



A REVIEW OF INTER-AGENCY COLLABORATION FOR CTP DELIVERY

EXECUTIVE SUMMARY, CONCLUSION AND RECOMMENDATIONS



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EXECUTIVE SUMMARY

Recent global initiatives have reaffirmed the potential for Cash-Transfer Programmes (CTP)¹ to effectively and efficiently meet a wide range of disaster-affected populations' needs while preserving dignity and choice. Although much work has been done in advocating for the benefits of CTP and enhancing its use in humanitarian action, relatively less research has explored the means through which cash transfers can be delivered to maximise their potential. With the increasing funding gaps faced by humanitarian actors globally – compounded by increasingly protracted crises – demonstrating efficiency and effectiveness has become critical to ensuring the best possible allocation of limited resources to meet the needs of crisis-affected populations.

While there are different, strongly held views about how to organise stakeholders to maximise efficiency and effectiveness, evidence about how well different delivery models provide quality CTPs in different contexts – including governance and collaboration arrangements – is scarce. For example, which is more efficient and effective: diverse competitors responding to harmonised specifications or a single delivery mechanism able to access economies of scale? In which contexts, and under what enabling environments? What collaboration mechanisms maximise quality, coverage and consistency of delivery?

This study tests the commonly held assumption that greater collaboration results in greater efficiency or effectiveness. It establishes drivers and measures of efficiency and effectiveness in CTP delivery; characterises different models of collaboration for cash delivery; and assesses these different models against the measures of efficiency and effectiveness.

While a number of UN-led collaboration models are underway for CTP delivery, none were sufficiently mature at the time of research in late 2016 to allow for analysis of efficiency and effectiveness. Several studies of UN-led models, notably for UNHCR in Jordan and WFP in Turkey, are anticipated to be undertaken and published in 2017 with the support of CaLP and others. The scope of this study is limited to a review of cases of collaboration between NGOs in the delivery of medium- to large-volume transfers by dollar value. Additional work will be needed to inform evidence-based best practice in structuring collaboration among a wide range of other actors.

After a preliminary desk-based review of available research on the efficiency and effectiveness of cash transfers and of examples of inter-agency collaboration for the implementation of CTP, four case studies were selected and explored in detail: the INGO consortium in Ukraine, the Iraq Cash Consortium, the Emergency Response Mechanism (ERM) in Afghanistan and the Cash Working Group (CWG) in the Philippines. All operated at a sufficient scale to see the setup of collaboration structures, but presented varying degrees of formality in the collaboration and harmonisation of approaches for CTP delivery. This study faced two significant limitations. First, as mentioned above, a number of collaboration models, particularly those led by UN organisations, were not available for study, and so findings may not be illustrative of the full range of potential models of inter-agency collaboration for CTP delivery. Second, given the limited scope of this study and the limited available data on the impact and outcomes achieved by members of selected case studies, findings have focused on 'perceptions' around efficiency and effectiveness from a limited range of informants. As a result, researchers cannot ensure that they have reached data saturation, and findings are therefore to be considered as indicative and for further study and exploration rather than definitive.

¹ CTP, as defined in CaLP's Glossary, refers to cash and voucher transfers www.cashlearning.org/resources/glossary#CTP

SUMMARY OF KEY FINDINGS ACROSS CASE STUDIES

All cases studied were examples of inter-agency collaboration that had achieved a minimum level of consistency and harmonisation, and acknowledged critical risks associated with a complete absence of harmonisation in the design of CTPs. As such, findings presented here should be understood as comparing levels and degrees of collaboration assuming such minimum standards have been achieved. Key perceived linkages between efficiency and effectiveness of CTPs, and the level and form of inter-agency collaboration for their delivery, have been broadly grouped into four categories: the impact of collaboration on efficiency, the impact of collaboration on effectiveness, the impact of collaboration across various phases of the cash assistance project cycle, and finally the impact of external factors on the outcomes of collaboration structures.

I COLLABORATION AND EFFICIENCY: START-UP COSTS, SHARED COSTS AND MANAGEMENT COSTS

- More formalised collaboration can allow for improved efficiency (sharing of functions and resources), but at a cost to operating agencies (coordination structures, contract management). **An efficiency analysis of a collaboration model should therefore consider the balance between gains through shared functions and the costs of collaboration** (including both donor and agency perspectives).
- **There was very limited evidence of gains in efficiency as a result of higher degrees of collaboration or formalisation** (beyond avoiding geographic overlap). Although the opportunity for gains in efficiency through shared costs was mentioned by respondents, individual agencies largely maintained their own internal cost structures (support, administration and indirect costs) regardless of the form of collaboration (with the exception of Monitoring & Evaluation (M&E) costs, which in some cases were shared between agencies with formal collaboration).
- The initial setup of collaboration structures and joint programme design takes time and resources across all collaboration models. **This suggests that initial investment in collaboration frameworks requires longer-term perspectives to fully pay off, and is more relevant for protracted or cyclical responses.**

2 COLLABORATION AND EFFECTIVENESS: COVERAGE, TECHNICAL SUPPORT AND FLEXIBILITY

- **More formal collaboration improves effectiveness by enhancing coverage.** Consortia (and, to a lesser degree, alliances) enable a broader geographic coverage, notably through effective geographic coordination, as well as wider beneficiary coverage simply in that they are more attractive to donors than individual agencies working separately, and so leverage more resources.
- **Improved collaboration and harmonisation enables better sharing of best practices and therefore contributes to more effective CTPs.** Yet, in some cases the need for consensus leads agencies to settle for the 'lowest common denominator' and to forego potential improvements due to the costs and time involved in building consensus.
- **More formal collaboration models, which allow for the shifting of resources between partners, can be effective in responding to external constraints,** including access or security issues, thereby enabling a stronger collective reach.

3 COLLABORATION AND EFFICIENCY AND EFFECTIVENESS ACROSS THE CTP PROJECT CYCLE

- Funding mechanisms, particularly **the ability to direct funds through multiple channels (with transparency between agencies on resources)** can improve the scale and timeliness of a response, thereby contributing to effectiveness and efficiency.
- Findings indicate **a trade-off between harmonising tools and standardising approaches and the timely delivery of cash assistance**, at least in the initial stages of a collaborative programme.
- The selection of a **common delivery mechanism is not necessarily required to achieve efficiency gains** when contracting an Financial Service Providers (FSPs), and information sharing can suffice for coordinated negotiations in cases where similar rates are charged regardless of the scale of the programme.
- While M&E frameworks and tools were generally harmonised, there was **little evidence available of joint analysis and use to improve programme quality, or for partners to keep each other accountable**. Consortia did provide some incentive to ensure collective performance through joint analysis, though this was rarely the case.
- Regardless of the form of collaboration, **high levels of collaboration between agencies provide opportunities for exploring linkages with social protection platforms, and therefore improving effectiveness**. Effective linkages to social protection occur as a result of multiple agencies working with a harmonised approach that can easily be handed over to, or coordinated with, government counterparts.

4 CONTEXTUAL FACTORS AND COLLABORATION STRUCTURES

- The degree of collaboration achieved appears to be primarily linked to the rationale and method under which collaboration structures were formed, as well as to the leadership and personalities of those involved. As such, **formalised collaboration (through consortia) does not necessarily ensure stronger levels of harmonisation** across implementing agencies, and high levels of harmonisation were noted in less formal models.
- More formal collaboration models with a limited number of partners (**consortia and alliances**) were **highly valuable in contexts where collaboration within wider Cash Working Groups (CWGs) has been hampered by 'political' struggles**, enabling improved decision-making in the CWG through joint advocacy. Through this, consortia and alliances can contribute significantly to more-effective cash responses, beyond the specific programmes of their members.
- An **analysis of contextual factors** within which a collaborative framework for CTP is critical to building an understanding of the **incentives that drive agency decisions about levels and forms of collaboration**. Key contextual factors affecting inter-agency decisions around collaboration appear to be those **linked to funding and cash coordination**.

CONCLUSION AND RECOMMENDATIONS

The study findings indicate that higher degrees of collaboration and levels of formalisation within collaboration structures do not necessarily correlate with improved efficiency and effectiveness. The study finds evidence of potential effectiveness gains from collaboration – in that collaboration can enhance CTPs' coverage, quality of design and resilience to access or security constraints. However, higher degrees of collaboration seemed to have negative or mixed results on the efficiency of CTPs due to costs associated with collaboration. Furthermore, despite the potential benefits of collaboration, more formal collaboration arrangements (such as consortia) did not necessarily result in higher levels of programmatic harmonisation, and less formal models (such as alliances or CWGs) could, in the right conditions, result in equally high levels of programmatic consistency. As such, where coordination structures and/or donors were able and willing to proactively promote consistency and collaboration among implementing agencies, less-formal structures could, in fact, be more likely to result in efficiency and effectiveness gains, given their lighter structure and wider membership. Finally, incentives linked to the operational environment and contextual factors within which collaboration structures are conceived were found to affect the degree to which efficiency and effectiveness gains from collaboration are achieved, highlighting the importance of country- or context-specific approaches to defining optimal collaboration frameworks.

On this basis, this study can formulate recommendations to help donors and operational agencies maximise the potential impact of collaborative frameworks on cost-effectiveness of CTPs within specific crisis contexts and operational environments. At the country level, where agencies are actively engaged in delivering cash transfers, these include: (i) maximising potential gains in efficiency by understanding areas of potential cost savings, such as shared costs and costs over time; (ii) enabling multiple funding channels and therefore a broader diversity of donors; (iii) developing mechanisms for systematic review of joint tools and approaches, as well as for a collective review of findings between agencies; and (iv) seeking synergies with social protection platforms.

Where discussions around CTPs are taken forward at a more strategic and policy level these include: (i) developing a standardised quantitative tool for assessing the costs and benefits of collaboration; (ii) allocating dedicated resources to collaboration; (iii) proactively engaging in discussions around cash coordination in order to reach potential gains in effectiveness; (iv) agreeing on a minimal set of standard outcome- and impact-level indicators to be consistently captured for CTPs; and (v) further analysis of the suitability of various forms of collaboration by context.

Finally, given the aforementioned limitations of this study, further research could be valuable in confronting these findings to provide evidence from analysis of quantitative data, as well as complementing selected case studies to ensure the applicability of findings to other types of collaboration model. This could include further study into the following:

- Extending the study to other operational models for cash-transfer programming (UN-led, or based on a technical division of responsibilities).
- Cost-benefit analysis further quantifying these initial findings and building an understanding of the evolution of collaboration costs over time and scale.
- Quantitative analysis (from outcome-level evaluation data) of the relationship between levels of harmonisation and quality of outcomes opening the door to further discussions on the drivers of efficiency and effectiveness in inter-agency collaboration.
- An analysis of the incentives and decision-making processes that drive collaboration and competition between operational agencies.



The Cash Learning Partnership

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