systems**

Given that safety net systems are perceived to symbolise a developmental context, DG ECHO's cash and voucher projects are currently not required to articulating coherence with such systems. Implications and importance of this aspect will be further addressed in the review report.

However, coherence between DG ECHO funded projects and government safety net systems may already be happening in a few cases. A clear example of this is the DG ECHO funded cash transfer project for Chechen refugees in Azerbaijan. Implemented by UNHCR, this project is not only coherent with the government's safety net policy towards its own IDPs, but it also tries to mitigate the fact that refugees currently remain excluded from government's safety-net initiatives.

- **Coherence between DG ECHO cash/voucher projects and development interventions of the EC and other donors**

No evidence was found of coherence between DG ECHO projects and those of the EC and other development donors being either systematically studied or documented. This is an important area that requires further study, but remains beyond the scope of this evaluation.

In the subsequent review paper (to follow this report) consultants will attempt at highlighting initiatives and approaches used by the other donors/organisations in dealing with the subject of coherence, and its potential opportunities and challenges.

#### **3.4.4 Co-ordination**

Co-ordination between DG ECHO-funded partners and the partners of other donors is an important issue at the emergency response and recovery stage. Currently, this happens at the level of sectoral working groups, aimed at coordinating various initiatives within different traditional sectors. In addition to their own sector initiatives, these working groups are also expected to consider and incorporate cross-sectoral issues, such as Gender and HIV/AIDS etc.

However, the task of introducing discussion about the choice of resource transfer system often appears to be beyond the competency and outside the interests of members and coordinators of the sector coordination groups. It is left to individual donors and the implementing organisations/agencies to take the initiative to use cash and vouchers—or not. As such, the issue of determining the most appropriate resource transfer system is neither explored nor considered in a sector coordination plan or the UN Country Management Team.

The absence of debate on the resource transfer options in humanitarian coordination fora has major implications for resource utilisation. Given that the whole purpose of sector and cross-sectoral coordination is to maximise impact of available resources on target populations, the

lack of analysis and coordination on the subject of resource transfer methods constitutes a major weakness.

With the increasing awareness that choice of method for resource transfer must be context-specific, it would be logical to expand the sectoral discussion beyond the traditional systems of food, in-kind and services. This could be an appropriate area for DG ECHO to champion for inclusion in the humanitarian coordination discussions, perhaps starting off with its own partner network.

In the absence of any formal coordination arrangement or discussion on the use of resource transfer systems, the consultants were unable to ascertain the extent of coordination on the use of cash and voucher projects funded by DG ECHO and other donors.

## 4 Conclusions

### Conclusions and Preliminary Recommendations:

- 1 In the series of two interrelated studies, the focus of this Evaluation has been two-fold – to draw on the past experiences and to articulate the potential future challenges of an expanded use of cash and vouchers in the specific context of DG ECHO's mandate, policy, capacities, procedures and instruments. As such, the findings included in this report—although they make use of past organisational experiences, they focus on identifying needs and implications of an *expanded* DG ECHO policy on the use of cash and vouchers.
- 2 Based on standard evaluation methodology, an extensive study of some 180 project documents, stakeholder interviews and field visits, this evaluation has studied and presented its findings by looking at each element of the project cycle.
- 3 Drawing on the past experiences of the use of cash and vouchers this evaluation concludes that:
  - a decisions to use cash and vouchers have—in all cases—been based on valid reasons and justification, aimed at meeting the needs of the beneficiaries in the best possible way;
  - b the design of the projects conformed with the financial regulations, legal parameters, and the mandate of DG ECHO;
  - c partners reported to have stricter beneficiary targeting and resource monitoring standards for cash/voucher projects than for their in-kind projects;
  - d projects were in clear achievement of their objectives. Satisfaction of beneficiaries, implementing partners and DG ECHO's in-country experts was systematically verified during interviews and documentary review;
  - e project monitoring and evaluation systems are considerably focused on reporting requirements and control, and there remains scope for expanding the potential for monitoring and evaluation to contribute towards organisational learning.
- 4 Most partner and DG ECHO staff experience of the use of cash and vouchers is relatively recent. Nevertheless, both have demonstrated strong capacity to manage and account for such initiatives. However, it is also appreciated by the evaluation that the cash and voucher projects implemented in the past have been quite limited in both size and scope. Moreover, these have been mostly assessed, designed and implemented using the principles of traditional in-kind assistance. As such, in order for a significant expansion in the use of cash and vouchers to remain manageable in terms of accountability and delivery, a number of areas are identified by this report for further consideration by DG



ECHO in the development of a cash and voucher policy. However, it is important to note that these are only preliminary recommendations that remain to be validated—within the review process—after comparison with the experience and best practices adopted by other donors and organisations. It is based on the findings of these two reports together that the consultants will make final recommendations—i.e. after completion of the review paper.

5 Areas identified/recommended by this report for further consideration—as potential challenges of an expanded cash and voucher policy in the future—fall into four broad categories.

a **Organisational Learning:** systematic approaches are needed which document DG ECHO experience of funding cash and voucher projects and foster learning from this experience.

i Monitoring and Evaluation are to be used as key learning tools for cash and voucher projects. In particular, they are to be used for documenting and learning from the field level experiences and innovations concerning:

- the appropriate timing of cash and voucher interventions after disasters;
- considering advantages and risks of different beneficiary identification and targeting approaches used by the partners;
- analysing the relative merits and risks of cash transfer systems where banks are not available, and explaining measures to minimize risk;
- examining use of cash by the beneficiaries, and the direct and indirect impact on households and the wider community;
- exploring control over resources at household level and the implications of using different resource transfer options on this;
- verifying different levels of market analysis for use in different humanitarian contexts, and determining when different approaches are most appropriate;
- monitoring adequacy, coherence, process, accountability and impact of the resource transfer choice and the systems employed;
- understanding inflation, its consequences for beneficiaries and the wider community, and providing analysis of different contingency options: their adequacy and risks;
- appreciating the importance / relevance of cash/vouchers in-terms of exit strategies and fostering LRRD;
- routine comparison made of cost-efficiency of different options at the design and evaluation stage;
- implications analysed (advantages and disadvantages) of using vouchers, and voucher fairs, for beneficiaries and implementers;
- cost implications considered for partners of any added monitoring, evaluation and market assessment related requirements.

- ii Use of pilot projects to learn in new and specific cases, such as unconditional cash transfer in emergencies and the use of grants for asset replacement etc.
- iii Implications of moving from pilot projects to larger-scale initiatives in terms of human resource capacities, control and accountability etc.

b **Capacity & Training needs** – for both DG ECHO and its partners to:

- ii be able to undertake assessments which incorporate household and community-level economic analysis as well as analysis of the wider market system and analysis of resource choices –where feasible;
- iii be able to review, approve and implement projects in the context of economic and market-related information/consequences, such as inflation etc.

c **Procedures & Guidelines** – for design, delivery, management and accounting of cash and voucher projects.

- Partners to provide routine analysis of resource transfer options in their proposals on regular basis. DG ECHO to establish clear and rational requirements.
- Annual operational strategy paper (Global Plan) to include analysis and indication of potential resource transfer options in specific country/regional contexts.
- Economic and market assessment –where feasible- to support partner proposal. Establish rational requirements consistent with nature, size and risks of projects and their context.
- Support existing initiatives aimed at developing market assessment capacities, such as WFP's SENAC project and feasibility studies etc. thus creating economies of scale and addressing the information needs of the smaller partners.
- Guidelines for partners, articulating accountability requirements for cash management and disbursement in areas without banking systems.
- Requirement for partner to monitor inflation and its implications for beneficiaries.
- DG ECHO to anticipate its funding response and requirements in the case of inflation.
- Set standards and requirements concerning cost efficiency analysis.
- Guidelines on specific risk analysis requirements concerning resources, staff, fiduciary and accountability systems.
- Requirement for the proposals, monitoring and evaluation reports to provide evidence of conformity with key humanitarian standards.
- Requirement for proposal to include information on partner field operating procedures, HR capacity and accountability arrangements.
- Requirement for partner to document and formalise their field operating and accountability arrangements, establishing clear audit trail.
- Partner to justify and document its decision for not undertaking external evaluation.

- Articulate aspects of cash/voucher projects which should be evaluated. These being of specific interest to DG ECHO, such as effect of inflation, accountability systems etc.
- Audit feed-back to be used for refinement of DG ECHO's systems and procedures dealing with cash and voucher.
- Audit to articulate manageable and residual risks concerning cash and voucher project implementation and accountability.
- Guidelines on coherence-related information—specific to cash projects—to be provided by partner with proposal.
- Exit strategy requirements in the context of cash/voucher projects and DG ECHO's short funding cycle.

d **Instruments** – Single Form and FPA:

- documents to be adapted to accommodate the specific realities and information needs/analysis of cash and voucher initiatives;
  - to study and adjust the budget ratios between title 1 & 2 to accommodate the realities of cash-based implementation;
  - to ensure that Evaluation does not appear as a function of Control.
- 6 With limited partner delivery capacity and the current legal and financial parameters, DG ECHO's funding of cash and voucher – in the foreseeable future, may only see a modest rise in project size. As such, the system adjustments, capacity development and procedural requirements identified in this report need not become a prerequisite and/or impediment to continuing DG ECHO funding of cash and voucher initiatives. This is especially true in the area of cash-based initiatives where solid experience has already been gained, such as Cash for Work.
- 7 However, the element of organisational learning will need to be addressed with certain urgency, through a systematic use of well-designed studies/pilots, monitoring and evaluations. This is to ensure that the risks and opportunities anticipated for cash and vouchers, together with experiential learning about the successes and challenges are fully captured and integrated into ongoing policy dialog and tailoring of DG ECHO's procedures and instruments.
- 8 In the light of this report's findings, the issue facing DG ECHO is not only about how far the use of cash and vouchers should be allowed. Instead, of equal (if not greater) importance are the issues surrounding processes, systems, procedures, manpower, capacities and resulting costs that remain to be studied, understood and addressed in order to develop a sustainable expanded policy. Since both DG ECHO's experience of cash and voucher projects—and the experience of most of its partners'—is in the early learning stages, attention is needed to understand and develop these elements in the future. Otherwise, a cash and voucher policy may by itself remain either impractical to implement or carry unnecessary accountability risks.

- 9 The biggest challenge in doing so will be to ensure that the procedures and systems are not made overly stringent or costly. Otherwise the use of cash or voucher may very well become an unattractive proposition from the partner's point of view.
- 10 While this report has focused on cash and voucher projects, it is important to avoid incoherence/imbalance between these projects and traditional approaches. At the assessment and design stages, the different tools should be given the same attention: each carries risks, and each has potential advantages. The way organizations work is often a major influence over how successful any project is. However, it is increasingly recognized as important that organizations strive to *do the right thing*. In some cases this will entail an in-kind response; in others a cash or voucher approach might be preferable. The important point for a donor is to allow as much *flexibility* as possible such that partners can respond to the needs of the affected population in the context encountered and in the most appropriate and efficient manner.

**Next Step:**

- 11 Based on the findings of this evaluation report, in a linked review paper the consultants will attempt to:
  - a identify good practices developed by other donors and organisations that are either of direct relevance or could potentially be adapted to the specific needs of DG ECHO, and
  - b make alternative recommendations, based on the findings of both this evaluation and the forthcoming review report, towards the development of DG ECHO's policy on the use of cash and vouchers.

# ANNEXES

**Annex I Terms of Reference**

EUROPEAN COMMISSION  
 DIRECTORATE-GENERAL FOR HUMANITARIAN AID – ECHO  
**ECHO 01 – Policy Unit - Evaluation Sector**

TERMS OF REFERENCE  
 FOR AN EVALUATION AND A REVIEW OF THE USE OF CASH AND VOUCHERS  
 IN HUMANITARIAN CRISES

CONTRACT N°: ECHO/ADM/BUD/2007/01210

**NAME OF CONSULTANT(S): MR. WAHEED LOR-MEHDIABADI (IT),  
 MS. LESLEY ADAMS (UK)**

**FIRM: PROLOG CONSULT SPRL**

**1. Introduction**

1. Under these ToR DG ECHO intends to obtain an evaluation and a review of its actions and approaches – also possibly including those of other donors - towards the use of cash and vouchers for humanitarian beneficiaries / recipients in crises and from this process to generate the following deliverables: an Evaluation Report and a Review Paper, as well as an Inception Report at an early stage of the exercise.
2. The discussion about the use of cash/vouchers<sup>10</sup> to assist vulnerable people in crises has steadily gained momentum in the international humanitarian community over the past few years. So has the actual use of cash/vouchers in humanitarian operations, even if donors' attitudes towards this modality of delivering humanitarian assistance vary. Experience through specific projects is building quickly, even if this type of intervention represents a modest if growing proportion of overall humanitarian funding.
3. Cash-based interventions (as an alternative to or a complement for in-kind assistance) are arguably more context-sensitive than in-kind operations, by the very nature of the cash instrument, inter alia because it implies a transfer of choice from the humanitarian donor/ agency to the beneficiaries/recipients. The main challenge for humanitarian actors is threefold: (i) an informed assessment as to whether a cash based approach is appropriate in a given context; (ii) - linked to this - whether it is an alternative or a complement to commodity-based approaches in terms of cost-efficiency, feasibility, recipients' preferences and economic impact; (iii) how to implement cash based operations in a transparent and controllable way. Those challenges apply throughout the humanitarian delivery chain, from donor to implementing partner to the final distribution level.
4. The Overseas Development Institute recently (February 2007) published a research report "*...looking into when the option of giving people money instead of, or as well as, in-kind assistance is feasible and appropriate. Pointing to the strong body of evidence that is starting to emerge to indicate that providing people with cash or vouchers works, it suggests that there is scope for significantly increasing the use of cash and vouchers as an instrument in humanitarian response, in a wide range of contexts.*"

<sup>10</sup> Wherever the word "cash" is used in present ToR, it refers to an extended concept to included forms of proxi-cash, i.e. vouchers



5. Though DG ECHO's own experience with cash/voucher-based projects is still relatively limited, it has funded such operations in a variety of contexts, including Afghanistan, Azerbaijan, Burundi, Lebanon, Mali, Mongolia, Niger, the Palestinian Territories, Somalia, Tajikistan. DG ECHO expects the evaluation to carefully examine DG ECHO-funded cash/voucher-based projects on a comprehensive basis for the desk study and on a sample basis for the field visits.
6. The consultants engaged will draw upon contacts with DG ECHO headquarters and field staff, other evaluators, research papers, reports, evaluation and lessons learnt papers, as well as key staff members of other donors, humanitarian agencies and think-tanks.
7. The documents to be produced under these ToR will subsequently feed into a guidance paper which is to assist DG ECHO officials and technical assistants in policy development with regard to cash/vouchers, assessment of appropriateness of cash/voucher interventions, conception and implementation of such operations, including monitoring and evaluation.
8. In particular, the consultants shall give due attention to the way in which cash/voucher approaches can be articulated with donors' – and other humanitarian actors' – administrative, financial, operational and human resources constraints.

## 2. Objectives of the evaluation and the review and Tasks to be accomplished

9. Article 18 Council Regulation (EC)1257/96 on humanitarian aid states “the Commission shall regularly assess aid operations financed by the Community in order to establish whether they have achieved its objectives and to produce guidelines for improving the effectiveness of future operations”. As a part of this requirement DG ECHO must also review its policies as and when necessary.

### 2.1 Objectives of the evaluation and the review

10. The objective of this evaluation and review is to strengthen DG ECHO's consistency and coherence in policy matters under its humanitarian mandate, with specific reference to the use of cash/vouchers in humanitarian assistance. In doing so, DG ECHO also wishes to further stimulate reflection and capacity building in the wider humanitarian community as well.

### 2.2 Tasks to be accomplished and timeline

11. **The basis for the consultants' opinions shall be:**
  - their own professional qualifications and experience. In this respect, a profile combining an academic background in economics with humanitarian experience would be preferable;
  - a desk study of most relevant research papers, reports, evaluation and lessons learnt papers, bearing in mind the donor's (DG ECHO's) perspective and interest. Consultants will carry out a comparative analysis of the conclusions and recommendations drawn in those publications;

- a desk study, on the basis of an inventory of relevant DG ECHO-funded projects, of the master document records related to those cash/voucher based projects;
- interviews with key DG ECHO officials, both personnel at DG ECHO headquarters (policy, evaluation, operational/geographical, financial, legal, internal control and audit departments) and technical assistants (TAs) based in the field;
- interviews with representatives of other donors and humanitarian agencies, in particular but not necessarily exclusively those who have a track record of funding or implementing cash-based operations;
- interviews with beneficiaries / recipients;
- field visits to evaluate relevant projects, funded by DG ECHO or other donors. The list of countries/projects to be visited will be established jointly by DG ECHO and the consultants. To the extent possible, countries to be visited will have differing crisis 'settings' (e.g. natural disasters, conflict and post-conflict, structural and chronic food crises, displaced populations, dysfunctional markets, demonetized economies).

**12. Drafting of an inception report for submission to DG ECHO by mid-May 2007,** based on the briefings, reviews and interviews conducted during the briefing period. This inception report should demonstrate the consultants' clear understanding of present ToR and deliverables required and contain their detailed proposals in terms of work processes, as well as clear description of scope and methodology for the two principal deliverables, the evaluation and the review.

**13. Drafting of an evaluation report for submission to DG ECHO by the end of July 2007.** The consultants are required to submit a report on the evaluation of DG ECHO-funded projects involving the distribution to final beneficiaries of cash/vouchers. Traditional evaluation methodology should be adapted to the specificity of the issue and include, but not be restricted to: **appropriateness and context-adaptedness of the project, quality of key preparatory work preceding the project, i.e. assessment of feasibility and economic impact, cost-effectiveness, recipients' preferences, LRRD potential** and possibly additional criteria that might emerge during the briefing phase and desk study. Moreover, the consultants shall evaluate coherence across projects in terms of donor approach. The evaluation report should contain a set of clear conclusions and recommendations and should not exceed 50 pages (30 pages text + 20 pages annexes) unless duly justified.

**14. Drafting of a review paper for submission to DG ECHO by mid-November 2007:** the consultants are required to establish a paper for DG ECHO, which reviews DG ECHO's past and present approach to cash and vouchers in humanitarian assistance, building also on the findings of the evaluation report. Also, it should include a review of DG ECHO's approach against that of other relevant donors and humanitarian agencies. The experts are required to consider current best practice and guidelines on the use of cash/vouchers for pertinence and use by DG ECHO. The experts shall advise whether those established by other agencies could be applied by DG ECHO, with or without modification. The review paper may propose changes to DG ECHO's current approach but these must be justified and underpinned with solid arguments. At all times the team must bear in mind the mandate for DG ECHO's work and the EC

Financial Regulation where necessary, and provide its assessment of the opportunities and constraints on a cash/vouchers-based approach that could arise from those. It should take into account the articulation with other EC policies, in particular in the development area (LRRD). Based on the evaluation and the review process, the review paper shall submit to DG ECHO a number of policy options and their implications in view of the subsequent development (by DG ECHO) of "donor" policy guidelines for DG ECHO. DG ECHO considers that its approach must remain flexible and that programming must be needs based and context-specific. The review paper should contain a set of clear conclusions and recommendations, allowing DG ECHO to better frame the policy environment in which its approach to cash/vouchers is to be shaped. The review paper should not exceed 30 pages unless duly justified.

15. **Identification of key information sources for DG ECHO:** The consultants must also provide a bibliography of key policy and other documents and websites that are pertinent for DG ECHO's use. Here as elsewhere, it is important for the consultants to bear the donor (DG ECHO) perspective well in mind, as bibliographic material from other perspectives (think-tanks and implementing agencies) is already well established and publicized. The information identified shall be grouped by category and ranked according to relevance for DG ECHO.

### 3. Work Plan

16. **Briefing** in Brussels (*maximum 5 days including all travel for each of the two consultants*): a briefing at DG ECHO with the responsible staff during which necessary clarifications will be provided by the requesting service and other services of the Commission. Before departure from Brussels the consultants are required to produce an inception paper setting out their understanding in detail of the work processes and key deliverables to be accomplished, based on the reviews and interviews completed during the briefing period. Based on their professional experience the consultants may wish to propose additional matters for the review to cover, or alternative/additional country visits to those envisaged. DG ECHO will give its agreement or not at this stage.
17. **Missions** to a number of donor countries, possibly including the UK, The Netherlands, Switzerland and Sweden (*maximum 6 days including all travel; up to two days for Switzerland or Sweden – one day for other countries*), in order to discuss with relevant officials and NGOs. Please note the team may divide up to visit different locations independently.
18. **Field work** (*maximum 28 days including all travel*): The consultants shall undertake field visits to evaluate a number of relevant projects and to discuss with donor and humanitarian agencies' representatives on the spot. The list of projects to be visited will be established jointly by DG ECHO and the consultants. The consultants shall seek to organize workshops where a sufficient number of humanitarian actors are present in one location. Where a DG ECHO field or regional office exists, the consultants are encouraged to familiarize themselves with DG ECHO's working practices and to invite views on experience so far with cash/voucher operations funded by DG ECHO or other donors. The consultants shall visit at least one country within the remit of each of DG

ECHO's three operational units. (Please note that for budgetary purposes, weekends count as days worked in the field)

19. **Drafting** of documents required by the review (*maximum 20 days for each of the two consultants*). *The team leader is allowed an additional 5 days for editing*: These days are to cover both the initial and final drafting after the presentation to DG ECHO management (see below).
20. **Debriefing** at DG ECHO (*maximum of 2 days for each of the two consultants including all travel*): the two consultants will make a presentation to DG ECHO management and key staff in 'PowerPoint' of the documents requested: the evaluation report and the review paper.
21. Further **presentations** of the evaluation and review findings may be required, as to be determined by DG ECHO (*maximum of 2 days at two events for the team leader only including all travel*).
22. Submission of the final version of documents requested: the two consultants are allowed a delay of 15 days to finalise and submit their work following the 'PowerPoint' presentation, based on the feedback received.

#### 4. Evaluation Report and Review Paper

23. The process will result in the drawing up of two documents, an evaluation report and a review paper, written in a straightforward manner, in English, with a maximum length (including annexes) of 50 pages for the evaluation report and 30 pages for the review paper. This length may be exceeded only with justification.
24. The document format appearing below must be adhered to for both products.
  - *Cover page*
    - Title: "Evaluation and Review of the Use of Cash and Vouchers in Humanitarian Crises"
    - "Evaluation Report" or "Review Paper"
    - Date of the evaluation / review;
    - Name of the consultants;
    - Cost of the report in euros
    - Indication that "the report has been and financed by and produced at the request of the European Commission. The comments contained herein reflect the opinions of the consultants only".
  - Table of contents, which shall be established in accordance with the tasks and key issues described under section 2.
  - Annexes
25. The evaluation report and review paper shall be drawn up in 10 paper copies and transmitted to DG ECHO. One copy of those documents should have no binding to allow for scanning on reception by DG ECHO's archives.
26. DG ECHO requires that 400 CDs incorporating the evaluation and review products be supplied. The design quality must be of a professional level (inter alia using software publishing tools to incorporate visual images and clickable links in the final pdf version). The recent DG ECHO reviews on Water and Sanitation and the Security Review 2006 are examples of what DG ECHO expects to receive. However, DG ECHO

considers that the volume of work to be assembled will not reach the size of these two reviews, therefore a CD and not a DVD is foreseen to be produced.

#### 5. Required skills for the consultants

27. DG ECHO envisages that two senior experts shall carry out the work. DG ECHO considers that the consultants proposed should preferably have

- a strong background in economics, combined with
- work experience in designing and implementing humanitarian operations, including at field level, and
- experience of drafting research, guidelines or policy papers on the use of cash/ vouchers in humanitarian assistance.

28. All experts should be able to draft in English, but knowledge of French by preferably both or at least one member of the team would constitute a definite plus.

#### 6. Assignment of tasks

29. Each team member is jointly responsible for the final accomplishment of the tasks; however, the separate elements of work necessary for the accomplishment of the tasks may be allocated between the consultants. The members of the team must work in close co-ordination.

30. A team leader shall be named who shall have the added responsibility of the overall co-ordination of the tasks to be completed and of the final coherence of the report and other works both in terms of content and presentation.

#### 7. Timetable

31. The tasks under this evaluation and review will be undertaken in a maximum period of 70 working days for the team leader and 61 for the second consultant and will be completed between April and 31st December 2007. In accordance with the timeline set out under section 2 for the submission of the Inception Report (mid-May 2007), Evaluation Report (July 2007) and Review Paper (mid-November) to DG ECHO, the main products are to be produced and final by mid-November 2007, but up to two presentations in addition to the debriefing to DG ECHO management may be required of the team leader before the year-end 2007.

## Terms of Reference – Annex Guidelines for the consultants

### 1. Regulatory basis

The Regulatory basis for the evaluation of the aid provided by DG ECHO is established in Article 18 of Regulation (EC) 1257/96 concerning humanitarian aid, which states "the Commission shall regularly assess humanitarian aid operations financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent operations".

### 2. Terms of Reference. What are they?

The Terms of Reference set out the scope of the evaluator's mission, the issues to be considered and the evaluation timetable. They allow those commissioning the evaluation and the review to express their needs (guidance function) while providing the consultant with a clear idea of what is expected from him/her (control function).

### 3. Methodology

For the purpose of accomplishing its tasks, the consultants shall use inter alia information available at DG ECHO HQ, from its experts on the spot, from other Commission services, the relevant Commission Delegation, DG ECHO partners on the spot and, if necessary, at their headquarters, aid beneficiaries, local authorities and international organisations.

### 4. Scope of the evaluation and topics of study

In addition to the initial information contained in the ToR, the first briefing session in Brussels provides everyone involved in the review (requesting service, ECHO-Evaluation, consultants and other Commission services) with the opportunity to discuss the contents of the ToR and to establish priorities for the review. This meeting should, as well, allow the consultants to clarify any doubts they might have about the scope of their mission. Any important remark or comment on the content of the ToR at this stage will be considered an integral part of these and will be set out by the consultants' team leader in a note that must be submitted to ECHO-Evaluation at the end of the briefing session, and before the team's departure to other locations in Europe and elsewhere. During the process of the review the consultants must try to follow all the items listed in the Terms of Reference. Their treatment, the relative importance given to them and their coverage in the final reports will depend, however, on the consultants' own opinion as a result of the information found, both during the desk study phase and in the field. Any decision not to cover one or more of the main task assignments described in the ToR will have to be justified in the text of the reports, if inappropriately justified DG ECHO may choose to not accept the final report.

### 5. The report

By commissioning an independent evaluation and review DG ECHO expects to obtain an objective, critical, readable and transparent analysis of its policy. This analysis should contain policy recommendations on future courses of action. The report should be, above all, a document that can function as a learning tool. Therefore, while writing it, the consultants should always bear in mind why the report is done, for whom, and how the results will be used. Furthermore, the report is a working tool of value to DG ECHO only as long as it clearly reflects the consultant's independent view. DG ECHO's greatest concern is to respect this independence.



## UNDERSTANDING OF THE TERMS OF REFERENCE

**1. Purpose of the Evaluation & Review**

The purpose of this evaluation is to review experiences of cash and voucher projects funded by DG ECHO and other donors (what worked and lessons learned), to examine the extent to which they conform to recognized or emerging standards of best practice, and to suggest the way forward for DG ECHO, while considering the organization's mandate of humanitarian operations, its financial regulations, and the LRRD context.

**2. Objective of the Evaluation & Review:****2.1. Evaluate the experience of DG ECHO with cash and vouchers**

Based on a cross-section of projects funded by DG ECHO the following aspects will be evaluated:

- How successful the projects were in achieving planned objectives; the approach/process adopted for assessment, planning, management, implementation, monitoring; the systems/structures established for the cash/voucher transfer and how effective these were in promoting a safe and efficient transfer; and the lessons learned about cash and voucher transfers by DG ECHO and its partners.

**2.2. Review the policies and experiences of other organisations/donors with proven track record.**

Review of cash and voucher transfers funded/implemented by other donors and implementing organizations - in order to identify:

- best practice around cash and vouchers and establish recommendations for a policy within DG ECHO which is coherent with these best practices, DG ECHO's mandate, EC financial regulations, ensures programming to remain needs-based and context-specific, and provides basis for a transparent and controllable implementation.

**3. Overall Scope:**

The evaluation and review will consider all types of cash and voucher transfer which are relevant for humanitarian emergencies—focusing on those of which DG ECHO has direct experience but including also other types of transfer where other organizations have used cash and vouchers as either a complement to, or in place of, in-kind assistance.

These include cash and voucher projects aimed at addressing the following:

- Food needs
- Non-food needs (household items, non-food consumables)
- Shelter (cash for host families, cash for renting)
- Cash for work
- Income generation/livelihoods recovery
- Unspecified and varied emergency needs (unconditional cash transfers)

### 3.1. Scope of the Evaluation:

Based on the traditional methodology, the evaluation of DG ECHO-funded cash/voucher projects will consider the following areas:

- Assessment – what factors influenced the decision to use cash or vouchers; what were the other options and why was a cash/voucher approach selected? To what extent was efficiency considered – comparing alternatives? To what extent were beneficiaries consulted? To what extent was the availability of commodities in the market verified?
- What was the value of the transfer and how appropriate was this?
- Targeting and registration: what procedures were used to identify beneficiaries and was this similar to in-kind transfers? How did the registration process work in practice?
- What system was established for transfer and how efficient, safe and effective was this? What options were considered? If staff were involved how was their role and responsibilities determined?
- Financial tracking / compliance: what systems were in place for monitoring and accounting for the resource transfer?
- Monitoring & Evaluation: what systems were in place for: post-distribution monitoring (checking people had received the cash/voucher); monitoring the process (including beneficiaries and other stakeholders' perceptions of the process); monitoring the immediate result (retention of cash/use of cash); reviewing lessons learned.
- What was the result – what difference did the intervention make, and how might this have compared to an in-kind transfer?
- What was the perception of the beneficiaries (including the most vulnerable and marginalized) and other stakeholders, including traders?
- Partner capacity: what capacity assessment was done to verify the partner's financial management capacity? What other capacity issues were considered?

See Annex 3 for the comprehensive checklist of questions to used for field interviews.

In addition to the above, a review of the cash/voucher-based projects funded by other donors will be conducted by interviewing representatives of other donors and their implementing partners. This will focus on:

- Donor regional/country policy regarding cash and voucher interventions
- Country experience to date – history ; types of transfer; range of partners
- Systems and procedures developed specifically for cash transfers
- Lessons learned from implementation
- Guidelines or other resources guiding cash/voucher transfers

### 3.2. Scope of the Review

The review process is expected to bring together the results of the field evaluation and the learning from reviewing the experience of a selected group of other donors and implementers with a proven track record in the field of cash/voucher transfers. The resulting paper will highlight key issues of particular relevance for ECHO. The main topics will include:

- The rationale for using cash and/or vouchers for EC/DG ECHO
  - advantages of cash/vouchers over in-kind transfers
  - risk (perceived by DG ECHO and partners)
- Challenges : challenges/problems encountered in DG ECHO field projects that are related specifically to the cash/voucher element (i.e. would not have happened if an in-kind transfer had been made); lessons learned
- Factors which influence the extent to which DG ECHO partners undertake cash/voucher transfers
- Systems – how cash-based transfers differ from commodity-based transfers
- Types of intervention where cash/vouchers may be most appropriate for DG ECHO
- The way forward for DG ECHO : interpretation of legal instruments and implications for cash/voucher transfers
- Minimum conditions for ECHO to engage in cash/vouchers; recommended limits for DG ECHO involvement in cash/vouchers for the present; considerations for the future; areas for further research.

### 4. Methodology for the Evaluation and Review:

DG ECHO expects the process for evaluation and review to be consultative in nature, thus ensuring that its concerned units and staff proactively contribute to the final recommendations. Consultants will take every possible measure to ensure that the process remains all-inclusive and the outcome is consistent with the emerging thinking and experience within DG ECHO, its implementing partners, the wider donor community, and EC's development agencies. The main aspects of the methodology to be used by the consultants are:

- Interview and consultation with
  - DG ECHO's HQ officials in the following sections: Policy, Evaluation, Operational Units, Finance, Legal, Internal Control and Audit.
  - ECHO Technical Experts in the countries to be visited and one Regional Support Office.
  - Implementing partners of selected DG ECHO-funded projects.
  - Selected donors and Humanitarian Agencies/Organisations with relevant experience.

- Desk study of DG-ECHO funded projects using project support documents, Single Form project summaries and project evaluations.
- Desk study of DG ECHO/EC regulations, relevant Fact Sheets, and Framework Agreements
- Field visits to a selected number of countries (Minimum - one for each geographical unit).  
(To be selected in consultation with the geographical units, possibly in different crises settings).
- Interview with beneficiaries  
(Based on recommendation by the concerned Desk, the Field Expert, and Security Clearance).
- Desk study of relevant research, reports and evaluation published by other donors and organisations.
- Interviews with a selected number of donors and Humanitarian agencies/ organisations with a proven track record for cash/voucher interventions.  
(To be selected in consultation with Policy and Evaluation Unit of DG ECHO)

### 5. Outputs:

- An evaluation report, articulating DG ECHO's experience of cash and voucher interventions—highlighting what worked, challenges faced, limitations in terms of DG ECHO/EC procedures/regulations, lessons learned, coherence across projects studied, consistency with LRRD approach/potential, coordination with other agencies'/donors' interventions, and any other criteria that may emerge during the evaluation process.
- A review paper which brings together the approach, experiences and lessons learned from DG ECHO's own cash/voucher interventions and those funded by other donors. It will highlight current best practice and guidelines on the use of cash/vouchers with specific relevance to DG ECHO. Where appropriate, this paper will make recommendations for change ensuring that these are both a) underpinned by solid arguments and b) consistent with the programming principles of being needs-based and context-specific.

The consultants recognize that any new resulting policy recommendation should fit within DG ECHO's mandate; that cash and voucher transfers should be appropriate to the context; that the intervention should allow the most vulnerable households to be targeted; that the system of transfer should be efficient, effective and safe; that the system should meet the same standards of financial monitoring and reporting as commodity-based systems; and that the humanitarian intervention should promote and incorporate the concept of LRRD

## 6. Clarifications to the TOR

### 6.1. Evaluation

The evaluation will not be of individual projects; rather it will review the full range of DG ECHO-funded cash and voucher experience, using a number of countries and projects as case studies for in-depth exploration, and drawing on field staff, partner workshops, key informant interviews and project documents to bring out learning about cash and voucher interventions within DG-ECHO's global portfolio to date.

### 6.2. Selection of projects for desk review

Approximately 200 projects have been identified in the cash/voucher inventory compiled by DG ECHO. Examples of projects which have been found to be of particular interest to DG-ECHO were requested from DG ECHO staff, including the cash focal officers. The consultants shall also review the information presented in the internal project support documents and the thumbnail summaries, and will consult any reports and evaluations which are available for these projects. The projects should represent a balance of cash and voucher interventions in the three regions, and a balance of emergency contexts, and ideally there should be other documents and reports available which explain how the project was implemented and the results.

### 6.3. Selection of countries as case studies

The consultants have been asked to visit one country programme from each region to use as case studies. The consultants will do this in consultation with the desk officers (cash focal points) and the policy section. The following criteria are suggested for selecting countries for field visits.

- The country should be typical of a context which fits with DG ECHO's mandate and is typical of the majority of contexts in which DG ECHO works
- The country should be one in which a number of partners have used cash and vouchers in their DG ECHO-funded operations
- There should be a range of types of cash/voucher interventions which have been implemented
- The cash/voucher projects should have been completed, and preferably within the last two years.

Where possible and appropriate, the team will consult with regional offices if logistically convenient. The countries proposed as case studies include:

**DG ECHO A1: Democratic Republic of Congo** was selected after consultation with DG ECHO staff: Brian O'Neill, Philip Maughan and Alice Frigato. The country was selected because of the relatively large number of DG ECHO-funded projects that have been undertaken in the eastern DRC, because ECHO is working with a number of innovative organizations there, because many organizations are arguing for greater use of cash/voucher transfers because of the logistic implications of in-kind transfers. Other issues to explore in eastern DRC include the potential for using cash/vouchers to address food needs and the use of cash/vouchers in the DDR (disarmament, demobilisation, reintegration) process for ex-combatants. The team was advised to visit Bunia, and to

focus on the projects implemented by PU, AAA and ACTED. A visit to the East Africa/Horn **Regional office in Nairobi**. DG-ECHO and other partner experience of cash and vouchers in **Somalia** and **Kenya** will be explored whilst in Nairobi, this being possible because of the presence in Nairobi of a large number of agencies and the teams managing projects in these two countries.

**DG ECHO A2:** In A2 two countries were recommended for study by Lea Drouet, Ann-Adèle Simon, and Julia Koch: **Azerbaijan** and **Jerusalem/West Bank**, while a number of projects in the Balkans were recommended for desk review. In Azerbaijan DG ECHO has been involved in innovative cash/voucher projects with UNHCR—cash for Chechen refugees for renting (cash for shelter). In Gaza the project implemented by COOPI is recommended for review as it is an example of a project well suited to the local situation but which could be replicated elsewhere. There are also a number of vouchers for food interventions which are worth exploring. The UNRWA projects are rather unique and therefore not of central interest, although it would be worth looking at some of these.

**DG ECHO A3: Afghanistan** emerged as the obvious choice for a case study. Anne Francoise Moffroid and Maria Ralha recommended the country because of the large number of DG ECHO-funded cash/voucher projects, including recent projects by Oxfam, Christian Aid, Solidaritiés and UNHCR. The UNHCR project is large (€4,25 million) providing returnees with unconditional cash transfers on arrival.

#### 6.4. Additional organizations to consult at their Head Quarters

In addition to the organizations mentioned in the ToR it is proposed to consult also :

- WFP—as it is presently exploring the use of cash and vouchers in its operations and has made great progress in this regard;
- UNHCR—this being an organization that is a key partner for DG ECHO's cash transfers to refugees and returnees
- SDC and DfID—these two donors have taken a lead role with the use of cash and vouchers
- IFRC and ICRC—the perspectives of these two organizations was important to ascertain due to their key roles in humanitarian response; and ICRC has been a key partner in some innovative cash and voucher projects funded by DG-ECHO
- UK-based INGOs. Oxfam and Save the Children are leading advocates of cash and voucher programmes where appropriate, and it is worth finding out their perspective viz à viz cash and vouchers and ECHO funding.
- ODI: ODI is the leading organization which has embraced cash and vouchers as a learning topic, sharing information in a public forum and leading the debate.

#### 7. Possible Risks and Constraints:

- Security concerns in both Afghanistan, DR Congo and Gaza could end up limiting the scope for field trips and interviewing the beneficiaries.
- The month of August being traditionally used for vacations by many, it may impact the availability of partners and donors during the field trip.



**TASK ALLOCATION FOR TWO CONSULTANTS**

Phase	Key Tasks	Proposed methods (collection, analysis)	
I	<b>1.1.</b> Briefing in Brussels, relevant meetings and interviews, gathering documentation.	- Preliminary discussions with relevant DG ECHO HQ staff, other DGs concerned by LRRD in cash-based activities, other relevant actors. - Collection /analysis of documents (mandate, Financial Regulation, FPA, relevant Fichops etc), relevant external reports and papers as available.	A/B
	<b>1.2.</b> Mapping remaining information and stakeholders.	- Screening of web sites, databases of other actors using cash or voucher-based methodologies.	A/B
	<b>1.3.</b> Preparing inception report, incl. task allocation and work schedule, countries to be visited, TOR comments, methodological approach, outlays of report and review paper.	- To review TOR, work plan, discuss evaluation objectives and identify constraints, validate with DG ECHO evaluation sector and field Units. - Preparation of list with selected organisations/ persons to contact, and other relevant stakeholders.	A/B
	<b>1.4.</b> Preparing agenda for field visits.	- Definition of work plan and tasks sharing. - Drawing up of lists with people to contact. - E-mail and /or telephone exchanges. - logistics arrangements.	A/B Prolog
	<b>1.5.</b> Desk study	- Analysis of collected documents	A/B
	<b>1.6.</b> Preparing questionnaires for field meetings by review team	- SWOT or LFA analysis (TOR objectives, identified gaps or duplications, etc)	A/B
II	<b>2.1.</b> Visit to UK.	- Meetings DFID, Oxfam-UK, SCF.	A/B
	<b>2.2.</b> Visit to Switzerland.	- Meetings with SDC, UNHCR, HAP.	A/B
	<b>2.3.</b> Visit to The Italy.	- Meetings with WFP.	A/B
	<b>2.4.</b> Visit to Sweden & Denmark.	- Meetings with SIDA & DRC.	A/B
	<b>Field visits to relevant activities in concerned countries within respective remit of ECHO A/1, A/2 and A/3:</b>		
	<b>2.5.</b> Initial briefings	- Meetings with EU Delegations, ECHO field staff, Regional Office experts where available, concerned partners and local authorities, following evaluation questionnaires	A/B
<b>2.6.</b> Assessing appropriateness, conception, implementation, results and LRRD prospects of cash and vouchers-based activities.	- Walkthrough visit to relevant sites and data collection. - Individual and group/focus meetings (participatory and gender approach) with partners and beneficiaries.	A/B	

II	2.7. Preparation of evaluation report and review paper inputs.	- Consolidation and analysis of overall aspects of relevance, mandate and regulations, efficiency, coherence and LRRD.	A
		- Analysis of practices and policies across projects funded by ECHO and other donors.	B
	2.8. Debriefing.	- Individual discussion or mini-workshops on findings, preliminary conclusions and recommendations.	A/B
III	3.1. Preparation of draft evaluation report.	- Drafting according to TOR specifications and work schedule.	A/B
	3.2. Submission of draft report to DG ECHO.	- Editing as necessary.	Prolog
	3.3. Preparation of draft review paper.	- Drafting according to TOR specifications and work schedule.	A/B
	3.4. Submission of draft paper to DG ECHO.	- Editing as necessary.	Prolog
	3.5. Debriefing	- Preparation of Power Point presentation. - Presentation to DG ECHO and discussion	A
	3.6. Finalising documents	- Incorporation of remarks by DG ECHO. - Editing of final Word documents.	A/ Prolog
	3.7. Editing and production of 400 CDs.	- PDF lay-out by subcontractor; supervision of work. - Draft editing of CD by subcontractor; validation by DG ECHO. - Printing of 400 CDs by subcontractor; delivery to DG ECHO.	Prolog

### TENTATIVE AGENDA - CONSULTANT FIELD VISIT

The following agenda is intended to provide DG ECHO's country representation with understanding of what the consultants would like to do during their field visit. It is however appreciated that given the country-specific circumstances, it might not be possible to organize all of the agenda items. In such a case, the consultants would prefer receiving an early indication, so that an alternative arrangement could be agreed. This schedule will need to be adapted to suit the time available in each country visit, and the planning should ideally be done through close collaboration between the consultants, DG-ECHO Desk and the field unit in the area to be visited.

Consultants would like to request accompaniment throughout visit by the DG ECHO's Technical expert - if possible.

1. Briefing with DG ECHO country representation (including security brief).
2. Joint meeting with all major agencies/organizations with cash/voucher implementation experience in the country (including those who are not receiving funding from DG ECHO). This could be organized into two separate meetings, or we could have one meeting and

split the participants into two separate groups – partners and non-partners. The meeting would last the whole day preferably. The consultants will organize the workshop around structured discussions –reviewing different aspects of cash/voucher experiences in the area.

3. Meetings with staff of 2-3 major DG-ECHO partners (separately) who have implemented Cash/Voucher projects. Consultants would need a whole day for individual meetings, or for a group meeting. A group meeting with all relevant staff would be more useful for us and for the partners. An alternative is to organize separate meetings for different groups of staff (one possibility is to have management/admin/finance as one group, and field staff/beneficiaries as a second group). There are advantages to mixing staff, but their availability may be a constraint. The meeting(s) should include the following staff:
  - Senior management
  - Finance
  - HR
  - Field staff responsible for implementation (coordinator and operational level)
  - Beneficiaries (the consultants suggest including beneficiaries in these meetings only if we are not able to visit the field for security reasons).
4. Field visit to 1 or 2 agencies' projects (subject to security and logistical constraints/possibilities).
  - DG ECHO field representation to select agency projects according to a balance of experience – i.e. types of cash/voucher interventions, different degree of success, operational challenges etc.
5. Interviews with key donors who are funding cash/voucher operations in the country.
6. Interviews with EC Delegation staff (DG DEV, AIDCO etc.), with keen interest in cash/vouchers in the context of LRRD strategies.
7. Feedback meeting to the DG ECHO country team with partners?

## Annex III Checklist for Research

### Evaluation and Review Questions

#### 1. Humanitarian Context:

#### 2. Method(s) used for project delivery?

#### 3. Why this specific method(s) was preferred for project delivery? Key reasons.

#### 4. Relevance/Appropriateness

- 4.1. How were the needs of the population assessed? How comprehensive the assessment was?
- 4.2. How the target group to receive assistance was identified? What were the criteria used for selection? Were these consistent with the project objectives?
- 4.3. Was a market analysis conducted? Was the project design based on a good understanding of demand and supply for basic goods and services? What method was used and how appropriate it was given the local cultural and economic context?
- 4.4. Was implementing partner's capacity to deliver in terms of staffing and local/regional knowledge, presence, capacity and experience was considered?
- 4.5. Were community representatives and key stakeholders involved in the needs analysis and design of the programme? How was this done?
- 4.6. Was the chosen method of intervention justified on the basis of an analysis of needs, market and risks?
- 4.7. Were target communities consulted and were they in agreement with the proposed approach i.e. instead of in-kind assistance?
- 4.8. In case of Cash assistance:
  - 4.8.1. How was the value of the cash assistance determined? Did the process take account of people's existing income, coping strategies, and household debt? How did the cash value relate to the objectives of the programme?
  - 4.8.2. In case of Cash for Work:
    - 4.8.2.1. How were the wages determined, and how these relate to local market and minimum govt. wages?
    - 4.8.2.2. How community perceived paid labor and if any part of it opposed the initiative?
- 4.9. Was a risks analysis carried out before implementing the project? How this affected project design, preparation, and delivery?

#### 5. Coverage:

- 5.1. Did the project cover all the affected areas/populations at the regional and/or national level? Were any groups of people left without assistance?
- 5.2. What proportion of the affected population/area was targeted?
- 5.3. What proportion of the target population received assistance? How needs of the remaining people was meet?
- 5.4. Was a analysis of target population in-terms of socioeconomic groupings, gender, age and ethnicity undertaken?
- 5.5. To what extent did the programme meet the anticipated and actual needs of the

target beneficiaries?

- 5.6. Was targeting carried out as planned i.e. were there any errors of inclusion or exclusion? If so, what were the reasons/constraints that lead to such errors?
- 5.7. What are the government, other donors/aid agencies, and the target community's perception of the coverage provided by this project?

## 6. Connectedness:

- 6.1. Did the project take into account the existing social safety-net mechanisms? How this was done?
- 6.2. Was this project designed with sole objective of immediate emergency assistance, or its design and funding was set in the context of longer-term recovery and development objectives? To what extent were these objectives achieved? Problems encountered?
- 6.3. Did project design included a clear exist strategy, with timelines, allocation of responsibilities and details of handover, thus foreseeing transition to recovery and development phase.
- 6.4. Did project foresee transition from ECHO to DG-DEV, AIDCO etc.? If so, then how these have worked:
  - 6.4.1.1. in terms of budgeting and programme planning
  - 6.4.1.2. in terms of operational follow-up both at HQ and at field office.
- 6.5. How were the project interventions linked with the responses/assistance provided by government, donors and partners?
- 6.6. In what ways has the project strengthen the local resources and capacities – government, civil society and local staff, so these are prepared to respond more effectively in the future?
- 6.7. Was this project designed to contribute to efforts aimed at providing social protection to the most poor? If, so what were the measures taken and how this worked in reality?
- 6.8. How did the project take account of existing capacities, both of the implementing agency and local institutions (government and civil society)?

## 7. Coherence and co-ordination

- 7.1. How well overall humanitarian coordination has worked in the area/country of project? Who were the main drivers of coordination? What are the coordination aspects that need strengthening?
- 7.2. What was the actual level of coordination between agencies/implementers? How did the project take account of assistance being provided by the government and UN-agencies/NGOs and vice versa?
- 7.3. Was the capacity of the implementing partner(s) for this project suited to the extent of coordination foreseen in the project design? If not, what was missing and/or needed strengthening?
- 7.4. How consistent was the response provided by this project with government policies and strategies?
- 7.5. How actively did the community participate in the implementation, and monitoring of the project?

- 7.6. Was civil-Military coordination an issue in this project? If so, how was this dealt with? Was this a consideration in project design? What main issues emerged concerning humanitarian space?
- 7.7. Were there any incentives to coordinate i.e. did donors promote coordination through funding arrangements? Or was there competition for funds?
- 7.8. Was a lead agency appointed and how this worked? Who took the lead and how effective this was? Why?
  - 7.8.1. Were funds channeled in a coordinated fashion, or individually by donors to suit their own strategic aims?
  - 7.8.2. Did coordination lead to improved effectiveness and impact? Give examples?
  - 7.8.3. Were clear targeting criteria developed and agreed.
  - 7.8.4. Was the value of the cash/voucher agreed and communicated in a transparent and consistent manner.
- 7.9. Was baseline data - necessary for monitoring the impact, collected prior to project implementation?
- 7.10. Was a clear monitoring system established and agreed.

## 8. Efficiency:

- 8.1. Was there a difference between the planned costs provided for in the project budget (staff needs, materials, running costs etc.) and the actual costs of implementing the project?
- 8.2. What were the main constraints with achieving planned output efficiencies in-terms of:
  - 8.2.1. finances,
  - 8.2.2. human capacity,
  - 8.2.3. technical knowledge,
  - 8.2.4. material resources,
  - 8.2.5. politics
  - 8.2.6. Others???
- 8.3. Was the cash-based approach used for project most efficient? If not, what alternative approach would have achieved better efficiencies, and why?

## 9. Effectiveness:

- 9.1. How well defined and realistic the project objectives were? How consistent these were with the findings of the assessment? Is the choice of project delivery method consistent with its objectives and the findings of the assessment?
- 9.2. How many new staff or partners were hired for the project, what were their roles, and how were they trained for the project?
- 9.3. To what extent were community representatives and other key stakeholders involved in the design, management and implementation of the project?
- 9.4. Were any kind of committees established for targeting and implementation, and was this understood and acceptable to the communities being represented? What could have been a more effective and acceptable alternative arrangement?
- 9.5. Which household members received the cash, and what were the reasons for this? How this compared with effectiveness objectives of the project?

- 9.5.1. Did beneficiaries receive the cash/voucher on time?
- 9.5.2. Did beneficiaries receive the correct amounts of cash?
- 9.5.3. How many of the beneficiaries received cash, and how does this compare with the target?
- 9.6. Was a monitoring system set up? What exactly it covered and how effective it has been in-terms of informing the decision makers?
- 9.7. What is the community's perception of the payment process, in terms of timing, amounts, location, and method?
- 9.8. How did beneficiaries use the additional cash income?
- 9.9. Was the value of the cash transfer sufficient to meet the objectives of the programme? If not why?
- 9.10. Was the timing of the project appropriate for meeting the identified needs?
- 9.11. Were beneficiaries able to access goods and services in the required quantity and quality?
- 9.12. Was the project delivery consistent with the planned schedule? If not, what were the reasons and main constraints?
- 9.13. Is the project considered to have been effective in achieving its objectives? If not – why? If yes – what are the main factors that have contributed to this? Consider every step of project development and implementation. Also consider aspects, such as social, education, economic and all other relevant contexts.
- 9.14. How realistic/effective the method used for beneficiary targeting has been?
- 9.15. Were the beneficiaries assisted found to meet the criteria for their selection? Were there any cases where undeserving individuals/families had been included in the list? Or, were there cases where deserving individuals/families were found to have been left out of the beneficiary list? What was the proportion of error found? What caused such errors in the first place? How were these errors corrected?
- 9.16. How you suggest the system of beneficiary selection could be improved for future interventions?

## 10. Impact:

### 10.1. *Food and income security*

- 10.1.1. How did beneficiary households use the additional cash?
- 10.1.2. What proportion of average household income was provided by the project?
- 10.1.3. What were the changes in debt levels and coping strategies?
- 10.1.4. Was there an impact on employment, labour, production systems?
- 10.1.5. Did beneficiaries face any constraints in the way they used cash? How could these be minimized?
- 10.1.6. Did the project contributed to social protection objectives set by the government?
- 10.1.7. How consistent project implementation is with the LRRD objectives set at the time of its design? List achievements and constraints? What are the lessons learnt?

### 10.2. *Markets/Economic*

- 10.2.1. Did the project have an impact on market prices, employment patterns, and labour availability in the area?
- 10.2.2. Did the project affect the availability of food/goods, both locally and at a



wider level?

- 10.2.3. Did the project helped with the revival of local market/economy? If yes, how? If no, give reasons and explain the adverse effects that the project has had and why?

### 10.3. *Social*

- 10.3.1. If women were targeted, what was the impact on gender relations in the household and the community?
- 10.3.2. What was the impact on control of cash resources and expenditure within the household?
- 10.3.3. Was there an impact on social relations between groups? Did any tension/conflict arise between households/areas that were targeted and those that were not?

### 10.4. *Security and Corruption*

- 10.4.1. Did the project have any impact on the security for the implementing agency or the beneficiaries? Was the method/approach used for cash delivery / payment more or less riskier than originally anticipated? Give reasons.
- 10.4.2. What measures were taken to minimize security risks and did this work?
- 10.4.3. Would you recommend this projects approach for future cash-based interventions too? Give reasons.
- 10.4.4. What - if any, were the cases of corruption reported? How were these dealt with? How these could have been avoided or addressed at the time of project design, preparation and implementation? What are the key lessons learnt?

### 10.5. *Political*

- 10.5.1. Has the assistance provided by the project or any of its delivery aspects affected or interfered with the political balance in the country or region. What are these and how could these be avoided in the future?

### 10.6. *Institutional*

- 10.6.1. Has in any way the assistance provided by this project raised public expectations, thus creating political, financial and/or any other long-term burden on the government institutions.
- 10.6.2. What are the short and long term sustainability implications of the project on the government, local administration, and aid agencies/donors involved?

### 10.7. *General*

- 10.7.1. Were there any problems or negative impacts associated with the programme? (This question is for all key stakeholders, include community members.)
- 10.7.2. Are the positive changes that have been achieved likely to be sustained? Give reasons.
- 10.7.3. Has the project in any way contributed to increase in dependency of the local population and authorities on outside assistance? How this could have been avoided? What will be a better approach for similar future interventions?

## 11. **Cost-efficiency:**

- 11.1. Were the beneficiaries able to purchase the amount of food/goods for the cash/ voucher assistance provided? If not, what were the main reasons? What could have been done to avoid a similar situation? Was this aspect anticipated or studied at the time of assessment?

## Annex IV List of People Consulted

Name		Title
<b>DG-ECHO Meetings in Brussels</b>		
Johannes Luchner	ECHO	Head of Unit – Policy affairs, relations with European Institutions, partners and other donors; strategy and general coordination; evaluation; thematic funding
Jean-Claude Heyraud	ECHO	Head of Unit – DG-ECHO 2
Esko Kentschynskyj	ECHO	Head of Unit – DG-ECHO 3
Herman Mosselmans	ECHO	Head of Unit - DG-ECHO B2
Vijay Bhardwaj	ECHO	Head of Unit – DG-ECHO B1
Pablo Ibañez	ECHO	Deputy Head of Unit – B2
Nicoletta Pergolizzi	ECHO	Head of Evaluation – DG-ECHO
Mark Raymaekers	ECHO	General policy affairs, relations with European Institutions, partners and other donors; planning, coordination and support; general support for major crises
Andrea Koulimah	ECHO	Responsible Geographique A2
Stephanie Hardy	ECHO	Head of Sector – B2
Martinus Jansen	ECHO	Head of External Audit Sector – B1
Jean-Pierre Vanderstraeten	ECHO	Head of Sector – Human Resources
Julia Koch	ECHO	Co-ordinator Middle East – A2
Lea Drouet	ECHO	Co-ordinator Europe and Central Asia – A2
Philippe Maughan M.D.	ECHO	Desk Officer - ACP Countries – A1
Brian O'Neill	ECHO	Head of Sector – ACP Countries – A1
Anne-Francoise Moffroid	ECHO	Desk Officer – Asia and Latin America – A3
Tiziana Buffagni	ECHO	Desk Officer – ACP Countries – A1
Raf Rosvelds	ECHO	Desk Officer – A3 (Afghanistan)
Peter Aardema	ECHO	Auditor – DG-ECHO B1
Berend de Groot	ECHO	Desk Officer, Asia, Central and Latin America
Celine Choquer	ECHO	Assistant – 0/1
Anne Simon	ECHO	Chechnya Project Officer
Stéphane Delpierre	ECHO	Programme Officer, Food Aid and Disaster Preparedness

<b>Partners Meetings in Brussels</b>		
Gemmo Lodesani	WFP	Director
Pasqualina Di Sirio	WFP	Deputy Director
Antoine Renard		Donor Relations Officer
Annabelle Riog	UNHCR	
Laura Garagnani	EC	Food Security Policies, Sustainable Management of Natural Resources
<b>Meetings in D. R. Congo</b>		
Rudi Sterz	Agro Action Allemande (AAA)	Coordinator
Roland Ziegler	AAA	Engineer
Beate Maass	AAA	Administratrice
Arnaud Havet	AAA	Food Security Coordinator
Dieudonné Tandema	AAA	Chief Liaison Officer
Avon Combe	AAA	Liaison Officer – North Ituri
Richard Ngabu	AAA	Head of Area Programme
Lucien Mayolo	AAA	Head of Agriculture
Thems Leta	AAA	Road Engineer
Anna Afferri	COOPI	Medical Coordinator
Jeremie Delage	ECHO	Expert – DG-ECHO
Gunther V. Billerbeck	MONUC	Political affairs Officer
Joan LE COZ	Premiere Urgence (PU)	Coordinator
Eva Le Cat	PU	Manager of Food Voucher Fairs
Sebastien Bezelga	PU	Coordinator, PU/ECHO project
Etienne Lokabo	PU	Team Leader, Food voucher fairs
Bienvenu Vuvalya	PU	Agricultural coordinator, Seed voucher fairs
Michel Mokasha Lebeke	PU	Team leader, Seed voucher fairs
<b>Meetings in Kenya</b>		
Nick Radin	Action Contre la Faim (ACF)	Food Security and Watsan coordinator – Kenya
Bud Crandall	CARE Kenya	Country Director
Mohammed Qazilbash	CARE Kenya	Senior Sector Coordinator – Emergency and Refugee Operations
Johnson Irungu	CRS	Agricultural Manager
George Ademu	CRS	Agriculture Marketing Officer
Jonathan Schofield	CRS	
Simon Mansfield	DFID	Regional Humanitarian Advisor

Stephanie Rousseau	EC	TA – EC Somalia Operations
Johan Heffinck	ECHO	Coordinator – Sector Support Team
John Hayward	ECHO	Head of Office – DG-ECHO RSO
Nancy Balfour	ECHO	Expert – Sector Support Team
Bart Witteveen	ECHO	Principles and Legal Aspects of Humanitarian Aid – Sector Support Team
Adrian Sullivan	ECHO	TA DG-ECHO Somalia and Kenya
Caroline Pougine de la Maisonneuve	ECHO	Food security Advisor – DG-ECHO RSO
Suleiman Mohamed	FEWSNET	FEWSNET Regional Representative
Fanta Tauré	Horn Relief	
Degan Ali	Horn Relief Somalia	Director
Mathias Frese	ICRC	Co-ordinator – ICRC Somalia
Piers Simpkin	ICRC	Consultant in Livestock and Community Development
Josie Buxton	OXFAM	Emergency Coordinator, Kenya
Verity Johnson	OXFAM	Emergency Coordinator, Somalia
Carlos Alviar	UNICEF	Child Protection/Cash Transfer Programme Officer – UNICEF Kenya
Bai Bojang	WFP Kenya	
Denise Brown	WFP Kenya	Emergency Operations Coordinator
Simon Cammelbeeck	WFP Kenya	Logistics Coordinator
<b>Meetings in Jerusalem and West Bank</b>		
Cristian De Luca	COOPI	Gaza District Coordinator – COOPI
Elena Noaco	COOPI	West Bank Programme Coordinator – COOPI
Marco Campisi	COOPI	Country Coordinator – COOPI
Marina Juan Oliva	EC	Head of Operations – TIM – EC
Mario Mariani	EC	Head of TIM Management Unit - EC
Alberto Oggero	ECHO	Expert - DG-ECHO
Ayman Daraghme	ECHO	Programme Assistant - DG-ECHO
Beatriz Suso	ECHO	Expert – DG-ECHO
Lina Rabadi	ECHO	Programme Assistant
Christophe Driesse	ICRC	Economic Security Coordinator - ICRC
Andrew Dwonch	Mercy Corps	Mission Director – Mercy Corps
Birlam Irfaiyya	Mercy Corps	Admin/finance manager – Mercy Corps
May Dowani	Mercy Corps	Finance and Administration / Compliance Mgr – Mercy Corps
Juliette Touma	OCHA	Information and Media Coordinator – UN OCHA

Ahmed Qubaa	PU	Civil Engineer - Premier Urgence
Beatrice Paviot	PU	Head of Mission – Premier Urgence
Nayef Bani Shamsah	PU	Field officer – Premier Urgence
Saed Humid	PU	Field Officer – Premier Urgence
Typhaine Hoenner	PU	Programme coordinator – Premier Urgence
Abeer Abusneineh	SCUS	EJC project manager – SCUS
Bérangère Böell	UNRWA	External Relations and Projects Officer - UNRWA
Marion Taupiac	UNRWA	Emergency Program coordinator – UNRWA
Youssef Aoun	UNRWA	Accounts Control Officer - UNRWA
Yves Renaud	UNRWA	UNRWA
Anan H. Masri	USAID	Chief Engineer – USAID
Bassam M. Refai	USAID	Senior Engineering Manager – USAID
Jacques Higgins	WFP	Deputy Country Director – WFP
<b>Meetings in Afghanistan</b>		
Matteo Perrone	ACF	Head of Mission - Action Contre La Faim
Charlotte Shneider	ACF	ACF
Lex Kassenberg	CARE	Country Director – CARE
Jamie Terzi	CARE	Asst. Country Director – CARE
Farid Safi	CARE	Program Coordinator, CARE
Rohullah Zarif	CARE	Deputy Program Manager, CARE
M Samimi	CHA	Field Officer Manager - CHA
Jos Van Mierdo	Christian Aid	Country Rep. Christian Aid
Essa Shamal	Danish Embassy	Programme Officer – Embassy of Denmark
Elisabeth Rousset	EC	Deputy Head of Operations – EC Delegation
Clement Bourse	EC	Programme Manager – EC Delegation
Laurent Saillard	ECHO	Head of Office – DG-ECHO
Segolene de Beco	ECHO	Technical Expert – DG-ECHO
Shahwali Wali	ECHO	Program Officer – DG-ECHO
Wahid Salim	ECHO	Program Officer – DG-ECHO
Fazal Karim Najimi	FEWSNET	Country Representative – FEWS NET
Akbar Jan	IRC	EH Coordinator, IRC
Ramazan Mehdiyar	MADERA	Deputy Operations Director
Heather Amstutz	MEDAIR	Country Directory, Medair
Ainslie Mc Clarty	MEDAIR	Medical Manager, Medair
Laura Patterson	MEDAIR	Programme Manager, BDK, Medair
Ghulam Nabi	Mission East	Admin/Finance Manager – Mission East
Asif Nawaz	Mission East	Finance Manager - Mission East

Shafiq Ahmad	Mission East	Finance Manager Kabul – Mission East
Bashir Ahmad	Mission East	Engineer – Mission East
Grace Ommer	OXFAM	Country Programme Representative – Oxfam
M. Salim Ghausi	OXFAM	Programme Manager – OXFAM
Altaf Reza Jafery	OXFAM	Humanitarian Program Coordinator – Oxfam
Wali Moh. Farhodi	OXFAM	Funding Coordinator – Oxfam
Arif Sultani	OXFAM	Oxfam
Jan Agha Jasim	OXFAM	Oxfam
Fahim Sadiqullah	OXFAM	Programme Development Coordinator - Oxfam
Nasrullah Ahmad Zai	OXFAM	Oxfam
Petr Drbohlov	People in Need	NSP Country Manager
Thomas Hugonnier	SOLIDARITES	Country Director – Solidarites
Papa Zoumana Diarra	SOLIDARITES	Food Security Coordinator - Solidarites
Ewen Macleod	UNHCR	Deputy Representative – UNHCR
Maya Ameratunga	UNHCR	Head of Sub-Office Kabul - UNHCR
Kiran Kaur	UNHCR	Protection Officer, UNHCR
A. Jalil Sahibzada	UNHCR	Program Officer, UNHCR
Khalida Nasir	UNHCR	Programme Assistant, UNHCR
Hamid Barukzai	UNHCR	Programme Officer, UNHCR
Ahmad Shah	UNHCR	UNHCR
Giulia Scalettaris	UNHCR	External Relations, UNHCR
Timothy Anderson	USAID	Director Alternative Development - USAID
<b>Meetings in Azerbaijan</b>		
Council members	Chechen Refugee Council	Members of Chechen Refugee Council
Gurban Sadigov	Government of Azerbaijan	Head of Department – Cabinet of Ministers
Elshan Bagirov	Hayat	Coordinator - Hayat
Pamela Flowers	IRC	Country Director - IRC
Petr Kastohryz	Norwegian Refugee Council	Country Director – Norwegian Refugee Council
Akhmadov Sayid-Kasam	Salam	Representative Salam – Chechen NGO
William Tall	UNHCR	Representative - UNHCR
Amra Nuhbegovic	UNHCR	Admin/Programme Officer - UNHCR
Victoria Talishkhanova	UNHCR	APO – UNHCR
Tukezban Khalilzadeh	UNHCR	Senior Field Clerk - UNHCR
Leyla Nugmanova	UNHCR	Protection Officer – UNHCR

Zenfira Seyidova	UNHCR	Programme Assistant – UNHCR
Zakir Huseynov	UNHCR	Data Entry Clerk - UNHCR