MARKET ANALYSIS AND OUTCOME/IMPACT MEASUREMENT IN CASH TRANSFER PROGRAMMING

in the WaSH and Shelter Sectors in Sudden Onset Disasters

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The Cash Learning Partnership

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About the authors

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CONTENTS

ACKNOWLEDGEMENTS

ACRONYMS

CaLP   Cash Learning Partnership

CRS   Catholic Relief Services

CTP   Cash Transfer Programming

FSL   Food Security and Livelihoods

LSE   London School of Economics and Political Science

MPG   Multi-purpose Cash Grant

NGO   Non-governmental Organisation

WaSH   Water, Sanitation, and Hygiene

EXECUTIVE SUMMARY

BACKGROUND

Cash transfer programming (CTP) and, as of late, unrestricted and unconditional multi-purpose cash grants (MPGs) are becoming increasingly popular modalities of humanitarian responses; however, the use of CTP has not expanded as rapidly as it could have within the WaSH and shelter sectors. This project therefore seeks to examine how an expansion of the use of CTP in these sectors can be supported by: 1) improved market analysis and 2) an increased focus on outcome and impact measurement.

1. In the past five years an array of market analysis tools have been developed and applied by humanitarian practitioners. There is now a need to understand barriers to conducting and implementing market analysis within the WaSH and shelter sectors, and capture current market analysis practices.

2. With the increased scrutiny on CTP modalities, there is an expectation to demonstrate a causal link with sectoral outcomes. As such, outcome and impact measurement have become an increasing focus with CTP. However, currently, outcome and impact measurement literature focuses on sectors external to WaSH and shelter. There is a present need to examine the current outcome and impact measurement practices and key challenges of practitioners in WaSH and shelter sectors because it is a potential barrier to CTP uptake in these sectors.

To explore these issues, research was conducted in three phases: desk research, key informant interviews, and an online survey. Over 40 practitioners in WaSH and shelter sectors contributed their insights through the survey and interview.

FINDINGS

When market analysis is conducted, it only moderately influences programme design. Typically, the most influential aspect is the market information baseline. Key informants vocalised an interest in using more in-depth market analysis to inform and influence programming; however, in practice, the complexity of conducting in-depth market analysis was a major barrier. Additionally, there is inertia amongst practitioners to design new and ambitious programmes based on market analysis due to the reluctance to diverge from past programming practices and a lack of clear definition of programme objectives.

The number one barrier to conducting market analysis is a lack of sector-specific market analysis tools. There are many general market analysis tools; however, there is a need for more targeted, sector-specific tools that take into account the complex nature of the sectors. For instance, within the shelter sector the rental market is particularly complex and context-specific. A lack of capacity and a deficit of practical experience were also highlighted as key challenges to conducting market analysis.

Current monitoring of programmes consists mainly of tangible, quantifiable output metrics. While these illustrate the outputs of a programme, they do not take into account the influence of the programme on the community and market, or the intended or unintended trickle-down effect of a response. As both restricted and unrestricted CTP become more popular, there is an increased desire to monitor how people are using the cash and measuring its effect on greater outcome and impact objectives. In particular, there is a desire to understand the trickle-down effects of CTP at a market and household level. Stronger evidence of outcomes and impacts of CTP within WaSH and shelter sectors would help to scale programmes and build a base of proof, which will bolster practitioners' confidence in CTP.

Outcome and impact measurements are less developed than market analysis with regard to the tools and examples available. The two key challenges to conducting outcome and impact measurements are a lack of understanding of which indicators should be measured and a lack of capacity to conduct the outcome and impact measurements.

1 PROJECT DESCRIPTION AND SCOPE

This project was initiated by the Cash Learning Partnership (CaLP), and conducted by a team of MSc Development Management students from the London School of Economics and Political Science (LSE) as a component of their DV431: Development Management course, with the direction and advice of Isabelle Pelly, CaLP Technical Coordinator.

As CTP becomes an increasingly popular modality of humanitarian intervention, there is a corresponding need to better understand and execute market analysis and outcome and impact measurements within the WaSH and shelter sectors. CTP has not expanded to the extent it could have within WaSH and shelter sectors; as such, this project focuses on how market analysis is currently executed and how it could be improved to strengthen the use of CTP in both WaSH and shelter. Additionally, it focuses on how outcome and impact measurements are currently conducted and how they can strengthen the base of evidence surrounding CTP in WaSH and shelter, thus helping to expand the use of CTP.

The core objectives for this project are twofold: firstly, this project aims to aggregate and examine current market analysis and outcome and impact measurement practices across WaSH and shelter. Secondly, it seeks to examine the current barriers to conducting market analysis and outcome and impact measurements in sudden-onset disasters across WaSH and shelter.

The recommendations described within this report are intended to help WaSH and shelter practitioners to identify the areas of capacity on which they need to focus in order to maximise the use of CTP in their sectors.

2 INTRODUCTION

The following section provides an examination of existing literature and trends on market analysis and outcome and impact measurements within the WaSH and shelter sectors.

2.1 REVIEW OF MARKET ANALYSIS LITERATURE AND TRENDS

With the growing use of CTP in humanitarian interventions, practitioners have become increasingly concerned about using such a modality without fully understanding local markets. Market analysis tools have been developed to assist practitioners in better understanding markets and support programme design; however, the limitations of these tools are becoming apparent, especially when it comes to unrestricted and unconditional MPGs within WaSH and shelter.

Market analysis is an integral part of the process of determining the method and mode of response during a humanitarian intervention. It is particularly important in ensuring that an intervention "does no harm" (Pelly et al., 2015). A lack of understanding of local markets may compromise the effectiveness of a programme and risk harming the local economy. While this is widely acknowledged amongst practitioners, many barriers exist to conducting and using market analysis.

The barriers to conducting and implementing market analysis are similar across both WaSH and shelter sectors. In conducting market analysis, many CTP resources are biased towards the Food Security and Livelihood (FSL) sector. Specifically, market analysis tools are perceived as food security tools targeted at FSL programmes, which makes it difficult for WaSH and shelter practitioners to use. Not only are the tools using FSL terminology, but they do not address complex market systems with which other sectors are involved, such as the water and rental markets (Global Shelter Cluster, 2016). For example, the water market system often has public and private vendors, formal and informal provisions, and different services in urban and rural areas. These dimensions are not addressed in the current market analysis tools but are critical to the WaSH sector (Juillard, 2014).

The lack of knowledge and expertise in conducting market analysis is another barrier facing practitioners in the WaSH and shelter sectors. Similarly, greater personnel capacity exists in the FSL sector. This limitation prevents practitioners from understanding the different response options that are available in meeting their programme objectives. Instead, practitioners use the same type of response because they do not feel that they are equipped to change their way (Martin-Simpson, 2015).

If and when market analysis is conducted, additional barriers can be found when using and applying the results of the analysis in CTP. It is expected that the type of response is going to be influenced by the results of the market analysis; however, practitioners tend to follow their "gut feeling" and implement the responses with which they are most comfortable (Juillard, 2014). For example, in the Philippines during Typhoon Haiyan, rapid food market assessments were conducted to understand the rice and vegetable markets. However, the staff working on the response reported that none of the market assessments were used in the programme design, despite the useful information that it contained (Pelly et al., 2015).

A contributing factor to this problem could be that organisational systems and procedures are mostly designed for in-kind distributions and have difficulty adapting to other types of responses. Likewise, the risk of not meeting programme objectives or humanitarian standards has limited practitioners' ability to implement something new (Martin-Simpson, 2015).

Finally, the lack of evidence in CTP has made practitioners cautious in implementing new CTP initiatives. Both the WaSH and shelter sectors are interested in CTP; however, they want to learn from others' experiences first. This barrier is perpetuated with the inadequate monitoring and impact measurement of programmes (Martin-Simpson, 2015).

2.2 REVIEW OF OUTCOME/IMPACT MEASUREMENT LITERATURE AND TRENDS

Throughout the last two decades, interest in measuring the impacts and outcomes of humanitarian interventions has grown dramatically. Increased interest in monitoring and assessing humanitarian programming has been attributed to the politicisation of humanitarian work, the institutionalisation of the humanitarian sector, and the increasing number and scale of emergencies (ALNAP, 2008; Donini et al., 2008; Roche, 2008; Barnett, 2005). Combined, these factors have resulted in increased debate and discussion surrounding the effectiveness of humanitarian programming in emergencies. In particular, a high level of scrutiny has been applied to cash over the last decade, with a focus on determining its effectiveness as a modality of intervention (Overseas Development Institute, 2015).

Impact assessments serve two main purposes: accountability and learning (ALNAP, 2008). Accountability within NGOs can be upwards towards donors or downwards towards beneficiaries (Ebrahim, 2003). Increasingly, donors are emphasising the importance of impact measurements to demonstrate an organisation's effectiveness and efficiency. Donor-motivated impact measurements can be conducted either by the organisation internally, although this can introduce issues of bias, or by a third-party organisation.

Alternatively, impact assessments are conducted as a process of learning for the organisation (Ebrahim, 2003). They are used to determine the effectiveness and/or efficiency of programming, and can help to redefine future strategies to better serve the intended beneficiaries.

Three main barriers are commonly highlighted in the literature as barriers to assessing impact in the humanitarian sector. Firstly, there is a lack of clarity as to the definition of and approach to impact measurement (ALNAP, 2008). Traditionally, the impact within the humanitarian sector is viewed linearly, in which an organisation's activities produce outputs (products of the activities), outcomes (benefits that the project is designed to deliver) and, lastly, impacts (the higher-level goals to which the intervention contributes) (ALNAP, 2008). However, this linear approach has been critiqued, as it focuses on pre-determined impacts. Consequently, it fails to take into account potentially unintended consequences of the interventions (Hofmann, 2004; ALNAP, 2008). In connection, the second main barrier to impact assessment in the humanitarian sector is the complexity of measuring intended and unintended outcomes and impacts. While outputs are measurable because they are a direct product of an organisation's activities, outcomes and impacts are more difficult to measure, as they do not exist in a single dimension. This is particularly challenging with CTP, as opposed to in-kind interventions, as the outcomes and impacts of CTP can be more challenging to attribute. Additionally, outcome and impact measurements become even more complex when examining the effects of CTP at a market level. With many factors influencing outcomes and impacts, it is difficult, and some argue impossible, to isolate the consequences of a single activity (ALNAP, 2008). The third and related barrier is that the process of attempting to measure the impact can be highly time- and resource-consuming. Many organisations, while interested in conducting impact assessments, are unable to do so due to resource and capacity limitations.

Focusing on the WaSH and shelter sectors, similar trends can be observed, whereby the growing interest in CTP (particularly in sudden-onset disasters) has been paralleled by an increased interest in outcome and impact measurements. As CTP becomes more popular, there is an increased desire to monitor how people are using the money and measure its effect on greater outcome and impact goals.

Existing literature on impact measurement of CTP has been mainly focused on the FSL sector. For instance, rigorous impact measurements have been conducted on conditional cash transfers on education, health, and food initiatives in Latin America and the Caribbean, which found that conditional cash transfers are effective means for improving human capital accumulation in poor households (Rawlings and Rubio, 2003). Similarly, the Food and Agriculture Organisation of the United Nations has conducted studies on the impact of cash transfer programmes on local economies at household and community levels (Barca et al., 2015). Likewise, following the success in FSL, unconditional and unrestricted MPGs have begun to be strongly promoted (Overseas Development Institute, 2015). While impact assessments of unconditional CTP have been published in FSL and health services, there is a lack of literature on the current practices and barriers of impact assessment of CTP within WaSH and shelter, although lessons can be learnt from the approaches taken in FSL.

As CTP and unconditional and unrestricted MPGs become increasingly popular, it is important to understand how to measure the outcomes and impacts of the programmes. This report seeks to begin to fill the gap in literature surrounding outcome and impact measurements in the WaSH and shelter sectors in sudden-onset disasters by examining current measurement practices within the sectors as well as key challenges to implementing outcome and impact measurements.

3 METHODOLOGY

3.1 PROJECT METHODOLOGY

The research for this report included desk research on existing literature, interviews with key informants in the WaSH, shelter and CTP communities, and an online survey distributed across WaSH, shelter and CTP practitioners.

Desk research was conducted to examine the existing literature on CTP in the WaSH and shelter sectors, with a specific focus on identifying trends and gaps in the research. Throughout this process, case studies, toolkits, scoping studies, programme evaluations, and position papers were consulted. These documents were gathered from CaLP, key informants, and online research.

Interviews were conducted with nine key informants to provide in-depth insight into the current practices and challenges facing practitioners. The list of key informants was defined by CaLP, and consisted of experts and practitioners in WaSH, shelter and/or CTP. A list of key informants can be found in Annex C.

An interview questionnaire was designed for key informants on market analysis, and outcome measurements following sudden-onset disasters in the WaSH and shelter sectors, to provide a broader understanding of the current practices and perceived barriers within each sector. The questions were catered based on the key informants' areas of expertise. The interview questionnaire can be found in Annex D.

An online survey was written based on the findings of key informant interviews. The survey was created using SurveyMonkey, and disseminated to WaSH and shelter communities on 4th March 2016. The survey was shared with the CaLP d-group, which is an online discussion platform. The survey was closed on 18th March 2016. A total of 31 responses were received. The survey can be found in Annex E.

The survey aimed to aggregate information and gain an understanding of current market analysis and outcome and impact measurement practices in WaSH and shelter, how market analysis is used to inform programme design in WaSH and shelter following sudden-onset disasters, and how outcome metrics are used to assess programme outcomes in CTP interventions in WaSH and shelter following sudden-onset disasters.

Figure 3.1: Map of survey respondents
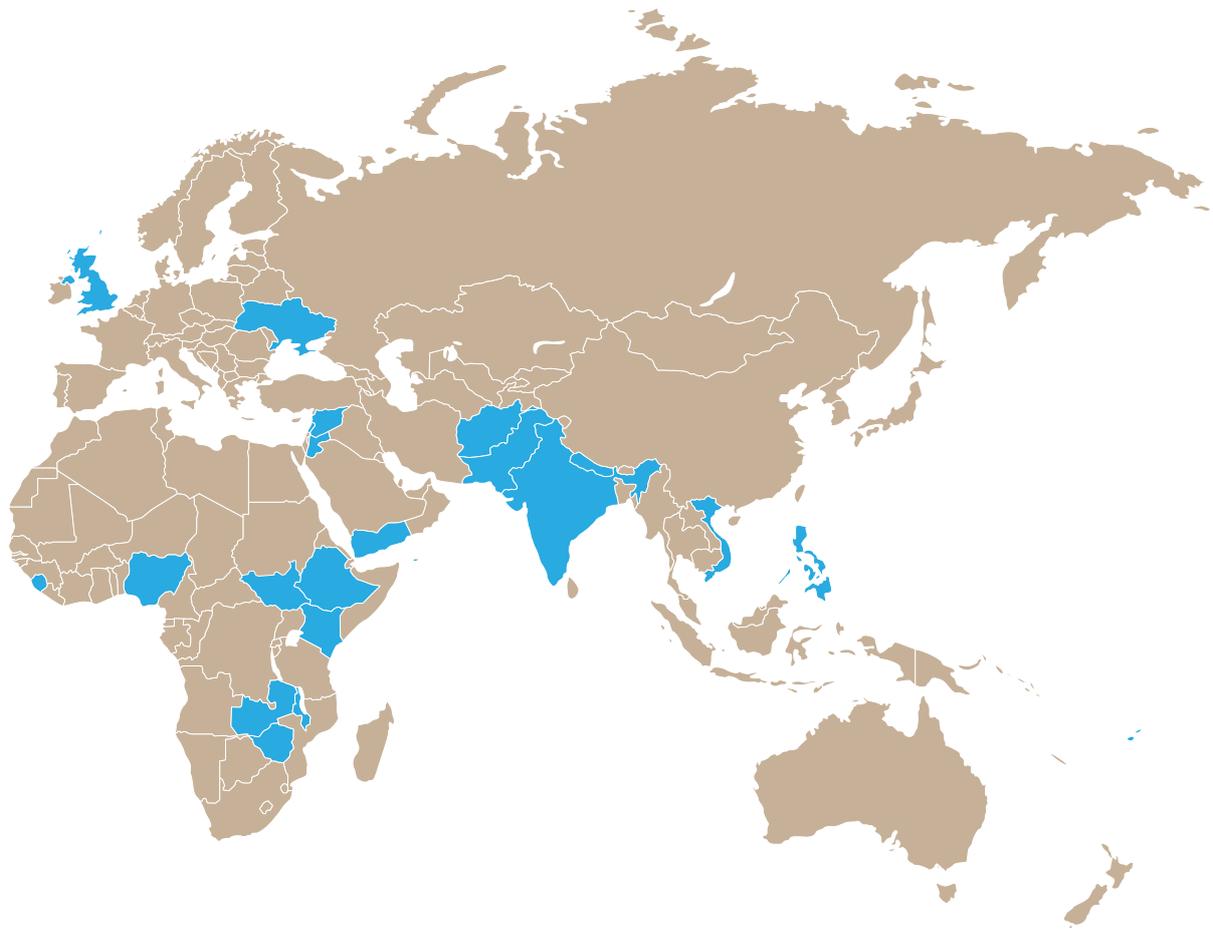
Photo: Malawi Floods. Thea Rabe / Norwegian Red Cross

Figure 3.2: Sector breakdown of survey respondents

Shelter 63%

WaSH 37%
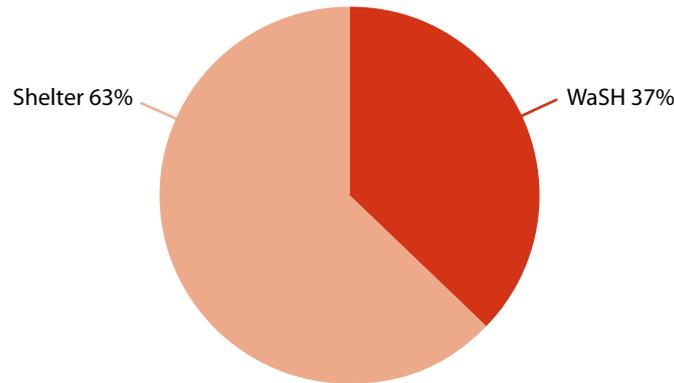
Figure 3.3: Location type breakdown of survey respondents

Other 19%

Feild Based 32%

Regional Office 10%

HQ 39%
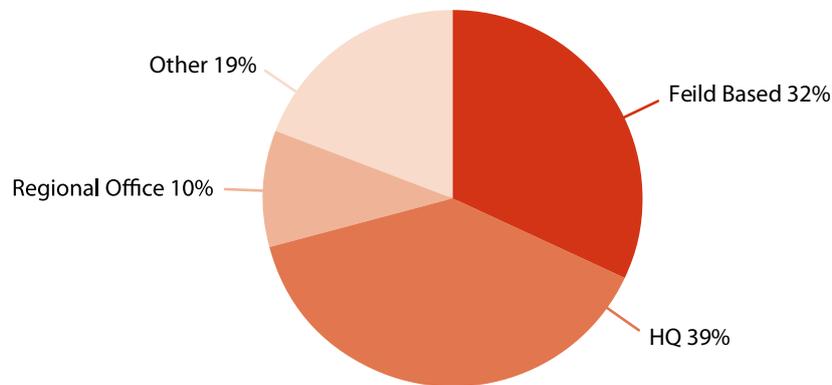
3.2   CONSTRAINTS

3.2.1   Available literature

There is a lack of existing literature on the implementation of market analysis in the sectors of focus following sudden-onset disasters. While there is broad literature on market analysis tools, there was limited research on how, and to what extent, market analyses influence programming following sudden-onset disasters. This limitation in the available literature highlights one of the motivating factors for this project. Likewise, there is limited research on how outcome and impact measurements are conducted in the WaSH and shelter sectors to determine the effectiveness of their programming.

3.2.2   Timeframe of key informant interviews

Key informant interviews were conducted during a three-week period. Due to this restricted timeframe and interviewee availability, interviews were limited to between 45 minutes and one hour. Follow-ups were conducted via email and were mainly focused on clarifying details and soliciting recommended documents.

3.2.3   Timeframe of survey

The survey was open for a total of 14 days. Due to this short period of time, the number of responses was limited. However, practitioners within WaSH and shelter sectors confirmed that the results were a strong representation of each sector.

4 MARKET ANALYSIS PRACTICES AND BARRIERS

The literature that was reviewed in earlier sections about market analysis in the WaSH and shelter sectors indicates an interest from both sectors in implementing market analyses and highlights the barriers. As the WaSH and shelter sectors are evolving rapidly in the use of CTP and have experienced increased access to tools and resources in the last few years, it is important to understand how the barriers to conducting market analysis have potentially shifted. The following section aims to fill this gap in the literature by examining the current market analysis practices in WaSH and shelter, not only with regard to how the market analyses are being conducted, but also with regard to how and to what extent they are influencing programme design. Additionally, it will examine the barriers to both conducting market analysis and implementing it in CTP.

4.1 CURRENT MARKET ANALYSIS PRACTICES

4.1.1 Timing of market analysis

When looking at the different stages of programming (recovery, immediate relief, longer-term/development, preparedness, disaster risk reduction), the timing of when a market analysis is conducted provides a lot of insight. Most market analyses are conducted post-disaster in the immediate relief, recovery, and longer-term/development programme stages. Market analyses are conducted to a lesser extent pre-disaster in the disaster risk reduction and preparedness stages.

The average time it takes to conduct market analysis is three weeks or less in a sudden-onset disaster. If this short period of time is invested in preparedness and contingency planning, it can have a positive effect on the programme design and helps organisations to scale up quickly (Martin-Simpson, 2015). For example, Save the Children conducted emergency preparedness in Vietnam, where they looked at past country experience with CTP, assessed the suitability of CTP in a flood response, and gathered information about household needs post-flooding. These efforts informed practitioners that markets tend to function normally after floods with the ability to scale up quickly, financial services were relatively poor in Vietnam, and infrastructure damage is the biggest obstacle post-flooding. After six weeks, Typhoons Ketsana and Mirinae hit Vietnam, affecting three million people. The information gathered during preparedness helped practitioners to implement an appropriate response in a short period of time (Doan et al., 2011).

Nonetheless, respondents expressed that the timing of conducting market analysis is dependent on other variables, such as funding, management, and the operations strategy of whether they will be purchasing items locally or importing them.

4.1.2 Influence of market analysis

When market analysis is conducted, the majority of practitioners stated that it moderately influences their programme design, especially when there is a market information baseline, which is found to be highly influential. At the same time, some practitioners expressed that the results of market analysis have a minimal effect on their programmes. This is a very interesting finding, as it shows that the barrier is not only with market analysis, but also with the "human element", as explicitly pointed out by one of the key informants.

Figure 4.1: Market information

- Heavily informs program design 16%
- Does not inform program design 0%
- Moderately informs program design 47%
- Minimally informs program design 37%
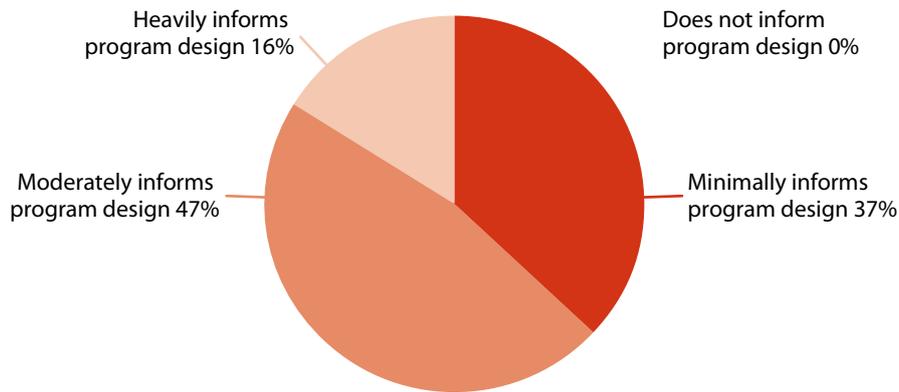
Replace with Figure 4.2 Market analysis

- Does not inform program design 6%
- Heavily informs program design 6%
- Minimally informs program design 26%
- Moderately informs program design 6%
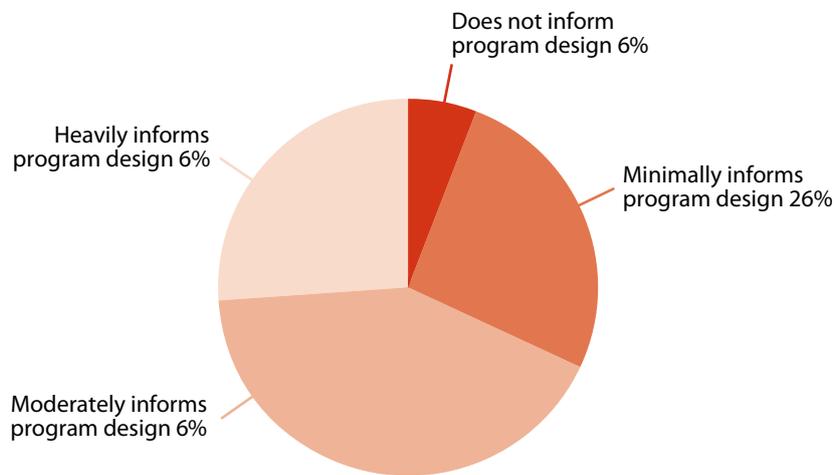
Other key informants expressed that the reason for not using the results of market analysis to inform CTP is the difficulty in making recommendations in markets that are complex and sectors that are very broad, e.g. WaSH and shelter. In addition, there is a fear amongst practitioners in designing ambitious interventions due to the fear of change and the lack of programme definition.

This finding is in line with what has already been mentioned in the literature. Additional reasons for the lack of influence of market analysis include high turnover of staff in response teams with varying levels of experience in CTP, as well as budget constraints (Martin-Simpson, 2015).

4.1.3   Optimal market analysis

Respondents of the survey were asked what an optimal market analysis report would contain to help better guide them in designing their programme in a sudden-onset disaster. The answers from the survey were consistent with the key informant interviews.

In both the WaSH and shelter sectors, practitioners stated that the most important information they need in an ideal market analysis is the availability of commodities in markets, accessibility of the market, supply chain functionality and capacity, and comparative prices before and after the crisis. For the shelter sector specifically, the availability and cost of labour as well as transportation were especially important, as they are currently not included in standard market assessments.

Within the WaSH sector, market actors' identification and mapping were especially important as well as governance issues and regulations in the country. These elements are currently not included in the standard assessments but they are critical to WaSH practitioners because the water market system is a system full of power situations and can be sensitive from a political standpoint.

Other information that was mentioned includes understanding the affected population in terms of gender, ethnicity and security barriers to accessing markets, their preferences for different modalities, and understanding the banking and monetary system to evaluate the feasibility of CTP. It was also noted that understanding the governmental activities would be helpful before designing programmes to prevent overlaps.

EXAMPLE FROM THE FIELD: MARKET ANALYSIS INFLUENCE ON PROGRAMME DESIGN

Heavy rainstorms and floods struck Malawi in January 2015, affecting 630,000 people. Catholic Relief Services (CRS) assisted in the recovery of 170,000 displaced individuals. The programme objectives were: 1) to make sure that people had access to safe and dignified shelter, and 2) to assist people in constructing shelters that are more resistant to floods and other disasters.

Initially, cash was supposed to be distributed to rebuild houses; however, market analysis and community preferences altered the design of the programme. A physical survey was conducted to assess the damage and needs, as well as interviews and focus groups with communities, local government, and NGOs. It was found that construction materials in local markets were only partially available, while other materials were limited, inflated or unavailable. Communities expressed their preference for in-kind materials to enable them to focus on food and livelihood needs, especially that their crops were destroyed by the flood. Women also expressed their concern about the risk of cash not being spent on the intended purpose by men. Therefore, the programme was adjusted according to the findings. Construction tools and materials were distributed to households instead of cash. CRS also provided technical assistance and training to people to help rebuild more resilient shelters.

This case study, which has shown how market analysis and community preference play a vital role in programme design, reflects the findings from the survey in which practitioners expressed a positive influence of market analysis on their programming. Had cash been distributed to households, it would have further inflated prices in markets. People would have used it for food needs, and it would have created gender issues. This is to show how harmful an intervention can be if the findings from market analysis are dismissed (Catholic Relief Services, 2015).

4.2   BARRIERS AND KEY CHALLENGES OF MARKET ANALYSIS

4.2.1   Sector-specific market analysis tools

The number one barrier in market analysis is the lack of sector-specific tools. Key informants expressed that the existing tools today are sufficient; however, they are not sector-specific and often dismiss many of the complex market systems in which other sectors operate.

For example, in the shelter sector it is difficult to understand markets in disaster situations because, unlike food items (which are consistently consumed), shelter items tend to be costly and are only purchased once, leading to a boom and bust in the market. Furthermore, the food sector tends to look at a handful of commodities as long as the caloric count is substantial; however, in the shelter sector there is a wide range of commodities that require technical expertise to determine what is most appropriate and whether it meets the safety and quality standards of construction. This is not to mention the complex rental and labour markets in the shelter sector that are difficult to analyse with the current market analysis tools.

Another example from the WaSH sector is the difficulty in understanding the seasonality and complexity of the water market system due to the different qualities and usages of water, as well as the vulnerabilities and purchasing power of the beneficiaries.

Photo: Allan Gichigi / Save the Children

4.2.2   Lack of capacity

The second barrier facing practitioners is their lack of capacity in conducting market analysis. It has been expressed that there is a will amongst practitioners and organisations to use CTP; however, they are limited by their capacity and experience in understanding markets. There is capacity deficiency not only in conducting market analysis, but also in practitioners' ability to be able to interpret the results to inform programme design (Sivakumaran, 2011).

Despite the fact that most market analysis tools are designed for practitioners with different backgrounds without requiring technical knowledge, it has been proven effective to have at least one member in the team who has experience in engaging with markets and analysing data (Byrne et al., 2013).

4.2.3   Lack of practical experience

The third barrier is the lack of practical experience that practitioners have in conducting market analysis, which is closely related to the capacity issue. It has been shown that teams with prior experience in CTP are more open to using them again than are teams with limited or no experience (Martin-Simpson, 2015). In addition, practitioners who are familiar with the country's context and with conducting market analysis in general tend to produce better-quality results (Byrne et al., 2013).

4.2.4   Other barriers

Additional challenges that were expressed were related to organisational behaviour and resources. There is internal resistance in some organisations to changing the status quo, by moving away from traditional responses to more appropriate market analysis-informed responses. The lack of financial resources presents another constraint limiting practitioners from conducting sufficient market analysis. However, these barriers are considered minor compared to the others, according to the survey.

5 OUTCOME/IMPACT MEASUREMENT PRACTICES AND BARRIERS

As momentum behind CTP and unconditional and unrestricted MPGs grows, it is crucial that there be an understanding of how these programmes' outputs, outcomes and impacts can be measured. While there is research on impact measurement of CTP in FSL and health services, there is a deficit of literature on the specific challenges to measuring CTP outcomes and impacts within WaSH and shelter. The following section aims to fill this gap by aggregating the current practices of impact measurement in sudden-onset disasters, as well as provide an examination of the current barriers to conducting impact measurement in sudden-onset disasters in WaSH and shelter sectors.

5.1 CURRENT OUTCOME/IMPACT MEASUREMENT PRACTICES

5.1.1 Output measurement

The overwhelming majority of survey respondents and key informants within WaSH and shelter indicate that they conduct some form of systematic monitoring of their programmes. Outputs are the most commonly cited form of monitoring. Common indicators used to measure outputs fell into two categories: 1) the number of beneficiaries served (i.e. the number of beneficiaries receiving hygiene kits, or cash transfers), and 2) the number of served beneficiaries utilising the cash for the intended purpose. Respondents indicated that outputs are most commonly measured on a short-term basis, occurring within the year of the activity. This is likely because outputs would not vary greatly on a short- or long-term basis, as they are directly connected to an organisation's activity.

Outputs were almost exclusively quantitative in nature. Key informants highlighted that there is a focus on the measurement of quantitative outputs; however, this approach limits an organisation's understanding of the non-quantifiable outputs. The measurement of non-quantifiable outputs, as well as a deeper understanding of outcomes, can be influential in programming.

EXAMPLE FROM THE FIELD: BEYOND OUTPUTS

In May 2014, devastating floods affected an estimated 1.6 million people in Serbia. Catholic Relief Services (CRS) responded to the emergency with a programme focused on supporting the poor rural villages. The programme consisted of: 1) cleaning and drying the damaged structures, 2) providing cash grants to replace essential household items, and 3) verbal and physical distribution of disaster risk reduction information to beneficiary households.

The programme implemented a series of evaluation mechanisms to ensure that the programme was achieving its intended outcomes and impacts. The evaluation mechanisms consisted of output measurements (amount of money transferred to beneficiaries, number of shelters incorporating disaster risk reduction measures) and outcome measurements (pre-post test of beneficiaries to determine knowledge retainment of disaster risk reduction information, survey to determine what percentage of households used the cash in its intended usage).

The results of these evaluations provided CRS with key output figures, as well as interesting findings on how and when the beneficiaries were using the cash. For instance, the survey found that households used 40% of the cash to fix their houses, with 9% on replacing household items, 28% on everyday expenses, and 23% being unspent. These findings indicate that the cash-based intervention allowed for the households' changing needs, as well as provided room for them to save the cash if necessary.

This case study, which highlights how evaluations of programming beyond outputs can provide valuable information for future programming, illustrates sentiments expressed by key informants. One shelter sector key informant emphasised the importance of understanding not only how, but also when, the cash is used, which is essential for future programming. Within the humanitarian sector there is a focus on tangible outputs of interventions; however, instances where beneficiaries defer spending the cash, and instead choose to save it, illustrate the importance of capturing unintended output and impact measurements (Catholic Relief Services, 2015).

5.1.2   Outcome/impact measurement

The survey respondents indicated that outcomes are currently measured on a short-term and, to a lesser extent, long-term basis. Respondents indicated that the outcomes that were measured are closely tied to the outputs of their organisations. For instance, respondents indicated that they measured the percentage of beneficiaries that received cash transfers and who had access to safe drinking water one year after the intervention concerning the number of houses still occupied.

It should be noted that the majority of survey respondents did not complete the impact measurement section, which might indicate a lack of confidence in addressing such issues. Key informants reiterate this discomfort or uncertainty surrounding impact measurement. The perception among key informants is that there is a large amount of room for improvement of outcome and impact measurements of activities following sudden-onset disasters in both WaSH and shelter. In particular, they voiced a desire for their organisation to understand the trickle-down effects that their cash transfer programming was having at a market and household level. The survey results also support this desire for more ambitious impact measurement. When asked, "Five years after a market-based intervention for WaSH or shelter, what would you like to be able to measure (at household and market level) to demonstrate the achievement of your programme objectives?", respondents answered that they would like to be able to demonstrate the following:

Desirable market results from impact measurement:

- Absence of evidence of harming the market

- Functional and healthy market

- Increased availability of quality of products in the market

- Increased demand for quality products in the market

- Resilience of HH effect on the market

Desirable social results from impact measurement:

- Gender, protection and inclusion of vulnerable people

- Shifts in income and gender perception

Desirable sector-specific results from impact measurement:

- Decreased disease rate

- Quality and occupancy of housing

- Increased labour capacity in construction

The desired market-level results from impact measurement illustrate the interconnected nature of market analysis and impact measurement. As both market analysis and impact measurement improve, each tool supports and reinforces the other. There have been attempts to analyse the economic multiplier effects of CTP. The Inter-Agency Impact Assessment of the Cash Transfer in West Sumatra revealed that the injection of cash into the local economy had a strong multiplier effect because households had increased money to spend in the local economy (Aspin, 2010). Likewise, surveys and interviews were conducted of community members, beneficiaries, and local leaders to better understand the extended social impact of CTP. The findings revealed positive impacts of the programmes, as well as negative or unintended impacts such as jealousy and frustration from non-beneficiaries (Aspin, 2010).

The key informant interviews and survey respondents reveal a clear interest in conducting ambitious outcome and impact measurements; however, currently there are a number of barriers and challenges inhibiting this from occurring.

5.2 BARRIERS AND KEY CHALLENGES OF OUTCOME/IMPACT MEASUREMENT

5.2.1 Lack of understanding of indicators to measure

Respondents and informants felt that outcome and impact measurements were weaknesses not only of CTP but also of WaSH and shelter in general. Both key informants and survey respondents emphasised that the number one barrier to conducting outcome and impact measurements was a lack of understanding of which indicators should be measured. In part, this stems from the perceived complexity of measuring impacts and outcomes, particularly the difficulty in isolating the effects of specific activities as well as their trickle-down effects on the market.

Informants also indicated that there is a lack of clarity concerning the non-output objectives of an activity, which complicates defining outcome and impact measurement indicators. Ideally, these indicators should be clarified and defined at the outset of a project, prior to market analysis, as the outcome and impact indicators will, in turn, influence the scope of market analysis. In particular, with the increased interest in unconditional and unrestricted cash transfers, respondents voiced a concern over the complexity of measuring a programme's effectiveness without a defined understanding of an established goal.

Shelter practitioners felt more confident in measuring outcomes and impacts. In part, this is attributed to the close connection between outputs and outcomes within shelter commodities. For instance, the number of houses built is directly linked to the ultimate goal of increasing housing access. As a result, there is a more defined understanding of what should be measured.

5.2.2 Lack of capacity to conduct outcome/impact measurements

The lack of time and funding was the second most commonly cited challenge to conducting outcome and impact measurements. Organisations conveyed that there was a lack of financial and time provision allocated specifically to monitoring programmes and conducting short-term and longer-term assessments of outcomes and impacts.

The short timeframe of intervention cycles was commonly cited as a limiting factor to conducting impact measurements. Practitioners voiced that the projects might be monitored during, as well as in the short term following, the project; however, there were few instances in which organisations continually monitored outcomes and impacts in the longer term.

5.2.3 Lack of practical experience conducting impact measurements

Practitioners also voiced that a lack of practical experience in conducting impact measurements was a key challenge. As impact measurement within WaSH and shelter is relatively new, there is a perceived lack of experience of conducting impact measurement in the industry. As such, practitioners are looking towards larger developmental and FSL organisations for guidance.

6   RECOMMENDATIONS

This report has examined the current practices and barriers of market analysis and outcome and impact measurements in the WaSH and shelter sectors in sudden-onset disasters. Based on the findings, the following recommendations are made to help practitioners in the WaSH and shelter sectors to address the current barriers that are inhibiting the scale and effectiveness of the potential use of CTP.

6.1   TOOL DEVELOPMENT

6.1.1   Adapt market analysis tools for sector-specific use

A more dynamic and sector-specific set of market analysis tools needs to be developed (or existing tools adapted) to help practitioners in the WaSH and shelter sectors to assess their markets of interest. Complex market systems such as the rental, water and labour markets need to be covered in these tools to better inform practitioners when designing their programmes. Practitioners in the WaSH and shelter sectors have to play a more active role in developing these tools to voice their concerns and assure that their needs are served.

6.1.2   Develop a comprehensive toolkit for outcome/impact measurement with defined inter-agency outcome indicators

Agencies first need to agree on outcome indicators to which CTP can contribute. Secondly, a comprehensive toolkit needs to be developed for practitioners to be able to measure outcomes and impacts of WaSH and shelter programmes against these indicators. Such a toolkit can be integrated with market analysis tools to provide a more harmonised and holistic programme evaluation.

6.2   CAPACITY BUILDING

6.2.1   Build practitioners' capacity

Practitioners' capacity needs to be built by better equipping them with the necessary technical and analytical skills to be able to conduct and use market analysis and outcome and impact measurements in their CTP. These skills can be developed through training, workshops, practical simulation, and shadowing experts. It is important that the capacity-building activities be sector-specific in order to build the necessary skills for each sector; nonetheless, cross-sectoral learning is always value-added. In addition, these skills have to be developed at all levels of an organisation (headquarters, regional offices, field-based, etc.) in order for practitioners to be on the same page when analysing markets, designing programmes, and monitoring and measuring outcomes and impacts.

6.2.2   Advocate for donors to push for harmonised measurement of WaSH and shelter programmes using CTP

Donors need to be aware about the importance and value of outcome and impact measurements in CTP. Impact measurement has to be an essential part of a programme, which means that it should be covered financially by donors and not compromised when budgets are limited. When outcome and impact measurements are implemented at the end of a programme, valuable lessons can be learnt for future interventions. Therefore, while programme costs might be higher in the short run, more cost-effective programmes will be developed in the long run.

6.2.3   Invest in contingency planning and preparedness

More attention needs to be paid to contingency planning and preparedness in CTP, especially in predicted sudden-onset disasters. Contingency plans can help to set a foundation for market analysis post-disaster where practitioners have already prepared for different scenarios, understood complex market systems, monitored markets, and gathered baseline market information. All of these preliminary activities can expedite conducting market analysis and better inform CTP.

6.3   KNOWLEDGE SHARING

6.3.1   Build evidence and knowledge

There is a need to build and record evidence of conducting and using market analysis and outcome and impact measurements, especially in the WaSH and shelter sectors. Currently, practitioners are cautious about using CTP more systematically and implementing new programmes, or even allowing market analysis to shape them dramatically. This can be remedied by building a body of evidence and knowledge within each sector. Once again, the evidence has to be sector-specific to adhere to WaSH and shelter practitioners. Such evidence will help when advocating to donors for more harmonised programmes.

6.3.2   Bridge the gap between different sectors and practitioners

Increased knowledge and resource sharing across humanitarian sectors should be encouraged. More developed market analysis and outcome and impact measurement CTP practices in sectors such as FSL should be examined to determine what WaSH and shelter practitioners can apply to their own work. In addition, existing evidence from the FSL sector can be used as a framework to record future evidence from the WaSH and shelter sectors in a systematic way. There is also a pronounced gap between developmental and humanitarian actors. Developmental actors have more developed market analysis and outcome and impact measurement capacities and tools. Increased collaboration between humanitarian and developmental actors around market analysis and outcome and impact measurements will not only provide humanitarian practitioners with more exposure to the tools, but also improve cohesiveness between humanitarian and development programming, particularly where the objective is to 'build back better'.

ANNEX A: TERMS OF REFERENCE

CASH LEARNING PARTNERSHIP CONSULTANCY PROJECT
TERMS OF REFERENCE

Introduction

This project is an initiative of The Cash Learning Partnership (CaLP) with MSc Development Management students from the London School of Economics and Political Science (LSE) on the use of CTP for WaSH and shelter outcomes. Specifically, the project will focus on market analysis and outcome/impact measurement in CTP following sudden-onset disasters in these sectors. The report will be used to help WaSH and shelter practitioners identify the areas of capacity they need to build in their sector to maximise their use of cash as one of the tools for programme design.

Objectives

1. Aggregate current market analysis and outcome/impact measurement practices across WaSH and shelter sectors following sudden-onset disasters

2. Analyse the barriers preventing market analysis and outcome/impact measurement to be conducted and integrated into programmes in the WaSH and shelter sectors.

Outputs

*   A report that examines the current practices and barriers in conducting market analysis and outcome/impact measurement in the WaSH and shelter sectors following sudden-onset disasters.[1]

*   A presentation summarising the report findings.

Methodology

*   The group will conduct desk research on the existing methods, tools, and implementations of market analysis and outcome/impact measurement in the WaSH and shelter sectors following sudden-onset disasters

*   The group will conduct a series of interviews with key informants in which CaLP's Technical Coordinator will determine and who will be people working in the WaSH, shelter, and CTP sectors

*   The group will design, distribute, and analyse a survey on market analysis and outcome/impact measurement in the WaSH and shelter sectors. The survey will be distributed to a network of practitioners in the WaSH, shelter, and CTP sectors

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[1] CaLP has asked that the report is easily digestible in terms of layout and language.

Timeline

26 January	Send interview questions for key informants and timeline to CaLP's Technical Coordinator
1 February	CaLP's Technical Coordinator to introduce key informants
15 February	Send draft of survey to CaLP's Technical Coordinator
26 February	All interviews with key informants completed
29 February	Final survey sent to CaLP's Technical Coordinator
4 March	Disperse survey
18 March	Close survey
25 March	All report sections written
4 April	Send draft of report to CaLP's Technical Coordinator for feedback
15 April	Final report to be submitted to CaLP's Technical Coordinator for final review
20 April	Presentation draft completed
25 April	Print and submit report to LSE
3 May	Presentation to LSE and CaLP

Photo: Abir Abdullah / Save the Children

ANNEX B: REFERENCE LIST

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ANNEX C: LIST OF KEY INFORMANTS

Name	Title	Organisation	Date
Caroline Dewast	Architect, Shelter and Humanitarian Consultant	Independent	24 Feb 2016
Héléne Julliard	Humanitarian Consultant	Independent	9 Feb 2016
Jake Zarins	Associate Director of Disaster Risk Reduction Response and Field Operations	Habitat for Humanity	10 Feb 2016
Jamie Richardson	Technical Advisor Shelter and Settlements	Catholic Relief Services	23 Feb 2016
Jenny Lamb	Public Health Engineering Advisor	Oxfam	16 Feb 2016
Raissa Azzalini	Public Health Promotion Adviser	Oxfam	23 Feb 2016
Roger Dean	Cash Assistance Adviser	Norwegian Refugee Council	10 Feb 2016
Santiago Luengo	Shelter Emergency Officer	International Federation of Red Cross	16 Feb 2016
William Martin	Technical Advisor Cash and Markets	Catholic Relief Services	Answers via Email, 23 Feb 2016

ANNEX D: KEY INFORMANT INTERVIEW QUESTIONNAIRE

Main questions:

1. What level of market analysis is necessary in post sudden-onset disaster situations with reference to the WaSH and/or shelter sectors?

   a. What are common constraints to market analysis?

   b. Is there an established trend or finding in the markets for WaSH or shelter items? (Please distinguish between commodity and service markets where relevant)

   c. What are key determinants of quality market analysis in WaSH and/or shelter? What do you think distinguishes this from other types of market analysis?

   d. How do you/your organisation distinguish between macro and micro aspects of market analysis in WaSH and shelter?

   e. What response analysis/decision-making tools do you commonly use to decide on the appropriate types of intervention? Do these tools enable you to identify the appropriateness of CTP combined with other complementary interventions?

   f. What tools, documents or guide posts do you/your organisation use when conducting research e.g. code of conduct?

2. In your experience, in sudden onset natural disaster settings, what are the most effective sets of market-based and non-market interventions in the WaSH and shelter sectors that can maximise program outcomes?

   a. What are the most common types of interventions that are used today in the WaSH and shelter sector in sudden onset natural disaster settings? Does this differ between the immediate relief phase and the recovery phase?

   b. What (if any) interventions are no longer considered today as an option because of their failure?

   c. Is the risk of doing harm to markets systematically considered in decision-making on types of responses?

   d. Are there specific interventions that are associated with certain actors?

   e. In your experience of sudden onset natural disasters, what has been the role of the government when it comes to market interventions?

   f. How do you see market interventions evolving in the future?

3. What are the recommended outcome metrics to assess long term effectiveness of interventions to determine if the WaSH and shelter sectors have successfully 'built back better'?

   a. Do you know of any organisations or case studies in which long term impact metrics were used to asses if an intervention had improved the WaSH and shelter sectors post natural disaster?

      i. If yes, what characteristics and metrics did the impact assessment take into consideration?

      ii. If no, do you know of any uses of long-term outcome (or even impact) assessment in the post-disaster context outside of the WaSH and shelter sector?

      iii. If no, from your experience what are the main outcome metrics that should be measured to determine if a programme has 'built back better'? In what way (if any) has the more systematic consideration of market-based interventions changed this?

      iv. When should this type of analysis be done?

   b. What are the main barriers to conducting outcome and/or impact assessments? (time, org capacity, money, etc.). Are any of these barriers specific to the WaSH and shelter sector?

ANNEX E: SURVEY QUESTIONNAIRE

INTRODUCTION

This survey is part of a research initiative by The Cash Learning Partnership (CaLP) with MSc Development Management students from London School of Economics and Political Science (LSE) on the use of CTP for WaSH and shelter outcomes. The survey findings will feed into a final report and contribute to the broader learning agenda of CaLP and its partners on market-based interventions in these sectors.

In a sudden onset natural disaster, CTP is increasingly considered as a modality in the WaSH and shelter sector. The current literature contains gaps on the following two aspects in which our study will be focusing on:

1. The use of market analysis to inform program design

2. The use of outcome and impact metrics to assess sector outcomes in CTP interventions

We would like to learn from your experience about the current use of market analysis and outcome metrics that you and/or your organisation use in a sudden onset disasters in the WaSH and shelter sector.

The survey is comprised of 18 questions and should take no more than 30 minutes to complete. Since we are assessing two different sectors, we ask you answer one survey per sector, or just on the sector you are more knowledgeable about.

In addition, we would appreciate sending any relevant case studies, internal documents, tools, etc. that you find relevant or are reliant on. For any further questions or comments regarding the study, please contact Altaf Almadhyan at a.almadhyan@lse.ac.uk.

Thank you very much for your time.

Survey Questions

1. Which agency do you regularly work with?

2. What is the main country/countries you work in?

3. What best describes your location?

    a. Field based

    b. Regional office

    c. Headquarters

    d. Other (please specify)

4. Select your main sector of activity/the sector you will be completing this survey on.

    a. WaSH

    b. Shelter

    c. Other (please specify)

5. What type of humanitarian response do you most often engage with? (mark all that apply)

    a. Complex emergencies/conflicts

    b. Slow-onset natural disasters

    c. Sudden onset natural disasters

    d. Other (please specify)

6. What stage of programming do you usually engage in? (mark all that apply)

    a. Disaster risk reduction

    b. Preparedness

    c. Immediate response

    d. Recovery

    e. Longer-term/development programming

    f. Other (please specify)

7. How often and at which stage of programming do you and/or your organisation conduct a market analysis?

Program Stage	Never	Rarely	Often	Always
a. Disaster risk reduction				
b. Preparedness				
c. Immediate response				
d. Recovery				
e. Longer-term/development programming				

Additional comments:

8. How long after a sudden onset natural disaster does it take you and/or your organisation to start conducting a market analysis?

    a. One day

    b. Between two days and one week

    c. Between one week and three weeks

    d. Beyond three weeks

9. If you and/or your organisation conduct a market analysis, to what degree does it influence your program design?

    a. Not at all

    b. Minimally

    c. Moderately

    d. Heavily

10. You are responsible for program design; what type of information would an ideal market analysis report contain to help guide your modality decisions in a sudden onset natural disaster?

11. If there is a market information baseline, to what extent do you and/or your organisation use it to inform program design?

    a. Not at all

    b. Minimally

    c. Moderately

    d. Heavily

12. Rank the challenges to conducting and using market analysis in programming:

    a.   Lack of market analysis tools

    b.   Lack of sector specific market analysis tools

    c.   Lack of time to conduct market analyses

    d.   Lack of personnel to conduct market analyses

    e.   Lack of practical experience in conducting market analyses

    f.   Designing programming based off of the market analyses

    g.   Internal resistance to designing and/or implementing programming based on the market analyses

    h.   Other (please specify)

13. How does your organisation best measure its program objectives? (mark all that apply)

    a.   Do not measure

    b.   Outputs measured in short term (< 1 years)
          Specify what indicators you measure:

    c.   Outputs measured in long term (> 1 years)
          Specify what indicators you measure:

    d.   Outcomes measured in short term (< 1 years)
          Specify what indicators you measure:

    e.   Outcomes/impact measured in long term (> 1 years)
          Specify what indicators you measure:

    f.   Other (please specify)

14. Rank the barriers to measuring the achievement of your organisation's program objectives (from 1 being the biggest barrier, to 5 being the smallest). Please think in particular of challenges faced in measuring cash-based interventions:

    a.   Lack of tools/guides on measuring outcomes

    b.   Lack of understanding what indicators should be measured

    c.   Lack of capacity (personnel/funding) to conduct measurement

    d.   Lack of practical experience in conducting impact measurements

    e.   Outcomes and outputs are too closely tied

    f.   Other (please specify)

15. Five years after a market intervention, what would you like to be able to measure (at household and market level) to demonstrate the achievement of your programme objectives?

16. Have you and/or your organisation used market or household monitoring data to adjust a cash-based intervention in your sector? If not, why not, and what would need to be in place for you to do so?

17. Are there any other insights on the use of market analysis, and measurement of program outcomes which you would like to share with us?

18. If you give permission for your survey results to be attributed to you/your organisation, please enter your name, title, and organisation below. Leave it blank if you wish the survey results to be anonymous.

CaLP

The Cash Learning Partnership

Over the past five years, cash transfer programming has become an increasingly popular modality of humanitarian intervention. Recently, unconditional and unrestricted MPGs have been increasingly championed as a default modality, based on evidence collected by organisations such as the Overseas Development Institute and CaLP. This increased popularity of CTP, and particularly unconditional and unrestricted MPGs, has prompted a need for a greater understanding of the market-level feasibility of such programming, as well as the intended and unintended consequences of the programming. As such, the Cash Learning Partnership (CaLP) has commissioned this project on market analysis and outcome and impact measurement practices in WaSH and shelter following sudden-onset disasters.

The objective of this study is to aggregate and examine the current market analysis and outcome and impact measurement practices in WaSH and shelter following sudden-onset disasters, and provide recommendations to address the central barriers to conducting market analysis and outcome and impact measurements. The findings and recommendations of this report are aimed at humanitarian practitioners in WaSH and shelter sectors, the WaSH and shelter clusters, CaLP, and donors.