

IMPROVING CASH-BASED INTERVENTIONS  
MULTIPURPOSE CASH GRANTS AND PROTECTION  
Enhanced Response Capacity Project 2014–2015

# Evaluation of the OneCard Pilot in Lebanon



# Evaluation of the OneCard Pilot in Lebanon

November 2015

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This document was written for the Office of the United Nations High Commissioner for Refugees and for the World Food Programme by Pantaleo Creti, Independent Consultant.

This document covers humanitarian aid activities implemented with the financial assistance of the European Union. The views expressed herein should not be taken, in any way, to reflect the official opinion of the European Union, and the European Commission is not responsible for any use that may be made of the information it contains.

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## Acronyms

<b>ATM</b>	Automated Teller Machine
<b>BLF</b>	Banque Libano-Française
<b>CSC</b>	CSCBank SAL
<b>CTM</b>	Centre de Traitement Monétique
<b>LCC</b>	Lebanon Cash Consortium
<b>MCAP</b>	Multipurpose Cash Assistance Programme
<b>PIN</b>	Personal Identification Number
<b>POS</b>	Point of sale
<b>ProGRES</b>	Refugee Registration Platform
<b>RAIS</b>	Refugee Assistance Information System
<b>SFTP</b>	Secure File Transfer Protocol
<b>VPN</b>	Virtual Private Network

# 1. Background information

## 1.1 Syrian Refugees in Lebanon<sup>1</sup>

By May 2015, UNHCR had registered more than 1.07 million Syrian refugees in Lebanon. According to the initial findings of the assessment done by Inter-Agency Targeting Task Force in 2014, at least 29 percent of this population was living below the minimum survival basket of USD 435 per family per month. In addition, the 2014 Vulnerability Assessment of Syrian Refugees (VASyR) indicated that 74 per cent were food insecure to some degree. For most refugees, family savings have been drained by years of economic hardship and limited access to income opportunities. Those who are just arriving from Syria have been displaced internally at least once, with the majority having already depleted their own resources while internally displaced in Syria.

Lebanon is a thriving free-market economy where many of the refugees' basic needs – such as food, hygiene items, fuel, and shelter – are available through the local market, and where ATM bank services are easily accessible. In this context, cash assistance serves as a viable alternative to in-kind assistance and distribution of core relief items, while supplementing other forms of assistance that cannot or should not be monetized (e.g. protection services) that continue to benefit the refugee population at large.

## 1.2 UNHCR cash assistance in Lebanon

### Multipurpose Cash Assistance Programme (MPAP)

UNHCR's regular Multipurpose Cash Assistance Programme (MCAP) started in late August 2014, targeting 7,000 refugee families in Lebanon. UNHCR progressively increased MCAP's beneficiary targets by an average of 850 families every month for the remainder of the year. By May 2015, 12,807 families were receiving the multipurpose cash assistance through ATM cards issued by CSC.

### Winter Cash Assistance programme

Starting in November 2013, an inter-agency Winter Cash Assistance Programme began providing around 60 percent of all refugees from Syria (including Palestinians), Lebanese returnees, and some vulnerable Lebanese families with cash; tools for improving shelters; non-food items (NFI), such as blankets, children's clothing, and stoves; and heating fuel. As part of the cash transfer component, UNHCR provided cash assistance through ATM cards to about 66,000 Syrian refugee families. The goal of the Winter Cash Assistance Programme was to help beneficiaries stay warm, dry, and healthy during the cold, wet winter months<sup>2</sup>.

### CSC-c ards

In November 2013, UNHCR signed a "pre-paid card issuance agreement" with CSC Bank SAL (CSC) to issue cards (CSC-cards) which have been used for both the regular Multipurpose Cash Assistance and the Winter Cash Assistance Programmes. According to the agreement, UNHCR is the sole responsible for designating the individual beneficiaries of CSC-cards, while CSC's role is to issue non-branded cards to the designated individuals and to provide all the support necessary for the CSC-cards to function properly and in a secure and reliable environment. CSC-cards can be used in all ATM network in Lebanon. The agreement defines terms and conditions, including fees structure<sup>3</sup> and reporting. Standard Operating Procedures (SOPs) for the Multipurpose Cash Assistance Programme define the procedures for CSC-card and PIN distribution, for generating upload lists, finance procedures and for reviewing banking reports.

<sup>1</sup> UNHCR's paper on Multipurpose Cash Assistance in Lebanon, March 2015.

<sup>2</sup> IRC 2014

<sup>3</sup> Revised in two successive addenda in September 2014 and July 2015.

### 1.3 WFP voucher assistance to refugees in Lebanon

Since late 2013, WFP has been providing food assistance through electronic vouchers (e-cards) to vulnerable Syrian refugees who cannot meet their food needs. Each month, e-card beneficiaries receive transfers, which can be exchanged for food of their choice in over 410 WFP-contracted shops across the country. Since 2013, 200,000 e-cards have been issued to Syrian refugees.

In December 2014, in partnership with the Lebanon Cash Consortium (LCC)<sup>4</sup> WFP rolled out the OneCard, a single electronic card with a POS and an ATM wallet activated. The OneCard allows beneficiaries to receive food assistance using POS terminals at selected retailers, as well as cash assistance through ATM cards. The OneCard works through a platform made available by the Banque Libanaise Française (BLF) and managed by WFP, benefitting 8,500 refugee families.

## 2. Introduction to the OneCard pilot

### 2.1 Objectives of the pilot

The OneCard pilot is part of the WFP-UNHCR Joint Plan of Action for Cash and Vouchers (2014), which aims to implement cash and vouchers using common e-delivery mechanisms. The objectives of the OneCard pilot were:

- To test the programmatic, technical, and financial efficiency and feasibility of the OneCard system to deliver assistance to selected Syrian refugee-families;
- To evaluate the acceptability to the refugees of the process and impact of the use of One-Card;
- To explore if OneCard is a cost-effective option that can be scaled-up in Lebanon

### 2.2 Timeline of events

The OneCard is the result of a long process of dialogue and negotiation led by donors and involving UN agencies and the Lebanon Cash Consortium (LCC). The rationale behind the OneCard was to make available a single delivery mechanism thus reducing the costs of a variety of transfers from several humanitarian actors to Syrian refugees in Lebanon.

#### December 2013

Discussions started with the development of a roadmap aimed at providing programme harmonization guidelines. The roadmap was a key document for donors to push UNHCR, WFP and cash consortium NGOs towards a common approach.

#### January 2014

As a follow-up to the roadmap, ECHO organized a meeting in Brussels with the participation of WFP, UNHCR and cash consortium NGOs to discuss how to move toward a common delivery mechanism.

#### April 2014

A study to identify the optimal operational set-up for multi-actor provision of unconditional cash grants<sup>5</sup> recommended the use of a common delivery mechanism, which would allow negotiating better rates, assisting hard-to-reach populations, and responding to sudden influxes or scale downs.

<sup>4</sup> The Lebanon Cash Consortium (LCC) is an association of international NGOs led by Save the Children and comprising ACTED, CARE, International Rescue Committee, Solidarités International and World Vision International.

<sup>5</sup> Avenir Analytic 2014

**June 2014**

UNHCR and WFP started discussions around a joint platform based on the WFP/BLF prepaid card system, which at that time had the highest coverage in terms of cards distributed and the most secure data management system.

**Sept–Oct 2014**

WFP and UNHCR headquarters became involved in negotiations around a common platform agreement managed by WFP. Discussions revolved mainly around: the power of attorney that UNHCR was supposed to grant and the platform manager fees that UNHCR was supposed to pay to WFP, traceability of funds, and direct access to the service provider by UNHCR. WFP and UNHCR were not able to reach an agreement before the start of UNHCR's Winter Cash Assistance Programme in December 2014.

**December 2014**

LCC NGOs joined the OneCard platform and started cash distributions.

**June 2015**

Signature of the agreement on UNHCR accession to the OneCard platform, followed by two amendments.

**July 2015**

The OneCard pilot implementation started.

**August 2015**

UNHCR gave a one-month notice to withdraw from the Platform Management Agreement at the end of the pilot, as per agreement.

**September 2015**

Pilot evaluation

**2.3 The platform agreement**

WFP entered into an agreement with BLF on September 2013, by which the bank agreed to provide a prepaid card system, as a means to deliver humanitarian assistance to selected beneficiaries in Lebanon.

In January 2015, WFP and Save the Children signed a 'prepaid card platform management agreement' (hereinafter platform agreement) in order to allow for the use of the prepaid card (OneCard) by other selected entities (UN and NGOs). In June 2015 UNHCR joined the platform management agreement, on a pilot basis.

The platform was structured as follows:

- BLF provides and operates the prepaid card system
- WFP is the platform manager. As such, it manages and administers the platform in relation to the use of the platform and the prepaid cards (OneCards) by the platform users. WFP is also a direct platform user.
- Save the Children is an indirect platform user. As such, it accesses the platform through a sub-account. Its relationship with BLF (cards, PINs and upload requests, reporting and data sharing) is intermediated by the Platform Manager (WFP). As the lead agency of the Lebanon Cash Consortium (LCC), Save the Children gives other LCC NGOs access to the platform. Save the

Children’s responsibilities include the compilation of all LCC agencies’ beneficiary lists, the submission of card and PIN issuance requests to the platform manager, and the delivery of cards and PINS and to the LCC agencies. Save the Children is also responsible for sharing data and reports between the platform manager and LCC agencies.

- UNHCR is a direct platform user. As such, it accesses the platform through its own dedicated account. This architectural solution was designed because UNHCR could not authorize another agency (Platform Manager) to manage its funds, as required from indirect platform users. As a direct platform user UNCHR was also waived the platform manager fees (1% of the total amount uploaded).

In the platform, each prepaid Mastercard branded card (OneCard) was issued with four wallets, comprising two wallets dedicated to point of sale (POS) transactions (voucher wallets) and two wallets dedicated to for ATM cash withdrawals (cash wallets). The card has the technical possibility to open an unlimited number of wallets. In the pilot, two wallets were activated: a voucher wallet, which was used by WFP and a cash wallet, which was used by UNHCR.

## 2.4 Main pilot features

Using the OneCard platform, UNHCR provided monthly cash transfers to 266 Syrian refugee families for a period of 3 months (from July to September 2015). The value of the transfer was of US\$ 174 (equivalent to 260,000 LBP).

*Table 1: Geographical distribution of pilot beneficiaries*

Pilot Areas	Beneficiaries
Bekaa	198
Mount Lebanon	34
Akkar/Tripoli	30
South	4
<b>Total</b>	<b>266</b>

### Beneficiary selection

In order to be selected as pilot beneficiaries, households had to meet the following criteria:

- Be classified as severely vulnerable in the UNHCR’s Refugee Assistance Information System (RAIS)
- Hold a validated WFP BLF card
- Be eligible to receive food assistance from WFP
- Have an active registration in proGres
- Not receive similar assistance from another agency

### Service provider

The Banque Libano-Française (BLF) has been providing financial services to WFP since 2013, when it won WFP’s e-card tendering process, and was the financial service provider for the implementation of the pilot. The ‘Centre de Traitement Monétique’ (CTM) is BLF’s technical arm providing advice on electronic payments.

**Payment Cycle**

PINs specific to the UNHCR cash wallet on the card were distributed to all beneficiaries at the beginning of July. Funds were uploaded to beneficiaries' accounts on July 28th, August 13th and September 10th. Unredeemed funds were refunded to UNHCR upon the termination of the pilot.

**Communication**

Beneficiary communication happened mainly during PIN distribution events, with beneficiaries receiving information on the cash functionality of the One-Card, their entitlements, and the feedback and complaint mechanisms available (bank hotlines for ATM/POS, Help desk, Project & Partners staff). On the date of the transfer, UNHCR sent an SMS to inform beneficiaries on the upload of their entitlements.

**Platform manager (WFP)****Implementing partners**

In Bekaa and Mount Lebanon regions the pilot implementation was facilitated by partners: World Vision International in Bekaa, and PMU-AMI in Mount Lebanon. Their role was mainly to facilitate PIN distribution and communication with beneficiaries. In North (Akkar/Tripoli) and South Lebanon, UNHCR was directly implementing the pilot.

**Monitoring**

A post distribution monitoring was conducted at the second month to monitor the process, the use of the cash as well as the feedback of beneficiaries in using one card to access both food and cash assistance.

**Coordination**

In-country coordination was under the responsibility of the management and technical units of UNHCR and WFP. The main focal points were the UNHCR's Cash Unit and the WFP's Cash and Voucher Unit.

## 3. The pilot evaluation

### 3.1 Main objective of the evaluation

The main objective of the evaluation was to compare the use of the OneCard versus two independent card systems to deliver cash assistance in relation to processes, costs, suitability, beneficiary satisfaction, and cost-efficiency.

As per ToRs, the evaluation was focused on the following areas:

- Technical issues, including PIN distribution, reporting compliance, data management and security
- Programmatic issues, including cost-efficiency, process efficiency, benefits and externalities
- Beneficiary preferences and satisfaction
- Systems to ensure traceability
- Mutual accountability issues
- Benefits, limitations and recommendations on the use of a common platform and one card shared by UNHCR, WFP and LCC

## 3.2 Evaluation methodology

The evaluation was based on the analysis of secondary data and qualitative primary data obtained through interviews with key informants project stakeholders, and participatory focus group discussions.

In Beirut, the evaluator worked closely with UNHCR staff (programme, finance, data management and IT specialists). Interviews were conducted with representatives of the One-Card platform manager (WFP) and users (Save the Children and World Vision International), services providers (BLF and CSC), donors (ECHO), and implementing agencies (PMU-AMI, World Vision). The aim of these interviews was to obtain the information required for the analysis of technical and programmatic aspects such as data management, cost and process efficiency, technical solutions and mutual accountability. Phone interviews were also conducted with key staff in HQs with the aim to explore options for end-to-end fund traceability and mutual accountability. The timetable of interviews is available in annex 1.

Field visits were conducted in three of the four pilot areas: Bekaa, North Lebanon (Akkar and Tripoli) and Mount Lebanon. During the field visits, the evaluator met field representatives of UNHCR, WFP and implementing partners. Group discussions with beneficiaries were conducted to triangulate and validate information regarding: functionality, user-friendliness and ability to use (withdraw the money individually or with external support) the OneCard; effectiveness of customer services and complaint mechanisms; as well as to discuss specific issues like beneficiary preferences and satisfaction. In order to consider potential gender issues, discussions with both mixed groups and only-women groups were held.

*Table 2. Focus group discussions*

Pilot Areas	Beneficiaries	FGD	FGD participants			
			Female	Male	Total	% of pilot population
Bekaa	198	2	18	14	32	16%
Mount Lebanon	34	2	19	6	25	74%
Akkar/Tripoli	30	1	10	2	12	40%
South	4	0	0	0	0	0
<b>Total</b>	<b>266</b>	<b>5</b>	<b>47</b>	<b>22</b>	<b>69</b>	<b>26%</b>

## 3.3 Evaluation constraints and limitations

While trying to comply with the ToR requirements, the evaluator was faced with some constraints and limitations, which have to be taken into account when using the findings and recommendations made available in this report. The main constraints and limitations encountered are described below.

- As required, a comparison has been made between the One-Card and the UNHCR/CSC solutions. While this comparative analysis can inform UNHCR decisions on whether or not to scale up the One-Card, it should not be generalized to an overall comparison between the two solutions. The evaluator acknowledges the limitations of comparing the cost-efficiency and the process efficiency of a card with two functionalities (POS & ATM) against a card with a single functionality (ATM).
- The limited scale of the pilot (due to the limited numbers of beneficiaries, PINs distributed, no card losses, etc.) did not allow for direct measuring the impact of process and technical efficiencies (embossment capacity, time to distribute PINs, data management, etc.) to scale. Therefore, the evaluation findings and recommendations are based on predicted benefits and constraints of the One-Card system in a potential scale-up scenario.

- The design of the pilot did not allow for evaluating technical solutions for traceability of funds, which was within the scope of the evaluation. This happened because the platform agreement assigned UNHCR with a dedicated account, which did not allow for any comingling of funds.
- By contract the withdrawal from the platform had to be communicated one month in advance. Therefore, one month before the end of the three-month pilot, UNHCR communicated its withdrawal from the platform. The fact that UNHCR would be preparing its Winter Cash Assistance Programme outside the platform was considered by stakeholders interviewed a sign that the collaboration would not continue.

## 4. Evaluation findings

### 4.1 Technical issues

This section explores the most relevant technical issues of the One-Card pilot as compared to UNHCR's Multipurpose Cash Assistance Programme. The three main issues raised by interviewees were related to PIN issuance, reporting compliance and secure data management.

The expansion of the platform to include UNHCR as a direct user demanded long negotiations in order to sort out legal and programmatic issues. This process was not accompanied by a thorough review of the technical solutions to ensure that the platform could meet UNHCR's technical standards for the ATM function. As a consequence, throughout the pilot implementation, UNHCR made additional requests to the service provider in an attempt to level up technical processes and data sharing to the standard operating procedures set for the Multipurpose Cash Assistance Programme. The service provider made investments and tried to respond to most requests, but the fact that clear technical standards were not set at the beginning of the project had its impact on the quality of services.

#### **PIN distribution**

In order to be included in the pilot beneficiaries were expected to hold WFP e-cards issued by BLF. Such cards had only the POS wallet activated, while the ATM wallet had to be activated and new PINs had to be distributed to beneficiaries. There were a few technical differences between PIN distribution as carried out in the pilot and in UNHCR's Multipurpose Cash Assistance Programme. UNHCR's staff interviewed were concerned that some of these technical differences could cause process inefficiencies prior to, during and after PIN distribution, in potential scale up of the One-Card pilot.

#### **Prior to PIN distribution**

PINs delivery by BLF did not reflect UNHCR's specifications on how PINs should be classified and arranged<sup>6</sup>. PINs were sorted according to the distribution point and case number. The absence of a barcode system to identify the location of the PIN (batch, box and sequence) made it necessary for UNHCR and partner staff to manually sort them out before the distribution. Lebanon Cash Consortium (LCC) NGOs, which have been using the ATM function of the One-Card platform since January 2015, experienced similar issues, with PINs of beneficiaries from different areas being mixed. As a result, in preparation to PIN distributions, LCC partners had to manually sort out thousands of paper slips, which was highly human resource demanding and caused several errors, such as missing or mismatching PINs at distribution. These issues were gradually solved.

A key step in preparation to PINs distribution is the verification that the PINs received are the same as the requested ones. In UNHCR's Multipurpose Cash Assistance Programme, UNHCR Cash

<sup>6</sup> PINs delivered by BLF were printed on fanfold paper. This is the system used by BLF and the majority of banks across Lebanon.

Unit barcode-scans all delivered envelopes (with PINs) in order to compare them with the original embossment request and make sure that the order has been delivered correctly. In the One-Card pilot, the absence of a unique barcode associated with each PIN delivered did not allow for an automated verification.

**During PIN distribution**

In the Multipurpose Cash Assistance Programme, barcode scanning provides the staff with the exact location of the PIN: batch number, box number and envelope sequence number. Staff can therefore navigate its way to fetch a card in a matter of 3-5 seconds. In the pilot, the localization of the PINs was done manually. Although the limited number of cards did not allow for time comparison, field staff noted the complexity of the manual process in a potential scale-up.

**After PIN distribution**

In the existing UNHCR Multipurpose Cash Assistance Programme SOPs, it is mandatory for field staff to scan the cards/PINs distributed and at the end of the distribution to scan cards and PINs that have not been distributed and make an inventory. Without barcode scanning, this had to be done manually, by photocopying all PINs. UNHCR staff raised issue about the time and resource efficiency of this process, as well as issues related to potential errors when performing manual inventory.

**BLF is upgrading the way it delivers PINs**

BLF has been working to address UNHCR's technical requirements and upgrade the PIN delivery system. The bank has purchased specific printers to produce PIN mailers and move towards a more secure format to deliver the PIN (A4 format, one slip for distribution and one for receipt, PIN peel-off readable on a whitepaper). There still are some problems with the label supply, which the service provider expects to solve by November 2015.

**Reporting compliance**

Reporting requirements (type and frequency) included in the agreement didn't fully satisfy UNHCR needs. The following table describes the reports generated in the One-Card pilot versus those of the Multipurpose Cash Assistance Programme (MCAP).

**Table 3: Reports generated in the One-Card pilot and the MCAP**

Type	Purpose	Frequency	
		UNHCR MCAP	One-Card pilot
Payment Response File	Information on the total amount uploaded to beneficiaries accounts	Automatic response sent by the bank after the upload	Two days after the reception of the authorization letter
Daily Transaction Reports	To see the transactions of each (or all) account	Daily; as required	Monthly by agreement (not received)
Statement of Account	To track the deposits to and withdrawals from UNHCR Account at CSC	Monthly	Monthly
Card status and balance	To trace which cards are directly deactivated by bank and provide account balance	Daily	Not included in the agreement. Received daily upon UNHCR's request
Card Pick-up/Card Lost	To trace which cards are directly deactivated by bank	Daily; as required	Daily; as requiredxx
Non-withdrawals	To identify cases that have no withdrawal transactions	Daily; as required	Daily; as required

Throughout the pilot, UNHCR made specific requests regarding the type, time and frequency of reporting. In general, UNHCR's requests aimed at satisfying reporting and financial accountability requirements, such as full traceability of funds. They also allowed for reducing risks, timely responding to errors and served monitoring purposes as well. Some of the requests made were not foreseen in the platform agreement.

#### **Payment response file**

In the pilot, the service provider sent the payment response file to UNHCR two working days after successfully uploading the cards. This file included information on beneficiaries' case number, card number, upload date, uploaded amount and card status. According to UNHCR, this file should ideally be sent immediately after the upload, but this would only be possible with a fully automated process, as in the Multipurpose Cash Assistance Programme.

Experience shows that, in order to reduce errors, the payment response file needs to be automatically generated and timely sent. In the past, UNHCR experienced problems with incorrect sums uploaded to beneficiary accounts due to errors in files manually generated by the bank. At that time, the delayed payment response file did not allow for timely verification and correction before beneficiaries withdrew their sums. This learning brought the bank to generate completely automated, protected and timely files.

#### **Card status and balance file**

This file was not included in the platform agreement, but upon UNHCR's request, was sent by the bank on a daily basis (except Saturday and Sunday). The file includes information on card number, physical card status (not active, shredded) and PIN status (active/inactive, exceeded PIN tries, card lost, etc.).

It also includes POS balance and ATM balance. In the Multipurpose Cash Assistance Programme, a similar report is sent by CSC, with information on IBAN, card status, whether the card has been embossed and is active.

### **Transaction report**

As per agreement, this file had to be sent on a monthly basis. Later UNHCR requested it on a daily basis. Eventually, this report was never produced, arguably because of technical problems linked to the amount of data to be generated. The transaction report should include information on the time of the transaction, posting date, amount of transaction, conversion of the transaction (of the bank system), authorization code and code number, ATM name and number.

Transaction reports produced for the Multipurpose Cash Assistance Programme provided details for all the transactions carried out with each card. Transaction reports are crucial for programme monitoring as they provide information on customers' behaviours: when beneficiaries withdraw the money, if they do so at once or at what frequency and where (ATM machines most used). This information is valuable for programmatic purposes as well as for negotiation with the service providers (for example agreeing on a flat rate would depend on whether beneficiaries withdraw their entitlement at once or in different tranches).

### **Data management and security**

One of the questions that the evaluation has tried to answer is how data has been exchanged, i.e. which mechanisms were in place to ensure that files were exchanged in a timely, secure manner and that data confidentiality was maintained.

#### **Automated data sharing**

In the Multipurpose Cash Assistance Programme, the data sharing process (including hashed value and file verification) between the service provider and UNHCR is completely automated. In order to maintain these standards, UNHCR requested BLF to send reporting files through SFTP over VPN, which was done. However, the process was not completely automated. According to interviewees, the service provider created SFTP files manually; UNHCR staff had to copy the files received into its own SFTP system manually; and reporting files (cards balance/status, and payment response) did not come with hashed values<sup>7</sup>. The manual steps of the process affected reporting timeliness and accuracy verification (identification of errors, tampering or damage to the files). According to the Platform Manager, with the existing setting, BLF would have access UNHCR's SFTP server in order to send fully automated files. However, this option was not considered because of the associated data security and protection issues involved. According to the service provider, the necessary technical upgrade for automated file data sharing will be ready by the end of October 2015.

#### **Photo verification**

UNHCR considers photo verification a crucial step to avoid cases of fraud. In the Multipurpose Cash Assistance Programme, photo verification is mandatory and is performed during card distribution. In the pilot, photo verification took place in alignment with the SOPs of the Multipurpose Cash Assistance Programme. As the pilot beneficiaries were already BLF cardholders, photo verification took place during PIN distribution. The identification desk validated beneficiary cards by entering their last four digits in the system, so that the details of the beneficiary appeared in the proGres server, confirming they were already registered. Then, a field officer took a picture of the beneficiary and sent them to the PINs distribution desk. At central level, through a face recognition system, UNHCR Cash Unit checked whether the photo matched the registration photo in the server.

<sup>7</sup> Hash value is used to ensure integrity of transmitted data

**Online platform database**

The OneCard service provider designed an online platform database as part of the technical requirements of the initial tendering process. The platform manager is the only user with access to this database, which provides direct and timely information regarding transaction details, card status, etc. Indirect platform users receive monthly reports from the platform manager. As a direct platform user, UNHCR receives ad hoc reports directly from the service provider.

Some of the data management issues, particularly regarding timely access to relevant information, could be resolved if the platform manager would give platform users access to the online platform database. This solution has been tested and proven possible, with platform users accessing only data relevant to their programmes (e.g. ATM platform users could not access the POS information). The implementation of this solution would require configuration adjustments and the platform manager's consent. From the security point of view, while access to the VPN and the database would be protected by user names and passwords, the data management process would remain partially manual.

## 4.2 Programmatic issues

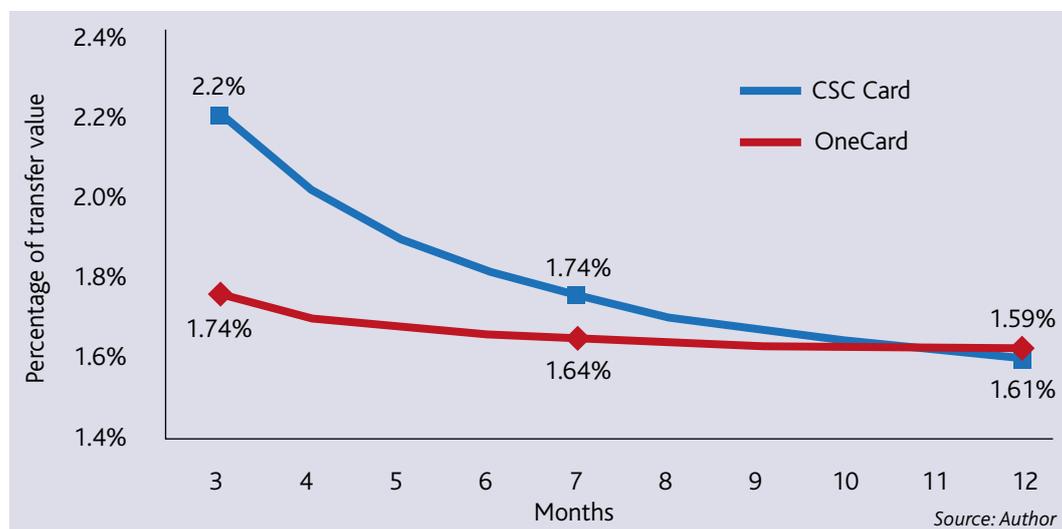
**Cost-efficiency**

The cost-efficiency analysis conducted in the evaluation is divided in two parts. The first is focused on identifying the gains and/or losses for UNHCR to use the OneCard, as compared to the existing arrangement with CSC bank (CSC-card). The second part compares the costs for an agency to make direct agreements with a service provider against the costs for it to join an existing platform or agreement.

**OneCard vs. CSC card costs**

The OneCard was expected to be more cost-efficient than the CSC card because of the intuitive gain associated with the reduced number of cards to be issued, as well as with the cost sharing when issuing new cards and paying maintenance fees.

The comparison between OneCard and CSC card costs shows that, in the short-term, the OneCard is more cost-efficient. The cost for UNHCR to conduct a 3-month cash transfer operation using the CSC card would be equivalent to 2.24% of the value of the transfer. Using the OneCard, such costs would go down to 1.75% of the value of the transfer. In the mid-term, the comparative cost-efficiency of the OneCard is reduced. If used in UNHCR's five-month Winter Cash Assistance Programme, the OneCard would lower card costs from 1.86% to 1.67% of value of the transfer. In the longer term, the cost-efficiency of the OneCard and the CSC card converge, reaching the same level (1.60% of the value of the transfer) in 10 months time. After that, the OneCard loses its comparative cost-efficiency as compared to the CSC card.

**Graph 1: OneCard cost versus CSC card costs over time**

The main cost differences between the two cards are detailed below:

- Card account management (CSC) and maintenance (OneCard) fees.** The way these fees are charged is the main reason for the cost differences between the two cards over time. For the OneCard, maintenance fees are set on a monthly basis, therefore its weight on the total costs (around 5%) remains constant during the length of the programme. For the CSC card, instead, maintenance fees are set on a yearly basis; therefore their incidence on the overall card costs decreases with the duration of the programme. In general, the CSC account management fee weights more on the total card costs, particularly in the first months: 32.36% of the total costs in the third month, decreasing to 11.30% in the 12th month. In both cards, the fees lower down with the aggregate number of cards that, as will be discussed later, does not result in a significant difference in the current Lebanon context.
- Loading (CSC) and withdrawal (OneCard) fees.** These fees are charged on a monthly basis and change according to the amount loaded. CSC-card loading fees are charged when the cards are uploaded, while OneCard withdrawal fees are charged the first time the beneficiary performs a transaction within the loading month. CSC card loading fees are slightly lower than the OneCard withdrawal fees. Since these fees represent the most important costs in the cards structure (varying from 60% to 90% of the total card costs), they become the main factor that levels down the other OneCard cost savings.
- Card issuance/reissuance fees.** These fees are lower for the OneCard (\$3.25/card) than for the CSC card (5\$/card). However, the limited number of cards to be issued (10%) or reissued (<1%), because of the high coverage of both cards<sup>8</sup>, limits the incidence of this fee over the total costs. Card issuance/reissuance fees represent 1.51–4.5% of the total card costs for the CSC card and 0.5%–1.8% for the OneCard.

<sup>8</sup> When the pilot started, WFP had more than 170,000 BLF cards active covering 73% of the vulnerable refugees in Lebanon. It was estimated that, with the OneCard, less than 10% of beneficiaries receiving a new cash entitlement would need to be issued a new card. However, due to the high coverage of its own platform, UNHCR ended up profiting little from this potential gain. UNHCR's Multipurpose Cash Assistance covers 14,000 families with ATM cards issued by CSC as of June 2015. In addition, UNHCR issued 87,500 cards to the refugees for the Winter Assistance in 2014–15 and is getting ready to distribute other 100,000 cards in 2015–16 winter.

- **Balance refunds costs.** Only CSC (not BLF) charges for the refund or cancellation of a card. The fee is equivalent to \$1 per card refund or cancellation. Based on pilot data, the evaluation estimated that 14% of the cards would need to be refunded. This would represent between 0.42% and 1.21% of the total card cost structure, therefore weighting minimally on the total costs.

Detailed costs for both the OneCard Platform and UNHCR's card system are presented in Annex 2.

#### **Cost-efficiency of joining existing platforms or agreements**

This section compares the costs for an agency to make direct agreements with a service provider against the costs for it to join existing platforms or agreements. This comparison is made based on the hypothetical situation of an agency with no or low card coverage having to add 2,000 beneficiaries to a regular cash and voucher programme. In the current Lebanon context, this agency could choose between directly contracting a service provider (BLF or CSC) or joining an existing platform or agreement.

*Table 4. Joining platform/agreement vs. direct bank agreement*

Features of the programme	Using One-Card / BLF	Using UNHCR / CSC card	Direct agreement with the bank
Programme beneficiaries	70000	14000	0
Value transferred (\$)	174	174	174
New beneficiaries	2000	2000	2000
New cards to be issued	200 <sup>9</sup>	200 <sup>10</sup>	2000
New PINs to be issued	2000	1000	2000
PIN reissued/month (est. 0,5%)	10	10	10
Cards replaced/month (est. 1%)	20	20	20

In case the agency would choose to set a direct agreement with a bank, new cards and PINs would need to be issued and maintenance fees would have to be fully born by the agency. Furthermore, the 'account management'/'card maintenance' fees charged would be higher, as they would not benefit from the aggregate number of cards. A direct agreement with CSC would have card costs equivalent to 2.08% of the transfer, while a direct agreement with BLF would result in card costs of 1.94% of the transfer value. The difference would be mainly due to lower card maintenance fees (\$4,2/year versus \$6/year) and card issuance fees (\$3.5/card versus \$5/card) charged by BLF as compared to CSC.

If the agency would decide to join an existing platform or agreement, it could consider the following options:

- **Separate cards.** This option would imply joining UNHCR/CSC agreement and issuing new cards. In this case, the agency would benefit from pre-negotiated fees and also from the fact that account management fees (CSC) would lower down due to the aggregate numbers of cards issued. Card costs would then represent 1.59% of the transfer value.

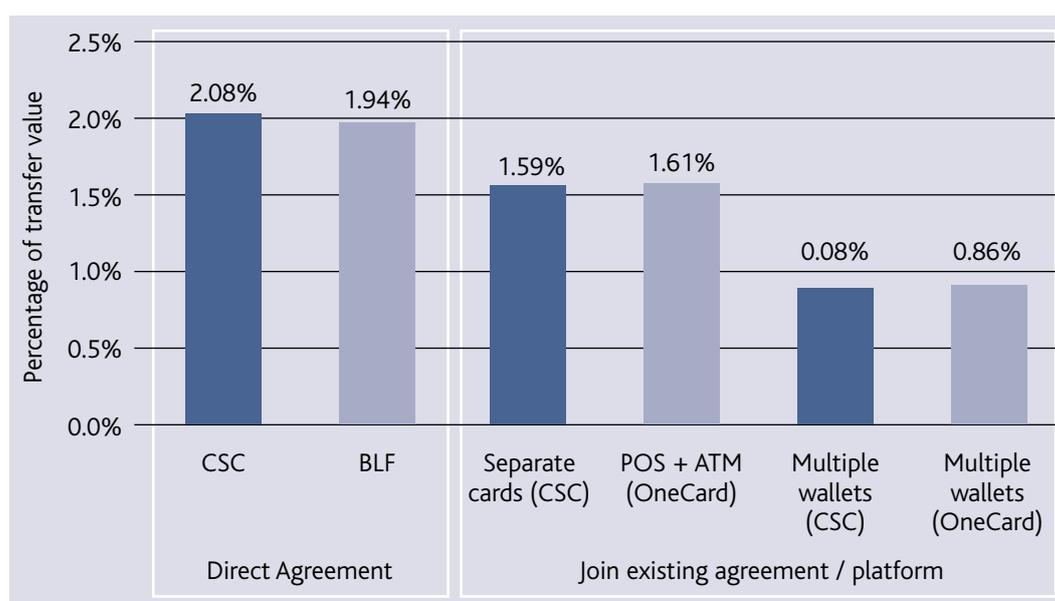
<sup>9</sup> LCC partners highlighted that only 6–7% of their new beneficiaries were not already in possession of the OneCard. For the present exercise, this value has been approximated to 10%.

<sup>10</sup> Based on information provided by UNHCR staff, considering the distribution of additional 100,000 cards and PINs during 2015 Winter Cash Assistance Programme, the estimated number of vulnerable refugees without UNHCR card has been approximated to 10%.

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- **OneCard (1 ATM + 1 POS).** This option would imply joining the WFP/BLF platform and activating an ATM wallet in the OneCard, which already has a functioning POS wallet. This was the case in the OneCard pilot, in which UNHCR had its own dedicated account. In this case, card costs represent 1.61% of the transfer value (half percentage point lower than the direct contract option), and gains include a lower number of cards to be issued, as well as shared card costs and card management fees.
- **Card with multiple ATM wallets.** This option would imply joining either WFP/BLF platform or UNHCR/CSC agreement, and activating a second ATM wallet or topping-up the existing ATM wallet. In this case, gains could be maximized, as they would include: lower number of cards to be issued, lower (aggregate numbers) and shared card management fees, and shared loading fees. With CSC, card costs would represent 0.8% of the transfer value, and with BLF, they would represent 0.86% of the transfer value. At the same time, this option would require the comingling of funds, which raises issues that will be discussed in section 3.4.

**Graph 2. Card-related costs: Joining OneCard/CSC card vs. Direct bank agreement**



## Process efficiencies

### Embossment capacity

Although cards were not delivered in the pilot, the embossment capacity of the one-card service provider was assessed. The embossment capacity refers to the number of cards embossed per day, and how much time it takes to deliver them.

Initially, the service provider had only one machine able to emboss between 3,000 and 4,000 cards per day. Investment in new equipment has increased this capacity to 10,000 cards per day in normal operation. In case of emergency, this capacity could be further increased, by means of double shift and the use of the contingency machine.

This embossment capacity can satisfy the potential demand of the platform users for embossed cards. In fact, it exceeds the users' daily distribution capacity of 1,200 cards and PINs per day. Considering the high coverage of the one-card, it is unlikely that this level of embossment will be required.

**Pin delivery**

In the One-Card pilot, the PIN issuance request was sent to the Bank by UNHCR. The request contained case number, card number and branch or distribution point. PINs were delivered two working days after the submission of the request to the bank, but the timeframe could also increase if the number of PINs requested exceeds 10,000 units, which is likely to be the case in an emergency.

The indirect users of the platform had to submit the cards/PIN issuance request to platform manager and would receive them 3 to 5 working days after. Delays at the beginning of the collaboration have been reported, but the process eventually improved.

**PIN distribution to beneficiaries**

According to a pilot implementing partner, PINs could be distributed to 235 beneficiaries in one day, with the support of four field officers. Because of the limited number of PINs distributed in the pilot, its distribution efficiency is not comparable with other regular programmes.

For this reason, the PIN distribution efficiency has been based on the time that implementing partners took to deliver cards and PINs for UNHCR Winter Cash Assistance Programme and PINs for the OneCard. In the Winter Cash Assistance Programme, following UNHCR procedures (photo recognition, barcode scan, and training), implementing partners were able to distribute more than 1,000 cards and PINs per day. Using the OneCard system and the same resources, the same partner was able to distribute 350 PINs per day. These efficiency differences were mainly related to technical issues highlighted in the first chapter (PIN organization, automated PINs mailer and barcode system), and could represent a bottleneck for a potential scale up. It should be said, though, that investments have been made by the service provider to automate and expedite these processes.

**Benefits and externalities**

The programmatic efficiency in the One-Card pilot was mainly focused on cash delivery through a common mechanism. Further advantage could have been obtained from the harmonization of some programmatic aspects, such as beneficiary communication, implementing partners, beneficiary training, costs for beneficiaries and data management.

**Beneficiary communication**

In the pilot, refugees accessing benefits from the OneCard could all refer to a unique call centre managed by the Bank. BLF maintained a help desk operational twenty-four hours a day, seven days a week, which was accessible for consultation by cardholders. However, beneficiaries would still refer to different implementing partners, the platform manager or UNHCR in order to communicate problems with their cards. This makes clear that there is room for harmonising beneficiary communication and feedback mechanisms, which were still associated with the different projects. Better harmonization in the way beneficiaries can communicate with the agencies would represent optimization of resources and more efficient communication with beneficiaries.

**Common implementing partners**

The OneCard can save costs when the same partner is involved in the implementation of voucher and cash components. For example, the fact that World Vision was an implementing partner for both for WFP (voucher) and UNHCR (cash) programmes was an advantage in terms of familiarity with the both delivery mechanisms. In the future, advantages like this could be further explored (e.g. common monitoring, feedback mechanisms, cards/PINs distribution, etc.) .

**Beneficiary training**

Common trainings on the use of the cards avoid repetitions every time new agencies enter the platform, optimizing the use of resources. The One-Card beneficiaries, for instance, were already familiar with the use of the POS function; therefore pilot trainings were focused on the use of the ATM function.

**Costs for beneficiaries**

Cost-efficiency should be looked also on the beneficiary side. Focus group discussions and post-distribution monitoring highlighted that beneficiaries can spend from USD 2 to USD 5 to attend a distribution or an awareness raising/communication event. The OneCard associated with programmatic harmonization could reduce time and economic burden on beneficiaries.

**Data management**

In a potential scale-up, all data management could be streamlined, allowing for better access, dissemination and circulation of information among partners. Currently, inefficient data management by BLF results in lack of timely information on the platform users' side and the burden of 'micro data management' on the platform manager side. Actually, throughout the pilot, the platform manager had to deal to numerous requests for information and clarification from the platform users.

**Externalities**

NGOs working under the one-card platform could coordinate with other agencies, have a voice in negotiations, and access competitive prices and better services. Stakeholders interviewed have highlighted these advantages as significant externalities. Furthermore, UNHCR's participation in the pilot and its technical requirements have pushed the service provider to improve its capacity and technical solutions, and could translate into positive externalities if the improvements obtained were made available to all platform users.

### 4.3 Beneficiary preferences

The analysis of beneficiary preferences was based on the post distribution monitoring (PDM) and focus group discussions. Between the second and third cash transfer (August 2015), UNHCR field officers and implementing partners conducted PDM structured phone interviews with a sample of 81 beneficiaries (30% of the pilot population). In September 2015, the evaluator conducted 5 focus group discussions with 69 beneficiaries (47 women and 22 men) in order to further explore issues such as their preference for one versus two cards, their ability to use ATM and POS functions, and beneficiaries' priority.

**Preference for one vs. two cards**

Asked how they preferred accessing their food and cash entitlements, interviewees answered as follows: 47% preferred OneCard, 16% two separated cards, and the remaining 37% did not express any preference. The reasons given for preferring the OneCard were its user-friendliness (less confusing, easier to use, carry and keep safely) and to a lesser extent its efficiency. The reasons for preferring two separate cards were mainly associated with the risks of losing both benefits, especially the food, in case of loss or problem with the card. A few respondents found it difficult to deal with two functions in one card. For the 37% expressing no preference towards one or two cards, the most important was to receive their entitlement.

**Table 5. Beneficiary preferences**

One card	Separate cards	No preference
47%	16%	37%
Reasons given:		
<ul style="list-style-type: none"> <li>• Less confusing (21),</li> <li>• Easier to use (12),</li> <li>• Less of a problem to carry it (5),</li> <li>• More efficient (4),</li> <li>• More difficult to lose (6)</li> </ul>	<ul style="list-style-type: none"> <li>• if I lose one card, I still have the other (6)</li> <li>• If I have problems with the one card, it blocks both benefits (6)</li> <li>• Having one card to be used for both services is confusing (4)</li> </ul>	<ul style="list-style-type: none"> <li>• doesn't matter (19),</li> <li>• Work the same or no difference (9),</li> <li>• Important is receiving assistance (5)</li> </ul>

The quotes below exemplify the rationale behind some of the beneficiary preferences:

*"We heard that the ATMs are 'swallowing' the card. If ATMs work properly it is more convenient to have all the assistance in one card. However, if the ATMs do not work properly it is better to receive the assistance in two separate cards, so that we can still benefit from the food assistance".*

*"UNHCR has distributed two white cards over the year, which was confusing. I think one card is better and less likely to be lost."*

Focus group discussions revealed that beneficiaries with financial literacy were able to use the one-card by themselves and tended to prefer it to the two cards system. On the other hand, beneficiaries who had experienced problems using the ATM function (card swollen, blocked, etc.) were extremely concerned with the possibility of losing the food benefit, and tended to prefer two cards system. It is worth mentioning that this group, although limited in number, was very assertive and transmitted their fears to the others, influencing the results of some focus group discussions.

#### **Ability to use the two functions**

Beneficiaries did not face major problems using a card with two functions (POS and ATM). A total of 69% of beneficiaries reported to be able to withdraw cash from the ATM by themselves, and 31% with some type of support from husband, relatives, neighbors or bank employees. It is worth highlighting that all beneficiaries were already familiar with POS function of the card and that 83% had already used the ATM function of another card (CSC card). Therefore, it is difficult to extrapolate these findings to understand how difficult it would be for completely new users to access the functions on a single card.

#### **Beneficiaries' priority**

While the post-distribution monitoring was focused on understanding whether beneficiaries had preferences towards one card or two cards, the focus group discussions aimed at clarifying the relative importance of the delivery mechanism (one or two cards) for beneficiaries in the scope of the assistance. Despite some level of preference (as described above), beneficiaries made clear that their priority is to have timely and problem-free access to their entitlements. Any preference for one or two cards appeared as secondary.

## 4.4 Traceability

### Traceability of funds in the OneCard pilot

From the design phase of the pilot, there have been internal concerns, particularly at UNHCR headquarters level, regarding the full traceability (dollar-by-dollar) of funds at all times, which was reported to be a major requirement related to accountability to donors. The evaluation has analysed three major traceability aspects in the OneCard pilot. First, the accuracy and quality of the reports obtained from the service provider, which should allow for adequate access to timely information about the overall transactions. As discussed in section 4.1, the main reporting issues identified were associated with the service provider's technical capacity to meet UNHCR's requirements in terms of transaction reports and automated data management, which did not have a major impact on traceability.

The second aspect analysed regards checks and controls over the cash assistance delivered through the OneCard. The procedures put in place in the pilot were the same as those established for the Multipurpose Cash Assistance Programme, i.e. the same level of segregation of duties between finance, ICT and cash unit, as well as the same procedures to avoid double payments to the same beneficiaries. The main issues encountered regarded the timeliness of upload files and the automated hash files, as already discussed in section 4.1. Again, these issues did not cause any significant traceability problem.

The third and final aspect analysed is the refund of not withdrawn or unspent funds. While for some agencies traceability goes up to the moment when cash is transferred to the beneficiaries' account; for UNHCR, it goes one step forward, up to when cash is withdrawn by beneficiaries, and includes the timely refund of not withdrawn amounts. In the OneCard pilot, refund worked as per agreement: on the last day of the agreement effectivity (September 18), UNHCR submitted the offload request (to have the remaining amount from beneficiaries' cash wallet refunded). The refund was done automatically and the bank sent UNHCR a report detailing the refunded amount per card. The refunded amount was equivalent to USD 12,870.64 USD, of which USD 1,446.51 were relative to amounts not withdrawn by beneficiaries and USD 11,424.13 relative to amounts undistributed because the pilot targeted only 266 out of the 300 families initially planned.

### Technical solutions to manage funds from different sources on one card

Another traceability issue explored by the evaluation regards technical solutions to manage funds coming from different sources on the same card. This issue emerged from discussions held with key stakeholders at headquarters and country levels. Three main solutions have been suggested and are presented below. The solutions do not refer to any existing service provider agreement or platform, but are currently available in the banking industry, and would need specific developments to be fully applicable in the humanitarian context of Lebanon. Ideally, before a decision is made, all feasible options should be pilot-tested. This, however, was not in the scope of the OneCard pilot.

### Separate accounts displayed on the ATM screen

This solution has been suggested by UNHCR HQ. It consists in maintaining separate accounts and having them displayed on the ATM screen, so that beneficiary can withdraw funds from either account.

#### Conditions

This technical solution would only be feasible if the OneCard was exclusively used in bank specific ATMs. This is not the case in Lebanon, where beneficiaries are able to withdraw from the entire national network, using any of the 1,400 ATMs available, owned by different banks, without additional charges.

**Advantages and limitations**

This option ensures traceability of funds up to the withdrawal at ATM level. However, it is technically unfeasible in Lebanon context (see conditions above). Moreover, most of the stakeholders interviewed at country level raised concerns regarding its programmatic applicability, as they consider it difficult for beneficiaries to manage several accounts with different purposes, balances, uploading dates, withdrawal deadlines, etc.

**Separate accounts with assigned priorities**

The priority basis approach consists of associating several sub-accounts, each assigned to a different agency, into one card. The approach prioritizes the sub-account from which the money is debited first, when a beneficiary withdraws from the ATM. Once the funds in the first priority sub-account are depleted, money starts being debited from the sub-account assigned as second priority and so on. The priority of the sub-accounts is set ahead of time, after a mutual agreement among all the parties involved has been reached. Since the funds are loaded onto the respective sub-accounts, the funding source is traceable at sub-account level. Any remaining credit balance to be refunded will appear as a credit at sub-account level and will be refunded to the respective funding agency. Normally, the sub-account assigned with the lower priority will be the ones to be refunded.

**Conditions.** The banking system currently uses the priority-based approach to prioritize multi-currency accounts. The service provider has confirmed the feasibility to use this approach to single-currency sub-accounts with some technical development, which still needs to take place.

**Advantages and Limitations.** This option ensures traceability of funds at sub-account level. However, while it can easily work with two sub-accounts, it can be difficult to reach an agreement on which funds should be given priority, and who should take the final decision when there are more stakeholders involved. Finally, while the system allows for traceability, some sub-accounts (higher priority) will be depleted first while the funds of others (lower priority) might not be spent.

**Pro-rata**

In this case, the card has one main account funded by different agencies. Withdrawals are debited from the main account. Although funds from different agencies are loaded onto the same main account, the funding source is traceable at the payment transaction level. Any remaining credit balance will appear as a credit in the main account, and will be refunded on a pro-rata basis according to the each agency's level of funding over the period of time agreed by the parties.

**Conditions**

This approach is currently made available by both CSC and BLF. According to CSC it has been used in several products<sup>11</sup>. Technically, it requires that all funding sources be included in the transaction files and that all agencies have access to all transaction data.

<sup>11</sup> As per document exchanged between CSC and UNHCR summarizing discussions around traceability solutions.

**Chart 1: Example of pro-rata calculations<sup>12</sup>**

➔	➔	➔	
<b>Loadings</b> NGO1: \$100 (59%) NGO2: \$0 NGO3: \$50 (29%) NGO4: \$20 (12%)	Total loading on the card account: \$170	ATM withdrawal 2 transactions / period: <ul style="list-style-type: none"> <li>• \$20</li> <li>• \$120</li> </ul> Withdrawal from card account: \$170-\$120 = \$50	Balance on the card account: \$170-\$120 = \$50 Refund for each NGO on pro-rata basis: NGO1: \$50 * 59% = \$29.50 NGO2: \$50 * 0 = \$0 NGO3: \$50 * 29% = \$14.50 NGO4: \$50*12% = \$6

**Advantages and Limitations**

In a pro-rata system, all funds are given the same priority. Basically, withdrawal transactions reflect the pro-rata used when the account is credited. According to both service providers and country level staff of the agencies involved, the pro-rata system can allow for reporting the amount used from each source at the end of pre-defined cycles (daily, weekly, monthly, according to the participant agencies' requirements).

Potential limitations of the pro-rata system have been raised by UNHCR HQ. They argue that the pro-rata system can provide only an estimate calculation of the amounts to be refunded, therefore cannot be considered applicable by agencies having to trace and report back to donors on each amount contributed to the card. They also argue that the pro-rata system does not allow for immediate reporting, because contributions are usually loaded at different times and have different periods of implementation. Indeed, key stakeholders interviewed consider it impractical to report on every single transaction, but do not see this as a problem, and suggest reporting per pre-defined period, according to agencies' needs and as per chart 1 above. Further internal discussion is necessary in order to sort out these divergences. A joint meeting between agencies and major donors could help reach an agreement on accountability and traceability requirements. The pilot-testing of the different traceability solutions proposed could also help clarify the issues raised.

**4.5 Mutual accountability**

The original platform architecture was based on a Platform Manager (WFP), responsible for intermediating the relationship between the service provider (BLF) and the platform users. This arrangement satisfied the needs of indirect platform users, namely LCC NGOs, which were looking for a simple and user-friendly system, able to facilitate communication/collaboration among partners, despite some inefficiency considered compatible with the scale of their programmes.

The introduction of direct users in the platform agreement ensured UNHCR the required control over its funds, thanks to some level of secure data exchange with the service provider. However, the platform architecture maintained the intermediary role of the platform manager between the service provider (BLF) and the direct platform user (UNHCR).

Therefore, throughout the pilot, UNHCR had to include WFP in most of the communication with the bank, which created an additional layer through which instructions were transmitted to the bank and reports were shared. This significantly impacted the negotiations of the extra-agreement requests UNCHR addressed to BLF in order to up level the financial services provided by the platform.

<sup>12</sup> Source: CSC internal document

Ultimately, there was lack of clarity among platform actors (service provider, platform manager and direct user) about their roles, responsibilities and mutual accountabilities, especially regarding standard procedures, processes, etc. The existence of SOPs with defined processes, standards and detailed workflows, could have avoided some of these communication and mutual accountability issues. However, the evaluation considers that the current platform agreement creates an intrinsic problem regarding the role of the platform manager in relation to direct platform users.

## 5. Conclusions

### 5.1 Advantages of a common card

This evaluation found that a common card would be the most cost-efficient solution for multipurpose cash transfers in Lebanon, as envisaged by the OneCard pilot. Currently, there are two cards (OneCard and CSC-card) in the country with coverage enough, in terms of numbers of cards distributed, to offer similar cost-efficiencies. As discussed in section 4.2, the use of a common card allows for savings of 20% of the card costs. These savings are associated with better prices due to pre-negotiated agreements, aggregate card numbers and shared costs. Cost savings are maximized if the common card has multiple ATM wallets activated or if more than one agency contributes to the same ATM wallet. This option, however, implies comingling of funds, which some of the key stakeholders consider not to offer adequate traceability.

From a programmatic point of view, a common card can promote further efficiencies associated with a potentially enhanced harmonization in terms of beneficiary communication and training, common implementing partners, data management, coordination with other agencies and better negotiation with service providers. On the beneficiaries' side, a common card, tends to be preferred over two separate cards because it is considered is more user-friendly and more efficient. At the same time, beneficiaries fear losing both benefits, especially food entitlements, in case of loss or problems with the common card. For a significant number of beneficiaries what really matters is to have timely and problem-free access to their entitlements.

### 5.2 Main limitations of the OneCard

- Currently there are technological inefficiencies in the way the OneCard deals with the ATM function as compared to the product offered by CSC:
- Lack of PIN classification and organization. PINs have to be localized manually. In a potential scale-up, this would be highly demanding in terms of human resources, could favour errors and reduce control over fraud.
- Absence of unique barcodes associated with PINs does not allow for: automated verification of the PINs delivered, effective localization of PINs during distributions, and automated inventory of the PINs distributed/non-distributed.
- Report sharing by the bank did not meet UNHCR's requirements in terms of timeliness and type and quality. This issue could be partially sorted out by giving platform users access to the online database, but this solution depends on the platform manager's decision.
- Automated mechanisms to ensure data protection and reduce risk of human errors and fraud are not up to CSC standards. The fact that data management processes include manual steps affects reporting timeliness and accuracy verification.

These inefficiencies could have been minimized by the clear and detailed definition of technical standards, roles and responsibilities, and workflows, to be included in SOPs for the ATM component. SOPs developed by UNHCR for the MCAP could be shared with the platform partners and serve as a basis for improving ATM component of the OneCard.

### 5.3 Traceability

The evaluation did not find any significant problem regarding the traceability of funds during the pilot implementation. Moreover, not withdrawn and unspent funds were timely refunded. Checks and controls over the cash assistance provided through the pilot followed the same procedures established for UNHCR's MCAP, including separation of duties among different units. However, there are concerns that technical issues with data sharing and reporting found by the evaluation and discussed above could pose traceability problems, if not sorted out.

In terms of traceability of funds coming from different sources on a common card, the evaluation identified two technical solutions already available in the banking system in Lebanon: prioritization and pro-rata. Country level stakeholders (BLF and CSC representatives, as well as WFP and UNHCR technical staff) consider that either solution could ensure full traceability of funds. However, the solutions have not been tested in the humanitarian context, and would need some technical development in order to be used in a common card system. On the other hand, at UNHCR headquarters level, the solutions proposed, particularly the pro-rata, are a reason of concern, because they are not considered applicable by agencies that have to trace and report back to donors on a dollar-to-dollar basis. Due to these important divergences, the evaluation suggests pilot-testing the traceability solutions proposed, in order to clarify whether or not they can ensure full traceability.

### 5.4 Mutual accountabilities

The original platform architecture was organised around a platform manager (WFP) intermediating the relationship between the service provider and the platform users. On the one hand, this arrangement met the needs of indirect platform users, namely LCC NGOs, which were looking for a simple and user-friendly system, able to facilitate collaboration/communication among partners, despite some inefficiency considered compatible with the scale of their programmes.

On the other hand, it clashed with the introduction of direct users in the platform agreement. In fact, direct users would expect to have full and direct access to the service provider, but the platform agreement required that all communication and decisions went through the platform manager. The additional layer of the platform manager created inefficiencies in communication and implementation, as well as lack of clarity about roles and responsibilities.

## 6. Recommendations

### 6.1 General

In the current Lebanon context, due to the outreach and level of development of the two existing card systems, as well as the different expectations of the agencies involved, it is advantageous to keep both card systems. This would allow agencies starting a new cash programme to either choose the card solution that better fits their needs or work with both systems to cover beneficiaries already in possession of one of the two cards.

Within each system further programmatic harmonization should be sought. Moreover, coordination among all actors and linkages between the two systems should be promoted. A forum should be held to discuss the achievements and challenges to date and the ways forward, taking into account the recommendations of previous studies and this evaluation, as well as the context specific issues.

## 6.2 Recommendations for the OneCard platform

The OneCard should continue to position itself as a platform offering intermediation services (platform manager) between the service provider and the platform users. This architectural solution is suited for agencies that prefer not dealing directly with the service provider.

Processes, standards and workflows should be detailed in ATM-specific SOPs.

Platform users should continue negotiating technological solutions to improve data management (automated systems).

The service provider should make the technological upgrades obtained through the one-card pilot available to all platform users.

## 6.3 Recommendations for the UNHCR/CSC card system

The UNHCR/CSC card system should develop and offer architectural solutions that allow agencies to set individual agreements with the server provider, extending the benefits of terms and conditions already negotiated (favourable fees, use the common card). Discussions between UNHCR and UNICEF have been initiated so as to allow the top-up of CSC cards with winter cash assistance for children.

UNHCR should develop a clear methodology (and possibly pilot-test it) to allow traceability when two or more agencies transfer funds to the common card. In developing such methodology, UNHCR should firstly ascertain the capabilities of the tools and technologies available at this stage, as well as the needs and constraints of the participants to a common card with regard to their respective regulatory environment and donor reporting requirements. In doing so, UNHCR should ensure that the solution identified is compliant with its existing rules and regulations while at the same time addressing the needs of the stakeholders to the common card.

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## Annexes

### Annex 1. Detailed costs for the OneCard and CSC card

#### One-Card cost-structure

Fees	Number of cards	Transfer value	Fees	Unit
Platform manager fee	(waived to UNHCR)		1%	Trans/value
Monthly card maintenance fees	0 – 49,999		\$ 0.35	month
	50,000 – 99,999		\$ 0.33	month
	> 100,000		\$ 0.30	month
ATM withdrawal fees (only ATM) – only first withdrawal of cycle (month)	0 – 19,900	< = \$ 250	\$ 2.65	month
	= > 20,000		\$ 2.55	month
	0 – 19,900	> \$ 250	2%	month
	> 20,000		1.75%	month
Card issuance fees (re-issuance)	(%) use statistics		\$ 3.25	card
PIN issuance fees	(%) use statistics		\$ 0.75	card

#### UNHCR CSC card cost-structure

Fees	Number of cards	Transfer value	Feeds	Unit
Balance refund fee	On expired or cancelled cards		\$ 1	Card
Card account management fee	0 – 5,000		\$ 6	Year
	5,001 – 10,000		\$ 5	Year
	10,001 – 25,000		\$ 4.5	Year
	25,001 – 50,000		\$ 4.25	Year
	50,001 – 100,000		\$ 4	Year
	100,001 – 200,000		\$ 3.75	Year
	> 200,000		\$ 3.5	Year
Loading fees		Each load < 375,000	\$ 2.35	month
		Each load > 375,000	2%	month
Card issuance / replacement			\$ 5	Card
PIN issuance fee			\$ 0	Card

## Annex 2. List of meetings

Date	Time	Location	Name	Agency/Role
31-08-15	14:00	UNHCR Beirut	Loreto Palmaera,	UNHR Programme Officer
31-08-15	16:00	UNHCR teleconference	Lynn Miller	UNHCR Deputy CD
			Loreto Palmaera	UNHCR Cash project officer
			Mirsultan Mirzarakhimov	UNHCR Senior Admin and Finance Officer
			Mohammad Al Bagdadi	UNHCR ICT data management / cash
			Waheed Lor Mehdiabdi	UNHCR HQs Chief, Cash Section
			Renate Heileman	UNHCR HQs
			Mamta Khanal Basnet	UNHCR HQs
			Carmen Hett	UNHCR HQ Treasury
01-09-15	10:00	UNHCR Beirut	Mohammad Al Bagdadi	UNHCR ICT data management / cash
01-09-15	14:00	UNHCR Beirut	Mirsultan Mirzarakhimov	UNHCR Senior Admin and Finance Officer
02-09-15	14:00	Hotel Concorde Beirut	Loreto Palmaera	UNHCR Cash project officer
			Charbel Habib	WFP programme officer, cash and voucher
			Brett Hanley	WFP, programme officer
03-09-15	16:00	UNHCR Beirut	Bacjar Bouka	UNHCR – ICT officer
07-09-15	12:00	ECHO Beirut	Maureen Philippon	ECHO Technical Assistant
07-09-15	14:00	UNHCR Beirut	Carmela Paguio	Senior external relations officer
08-09-15	09.30	WFP Beirut	Charbel Habib	WFP programme officer, cash and voucher
08-09-15	10:30	WFP Beirut	Rawad Assaad	WFP Senior Finance Assistant
08-09-15	11:30	WFP Beirut	Issa Sanogo	WFP Deputy Country Director
			Martina Iannizzotto	WFP Field officer
			David Baduel	WFP field officer
08-09-15	14:00	UNHCR Beirut	Jean-Marie Garelli	UNHCR Assistant Representative Programme
09-09-15	09:00	UNHCR Bekaa	Sander Van Niekerk	Associate Protection Officer
			Mathilde De Riedmatten,	Filed Officer
			Jamal Awad,	Senior Data Management Assistant (Cash)
			Hassan Mourad,	Senior Programme Assistant
			Yara Atallah,	Field Assistant
			Maria Eliana Barona Sancho	Programme Officer

## CONTENTS

Date	Time	Location	Name	Agency/Role
09-09-15	10:30	UNHCR Bekaa	Focus group discussions	2 FGD
10-09-15	11:00	UNHCR Akkra	Focus group discussions	1 FGD
10-09-15	12:00	UNHCR Akkra	Elena Guseva,	Associate CS Officer
			Elias Sawan,	Senior Programme Assistant (Cash)
			Khodr Khodr,	Senior Data Management Assistant
			Stephanie Samaha,	Field Assistant
			Farah Serhan,	Field Assistant
11-09-15	10:00	Mount Lebanon	Focus group discussion	12 FGD
11-09-15	12:00	UNHCR Beirut	Solemain Aissa	PMU-AMI Food Security Team Leader
			Kassam El kasam	PMU-AMI Field Officer
11-09-15	15:30	CSC Beirut	Chafica S. Salaam	CSC Assistant General Manager
			Thuraya Masri Zeid	Executive Manager Information Systems
			Afaf Zeidan	Customer Service & product development Senior Manager
14-09-15	10:00	Telephone call	Mahmood Wahidi	World Vision International
14-09-15	14:00	Save the Children	Tom White	Save the Children – Chief of Party LCC
15-09-15	09:30	BLF Beirut	Myrna Whbe	Director BLF Card Service Division
			Mohammad Itani	General Manager Centre de Traitement Monetique (CTM)
			Charbel Habib	WFP programme officer, cash and voucher
15-09-15	15:00	UNHCR Beirut	Pauline Freasnau	UNHCR Senior Programme Officer
15-09-15	17:30	Thelephone call	Waheed Lor Mehdiabdi	UNHCR HQs Chief, Cash Section
16-09-15	09:30	UNHCR Beirut	Dania Saffedine	UNHCR Associate Admin Officer
16-09-15	12:30	Telephone call	Carmen Hett	UNHCR HQ Treasury
16-09-15	15:00	UNHCR Beirut	Lynn Miller	UNHCR Deputy CD
18-09-15	16:00	Telephone call	Marc Scachter	UNHCR HQ Legal
21-09-15	12:00	UNHCR Beirut	Mohammad Al Bagdadi	UNHCR ICT data management / cash
22-09-15	13:00	UNICEF Beirut	Maxime Bazin	UNICEF Cash Specialist



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