



CASH TRANSFER PROGRAMMING FOR URBAN DISPLACEMENT

LESSONS LEARNED FROM ELECTRONIC-TRANSFERS
IN RESPONSE TO THE SYRIA-CRISIS

In urban displacement contexts with functioning markets and developed banking systems, humanitarian agencies are increasingly using electronic-transfers (e-transfers) as the preferred cash delivery mechanism. Based on the Danish Refugee Council's response to the Syria crisis, this Evaluation and Learning Brief highlights lessons learned on designing and implementing Cash Transfer Programming via e-transfers.

UNCONDITIONAL CASH ASSISTANCE VIA E-TRANSFER

Cash transfer programming (CTP) has rapidly become an important and often preferred assistance modality for humanitarian actors around the world. When conflict or displacement-affected people are in areas with functioning markets and access to cash, an increasing number of humanitarian agencies regard cash as the best way to meet the material needs and improve the livelihood outcomes of the targeted populations. CTP has thus come to function as the general term used to describe the transfer of cash from humanitarian actors to beneficiaries, and encompasses a number of different modalities, each of which comes with its own set of advantages and disadvantages. The most commonly used modalities are conditional cash, including voucher programmes, unconditional cash, and cash for work initiatives.

E-transfers are a particular form of cash transfer which use an e-transfer device such as a SIM card, e-voucher, magnetic strap card, chip card etc., and

which rely on digital payment systems. In urban displacement contexts with functioning markets and developed banking systems, humanitarian agencies are increasingly using e-transfers as the preferred cash delivery mechanism, for both conditional and unconditional cash programmes. The current response by humanitarian agencies to the Syria crisis appears to have consolidated this trend.

LESSONS LEARNED FROM LEBANON

In October 2013, the two main donors for winter assistance to Syrian refugees in Lebanon, ECHO and UNHCR, advocated humanitarian agencies to provide unconditional cash assistance in lieu of in-kind winter items, e.g. stoves and fuel. The Danish Refugee Council in Lebanon assumed the role of card management for all UNHCR implementing partners. In November 2013, the Danish Refugee Council signed an agreement with CSC Bank for the provision and management of 120,000 ATM cards with UNHCR and ECHO winterization funding supporting over 70,000 Syrian refugee families in Lebanon.

Danish Refugee Council Evaluation and Learning Brief

The Evaluation and Learning Briefs aim to share and highlight key findings from evaluations and research that is supported or commissioned by the Danish Refugee Council.

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The following highlights lessons learned on e-transfers from the winter assistance programmes and provides recommendations on this basis.

PREPAREDNESS, CONTINGENCY PLANNING, AND COST ANALYSIS

Cash e-transfer programmes require significant preparation and contingency measures, especially if they are to assist more than 2,000 households. Based on the Syria response the following key focus areas for planning CTP can be highlighted:

- Market and context assessments are crucial. All cash programmes require comprehensive market and context assessments to identify the risks and impact of cash assistance. These are conducted by drawing upon the challenges faced in other contexts and anticipating market shifts. Cash coordination mechanisms can play a key role in assessments and analysis, and assessments are also likely to inform cash strategies on medium and longer-term bases. The lack of a broader market analysis in Lebanon, for example, made it difficult for DRC to understand the effects of cash.
- Agencies using e-transfer must be flexible and able to 'learn on the go' in order to adapt to new challenges. This demands strong cash field structures, particularly support structures in administration and finance, as well as training of all involved staff. This will facilitate quality cash programming, even if the scale or scope of assistance changes due to needs or funding.
- Selecting the most appropriate cash modality and delivery mechanism may not be possible until after project funding is confirmed. It is therefore useful to state this in project documentation and project proposals, and to incorporate cash modality and delivery mechanism selection into work plans. It is particularly important to consider beneficiaries' access to cash, any potential risks associated with the proposed e-transfer, and the cost-effectiveness of the different cash options.

SERVICE PROVIDER PARTNERSHIPS

Most cash e-transfer programmes operate through partnerships with private sector service providers. In Lebanon, UNHCR and other humanitarian agencies selected CSC Bank on the basis of cost-effectiveness and beneficiaries' best interests (there were no fees and ATM cards could be used in all banks, etc.). In addition to speaking with humanitarian actors who have already implemented e-transfer programmes in the specific context, it is essential to consider the following when setting up a cash programme with an e-transfer service provider:

- Large-scale e-transfers require considerable involvement of finance, administration and database staff from the beginning.


Cash projects should designate senior operations staff to assist programme personnel, as well as to link directly with the service provider for reporting. Staff in the DRC operations departments in Lebanon was asked to implement a large e-transfer programme on top of their routine responsibilities, without sufficient human resources dedicated to the cash programme, which affected programme implementation from the start.

- All cash programmes are costly, and e-transfer programmes in particular often require special authorisations or derogations to allow implementation. Therefore, involvement of regional and headquarter operational departments during the service provider selection process is essential to ensure compliance with donor requirements and organisational policy.
- Prioritise strong and frequent communication between the e-transfer service provider and all participating agencies, with an emphasis on written guidelines/standard operating procedures and joint trainings. It is recommended to have regular meetings and training sessions between humanitarian agencies' card management focal points and the service provider sales and call centre representatives.
- It is essential to agree in writing on reporting content and formats shared between agencies and the service provider in order to fulfil e-transfer loading requirements and individual card management, data protection requirements, donors' auditing requirements and to produce the desired data and analysis for reporting.

BENEFICIARY REGISTRATION AND DATA PROTECTION

The shift to cash can put an enormous burden on existing beneficiary registration systems, which are often not set up to accommodate e-transfers. E-transfers can also expose and magnify problems in the capacity to handle extremely large caseloads with regard to data entry, information sharing, distribution. Moreover, sharing beneficiary information electronically can increase data protection concerns.

- It is essential to invest in data management and engage qualified technical staff that will meet distribution, e-transfer, and reporting database needs, while upholding data protection principles.
- Senior management should agree internally, as well as with the donor and the service provider, on minimum standards of beneficiary verification required prior to the cash program rollout. This will avoid potential problems related to fraud and e-transfer troubleshooting. Humanitarian agencies involved in cash transfer programming in Lebanon debated if it was a protection concern for the service provider to know the head of household's name and date of birth. However, the hotline could not help beneficiaries with card problems without this identification information because of fraud and impersonation risks.

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- It is important to systematically update a privacy of information assessment (PIA) to reduce risks related to data protection issues. In particular, information management and database teams involved in cash programmes must prioritise systematic data protection reviews, supported by senior management.

BENEFICIARY TRAINING AND VULNERABLE GROUPS' ACCESS TO CASH

Beneficiary training on CTP is often cited as the single most critical investment to ensure beneficiaries remain in control of their entitlement (see Sossouvi, 2013). It is essential that target populations understand how to use the proposed e-transfer mechanism – and for organisations to highlight any potential access concerns as quickly as possible.

- The training programme must account for vulnerable groups and in particular literacy barriers through multiple information sources and repeated messages. DRC Lebanon used in-person training sessions, info desks, pamphlets, and multimedia/video. There should be a mitigation plan to assist the most vulnerable, particularly those with physical disabilities, literacy barriers, protection concerns, etc., if they cannot access cash through the proposed delivery mechanism.
- The presence of physical information points can greatly assist beneficiaries when approaching agency staff in person to resolve issues, as well as allow field teams to mitigate against fraud by speaking directly to beneficiaries facing problems. For example, Syrian refugees in Lebanon reporting stolen cards had to confirm this in person and sign a request to receive a new card.

REPORTING, MONITORING & EVALUATION

CTP requires robust monitoring systems to understand cash use and its impact on beneficiaries' situations. E-transfers also have technological components that can complicate beneficiaries' access to cash if the delivery mechanism does not function properly, as well as highlight problems with other assistance programmes.

- Cash actors should place strong emphasis on feedback mechanisms and systems to handle complaints, compliance, and monitoring and evaluation as ways to improve programming in real time.
- E-transfers cannot function without proper hotline/feedback systems. Be aware that cash programmes can expose gaps in humanitarian feedback mechanisms. Private sector service providers generally have hotlines operating 24 hours a day, 7 days a week – if beneficiaries have access to them, they will report problems outside of the cash programme, as refugees did in Lebanon to ask about registration and other services. It is therefore essential to systematise the way complaints, fraud and

error are handled in order to quantify, verify and refer beneficiary requests.

- Cash monitoring is most effective when cash agencies collect the same basic information at household level, in order to compare cash use and impact across geographic areas, target populations and cash programmes. Agencies should prioritise systematic monitoring, ideally done by a third party to ensure transparency.

COORDINATION

Coordinating cash programmes offers specific challenges related to the targeting and harmonisation of actors, sectors, and populations of concern. Ideally, the humanitarian community in a given context should link donors and agencies' programming priorities with a broader cash strategy, although this is not always feasible (or prioritised). Minimum considerations for coordinating CTP, and in particular e-transfer programmes, include:

- CTP selection criteria should be shared among cash actors and target populations, and harmonised as much as possible. Agencies can monitor, review and share eligibility systems to ensure they target the intended beneficiaries.
- The amount of cash provided per household/individual should be a clearly stated financial contribution based on market and price analyses, since most cash programmes cannot meet 100% of needs or expenses. In 2014, humanitarian agencies involved in cash transfer programming in Lebanon calculated the minimum amount required by a Syrian refugee family to survive in Lebanon and a percentage of this amount will be provided in cash assistance.
- If there is a heavy reliance on e-transfers across several actors, it is advisable to move from donor-driven, project-based e-transfer mechanisms to cash assistance harmonised through common e-transfer mechanisms. Advantages include improved cost efficiency of cash assistance in terms of resources required and investment in cash infrastructure such as fees, staffing, etc., and coordinated systems for assistance, monitoring and reporting. Also, this can streamline procedures for card management to the benefit of target populations, field teams and donors.
- Investing in joint monitoring systems allows agencies to collectively compare and analyse findings, as well as minimise overlap and potentially merge or harmonise cash programs. A common monitoring system does not mean that organisations/donors cannot collect supplementary data related to their particular mandates or objectives, it simply establishes baseline information according to best practices.

CONSIDERING CASH: BENEFITS AND RISKS

BENEFITS

- **Dignity:** Cash recipients do not queue physically to receive assistance, the content of which is determined by external actors in the “best interest” of beneficiaries.
- **Empowerment:** In any conflict or displacement context, vulnerable families have to prioritise certain needs over others, regardless of the levels of assistance they receive. With cash, families can choose directly which needs to prioritise; even with conditional cash, e.g. food vouchers, recipients can select what is most important to them. Cash can also improve certain members’ decision making within the household in a positive manner.
- **Cost efficiency:** Cash can reduce operational costs and provides more “cash in hand” to beneficiaries. Because recipients meet self-identified needs, there is generally a lower rate of aid diversion or sale.
- **Multiplier effects:** CTP can directly benefit local markets more than providing in-kind assistance, and can revitalise/strengthen local economies as well as benefit host communities.
- **Improved monitoring and evaluation:** Strong CTP emphasises monitoring and evaluation as the core activity to determine how cash is spent and its impact on households, markets and communities. CTP can therefore provide more comprehensive feedback on people’s needs, vulnerabilities and coping strategies, in addition to the humanitarian impact on local contexts and communities.

RISKS

- **Markets:** If improperly assessed beforehand, some CTP modalities can negatively affect markets by causing inflation or supply shortages.
- **People (households, individuals):** Cash can exacerbate existing household tensions or negatively impact dynamics between household members, e.g. the head of household chooses not to spend money on food for the children. In extreme cases, cash given to a woman could increase her exposure to domestic violence, for example.
- **Community Dynamics:** Depending on how beneficiaries are selected and existing community dynamics, cash can worsen relations between recipient and non-recipient groups, although the same can be argued for in-kind assistance.

FURTHER READING

Danish Refugee Council, 2014, Unconditional Cash for via E-Transfer: Implementation Lessons Learned Report. Winterization Support via CSC Bank ATM Card, www.drc.dk

Sossouvi, Kokoévi, 2013, E-Transfers in Emergencies: Implementation Support Guidelines. The Cash and Learning Partnership (CaLP); www.cashlearning.org

CREDITS

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