

E-Transfers for Hygiene through Red Rose in Northern Syria

Case Study - August 2016



Acknowledgements

With many thanks to Relief International staff and Red Rose representatives who contributed to this study, in particular the RI Turkey country team who took time out of their very busy schedules to be interviewed and provide reflections on the programme, as well as former RI staff who also kindly took the time to be available.

Acronyms

CBR-TWG	Cash-Based Response Technical Working Group
CTP	Cash transfer programming
E-card	Electronic card
E-transfer	Electronic voucher
FAQs	Frequently asked questions
IDP	Internally displaced person
M&E	Monitoring and evaluation
NGO	Non-governmental organisation
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
PDM	Post-distribution monitoring
RAM	Rapid Assessment of Markets
RI	Relief International
WASH	Water, sanitation and hygiene

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1. Executive summary

Cash is receiving a lot of attention globally and is currently being scaled-up at the highest level. On the 9th February 2016, the UN Secretary-General Ban Ki-moon launched his report for the World Humanitarian Summit, calling for cash-based programming to be the 'default method of support for affected populations where markets and operational contexts permit.' A Grand Bargain was also widely endorsed at the WHS, where 30 donors and aid agencies signed up to make aid more efficient, streamlined, harmonised and cost effective, including greater use of cash transfers.

The recent CBR-TWG 'Cash-Based Response Feasibility Assessment in Northern Syria', in collaboration with Global Communities for Good, John Hopkins School of Health and UNHCR, found that cash was acceptable to 94% of respondents, followed by in-kind (91%) and vouchers (79%). Assessments suggest that hawala networks have the capacity to transfer cash on a broader scale and have proven reliable. Additionally, markets in the surveyed areas of Aleppo, Idlib and Al-Hasakeh indicated a capacity to absorb greater injections of cash. The assessment strongly calls for a shift away from in-kind assistance in Syria towards more cash based approaches, or a blended response, where the situation allows.

Between December 2015 and June 2016, Relief International (RI) Turkey successfully set up and implemented its first pilot, cross-border cash project in Syria to support WASH outcomes. A total 2,352 households in Mar'rat An Nu'man, Idlib province, received PIN-protected e-vouchers which were distributed, managed and reported through the Red Rose ONECard cash payment system. The e-transfer cash project formed part of a larger OCHA Humanitarian Pooled Fund (HPF) grant with the overall objective to improve access to essential, lifesaving WASH services for vulnerable host community and IDPs through provision of water supplies and maintenance, hygiene promotion and water monitoring.

Overall, for RI, the actual operational management and technical capacity of the project was the biggest challenge. For example, market and vendor assessments, as well as lack of internalization of cash, lead to an over-precautionary approach by RI's security team. RI recognizes many of the challenges and missed opportunities are internal and are predominantly related to early challenges in cash staffing and lack of technical expertise at the country level. These are now being addressed as part of regional and global cash technical capacity strengthening.

The Red Rose ONECard system worked well and had overwhelmingly positive feedback from staff on its functionality and improvements to internal processes. In particular, the reporting and payment system was highly efficient and one of the major successes of the project, with 'perfect reconciliation'. The findings highlight that in addition to the 'digital' approach being superior to paper-based systems, the clear necessity of involving operational teams – namely security, operations and finance – in programme design and implementation is essential for improved project outcomes.

2. Scope and purpose of study

To date, RI is the first NGO to use Red Rose inside Northern Syria. Cash transfer programming is a growing operational approach for RI. Therefore, the Syria project was set up as a pilot, and this evaluation is an honest and realistic reflection of the process, outcomes, successes and challenges of this pilot project. This evaluation was commissioned to look at lessons

learned of RI's pilot CTP programme, including processes as well as results, and suggests a range of recommendations for any future RI cash programming. RI is sharing this report externally with the wider cash community who are programming in Syria, as well as those agencies considering using the Red Rose ONECard system, for the benefit of wider learning in the cash community of practice.

3. Methodology

The methodology for the evaluation covered a mixture of both qualitative and quantitative approaches. The consultant spent 10 days in RI Turkey and this included:

- Nine key informants (seven RI Turkey/Syria staff, one RI global staff, one Red Rose representative)
- Six beneficiary case studies
- Analysis of Post-Distribution monitoring results
- Analysis of Red Rose data from the ONECard platform.

The report broadly follows a chronological approach in the project cycle, highlighting the facts, challenges and successes in each stage.

Note the whole HPF WASH project conducted a full evaluation; this review is focusing specifically on the cash pilot; the process for RI internally and using the Red Rose system for the purpose of internal and external learning.

Project Summary

Between December 2015 and June 2016, Relief International (RI) Turkey successfully set up and implemented its first pilot, cross-border cash project in Syria to support WASH outcomes. The e-transfer cash project formed part of a larger OCHA Humanitarian Pooled Fund (HPF) grant with the overall objective to improve access to essential, lifesaving WASH services for vulnerable host community and IDPs through provision of water supplies and maintenance, hygiene promotion and water monitoring.

A total 2,352 households in Mar'rat An Nu'man, Idlib province, received PIN-protected e-vouchers which were distributed, managed and reported through the Red Rose ONECard cash payment system. Cards were redeemable across five pre-selected vendors. There were no conditions for beneficiaries to receive the e-vouchers, but the expenditure was restricted to hygiene items only. Reimbursements to vendors were made via the local hawala system.

The Syria cash project was successful in meeting its objectives. By the end of May, a total of 1,743 HHs received the e-voucher for hygiene items, covering three months in one installment. Based on the evolving IDP situation and security levels, the project team was able to learn and adjust to the most feasible approaches. Initially targeted for 1,743 IDPs, the project extended in the final month to include an additional round of 673 host family households, at the request of the local council. Savings from the results of the initial market assessment and vendor selection process also enabled the vouchers to be provided for a three-month period instead of two. In line with the multi-sector component, the programme worked closely with the RI WASH team to ensure complementarity and an appropriate impact. Following market assessment and vendor selection, initial prices came out lower than planned, enabling the e-vouchers to be provided for three months instead of two. The lower

prices also helped to demonstrate that local procurement is cheaper, highlighting one of the reasons why CTP is generally more cost-effective than in-kind.

Households all spent as expected, on a range of hygiene items, across five selected vendors. Feedback from Post distribution monitoring (PDM) and beneficiary case studies was all extremely positive. Any issues or questions raised were in relation to usage of the e-voucher and dealt with locally by the Syria Cash Voucher Coordinator. Some expressed preferences for more flexible vouchers or in monthly installments. The only feedback received through the project hotline number was beneficiaries wishing to thank RI for the project. From a beneficiary perspective, evidence suggests this was a highly successful and appropriate project. Interaction with WASH colleagues was acceptable, but could have been tighter. The inside Syria cash team was also extremely well managed and Red Rose was invaluable for providing reporting on expenditures for a remotely managed programme.

Overall Project Outcomes

Relevance

Successes of RI e-transfer project

- X Beneficiary satisfaction
- X Red Rose essential for remote cash management
- X Strong linkages with RI Operations and WASH team

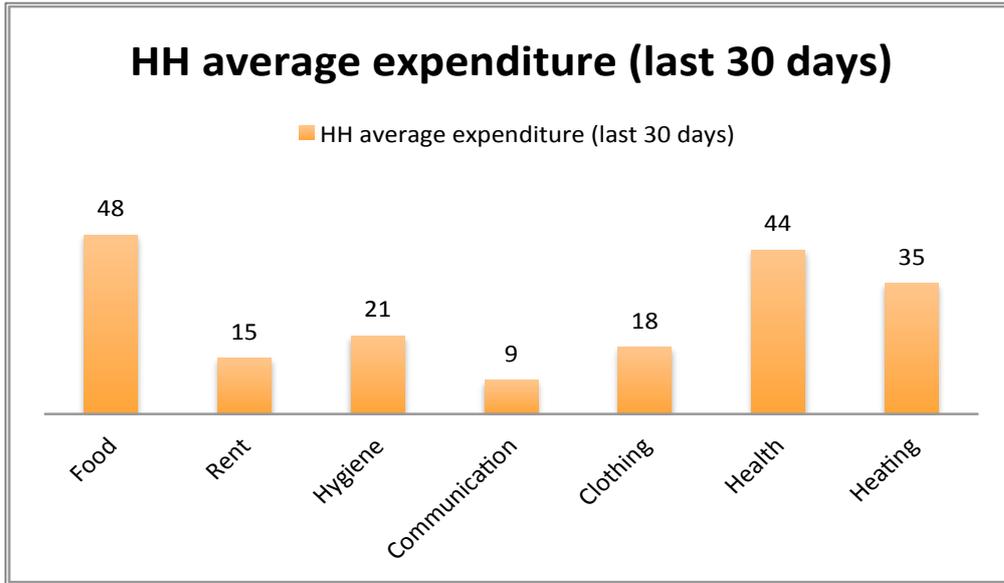
Based on the market situation in Northern Syria, cash transfers were identified as viable in the project area. For security purposes and due to its limited (but growing) experience to date in CTP, RI chose vouchers as a modality instead of cash. Feedback on the vouchers included beneficiary preference for cash instead of vouchers, more flexible vouchers (i.e. multipurpose) or vouchers received in monthly installments. While other beneficiaries stated they preferred having the entire amount in one lump sum, rather than monthly top ups. Close collaboration with the WASH team also ensured that the vouchers were designed for appropriate and relevant WASH commodities, based on identified beneficiary needs.

Targeting and coverage

The original proposal considered rolling out vouchers to an additional 8,000 HHs to meet WASH needs through cash, but this did not happen for a combination of reasons: lack of understanding by RI staff at the time about market functionality/capacity and how to conduct a rapid market assessment in Syria; perceived pressure from the WASH cluster to preposition in-kind kits instead of rolling out more cash following the first round; wrong perceptions within RI staff that cash is slower than in-kind (as this first pilot cash project had taken time to set up); lack of cash expertise in-country to support the team, which also suffered from high turnover.

Challenges of RI e-transfer project

- X Slow assessment and household verification
- X Lack of cash expertise in RI currently
- X Internal fears around cash programming



Concerns from RI’s Security staff (also not previously exposed to cash) meant the team ended up opting for a low risk approach on all levels - including blanket (not vulnerability based) targeting and remaining in one location only.

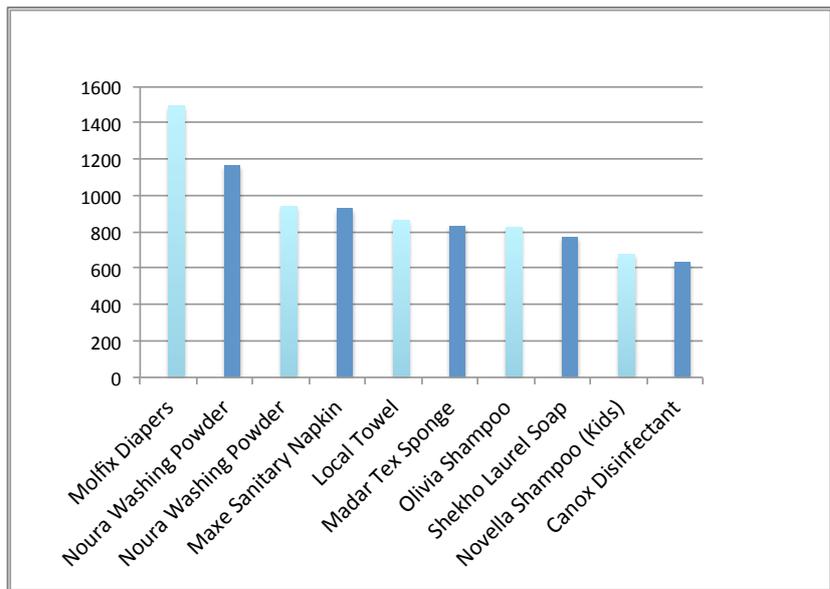
The project could have achieved more with a bigger investment in dedicated cash staff and training and with more balanced risk management regarding cash vs in-kind.

Impact

Households successfully used their e-vouchers to purchase a range of hygiene items, across five selected vendors and almost all were able to fully meet their hygiene needs. Feedback from beneficiaries from monitoring, case studies, or the project hotline was all extremely positive. In particular, beneficiaries appreciated the quality and availability of commodities. Additionally, it was reported that cleanliness levels in houses improved. Vendors found the e-voucher programme to positively impact their trade and boost local market activity.

Efficiency

Reportedly, management fears, a lack of staff experience in cash, and needing to justify an approach typically being held to higher standards than other sectors, caused a slow approach taken in the assessment and targeting phases. While, this was seen as a weakness of the programme phases, 80-100 beneficiaries were registered per day through the Red Rose system, including capturing of extensive baseline data, which was much faster than a paper-based system.



Top 10 Commodities Purchased by Frequency

In terms of cost-effectiveness, the e-voucher programme cost 5% per transaction, which included 4% Red Rose fees and 1% halawa fee. It is difficult to say if this is more cost effective than the WASH in-kind equivalent, as no comparative analysis was done, however it is highly likely that this programme was more cost effective as cash is generally cheaper. Given that the average range for most CTP fees is between 2 – 10% and this is also a remote management context, the 5% cost in order to guarantee an efficient, effective and safe delivery platform was invaluable.

Accountability

Issues or challenges with the e-voucher system, including any questions from non-beneficiaries, were all dealt with locally by RI's national Syria team. The only feedback received through the official cash project hotline number managed from RI Turkey, was people wishing to thank RI for the project. From a beneficiary perspective, evidence suggests it was a successful and appropriate project. The Syria cash team was also extremely well managed by a strong project coordinator and the Red Rose system, which provided transparent real time reporting on expenditures, was highly useful for a remotely managed programme.

Effectiveness

Despite challenges, the project was able to successfully meet its objectives in addressing WASH needs in Mar'rat An Nu'man. Additionally, as a pilot it has provided a useful set of learnings for RI, including experience of using Red Rose, which is being shared externally. Disbursing the cash as one large lump-sum was possible from a security perspective as it was contained as an e-transfer. Interaction with RI WASH and Operations colleagues was essential for the project's smooth running. Red Rose was particularly invaluable in allowing RI to set up its first remote managed cash transfer programme inside Syria.

4. Project Design - Key Findings

Using the Red Rose Cash Payment System

RI is piloting different cash transfer modalities globally and assessing their viability across a range of factors. For its Syria programme, RI chose to use Red Rose due to its ability to provide a clear and transparent cash payment system (OneCard) particularly important in a remote management context, as well as the real-time monitoring options the system provided.

RI conducted an initial scoping and comparison of all cash delivery options in Syria from Turkey, looking at cost, security, and ease of use amongst other factors. RI currently pays both operational and programme costs into Syria via Hawala, and it was also a conscious decision to not over-burden the existing Hawala by extending it to the cash programme, as much as the appetite for innovation and piloting something new, both in Turkey and as part of RI's

"In my opinion, the most successful part of the e-voucher programme was the Red Rose selling platform and the fixed prices. The beneficiary did not need to bargain and discuss with the seller prices, because the list of materials and prices is fixed and known to all. The training was good and simple because the Red Rose system is easy and simple. The vendors found the system easy, except for some problems in printing and invoices, which I helped them with. Thanks God, the beneficiaries are happy with the project"

Bilal Makzoum, RI Cash and Vouchers Project Coordinator, Syria

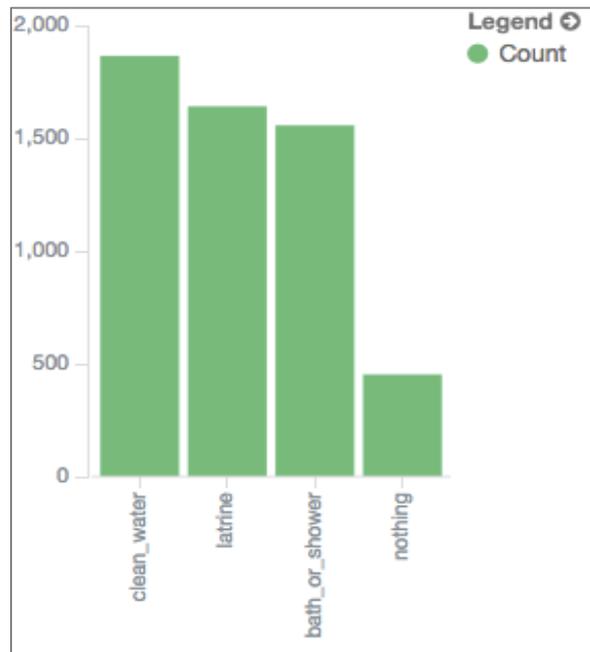
global cash institutionalization and learning. Furthermore, at the proposal design stage, RI considered it likely this caseload of beneficiaries would be receiving future support through other projects, so wanted a system which could have repeat use in the future, with additional wallets for cash support under the same card.

Red Rose were selected and contracted early in the process. Red Rose were suitable for an organization such as RI who needed a safe and reliable delivery option with a high level of transparency.

The Red Rose system was able to track and record every e-voucher transaction in real time, which meant if RI wanted, they could evaluate the impact and progress of the programme remotely back in Turkey on a regular, even daily, basis. The monitoring and evaluation function of the system also contained real time data about purchases and the prices of those items, which was necessary to show that vendors had not inflated their prices from those agreed contractually. The system has the ability to capture price monitoring data, should RI have decided to use this function, to gather price information outside of the vendor transactions, for comparison and understanding of broader market dynamics. It appealed on many levels for a new NGO piloting cash for the first time and Syria project staff and vendors were highly satisfied. RI Operations and Finance staff highly regarded the system also, describing it as “easy” with “everything planned in advance” and the “most efficient project in RI Turkey/Syria”.

Being able to access the system in real time enabled RI to gain better levels of transparency and accountability that are often compromised when NGOs have no direct access to project locations and staff. The decision to use Red Rose particularly helped shoulder some of the issues around corruption and misuse of cash raised by senior RI management at the conception of the pilot, as well as fears about the risks of cash programming in insecure environments.

Designing and customising the system to meet the project requirements took some time at the beginning, and RI underestimated how long this would take. RI also chose a highly customised version of the platform compared to most NGOs, although their distribution cycle was relatively straightforward. Additionally, getting the One System equipment (POS devices for vendors) into Syria took some time due to logistical challenges and negotiations needed for shipping of mobile phones.



WASH Facilities in Residence

Collaboration with WASH

The project location of Mar’rat An Nu’man was identified with the WASH team, according to WASH cluster recommendations. This was then followed up with a security assessment and vulnerability assessment, conducted between the Cash and WASH teams, as well as RI’s Security Manager. Agreeing on the location took time as there were several variables which needed to be considered. The ideal location needed to be: where the WASH programme was

working; where there was access to water; reasonable security levels, as well as functional markets. It also became apparent at this point that some staff outside of the RI Cash team, particularly Security, did not fully understand what cash was and how risks could be mitigated, such as by using an electronic payment system. Internal advocacy around the benefits of cash, the use of e-transfers, as well as balanced risk management was much needed, which added more time to the planning and setup phase. The WASH Clusters were keen and supportive of RI conducting the pilot and interested to learn from it, as not many agencies had used cash based modalities for WASH objectives in Northern Syria.

Setting the Hygiene Voucher Value

The WASH team worked closely with the Cash team to design the e-voucher basket value, based on a BOQ of hygiene items, in collaboration with other agency's kits, as the WASH cluster did not have a recommended kit at the time. Vouchers were provided per household based on family size, with a standard per person value for 3 months of \$15 (maximum of 9 members.) Additional top up amounts were added per family for at \$24 for babies <2 years (maximum 2 babies) and \$6 for women (maximum 5 women). Each family received 3 months' worth of kit in a one-off loading, which they could spend across a two-month window. The average beneficiary family size was found to be 5.7 people.

RI Syria E-Voucher Hygiene Basket Value (3 month package)

<i>Family member</i>	<i>Maximum</i>	<i>Cost per person</i>	<i>Total value per HH</i>
per person	9	\$15	\$135
per additional woman (top-up)	2	\$6	\$30
per additional baby <2 (top-up)	2	\$24	\$48
Total			\$213
<i>Family member</i>	<i>Minimum</i>	<i>Cost per person</i>	
per person	2	\$15	\$30
per additional woman (top-up)	1	\$6	\$6
per additional baby <2 (top-up)	1	\$24	\$24
Total			\$60

Originally, it was intended to do two rounds of e-vouchers – a core family hygiene voucher, followed by another round of top-up items. However, due to time constraints and the challenges of access/remote programming in an insecure environment, including a moving population and access issues, the two distributions were combined into one loading in order to ensure successful delivery before the grant closed.

Remote Management of Staff and Training

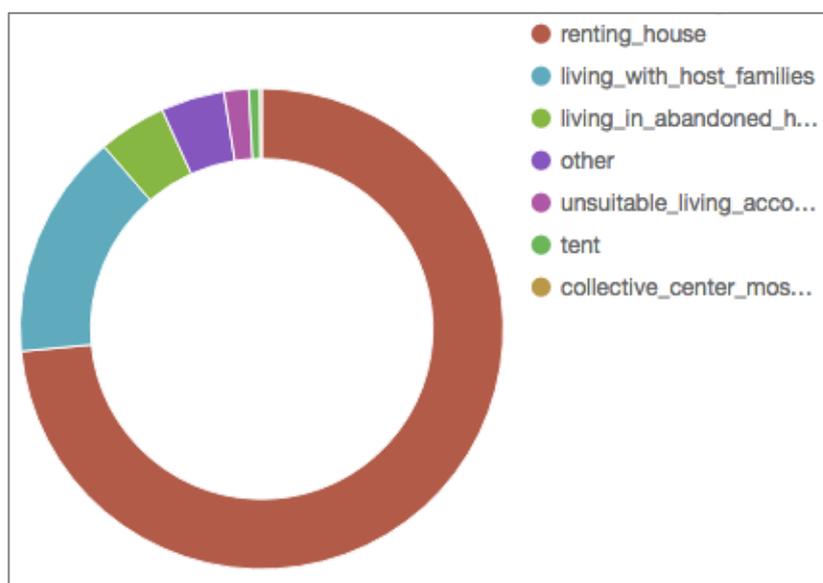
Early in the project, RI Turkey had a failed recruitment for the role of Cash Programme Manager, to be based in Turkey. Efforts were made to cover the gap; support was provided remotely and with occasional in-country visits by the global humanitarian team (who are cash trained); the project was later overseen by a generalist Programme Manager who managed more than one programme. This was a significant factor in defining some of the weaker points in the programme management; lack of experienced cash technical expertise in country.

The recruitment of a strong proactive Syria Cash Voucher Coordinator (national staff) in December, who was based in Syria and with previous NGO experience, was key to the project's success. This was then followed by recruiting a full team of 14 field staff, including enumerators and outreach workers. A challenge- not unique to this cash programme- was that all recruitment had to be done remotely on Skype by the Turkey team. CVs could only be

obtained through the local council; RI Turkey Cash staff never met any of the RI Syria staff in person due to the cross border movement restrictions. However, through regular Skype and WhatsApp calls, close communication was maintained which facilitated smooth management. Additionally, the use of a customised and secure system like Red Rose was essential to ensure full transparency of the cash transactions and reporting, and to minimise all risks of corruption or collusion that could naturally take place in a highly insecure country context with remote management.

Training in the Red Rose system, which is included in the cost of the system, was a key success of the programme. Following a one week training by the Red Rose team for RI staff in Gaziantep, the RI Cash team pre-recorded the training as video clips and conducted a remote practical ToT training on Skype for the Syria Cash Voucher Coordinator. This enabled the Cash

Voucher Coordinator to then roll out the system to field staff and vendors.



Beneficiary Residence Type

Market Assessment and Vendor Selection

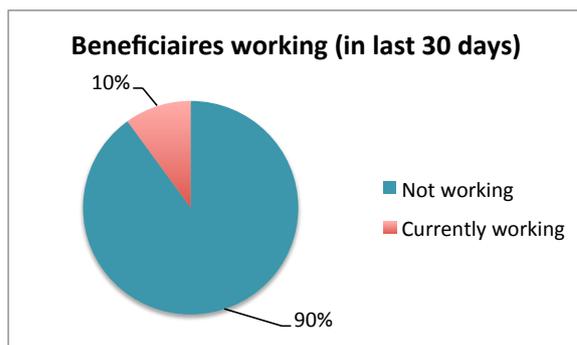
Market assessment were conducted in early January 2016 and the results used to inform the vendor selection process. A rapid market assessment was conducted using RAM

tools, to check hygiene items were available to the appropriate level. However, the objectives of market assessment and vendor selection process became somewhat blurred. This is due to lack of experience in market analysis and vendor selection. Vendors were asked the trader market assessment questions regarding market trends and damage to market systems which were never intended to be vendor selection criteria, with limited questions regarding operational capacity. As a result, the team lost time trying to find viable vendors by asking many unnecessary questions that weren't getting the intended results. The project also ended up with weaker quantitative market assessment findings at trader level, as the focus was on a vendor capacity analysis from a very early stage.

After an unsuccessful round of vendor selection, an actual vendor selection questionnaire was designed with the support of Operations and Finance, and made more practical, focusing on vendor's ability to be service providers. This second stage of vendor selection was much more effective for its purpose and a good example of the role Operations can play in cash transfer programming. The new form included aspects such as size of vendor warehousing, weekly turnover to ensure it could meet the demand if purchasing power was increased, as well as payment capacity. From this point, it took only one month from requesting quotations through to final stages of contracting. Five out of nine pre-assessed vendors were selected to participate. With the support of Operations, it was agreed to waive the official tender process in Syria with evidence/basis for selection instead based on market assessment and vendor

capacity assessment. Once the right tools had been identified this process was efficient and only took a few weeks.

A Vendor Selection Committee was formed consisting of Operations, Finance, Procurement, M&E and key Cash programme staff to evaluate the submitted offers. Vendor selection was ranked based on the following criteria: Terms of payment, Ability to fix prices, Capacity of functional Electricity/Internet (i.e. if generator available) and Availability of items. Standardisation of hygiene kit items for the vouchers was based on a mixture of: Economy, Value for Money and Luxury, thus giving beneficiaries some choice within the items.



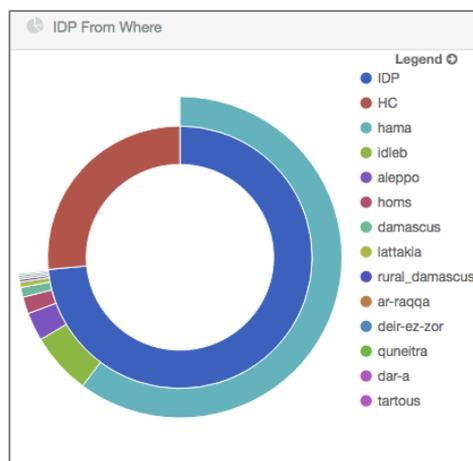
Market Monitoring

Market monitoring also posed a few challenges. This was planned to happen and was factored into programme design. The design was good; the intention was for weekly monitoring to take place by the cash team enumerators, to check the basic cost of items in the hygiene kits, in and around the project location. In a context like Northern Syria, this was essential, due to rising fuel prices that could lead to

commodity price increases by 30-40% at any given time. However, market monitoring was done later than expected and by M&E staff, once recruited. In the absence of market monitoring, price inflation risks instead were mitigated by getting vendors to agree to set their prices for the project duration, made possible due to the increase in demand that vendors could expect. Additionally, regular market monitoring reports were also produced by REACH for the CBR-TWG and made available to RI. This was a successful solution and did not lead to any significant issues with the project. Feedback from beneficiaries remained positive, particularly regarding prices of items.

Targeting of IDPs and Host Families

Most IDPs who received vouchers had arrived from either Hama or other parts of Idlib in late 2015. The security context remained volatile throughout the project period in Mar'rat An Nu'man, with the town itself coming under aerial bombardment on many occasions. There were concerns that access could be lost at any given time. Due to this, plus the challenges overall of working remotely on a cash programme, a decision was made to do blanket IDP coverage rather than use vulnerability targeting.



Where are IDPs coming from?

Full household verification was conducted based on the IDP lists provided by the local council and Unified Aid Office (composed of six charities), as this was the first time RI had worked in the area. This was good practice to ensure selected households were IDPs and was also a way of identifying further needs, collecting demographic data etc. It was also important to verify family members as the e-voucher values were being adapted according to household size. This low risk approach was also in reaction to internal concerns from RI Security management who were not fully in agreement with the concept of cash programming being appropriate in such settings.

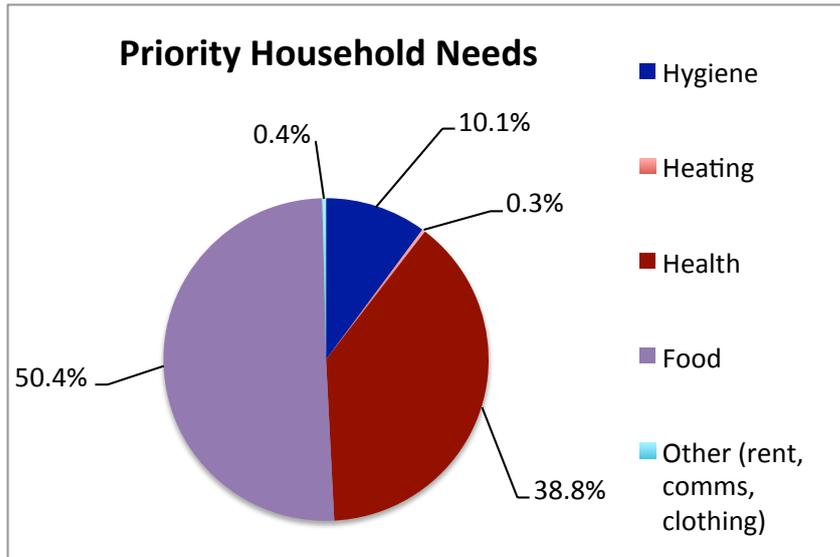


Beneficiary signing for e-card at distribution

Following the first round of e-vouchers to IDPs, RI was also able to broaden its programme to include 673 vulnerable host families and able to request a change in scope from the donor, previously insisting on an IDP only focus. A targeted approach was necessary to select from the 4,000 registered host families in Mar'rat An Nu'man. Vulnerable beneficiaries were identified as either disabled headed, detainees, or low income.

E-card Distribution and Baseline survey

Baseline survey information and official registration data was programmed directly onto Red Rose tablets at e-card distributions by RI enumerators. Beneficiaries provided IDs and the system also allowed for photos of beneficiaries to be captured for extra security. **The unique PIN distributed along with the smart cards (a sticker on the card) also provided an additional layer of personal security**, so IDs were not essential. For security purposes, there was no RI branding/visibility on the e-cards, other than Red Rose. Cards contained beneficiary name, serial number and a helpline number, plus bar code and chip. Baseline data was collected on a range of multi-sector components such as living situation, access to WASH facilities, income, expenditure and priority needs.



The baseline showed that beneficiaries post-displacement were spending around \$21 per family. According to RI's voucher value calculation, it provided an average of \$25 per month per family for a standard hygiene kit. **Therefore the WASH hygiene kit values and the**

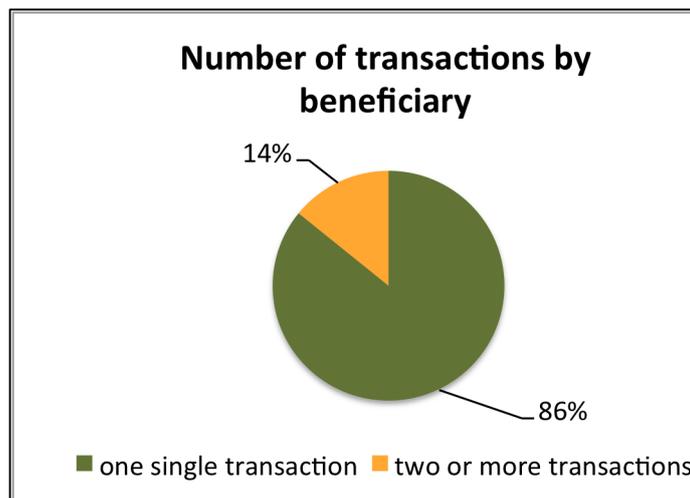
household expenditure matched.

The Red Rose system also facilitated a good approach, whereby the **RI Syria field teams and Turkey cash team could work in tandem on both the front and back ends of the system simultaneously.** Cards were activated within 24 hours of field site distribution. During this window, the Cash team back in Turkey verified 30-40% of registration information on the database before approving each beneficiary on the system, checking aspects such as registration details, baseline survey information that voucher values per household had been correctly calculated. Approval on the system then caused the e-vouchers to be activated with their loadings and cards were ready for expenditure. Everything at distribution point was electronic except for the paper signatory sheets, of which two copies were kept.

Due to delays in the project start-up phase, a decision was made to distribute the e-vouchers in one lump sum per household, instead of the planned two instalments, with the top-ups included in the main family voucher. There were pros and cons of both approaches. From a market perspective, it may have been wiser to split the voucher distributions into monthly uploads, to ensure the five vendors were able to meet the increased demand for supplies. Yet from a beneficiary perspective, having the entire amount in one go allowed for flexibility and there were no security concerns about a large amount, as it was contained as an e-transfer. Distribution of the e-cards took 3-4 weeks, in part because it had to be stopped due to security incidents, such as the aerial bombardment. Approximately 80-100 households were able to be registered per day on the system.

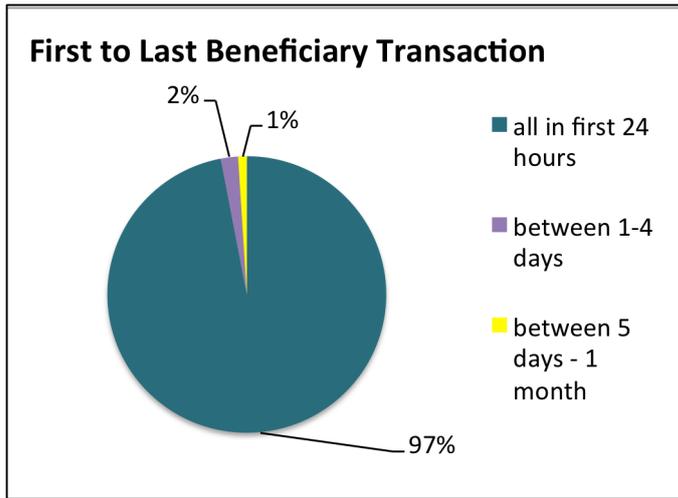
Analysis of the Expenditure

Analysis from the Red Rose extended system on voucher redemption data showed beneficiaries spending the entire voucher amount very rapidly and for the majority, in one single transaction. This purchasing behaviour was due to the highly volatile security situation in the area, causing beneficiaries to

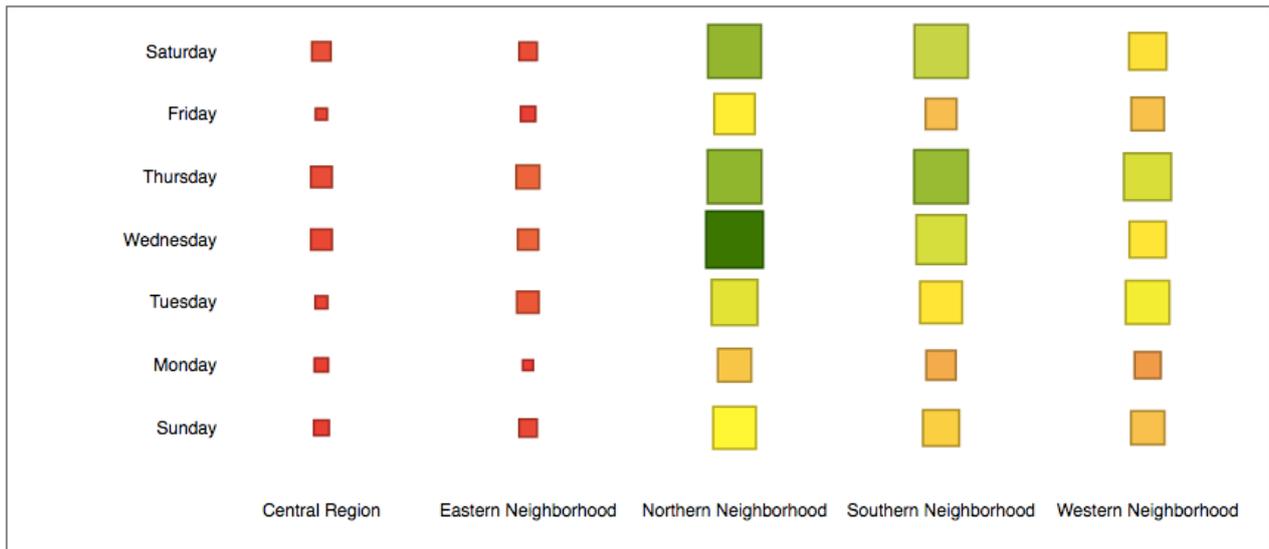


redeem the entire value of the voucher and stockpile, in case they lost access to markets. However, some beneficiaries reported during the Post-Distribution Monitoring that they did not realise the voucher could be spent in stages.

Additionally, a deeper analysis of market trends can be explored via the data collected on Red Rose. Combined with questions that could be asked during PDM stage, as well as market monitoring, the market analysis possible from the Red Rose extension could provide speculations about which markets had more supplies than others, based on where people were spending. This is a feature which RI and other agencies should take advantage of for future cash-based programmes, particularly those over a longer duration.



The Red Rose system allows for customised charts to be pulled off with ease, as well as the option to export raw data and format according to preference. Responding to requests from other NGO users, Red Rose is currently piloting a new feature that enables an even higher level of agency manipulation of data, based on customised pivot table options and filters. RI was able to access this system for this evaluation and found it extremely useful.



Activity at Vendors by Day and Geographical Location

Issues with Field Operations

Three errors unfortunately occurred due to management/oversight issues by RI using the Red Rose system:

- The second batch of 1,000 cards for host families were sent to Syria without PIN numbers and it was not noticed by the RI team until the cards had been dispatched into Syria. Fortunately, this was in advance of the distribution so the resending of a follow-up batch did not delay proceedings.
- The new calculation for host family vouchers (a slightly different amount) was not calculated correctly and was authorized by RI to be activated by Red Rose on the system at the time of distribution, resulting in 50 households accidentally getting registered to receive the IDP rate per person, before the calculation error was spotted, Red Rose contacted and system updated.
- Two cards received a duplicate loading of \$315 each by mistake, although upon investigation Red Rose highlighted this was caused by a double registration error by RI staff, not a glitch in the system.



A vendor in Syria registering a payment using the ONECard System

In the calculation and double loading cases, the choice was made available to RI to reject the mistakes at the back end of the system, before approving the uploading of cash onto the cards. However, **RI decided to put the beneficiaries first and cover the financial errors themselves.** Therefore, a few beneficiaries got more money than they should, but the decision was taken that this was preferable to retrieving money from conflict-affected households; and the number was very small. Overall, despite these glitches Red Rose were extremely helpful and responsive on all occasions.

Financial Reporting and Reconciliation

At the contracting stage, **vendors specified they preferred weekly, not monthly, reimbursement cycles.** At first RI had concerns regarding the high level of administration this would require but in reality the system was highly efficient. It was also appreciated that vendors were able to pre-finance the payments up front. The reimbursement payment mechanism was the local Hawala system.

Overall, **the reporting and payment was highly efficient and one of the successes of the project**, based on a strictly timetabled weekly schedule: from vendors submission of weekly reports and scanned receipts, through 30% verification on the back end of the system, followed by reimbursement. The reporting system was highly rated by RI Operation staff to be very clean and timely and according to RI's Finance team with "perfect reconciliation". Overall, a 48-hour window for reimbursement processing was successfully adhered to throughout the project, with funds reaching vendors within a week maximum turnaround. The system was almost flawless, with the exception being signatures on some receipts were not always visible.

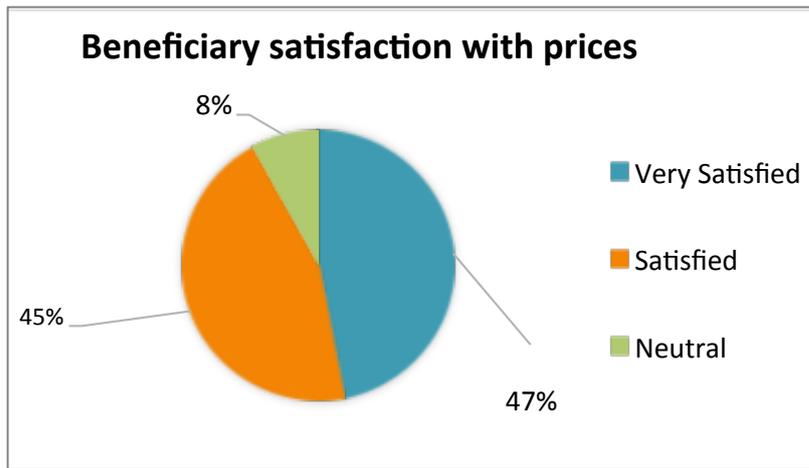
Three reasons enabled a successful reporting and reconciliation system to be maintained:

- The use of Red Rose – providing a standardised electronic system, including reporting templates and invoices that could be printed off each month by vendors, thus **saving huge amounts of time that would otherwise be lost from a paper based system.**
- RI's decision to use the local 1% hawala system that was more reliable than the normal 5% London based one. Having a next day turnaround ensured payments could be turned around immediately and on time each week. This would not have been possible from the London hawala, although it is recognised that the local hawala system provided more risks from a legislation point of view for RI.
- As a risk mitigation measure, RI's CTP payments were kept separate from the rest of RI's cash payments, to ensure the Syria cash project flow was protected and readily available for the regular weekly disbursements.

Beneficiary Communication and Accountability

Due to the nature of the project (a pilot of a new operational modality, cash), and in a new location, a decision was taken to follow a **low-key approach to beneficiary communication.** This included not giving out too much information in order to not raise expectations. It was known by beneficiaries there was going to be a cash programme, but not what the criteria were, or who was actually selected to receive it, until last minute. Just before distribution, beneficiaries were told they had been selected via a round of mobilization card distributions. During the e-card distribution itself they were told the final details, such as how to use the e-cards, location of vendors and encashment period. RI's complaints/feedback hotline number was also provided on the cards.

Post-distribution monitoring clearly showed beneficiary communication could have been improved during the project, as there were varied levels of understanding about the hotline's existence or which vendors were part of the project. A lesson learned is that RI could have benefited from a simple beneficiary communication plan for the cash project, containing guidance about what to communicate, when, and to whom, which could have included the low-visibility and phased approach to communications. This is good practice in any cash programme, but becomes particularly key in a remote management context where management have no face-to-face time with field staff.



A more localised complaints and feedback mechanism may have been more appropriate for a remotely managed cash project in Syria. The complaints and feedback Turkey hotline number (WhatsApp line) was hardly used, with the only messages

received from people thanking RI for the project. Complaints or questions were frequently dealt with at the office by the RI Syria Cash Voucher Coordinator or enumerators, as people preferred to provide feedback or complain in a convenient and culturally familiar way. Unfortunately, details of the questions or issues dealt with locally were not logged as only the formal hotline was considered by RI to be the 'beneficiary complaints mechanism'. However, it was gathered informally that the majority issues were either non-beneficiaries asking about the project and vendors needing support with the printing of reports each week.

RI did conduct extensive Post-Distribution Monitoring which provided an additional layer of feedback at local level, which helped to minimize any concerns regarding loss of transparency on complaints by the lack of use of the formal complaint mechanism.

Beneficiary Feedback on the Project

Overall, 75 % of beneficiaries were strongly satisfied with the project, 25% were satisfied. No one was unsatisfied.

Summary of beneficiary feedback on Syria e-voucher pilot

- 57% were strongly satisfied with the quality of the items and 41% were satisfied.
- 68% of the beneficiaries were strongly satisfied with availability, and 32% were satisfied.

Satisfaction with prices was the only part of the project that had a more mixed response.

- Regarding markets, 45% said that they were in very good location, 48% highlighted that the location of the markets is not bad, 7% said that the location was not good
- 99% of beneficiaries said they did not find any problems in using the e-vouchers
- The most popular items bought with the e-vouchers were diapers, soap, shampoo, washing powder, detergents and sanitary napkins

An external evaluation conducted of the WASH project also found:

- Nearly all household were able to meet their basic hygiene needs with the vouchers.
- Only some families could not meet their needs entirely, because of the cost of diapers.
- Additionally, most families felt their household hygiene improved significantly and that they noticed a clear difference in the cleanliness level of their residence.
- Further suggestions by beneficiaries included: option to buy wider range of items (e.g. food, clothes, water), to increase the amount of money, or to give cash instead of vouchers.

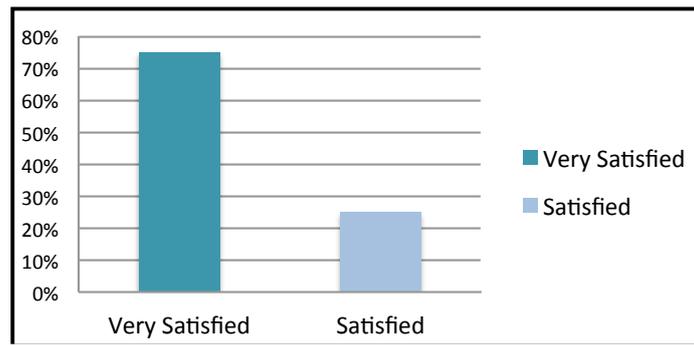
5. Recommendations for RI

Following this project, RI has developed a set of recommendations internally to improve its future cash programming for the Syria response:

- Ensure market assessments are done properly at the beginning of the programme, ideally at the design phase and certainly as part of the initial mobilization activities. For a voucher programme, market assessment should not rush or blur into vendor selection processes too early on. Market assessment would also inform if cash, rather than vouchers, may be more appropriate in specific locations and help with decision making.
- RI identified a clear need for a standard Vendor Capacity/Service Provider selection form for voucher programming. RI will develop its own internally or adapt from existing toolkits.
- Market monitoring must take place, even if vendors agree to set their prices for the project duration. There is a responsibility to Do No Harm to markets and understanding any impacts the project may be having on the market. This was a relatively small pilot but the principle needs to be applied across all cash programmes. It is also key to check that vendors did not inflate their prices at the outset of the programme.
- A local complaints mechanism or system may be more appropriate for a remotely managed cash project such as Syria. However, these complaints and issues must get logged and reported back into the project, regardless of which location they are dealt with. This would give a better understanding of any challenges or issues experienced, of which some was lost in this pilot project, particularly around the use of Red Rose.
- Appropriate levels of household verification should be done, linked to the targeting approach. For example, RI took a long time verifying just IDP status and family size, but did not invest as much time for host families selected according to vulnerability targeting.
- PDM tools could be improved for a remote context – by including a place for qualitative information, not just ranking of answers by satisfaction level. The need to understand answers is key.
- Further, more questions around beneficiary acceptability or appropriateness of using a delivery/payment platform such as Red Rose should be included in the PDM.
- The Red Rose system could have been utilised much more by the cash team in real time. There are other features that could have been used also, such as market monitoring and post distribution monitoring.
- The roles of Finance and Operations in RI's cash programming should be made more formalised and written into SOPs, as their participation on the project was helpful.
- RI's data protection processes could have been improved (e.g. password protected) where beneficiary data was being shared outside of the system internally on email. Further, beneficiaries should be consulted for their consent for their data to be used as part of the RI cash project.
- Kit disposal or left over cards should be factored into cash exit plans.
- RI to seek to embark on a cash institutionalisation process (possibly using CALP tool) to ensure it is properly resourced, trained and fit for purpose regarding any larger scale cash programming in the future.

6. Conclusion

RI has successfully conducted its first remotely managed e-voucher programme in Syria. The project demonstrated that the delivery mechanism – Red Rose system - and cash modality (vouchers instead of in-kind) worked in meeting the intended objectives to address WASH needs in Mar'rat An Nu'man.



Overall beneficiary satisfaction

The use of a cash based approach (vouchers) was dignifying for the recipients and received with extremely high levels of beneficiary satisfaction. The use of an e-transfer mechanism provided a tighter level of reporting and data protection than a paper based system, and once set up was efficient and easy to use. The use of Red Rose was also essential to allow RI to conduct remote cash programming through a pilot, whilst still maintaining control and visibility of expenditures from a distance. There were no security concerns or incidents in relation to the cash programme itself, despite the overall security situation remaining volatile throughout the period.

Given the project success and beneficiary requests for a more flexible modality to meet a range of needs, plus the finding from the Northern Syria CBR-TWG Cash Feasibility Assessment that cash is more preferred by recipients than vouchers, it is recommended that RI considers broadening out its programming, to include a shift in modality towards direct cash in Syria. This of course should be balanced against the risks, and planned for appropriately, with sufficient resourcing, SOP/tool development and strengthened M&E, alongside RI's cash institutionalisation process.