

CTP IN CHALLENGING CONTEXTS:

Case study on CTP and risks in northern Mali

CaLP Case Study

CTP IN CHALLENGING CONTEXTS: CASE STUDY ON CTP AND RISKS IN NORTHERN MALI

Final Report

Prepared by Key Aid Consulting for the Cash Learning Partnership

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Cover photo: The market in Konna, located in the region of Mopti, Mali, in February 2013.

Photo: Habibatou Gologo/Oxfam

CONTENTS

Executive summary	4
1. Background	7
1.1 CTP-specific risks in challenging contexts	7
1.2 Humanitarian context in northern Mali	8
1.3 CTP in northern Mali	9
2. Purpose, objectives and scope of the case study	11
3. Methodology	11
4. Risk perception and mitigation in northern Mali	12
4.1 Identified CTP-related risks in northern Mali	12
4.2 Impact of these risks and respective mitigation measures on programmatic decisions	16
4.3 Results of the mitigation measures and safeguards implemented	19
5. Conclusions and lessons learnt	23
6. Recommendations	24
7. Annexes	26
7.1 Annex A: Detailed methodology	26
7.2 Annex B: Risk assessment tool	28
7.3 Annex C: Desk review	29

EXECUTIVE SUMMARY

This case study was commissioned by the Cash Learning Partnership (CaLP) as the first output under the 2018–2019 workstream on cash transfer programming (CTP) and associated risks. The study aims to contribute to the body of evidence on CTP-related risks and mitigation strategies by drawing lessons learnt and identifying recommendations in challenging contexts, as with northern Mali post-2012. Mali was chosen as an interesting example where humanitarian actors continued, and even scaled up, their use of CTP to deliver emergency response despite the challenging context and major operational risks in intervening. The case study sheds light on the learning drawn from this experience in order to inform response option analysis in other challenging contexts and, ultimately, to support the more systematic consideration of CTP.

The main findings from the case study include:

- Risk perception in northern Mali
- Nature of the risks (context-specific versus modality-specific)
- Impact of the risks on programmatic decisions
- Mitigation measures implemented
- Results of the measures implemented

Risk perception in northern Mali

Humanitarian actors operating in northern Mali identified six types of risk surrounding the use of CTP.¹ They were, in order of importance:

- **Insecurity** – Insecurity and access to the area of intervention were identified as the most significant risks for CTP. This mainly involved attacks on the road, hold-ups and the violent robbery of equipment and cash delivered to beneficiaries. This risk increased over time, mainly due to the changing context.
- **Misappropriation, leakage and fraud** – This risk was rarely spontaneously mentioned but was considered fairly important by the stakeholders consulted. The probability of this risk occurring increased over time as security and access constraints forced humanitarian actors to involve a growing number of local partners and intermediaries to reach crisis-affected communities. The main concern regards the diversion of the distributed cash grants by service providers, agents and local partners, rather than the financing of armed groups and extremists.
- **Impact on markets and prices** – This appeared to be the best documented and analysed risk among the humanitarian community in the country. Interviewees were confident there was a very low probability of CTP negatively impacting prices and local markets. On the contrary, many implementers regarded CTP as a way of fostering economic recovery in times of crisis.
- **Influence on power and gender dynamics** – Although stakeholders did not spontaneously mention the risk of CTP influencing power and gender dynamics in the areas of intervention, when asked, some of them expressed real concern, while others did not consider this risk as relevant in the West African context due to redistribution mechanisms among households and communities.
- **Unintended expenses** – Unintended expenses were not considered an issue in the Malian context. Interviewees mainly explained this by the fact that Islamic law prohibits the use of many addictive goods (such as alcohol). It was also noted that, in the northern regions of the country, the needs of the targeted community were so great that the idea of using cash for ‘antisocial’ purposes was almost inconceivable.
- **Protection of beneficiaries’ data** – Interestingly, the risk of leakage and the malicious use of beneficiaries’ data, collected for CTP purposes, was only mentioned by one stakeholder. While this risk is not new, it has certainly increased with the growing use of new technologies in CTP and the amount of data collected by humanitarian agencies for targeting and monitoring purposes. However, very few humanitarian actors seemed aware of the issue.

¹ These categories of risk are not specific to CTP, but the way these risks materialize can differ, depending on the modality used.

Nature of the risks (context-specific versus modality-specific)

When asked to compare the risks identified with using CTP to those associated with in-kind interventions, a majority of stakeholders reported that those risks were context-specific and, as such, applied to other modalities such as in-kind aid.

Appreciations of risk, however, often remained undocumented or insufficiently documented and were not collated with equivalent risks for other modalities.

Impact of the risks on programmatic decisions

The humanitarian community was already implementing CTP before the crisis began and did not revert to in-kind when the security situation deteriorated. However, some organizations did revert to using commodity vouchers. Perception of risk is a key factor for organizations when first deciding whether or not to intervene in a given area, but is less important when it comes to deciding between in-kind and CTP. Most interviewees also considered switching CTP modality and delivery mechanism as a mitigation strategy in itself.

Mitigation measures implemented

The main mitigation strategies adopted include:

- shifting delivery mechanisms and having recourse to new technologies and electronic systems
- relying on a network of local partners trusted and known by the crisis-affected population
- ensuring local acceptance and being transparent with all relevant stakeholders in the areas of intervention

Results of the measures implemented

Adjustments made to the programmes and implemented mitigation measures were deemed effective and were adapted to the context. Considering the challenges brought about by the crisis, most interviewees felt that many incidents had been avoided. Most of the strategies implemented could also be easily replicated in other challenging contexts. However, the consultants who conducted the research and authored the report, H el ene Juillard and Chlo e Maillard, also identified limitations to the strategies implemented. They include a lack of coordination and cooperation in some specific areas, challenges associated with the option of transferring risks to local actors, the ineffectiveness of the complaints mechanisms implemented and the new challenges arising from the use of new technologies.

Based on these findings, the consultants made the following recommendations.

Recommendations for CTP implementers and donors operating in other challenging environments

Recommendation 1: Develop a strong risk assessment protocol for each modality and delivery mechanism.

Implementers should regularly re-evaluate the context in which they operate, assess the risks associated with each modality (including in-kind) in the specific context and always consult with beneficiaries, who often have their own perception of risks and ideas about mitigation strategies.

Recommendation 2: Ensure that, within organizations, departments involved in risk assessment are aware of the specificities of CTP.

In order to ensure a 'modality-neutral' risk assessment, which is not biased towards one particular modality, organizations should ensure that the operational departments involved in risk analysis (logistics, security, etc.) are aware of the CTP specificities. This could then strengthen risk mitigation measures and the overall CTP delivery.

Recommendation 3: Emphasize coordination and knowledge sharing between CTP implementers.

Risk analysis is still too often considered an internal exercise of a secretive nature. Strengthening coordination and knowledge sharing in some specific areas (for example, sharing risk analysis and matrices, mapping financial service providers and available technology, carrying out advocacy towards service providers, developing a common transfer value and a beneficiary card, learning from failure and overcoming obstacles, etc.) could really foster the roll-out of CTP in challenging contexts.

Recommendation 4: Develop a network of reliable local partners.

Where possible, work with a range of local partners per location instead of a single partner in order to avoid creating monopolies or conferring excessive power on one actor. Such service providers should not be left to manage risks alone, while international non-governmental organizations (INGOs) should share information with them on the context, and discuss risks and potential mitigation measures.

Recommendation 5: Develop CTP preparedness ahead of the emergency.

Preparedness has always been a key component of emergency response, and this is especially true for CTP using e-transfers, as the set-up costs and time required are often greater than for other mechanisms.

Recommendations for CaLP**Recommendation 6: Continue to showcase experiences on risk assessment and mitigation.**

As mentioned, the analytical basis underpinning the choice of modality and associated risks within organizations is often opaque. CaLP's focus on CTP and risks in 2018–2019 is particularly relevant and should be pursued. It would be interesting to examine the findings of a few additional case studies in different contexts, to match perceived risks with materialized risks, and to shed light on specific practices revealed by the case studies.

Recommendation 7: Promote and foster the adoption of tools to address new risks such as data protection.

Strengthening the knowledge and skills of implementing organizations in terms of data protection and the internal management of information is crucial. Some tools already exist and would benefit from being more widely known about and integrated within implementers. This could be achieved by raising the awareness of the cash working group (CWG) leads and/or protection clusters, or by identifying a data protection focal point in each country.

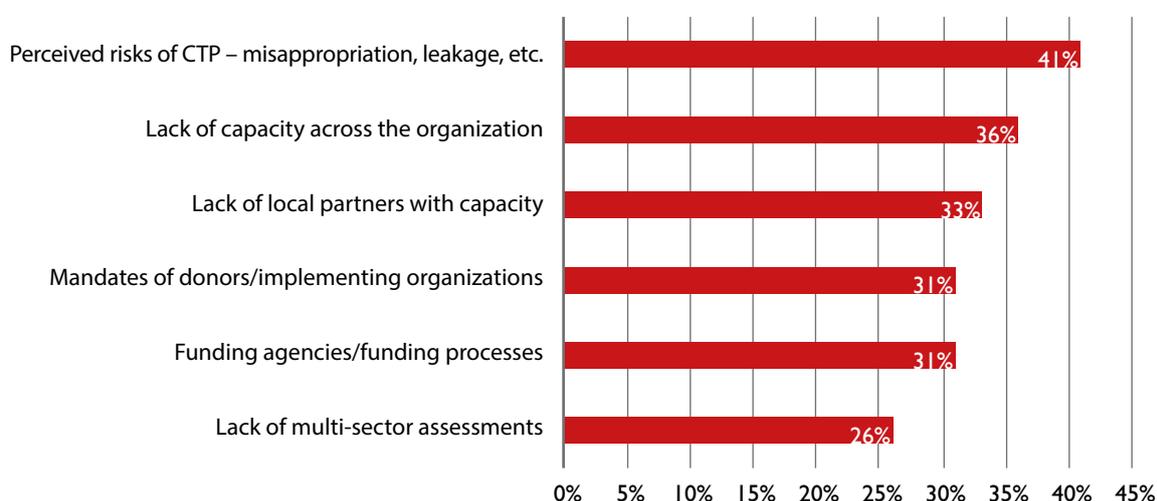
I. BACKGROUND

I.1 CTP-SPECIFIC RISKS IN CHALLENGING CONTEXTS

As humanitarian needs outpace available funding, the humanitarian sector has to think about more efficient responses.² Cash transfer programming is one way forward. A growing body of evidence on CTP, and the recommendations elaborated during the World Humanitarian Summit and in the Grand Bargain, created policy momentum to more systematically consider CTP to cover needs across sectors. Humanitarian actors have progressively made greater use of cash grants as a transformative tool to address the needs of crisis-affected households.

Yet, in 2016, CTP represented just 10 percent of delivered humanitarian aid.³ The 2018 'The State of the World's Cash Report' identifies five main barriers to the increased uptake of CTP, and, particularly, of multipurpose grants (MPGs),⁴ with donors' and implementing agencies' perception of risks being the main one.⁵

Graph 1: Perceived barriers to the more effective and extensive use of CTP⁶



Source: CaLP, 'The State of the World's Cash Report: Cash Transfer Programming in Humanitarian Aid', 2018

Cash transfer programming is not inherently riskier than in-kind assistance. The various risks surrounding CTP have been classified by the consultants in the six main categories listed below. These categories of risk are not CTP-specific, but the way in which these risks materialize can differ, depending on the modality used.

- **Insecurity** refers to exposing people (beneficiaries or staff) to violence, theft and abuse through CTP distributions, which may result in injury or death. In insecure contexts, a lack of access to the implementation area (i.e. remote CTP distribution) is also a major perceived risk due to the limited options for quality control and monitoring. This, in turn, can reduce the feasibility of CTP.

² The gap between humanitarian needs and available funding has increased to over 40 percent, according to the 'Global Humanitarian Assistance Report 2017' from Development Initiatives.

³ CaLP, 'The State of the World's Cash Report: Cash Transfer Programming in Humanitarian Aid' (CaLP, February 2018). This figure, however, is an estimate, as current ways of tracking aid do not disaggregate by delivery modality. For example, the UN OCHA Financial Tracking Service relies on voluntary reporting and, as such, cannot be considered comprehensive.

⁴ *ibid.*

⁵ The five main identified barriers are: perceived risks of CTP; capacity constraints within implementing agencies; constraints of sectoral mandates; constraints of donor funding processes; and lack of multisectoral assessments.

⁶ The graph shows the findings of the practitioner survey on the most commonly perceived barriers to the more effective and extensive use of cash and vouchers. The survey was taken by over 200 practitioners and 35 organizations.

- **Leakage** includes misappropriation, fraud, corruption, double-counting and any irregularity considered a diversion of cash grants or vouchers from legitimate uses. Shrinking budgets for humanitarian assistance, and the increased importance placed by Western donors on anti-terrorism and money laundering policies, further amplify these concerns.⁷ This is a particularly sensitive issue in conflict environments such as northern Mali, where armed opposition groups (AOGs)⁸ are rooted in communities and mixed in with civilians, and where access and project oversight are limited.
- **Inflation and negative market distortions** refer to rises or distortions in prices, the depletion of stocks of essential items and/or a decline in quality⁹ when cash grants or vouchers are injected into the local economy.
- **Gender and power relation** risks are linked to CTP's perceived propensity to negatively influence power relations within beneficiary households and/or communities. Programmes targeting women and young people, for instance, can lead to intra-household or intra-community violence.
- **Unintended expenses** refers to the use of cash grants by beneficiaries for uses other than those intended during the project design phase. It can either be for buying antisocial goods (often cigarettes or alcohol), or simply for goods acquired outside of the scope of the project (for example, the purchase of medicines with a cash grant designed for food security purposes). Using the grants for unintended expenses presents two potential risks: firstly, it creates tensions within households and communities, and, secondly, it contributes to harmful practices and limits the impact of the intervention.
- **Leaks of beneficiaries' personal data** could result in individuals being targeted for violence or harassment because of their ethnicity, religion or medical history, or simply because they have received aid or worked with international organizations. This risk is not specific to CTP, but it is exacerbated when technology is used to deliver payment.

As further developed later in this report, these risks are not specific to CTP but, rather, they are context-specific. They can, however, manifest themselves differently depending on the modality. They should, therefore, be assessed on a case-by-case basis and re-evaluated when the context changes.¹⁰

To operationalize the recommendations of the Grand Bargain and the 2018 'The State of the World's Cash Report', and, specifically, to 'strengthen the evidence-base about the costs, benefits, impacts and risks of CTP in different contexts and sectors', CaLP will be working, in 2018–2019, on cash and risk, specifically, in challenging contexts. This case study is the first activity under this workstream.

1.2 HUMANITARIAN CONTEXT IN NORTHERN MALI

Mali is one of the poorest countries in the world, ranking 175th out of 188 countries in the Human Development Index.¹¹ The 2012 military coup and the ensuing armed conflict in the northern part of the country exacerbated pre-existing structural weaknesses (a lack of infrastructure, challenging business environment, weak educational system, etc.), which led to an acute crisis. Since then, the situation has worsened in certain areas, and, despite the progressive implementation of the 2015 peace agreement, insecurity and violence have spread from the northern to the central regions of the country. Half of the population now lives below the poverty line and 4.1 million people are currently estimated to be in need of assistance. While more than 27 percent of the population lives in areas affected by violence and insecurity, the rest of the population continues to be hit by chronic shocks. Economic structures¹² remain weak and the lack of rain (exacerbated by climate change) is compromising the agricultural sector – the main source of employment in the country. Food security is especially dire during the lean season, a period characterized by a gap between consumption of the last of the

⁷ These regulations can limit the ability of humanitarian organizations to engage with certain groups and access the population, and put greater pressure on CTP-implementing agencies to ensure they are not financing terrorism.

⁸ Organized armed groups belonging to a non-state party to an armed conflict including both dissident armed forces and other organized armed groups (Melzer, 2009). See <http://www.oxfordbibliographies.com/view/document/obo-9780199796953/obo-9780199796953-0143.xml#obo-9780199796953-0143-bibItem-0016>.

⁹ CaLP, 'Notes d'Orientation : Les Transferts Monétaires Dans Les Programmes de Moyens d'Existence', Atelier d'apprentissage CaLP, Dakar, 21 et 22 Octobre 2015, 2015.

¹⁰ Laura Gordon, 'Risk and Humanitarian Cash Transfer Programming: Background Note for the High Level Panel on Humanitarian Cash Transfers' (ODI, May 2015).

¹¹ The Human Development Index was created to assess the development of a country, based not only on economic growth, but also on health, education and standard of living indicators.

¹² Weak economic structures refer to the balance of output, trade, incomes and employment drawn from different economic sectors.

agricultural goods harvested the previous year and the new harvest.

CaLP selected Mali for this first case study on CTP risks to highlight:

- how the contextual changes affected the perception of risks, decision-making processes, and amendments made to the CTP design and implementation
- the extent to which the use of CTP was maintained despite increasing challenges
- which mitigation strategies were put in place and what their results were over time.

1.3 CTP IN NORTHERN MALI

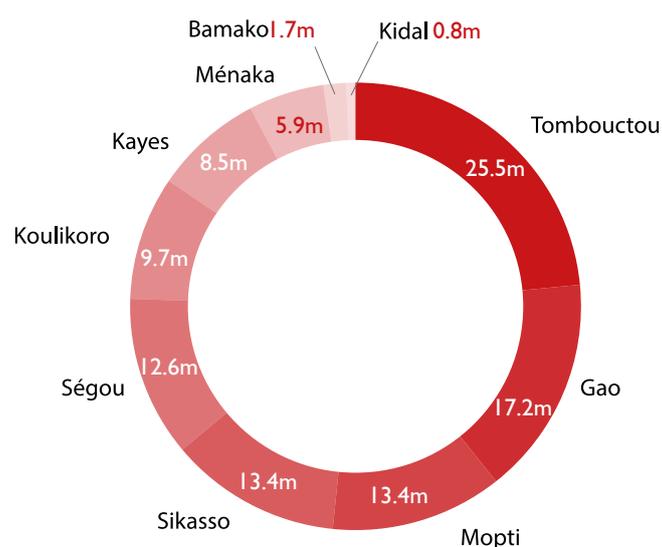
Humanitarian actors have been using CTP in Mali from at least 2010 onwards,¹³ mainly to provide assistance to food-insecure households during the lean season. The outbreak of violence in 2012 brought new challenges and risks to the continuity of aid deliveries. Despite an increase in perceived security risks and risks of misappropriation, those who used CTP before 2012 not only continued to use this modality, but tended to scale up their cash response. Furthermore, some organizations like the World Food Programme (WFP)¹⁴ started using CTP from 2012, after the crisis began.

Humanitarian actors in-country attribute the increased uptake of CTP after the beginning of the crisis to:

- The limited access to beneficiaries. It became increasingly difficult for organizations to deliver in-kind aid by trucks from the Malian capital, Bamako, or from neighbouring countries. The roads were often reportedly controlled by armed opposition groups, and the risk of being stopped and forced to leave supplies behind was high.
- A diversification of needs among the population, requiring humanitarian organizations to cover multiple sectors throughout their interventions. CTP was then seen by humanitarian organizations and the state as a way of increasing the impact of assistance delivered, and of covering multiple needs at the same time.

Today, CTP is used to deliver assistance in northern Mali by most international NGOs, UN agencies and social protection departments of the state. In 2017, **CTP represented 54 percent of total reported humanitarian funding in-country** (US\$108.7m¹⁵ out of US\$203m of total reported funding).¹⁶ Furthermore, Kidal, Tombouctou, Gao and Mopti, the most volatile regions in Mali, account for more than half of the cash transfers delivered in the country in 2017, as shown in the graph below.

Graph 2: Share of CTP value per region in 2017 (in US\$)



Source: CWG, 'MALI : Qui, Fait Quoi, Où, Comment (4W) Transfert Monétaire', April 2018

¹³ The use of CTP reportedly started in 2005 but, as per the organizations and literature consulted, the study team could only track the start of CTP back to 2010.

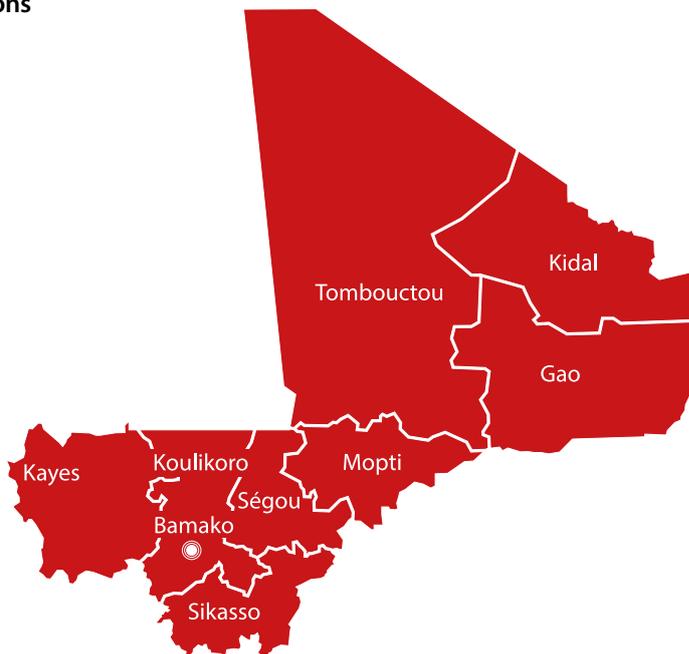
¹⁴ Source: WFP informant.

¹⁵ CWG, 'MALI : Qui, Fait Quoi, Où, Comment (4W) Transfert Monétaire', April 2018.

¹⁶ See <https://fts.unocha.org/countries/137/summary/2017>.

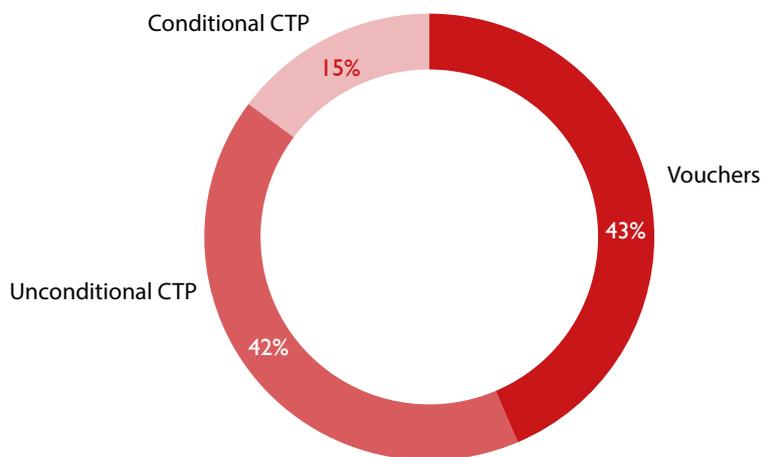
Mali's regions and sub-regions are represented geographically in the map below.

Graph 3: Mali regions



Of the US\$108.7m disbursed through CTP, the largest part consists of unrestricted cash grants, as shown below.

Graph 4: CTP per modality in Mali in 2017¹⁷



Source: CWG, 'MALI : Qui, Fait Quoi, Où, Comment (4W) Transfert Monétaire', April 2018

To deliver CTP, humanitarian organizations have used a wide variety of delivery mechanisms (electronic cash transfers, paper and electronic vouchers, mobile money) and payment agents (banks and microfinance institutions but also local traders). Some organizations also used mixed modalities.

¹⁷ The graph represents the distribution of CTP per modality in Mali in 2017. According to the data collected from actors implementing CTP in the northern part of the country, and the fact that the northern region represents more than half of the volume of CTP in the country, this graph can be considered as representative of the crisis-affected regions.

2. PURPOSE, OBJECTIVES AND SCOPE OF THE CASE STUDY

This case study aims to contribute to the body of evidence on CTP-related risks and mitigation strategies by drawing lessons learnt and identifying recommendations in challenging contexts, as with northern Mali post-2012.

More specifically, CaLP commissioned the case study to fulfil five specific objectives:

- to map and compare identified risks for the implementation of CTP and non-CTP programmes specific to northern Mali, and how relevant stakeholders analyse such context-specific risks
- to assess the extent that and the manner in which these risks have influenced decisions around CTP design and implementation
- to identify implemented mitigation measures and safeguards, and to assess the results
- to reflect on how programmes and risk mitigation measures were amended as a result of the sudden change in the northern Malian security situation, and adapted over time in line with the evolving security and access issues
- to draw lessons learnt and make recommendations that inform response analysis and planning in other challenging contexts, contributing to the more systematic consideration of CTP.

3. METHODOLOGY¹⁸

Inception phase and desk review	Desk review		Inception report
	Thirty-three documents screened, including documentation and data available from the CaLP website produced by the cash working group in Mali		Presentation of the risks identified from the desk review, and agreement on the evaluation matrix
Data collection	In-country		Remote
	Country visit from 28 May to 1 June 2018 in Bamako	Thirty-one in-country stakeholders interviewed among the humanitarian community, donors and governmental institutions	Three remote interviews from 28 May to 31 May 2018 with stakeholders from regional offices
	Thirty-four stakeholders interviewed in total		
Final report	Data coding and analysis		First draft sent to CaLP on 11 June 2018 for review
Study limits	Humanitarian staff turnover made it difficult to find stakeholders working on CTP before the start of the crisis		Lack of access to northern Mali to interview local NGOs and traders involved in cash distributions

¹⁸ A detailed methodology of the case study is available in [Annex A](#).

4. RISK PERCEPTION AND MITIGATION IN NORTHERN MALI

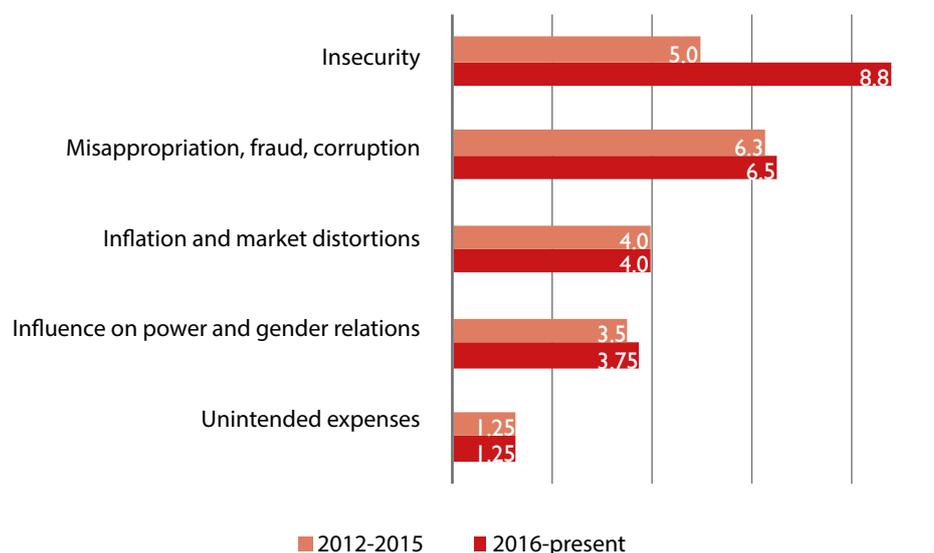
4.1 IDENTIFIED CTP-RELATED RISKS IN NORTHERN MALI

The following section presents the different risks surrounding the use of CTP in northern Mali as identified by interviewees. It then compares the perceived CTP-related risks with those associated with other modalities to determine whether the perceived risks are modality-specific or context-specific.

4.1.1 Identified risks and their evolution over time

Interviewees identified security issues and misappropriation as the two main perceived risks surrounding their projects using CTP (be they CTP-specific or relevant for all modalities) between 2012 and 2018.

Graph 5: Evolution of perceived risk ratings over time¹⁹



Source: Primary data collection

Interviewees' explanations of the ranking for each identified CTP-related risk are as follows:

- **Insecurity**

The stakeholders consulted identified insecurity and access to the area of intervention as the most significant risk for their projects using CTP. In particular, they highlighted attacks on the road, hold-ups and the violent robbery of equipment and cash delivered to beneficiaries. The perceived risk is increasing, particularly because of two main factors: one linked to the changing nature of the context (more diffuse and widespread insecurity) and the other linked to the actual distribution of humanitarian assistance (experience of previous attacks and frustration created by the lack of funds).

Despite the fact that fighting and armed clashes have decreased over the last couple of years, the security risks and access constraints have not disappeared but, rather, have evolved into a more diffuse and ever-increasing threat. At the time of writing, in June 2018, interviewees did not consider the presence of AOGs as the biggest threat to humanitarian action and CTP in the country. Blocking the distribution of humanitarian aid to the communities in need conflicts with their wish to gain widespread support and buy-in from the communities. Cash distributions to the communities are also more acceptable to AOGs than other humanitarian interventions that could disrupt the social norms.²⁰

¹⁹ The ranking is based on the risk matrix tool available in [Annex B](#). For a detailed explanation on how the score was calculated, see [Annex A](#).

²⁰ Social norms refer to the shared expectations or informal rules among a set of people as to how people should behave.

Most key informants, however, noted that criminality and banditry had increased significantly since 2016. Military interventions to disperse the jihadist action in 2012–2013 affected the re-establishment and functioning of state institutions in the north of the country. In localities where neither armed opposition groups nor the state could continue to impose their power and authority, criminal activities boomed. These generally included small-scale attacks, such as assaults, muggings and thefts. As these criminal activities are not carried out by organized groups of individuals with clear demands, negotiating access reportedly proved to be challenging. Most interviewees considered the probability of criminal attacks to have increased significantly compared to when AOGs or the state were in power in these localities. This explains why interviewees' perceptions of this risk increased from 5.0 to 8.8 on average between 2012–2015 and 2016–2018, when they were asked to represent the evolution of this risk on a risk matrix.

In terms of geographical scope, it was also noted that insecurity had spread, now reaching the central regions of the country. Specifically, in the Mopti region, inter-communal conflict, related mainly to the management of natural resources and to the vulnerability of farming and pastoral communities, also threatened the delivery of assistance to affected communities due to blockades of major roads and exposure to armed conflict. These risks tend to be even more exacerbated by the effects of climate change, including growing desertification and ever more severe flooding.

Interviewees also highlighted another risk that threatened the security of staff and implementing partners, namely, increasing frustration among communities with the small amount of cash assistance provided, and the small number of households targeted given the growing needs of the communities.

- **Misappropriation, leakage and fraud**

Misappropriation, leakage and fraud were considered a less significant risk than insecurity and access and were rarely spontaneously mentioned.²¹ When questioned on this specific issue, however, the average ranking given by interviewees was fairly high (6.5 at the time of the research). Although the severity of the risk depended significantly on the amount of money misappropriated, it was difficult for stakeholders to estimate the probability of this risk actually occurring. It reportedly slightly increased over the period as security and access constraints forced humanitarian actors to involve a growing number of local partners and intermediaries to reach the communities in need.

The biggest concerns expressed by the interviewees related to the diversion of the cash by service providers, agents and local partners, rather than the financing of armed groups and extremists. While humanitarian organizations implemented safeguards and mitigation measures, as detailed later in this case study, it was reportedly difficult for them to control the entire supply chain.

Interviewees did not consider errors of inclusion or exclusion as a risk, as implementers reported paying a lot of attention to the targeting process by involving the entire community in the selection of beneficiaries. However, interviewees noted the impossibility of controlling and monitoring the inter-communal mechanisms of solidarity and redistribution of resources.

- **Impact on markets and prices**

The impact of cash injections on markets and prices appeared to be the best documented and analysed risk among the humanitarian community in the country. All interviewees described the markets in Mali as functioning, as well as having the capacity to absorb cash injections and offer good quality products. This perception is backed by regular market analysis and price monitoring exercises undertaken in areas of intervention. Interviewees were consequently confident that there was a very low probability of CTP negatively impacting prices and local markets. Many implementers even saw CTP as a way of fostering economic recovery in times of crisis, but that there was a risk it could potentially have a detrimental impact on the local community if prices were not monitored adequately and agreed upon with local traders, which explains the medium score of 4. However, they reported that with a growing number of organizations implementing CTP in the same areas of intervention, this risk could become more significant in the coming years if coordination did not improve.

²¹ The risk was spontaneously mentioned by 9 interviewees out of 34.

- **Influence on power and gender dynamics**

Although stakeholders did not spontaneously mention the risk of CTP influencing power and gender dynamics in areas of intervention, when asked, some of them expressed real concern, while others did not consider this risk as relevant in the West African context due to redistribution mechanisms among households and communities. This could, however, potentially go against the 'do no harm' principle of humanitarian action by exposing some beneficiaries to violence, which explains the medium score given.

Individuals concerned about this issue based their judgement on their experience of some localities or neighbouring countries, such as Chad. Interviewees reported cases where male heads of households found it hard to accept that women were receiving cash. Economic development and the increased targeting of women can challenge local community norms, thereby exposing them to violence.

As a general rule, the perception among stakeholders was that cash had little impact on household dynamics, including on gender dynamics, and that decisions about how to use cash and vouchers in the household were often taken collectively. However, this issue has not been documented further in the country.

- **Unintended expenses**

Unintended expenses were not considered an issue in the Malian context. Interviewees mainly explained this by the fact that Islamic law prohibits the use of many addictive goods (such as alcohol). It was also noted that, in the northern regions of the country, the needs of the targeted community were so great that the idea of using the cash for antisocial purposes was almost inconceivable. This perception is also backed up by the post-distribution monitoring done by all organizations using CTP in the country.

- **Protection of beneficiaries' data**

One key informant mentioned the risk of leakage and the malicious use of beneficiaries' data collected for CTP purposes.²² As already mentioned, if not protected adequately, this could potentially put beneficiaries at risk of being targeted for violence or harassment because they received aid, or simply because of their ethnicity, religion or medical background.²³

While this risk is not new, it has certainly increased with the growing use of new technologies in CTP and the amount of data collected by humanitarian agencies for targeting and monitoring purposes.²⁴

Since the outbreak of the crisis, the perceived risks surrounding CTP have remained the same, only their probability and severity have fluctuated over time and across regions.

4.1.2 Modality-specific risks or context-specific risks?

When asked to compare the risks identified with using CTP to those associated with in-kind interventions, a majority of stakeholders reported that those risks were context-specific and, as such, applied to other modalities such as in-kind aid.

- **Insecurity**

Among the interviewees who considered cash as riskier, the reasons given were that cash was more tempting, fungible and easier to steal than in-kind goods or vouchers, even though the number of attacks and incidents for each modality was similar. For instance, many interviewees noted that several trucks conveying cereals or goods were stopped and/or robbed on their way to beneficiaries. With CTP, similar cases were also reported, in equivalent proportions and for a range of delivery mechanisms (vouchers, mobile money and cash in envelopes). Some stakeholders considered cash less risky than other modalities as it is less conspicuous and easier for beneficiaries to carry home.

²² The consultants did not include this risk in the graph as it was only mentioned by one key informant, and the score could then not be averaged.

²³ Gabrielle Smith et al, 'New Technologies in Cash Transfer Programming and Humanitarian Assistance' (CaLP, 2011).

²⁴ The consultants do not limit the term 'new technologies' to the use of mobile technologies, but also include the use of electronic payment terminals used in systems like the ones described in [section 4.3.1](#).

- **Misappropriation and diversion of aid**

Some informants noted that it was easy for intermediaries to tax in-kind products and to divert a portion to be sold for cash. The weighing of in-kind goods (cereals, for instance) is often imprecise, making it more difficult for beneficiaries to notice if they have not received the exact expected quantity. Cash, on the other hand, can be counted and, as such, it is easier to claim the shortfall if the expected amount has not been received.

- **Inflation and market distortions**

Some implementers considered in-kind aid as potentially more detrimental than cash, especially if in-kind products have not been bought locally, as this can saturate markets and destroy local and traditional production.

- **Leaks of personal data**

Although humanitarian agencies collect personal data in all areas of programming, the risk was considered slightly higher for CTP compared to other modalities because CTP beneficiary lists are more complex and involve more personal data, which has to be checked by a much greater number of individuals. For example, with some e-transfer systems, client ID is verified using biometric authentication, which requires personal data to be collected from beneficiaries such as photos, fingerprints and retina scans.

Most key informants therefore considered the risks to be highly context-specific (not only country-specific, but most of the time region- or locality-specific) or linked to the modus operandi, or bad communication or coordination among all the stakeholders involved in the project (for instance, when the objectives or targeting mechanisms were not well understood by the established authority).

This feeling was shared by the donors interviewed, who did not appear to be more risk-averse towards CTP than in-kind aid. Reporting and monitoring requirements were considered equivalent for both modalities. Donors expressed their preference for cash due to its many benefits, whilst leaving implementing organizations free to choose the modality based on their experience and knowledge of the area of intervention. International counterterrorism measures aimed at preventing terrorism financing did not seem to have a constraining effect on the use of CTP by humanitarian actors.

The risk of negatively influencing power and gender dynamics and the risk of the grants being used for unintended expenses were considered more CTP-specific, but they were also the risks given the lowest ranking in terms of probability and severity.

Concerns about and appreciations of risks, however, often remained undocumented or insufficiently documented and were not collated with equivalent risks for other modalities. For instance, some key informants realized during the interviews that whilst they developed a risk matrix for their cash-based interventions, this was not always the case for in-kind programmes. This results in very diverse and sometimes contradictory risk assumptions, as well as programmatic decisions, and in associated mitigation measures particularly related to protection risks.

4.2 IMPACT OF THESE RISKS AND RESPECTIVE MITIGATION MEASURES ON PROGRAMMATIC DECISIONS

4.2.1 A greater impact on the distribution mechanism than on the choice of modality

The humanitarian community and donors were already implementing CTP before the crisis began and did not revert to in-kind when the security situation deteriorated. None of the stakeholders or organizations consulted expressed the wish to revert to in-kind, even though some went back to using commodity vouchers.

The factors influencing this preference for CTP are described in Figure 1 below.

Figure 1: Factors influencing the preference for CTP

Decreased logistics and costs	Dignity and choice of beneficiaries and preferences of stakeholders	Stimulation of the local economy
<p>Delivering in-kind requires enormous logistics costs of 15-20% of the overall project budget on average, whereas with cash, the cost of services charged by service providers often does not exceed 3%. In the northern Malian context, costs are higher, considering the perceived risks taken by service providers but still remain lower than in-kind delivery, ranging from 5-6% in 2015 to 10-12% today.</p>	<p>Results from post-distribution monitoring surveys in the regions of Tombouctou and Gao in 2016 show that beneficiaries generally prefer to receive assistance in the form of cash transfers (over 76%) for reasons of nutritional habits and their dignity.</p> <p>Preferences in mechanisms are also respected. In some areas, interest rates paid to service providers are considered contrary to Islam and vouchers are therefore preferred. In other locations, beneficiaries reported feeling safer with vouchers than cash.</p>	<p>From 2013, some communities were able to stabilize but the economy in the north was sluggish and needed to be stimulated. Cash was considered the best option for doing so. Cash brings alternative incomes and the possibility of restoring livelihoods. PDM results show the multiplier effect of cash on the local economy in the region.</p>

Source: Primary data collection

Perception of risk was a key factor for organizations when first deciding whether to intervene or not in a given area. However, it was less of a factor when deciding between in-kind and CTP. Market functionality was deemed the primary determining element when it came to choosing between in-kind and CTP assistance.

Perceived risks were, however, almost systematically considered the most crucial element influencing the decision-making process regarding the choice of delivery mechanism, closely followed by the efficiency and effectiveness of each option in achieving the project's objectives.

The diversity of delivery mechanisms that CTP offers was used as a mitigation measure in itself by some of the organizations consulted. When delivering cash in envelopes to beneficiaries in northern Mali became too risky, many organizations decided to opt for e-payment mechanisms or vouchers as a way of sidestepping access constraints and risks in transporting cash from Bamako. Some stakeholders also reported that one of the advantages of vouchers was that if the organization knew that an attack or robbery had occurred, they could then stop the vouchers from being cashed. E-payments reduce risks for staff when transporting money and make it easier to track where the money goes.²⁵ **Most interviewees therefore considered switching CTP modality and delivery mechanism as a mitigation strategy in itself.**

²⁵ Examples of e-payment mechanisms are developed in [section 4.3](#) of this report.

4.2.2 Mitigation measures implemented

Humanitarian organizations implemented a series of measures to mitigate the different risks identified. The three main measures and safeguards implemented in northern Mali were as follows:

- **Shifting delivery mechanism**

The main changes in delivery mechanisms are the direct result of a worsening of the crisis from 2014–2015. Most implementers first moved away from cash distributions by microfinance institutions (MFIs) and Orange Money to distributions by local NGOs and traders. At the time of writing, implementing organizations were again adapting their programmes by focusing on the use of vouchers and electronic mechanisms.

However, these adaptations were implemented in response to a specific challenge or incident, rather than in anticipation of changes in the security context. The transition from MFIs and Orange Money to local traders resulted from the fact that these actors either refused to continue their operations in some northern localities or did so but charged very high commission rates to compensate for the increased security risks (e.g. 12 percent per transaction at the time of writing compared with 6 percent in 2012). The same issue arose at the time of writing with local traders, with reportedly fewer of them responding to a call for tenders from CTP implementers.

Another reason why organizations change the delivery mechanism or partner used is in response to an incident that they, or another humanitarian organization, experienced.²⁶ Most of the organizations consulted were therefore looking increasingly into electronic payment mechanisms, such as the RedRose and KACHE (Kit for Autonomous Cash transfer in Humanitarian Emergencies) platforms, described in more detail in the next section.

The expansion in the range of delivery mechanisms is not only a result of them serving as mitigation measures, but also due to the global evolution of CTP delivery. In this case, the crisis in northern Mali has acted as an accelerating factor in the uptake of these innovative solutions. When insecurity increased, the feasibility of all manual delivery mechanisms (in-kind and cash in envelopes) declined, forcing humanitarian organizations to look into electronic solutions that can be managed remotely. Without the crisis, this evolution could have taken more time.

- **Subcontracting CTP distribution to local actors**

A local anchorage through a choice of partners was mentioned by most stakeholders interviewed as the best way of mitigating the security risks of delivering cash. This is also linked to the nature of the crisis in northern Mali, where OAGs are numerous and rooted in communities. Most organizations consulted chose to partner with local actors to move and distribute cash to beneficiaries. Traditional financial service providers, such as microfinance institutions and mobile network operators, were not present in the most remote villages of northern Mali, so humanitarian organizations eventually partnered with traders and even with smaller NGOs. Humanitarian organizations conducted regular context analyses in order to remain updated about the power dynamics in the area of intervention, which, therefore, sometimes resulted in a change of sub-contractor.

This partnership effectively transferred the risks to those local actors who could, in turn, rely on their own network to ensure safe CTP distribution. Working with local actors also meant there was less need to transport and store cash. Local actors were also trusted by beneficiaries and different groups of influence. Implementers carried out due diligence to ensure these local actors were not linked to armed opposition groups.

- **Paying greater attention to communication and acceptance**

These measures apply both to communication with external actors and within the organizations and their partners.

Externally, humanitarian actors adopted two contradictory approaches. The most popular approach was to be fully transparent with all stakeholders, including AOG leaders, about the objectives of the project, the targeting process, and the amount to be received, etc. The first aim of this approach was for AOGs and other local authorities to understand that the assistance provided would not go against their personal goals, and that they had no interest in stopping the delivery. The second aim was to rely on internal control and peer review within the

²⁶ 'Incident: any event(s) in which staff safety or security is compromised; any dependant or other third party is injured or harmed in the course of the organization's activities; property or belongings of the organization are stolen, damaged or put at risk; where there is interference with the delivery of aid and/or the independent work of the aid agency is compromised, including reputational damage. They are motivated by the will of individual(s) to cause harm to persons or entities, to seize assets or to disrupt the delivery of aid, either by direct targeting of that agency or agency personnel, or otherwise' (RedR, 2017, 'Security Incident Information Management Handbook').

community (i.e. if everyone understood the modalities of the project, then they would be more able to notice and report any suspicious or fraudulent behaviour).

The second approach was to be as invisible as possible towards armed groups and various forces whose presence was identified as a threat. This approach included measures such as not displaying the name or logo of the organization or donors on distribution sites, using rental and unbranded vehicles, not making public the list of beneficiaries, and keeping the distribution site and time secret until 24 hours beforehand.

Internally, attention was focused on training service providers and partnering local NGOs on misappropriation and fraud, and on training staff on the complexity of CTP, post-distribution monitoring, and exercising the necessary discretion regarding cash transfers and storage, etc.

The other mitigation measures implemented by humanitarian actors are summarized in the table below.

Table 1: Identified risks and associated mitigation measures implemented

Risk	Rating ²⁷	Mitigation measures implemented
Insecurity and access	HIGH	<ul style="list-style-type: none"> • Use of local actors, such as traders and NGOs • Armed escort to accompany local actors to distribution sites • Communication and transparency with all stakeholders • Inclusive beneficiary targeting process to avoid frustration and staff exposure to attack • Use of different routes for all actors present during distributions • Information about location and dates for distribution disseminated only 24 hours beforehand • Increasing the number of cash-out points, as much as possible • Reduce visibility: no logo or branding, use of rental vehicles
Inflation and market distortions	MEDIUM	<ul style="list-style-type: none"> • Market analysis and monitoring to adjust transfer value • For vouchers: pre-identified vendors will sign agreements listing the locally appropriate maximum price for specific food and non-food items
Misappropriation, fraud and corruption	MEDIUM	<ul style="list-style-type: none"> • Use of electronic platforms (KACHE, RedRose)²⁸ • Rigorous checks and control of partners, due diligence process • Complaints committee/hotline • Reimbursement of partners upon receipt of proof of distribution and list of beneficiaries • Random calls to beneficiaries to check if they received the expected amount • Barcodes and biometric authentication checks for the identification of beneficiaries²⁹ • Staff present and responsible for overseeing transfer activities • Inclusive beneficiary targeting for communities to report any irregularities or infiltration onto the beneficiary list • Use of beneficiary registration and distribution monitoring platform (SCOPE)
Influence on power and gender dynamics	MEDIUM	<ul style="list-style-type: none"> • Post-distribution monitoring surveys • Do not specifically target women as direct recipients of cash • Awareness-raising within beneficiary households if women are targeted
Unintended expenses	LOW	<ul style="list-style-type: none"> • Post-distribution monitoring surveys • Restricted vouchers

²⁷ Ratings were defined based on the present value given for each risk by interviewees who took part in the previously described ranking exercise.

²⁸ A text box presenting the two platforms is available in [section 4.3.1](#).

²⁹ WFP, for instance, delivers electronic beneficiary cards requiring fingerprint identification to withdraw cash.

Interestingly, some mitigation measures and implemented programmatic decisions contradict each other (e.g. targeting women or otherwise, being as invisible as possible or communicating a lot, partnering with small traders or with big wholesalers, etc.). This is the result of different perceptions and analysis of the risks at stake and of the potential impact of some mitigation measures compared to others (e.g. the risk of exposing women versus the risk of neglecting them and reinforcing traditional attitudes, the risk of exposing them to violence versus the risk of reinforcing the position and power of some individuals, etc.). It also varies with organizational practices, policies and reputation. For instance, in terms of visibility, UN agencies traditionally use branded cars whereas some NGOs will opt for cars without logos because it is considered safer.

4.3 RESULTS OF THE MITIGATION MEASURES AND SAFEGUARDS IMPLEMENTED

The following section presents the results of the mitigation measures implemented by identifying some best practices and successes, as well as some of the limitations of the strategies adopted.

4.3.1 Best practices and successes

Almost all actors consulted deemed the adjustments made to the programmes and implemented mitigation measures as effective and adapted to the context. Considering the challenges brought about by the crisis, most interviewees considered that many incidents had been avoided. Most organizations had never faced a situation that forced them to withdraw or halt their operations. Some implementers were also confident that the measures had had a deterrent effect, i.e. that they almost certainly dissuaded some people from committing actions that could have adversely affected the programmes.

When asked whether they considered the mitigation measures implemented as an impediment to the success of the programme, or whether the measures created disproportionate delays and costs, all interviewees were consistent in claiming they did not.

Organizations that used electronic transfers were unanimous on the positive impact the technology had had on the efficiency and effectiveness of the interventions, and on their relevance in mitigating risks in challenging environments like northern Mali. All systems have been tested in various challenging contexts and can easily be adapted and/or replicated.

Consulted organizations used the three main systems presented opposite.³⁰

³⁰ More information is available at <https://www.redrosecps.com/features/> and at <http://www.cashlearning.org/downloads/kachefinal-report-wfp-acf-v7mb-2.pdf>.

Figure 2: Presentation of the three e-transfer platforms used in Mali

RED ROSE	KACHE	SCOPE
<p>RedRose is a technology company specializing in electronic cash transfer products. It has developed the ONEsystem, enabling NGOs to register beneficiaries and deliver all modalities of CTP including paper vouchers, e-vouchers, cash for work, MPG, and mobile money using a secure, cloud-hosted web platform that vendors can access on tablets or phones through a Wi-Fi hotspot set-up in their location. The system can function offline and online, and with all kind of identification devices (barcode scanner, biometrics, ID scanner).</p>	<p>KACHE (Kit for Autonomous Cash transfer in Humanitarian Emergencies) is a platform developed by ACF (Action Contre la Faim) that relies on RedRose technology .</p> <p>The kit consists of a cloud-based platform, NFC (nearfield communication) smartphones with Android applications, Bluetooth printers and smart cards. The kit was designed to manage different modalities of cash transfer (e-vouchers, e-cash and paper vouchers) in contexts with no functioning local communication network.</p> <p>It is recognized for its quick set-up and user-friendly aspects.</p>	<p>SCOPE (System for Cash Operations) is WFP’s digital platform to deliver CTP at scale. It includes:</p> <ol style="list-style-type: none"> 1. SCOPE ID: Electronic beneficiary registration – works offline and can capture a beneficiary’s photo and fingerprints. 2. SCOPE Benefit: A web-based beneficiary and transfer management solution that allows users to plan, execute and track CTP distributions 3. SCOPE Link: Electronic CTP delivery mechanisms that interface with SCOPE Benefit to verify beneficiaries’ ID, access beneficiary balances and carry out transactions using those balances.

Source: Primary and secondary data collection

While set-up costs are higher than for other delivery mechanisms, implementing agencies that adopted the technology predicted cost optimization in the medium and long term. Furthermore, e-transfers also offered the opportunity to trace funds and reduce leakages.³¹ For instance, the evaluation report of ACF’s KACHE system revealed that the system increased physical security for staff, vendors and beneficiaries, and improved beneficiaries’ personal data protection (based on 12 sub-indicators). The system also scored highly for processes that reduce the risk of fraud, thanks to the digital tracking of the whole operation. One hundred percent of beneficiaries felt safe using the system and valued the fact that the card and PIN code were unique and could be deactivated if the card was lost or stolen.³²

Many similar digital payment mechanisms are currently being developed in West Africa, such as Segovia in Nigeria, a software technology platform designed to increase the amount of money received by beneficiaries by 20–30 percent by reducing diversions, transfer costs and inefficiencies.³³

Finally, regular monitoring, be it market monitoring or post-distribution monitoring, is pivotal to the success of any risk mitigation plan, addressing the risks across the six identified areas. This is not cash-specific but, rather, standard good practice³⁴ for any risk mitigation measures that should be continued.

³¹ Kokoévi Sossouvi, ‘E-Transfers in Emergencies: Implementation Support Guidelines’, (CaLP, 2013).

³² ACF Spain, ‘KACHE Final Evaluation Report’, 2015.

³³ See <https://globalinnovation.fund/investments/segovia/>

³⁴ See, for example, Claire McEvoy, ‘Risk management and accountability practices among NGOs working in Somalia’, (Somalia NGO Consortium, 2013).

4.3.2 Limitations of the strategies adopted

Nevertheless, the consultants identified limitations to some of the main mitigation strategies adopted, namely the transfer of risks to service providers and local NGOs, the implementation of complaints mechanisms and the use of new technologies.

- **Coordination**

As mentioned, some mitigation measures were inconsistently applied across organizations, even for projects implemented in the same area. Risk mitigation is still too often considered an organization-specific exercise, whose results are not shared in coordination forums. There is no standard framework for CTP-related risk assessment in Mali, and those organizations that have such a framework or risk analysis matrix tend to be reluctant to share them. Overall, risk appetite will remain organization-specific, but when it comes to CTP-related risks, joint risk identification and mitigation could prove effective and less resource-heavy. Improved coordination could have been used in northern Mali as a mitigation measure and as a way of increasing the benefits of the mitigation measures implemented.

- **Limitations of the option to transfer risks to private service providers (MFIs, banks, Orange Money, local traders, etc.)**

According to most interviewees, until recently, partnering with private organizations appeared to be a good option to mitigate security and access-related risks. As mentioned previously, CTP implementers have increasingly struggled to find service providers willing to take on the growing risks of being attacked and robbed.

As a result, with fewer actors answering their calls for tenders, CTP implementers were unable to be as rigorous in their due diligence when choosing a delivery partner. This has led some organizations to partner with service providers that did not have the organizational capacity to undertake the work, or did not apply the same accountability standards required in humanitarian action. For instance, after two unsuccessful calls for tenders, one implementer had to halt the delivery of a CTP intervention because of the unreliability of the service provider selected during the third call. At the time of writing, this programme had yet to restart. What began as a perception of high risks by service providers then became a feasibility issue for CTP implementers.

- **Limitations of the option to transfer risks to local NGOs**

Implementers raised questions on how to ensure that partner NGOs are applying the same standards of impartiality and accountability that INGOs are subjected to (e.g. how to ensure they do not pay armed opposition groups to access some localities and, thereby, contribute to financing terrorism).

Another issue with transferring risks to service providers and local partners is knowing who will pay compensation in the event that the money is stolen, given that the insurance policies of these actors often do not cover the amount transferred, and that implementers are not willing to cover this risk either.

- **Ineffectiveness of the complaint mechanisms implemented**

In order to try and limit the number of fraud cases in the delivery of cash to the community, most CTP implementers in northern Mali have established complaints mechanisms, which give beneficiaries the opportunity to speak out if they notice any irregularities.

However, a few interviewees questioned the effectiveness of these implemented mechanisms. While some implementers regarded the very low number of complaints received at their level as a sign of the successful execution of the projects and of the functioning of local complaints management mechanisms, others noted the inadequacy of the systems in place. The reason given was that most of these complaints systems were organized within intra-communal groups, where beneficiaries did not dare complain due to fear of reprisal. This was mostly due to the limited access that humanitarian actors have to the northern regions of the country.

In most organizations, complaints mechanisms were also evolving into more discreet systems, such as hotlines or focus groups supervised by external stakeholders. Some interviewees, however, still expressed reservations as to whether these new mechanisms would be more effective.

- **Challenges associated with the use of new technologies**

Whilst new technologies have the potential to greatly improve the delivery of CTP in challenging contexts, such as northern Mali, their deployment requires a lot of preparation and training in order to make good use of all the possibilities that they offer.

The KACHE system, for instance, requires the interface to be set up with the desired key parameters and options – depending on the programme implemented – the equipment to be ordered, staff capacity to be increased, and local traders and beneficiaries to be trained in how to use the system. This applies to each of the three systems described, and, potentially, to all electronic delivery systems. The system must then undergo small-scale testing – and not during a crisis – for a reasonable period of time before it can be deployed during an emergency. However, this is not always in line with the priorities of some emergency donors, who may prefer to fund immediate relief operations instead of contributing to the preparedness phase, even though it is the most decisive stage.

Some security mechanisms, such as PIN codes for cash withdrawals, are not always easy to use for some beneficiaries or can be quite intimidating (e.g. retina scans). For instance, field testing of the KACHE system in northern Mali revealed that 43 percent of the beneficiaries received help from vendors to key in the PIN, while 48 percent did not know how to check their balance.³⁵ This data is consistent with global studies, which tend to show that e-payments take longer to set up and require greater investment in terms of training recipients to be able to withdraw their cash independently.³⁶

The humanitarian community should also pay specific attention to protecting beneficiaries' data, as well as to the specific risks associated with new technologies. E-transfers should not be considered a solution for all risks and difficulties. For instance, concerns have been raised regarding RedRose digital payment systems, although, at the time of writing, no evidence of any data protection issues has been found.³⁷ A failure to understand or mitigate these new threats throughout the programme cycle can put people at risk and undermine the trust that is required for humanitarian organizations to do their work.

³⁵ See <http://www.cashlearning.org/news-and-events/news-and-events/post/306-projet-cache--des-tests-sur-le-terrain-au-mali-au-dploiement--grande-chelle-dans-les-operations-d-acf>.

³⁶ See, for example, 'Cheaper, faster, better? A case study of new technologies in cash transfers from the Democratic Republic of Congo', (Mercy Corps, 2014).

³⁷ See <https://www.devex.com/news/new-security-concerns-raised-for-redrose-digital-payment-systems-91619>.

5. CONCLUSIONS AND LESSONS LEARNT

The humanitarian sector recognizes the fact that CTP can play a more significant role in supporting crisis-affected populations while preserving their dignity and freedom of choice, stimulating local economies and rebuilding livelihoods. In Mali, this is widely acknowledged among donors, implementers and governmental agencies. As a result, when the crisis struck, the question was not whether humanitarian actors should keep delivering cash, despite the risks, but, rather, how to deliver cash differently to continue addressing the needs of the affected populations in a safe and adequate way.

Most of the risks and barriers raised within the context of this study are neither new nor unique to cash and vouchers. Rather, such risks more often relate to programme design or to the security context in which CTP, or in-kind assistance, is implemented.

One of the main benefits of cash is the flexibility and range of delivery options it offers, which were often used as mitigation measures by the humanitarian community operating in northern Mali. Alongside delivery mechanisms, CTP implementers developed their own risk mitigation strategies that, in most cases, have proved to be effective in preventing these risks from materializing. These strategies can be organized around three axes:

- shifting delivery mechanism and having recourse to new technologies and electronic systems
- relying on a network of local partners
- focusing on acceptance and being transparent with all relevant stakeholders in the areas of intervention

Whilst there is no universal solution, and regular context and risk assessments are required to ensure that CTP and associated mitigation measures remain the most relevant, all of the strategies implemented in northern Mali could, potentially, be replicated in other challenging contexts.

The special attention given to risk assessment and mitigation for CTP compared with in-kind assistance (because of greater concerns about risks in CTP programmes) can also, potentially, result in safer implemented programmes.

When appropriate, aid agencies should, therefore, not shy away from embracing the benefits of CTP, as risks are inevitable when implementing programmes in insecure environments regardless of the modality chosen. If the 'business as usual' aspect of in-kind assistance continues to reassure a fair proportion of the humanitarian community across the world, evidence from past experience in a wide range of challenging contexts, such as northern Mali, demonstrates that it is possible to successfully and safely deliver cash in insecure environments.

There is also no doubt that forthcoming innovations will allow risks to be further reduced and mitigated.

6. RECOMMENDATIONS

The following recommendations should inform response option analysis in other challenging contexts and support the more systematic consideration of CTP.

For CTP implementers and donors operating in other challenging environments

Recommendation 1: Develop a strong risk assessment protocol for each modality and delivery mechanism.

Within most organizations, there is a lack of information and analysis to support decision-making around the choice of modality or delivery mechanism. Whether CTP or in-kind are used, the analytical basis underpinning the decision is too often very opaque and undocumented.

Implementers should regularly re-evaluate the context in which they operate, assess the risks associated with each modality in the specific context and always consult with beneficiaries, who often have their own perception of risks and ideas about mitigation strategies. Risks associated with in-kind should be systematically assessed with the same level of caution as that required for CTP in order to make an informed choice about the delivery modality.

Recommendation 2: Ensure that, within organizations, departments involved in risk assessment are aware of the specificities of CTP.

CTP expertise within organizations generally remains in the hands of one or two individuals who are often not in charge of risk analysis and management. While not everyone needs to become a CTP expert, ensuring that the operational departments involved in risk analysis (logistics, security, etc.) are aware of the specificities of the modality seems important. This could help to counter any assumptions (including risks of inflation, market disruption and unintended usage) resulting in bias in favour of in-kind. The understanding that these departments would have of CTP would also be a great asset in delivering such programmes and in the way in which risks would be mitigated.

Recommendation 3: Emphasize coordination and knowledge sharing between CTP implementers.

Whilst the number of cash working groups demonstrates the will to coordinate among CTP implementers in-country, strengthening coordination and knowledge sharing in some specific areas could really foster the roll-out of CTP in challenging contexts.

These areas include, among others:

- Sharing risk analysis and matrices as well as potential mitigation measures. Far too often, these are done at organizational level and are not shared.
- Mapping financial service providers and available technology (mobile networks, etc.) on a country scale as well as their existing coverage and real operational capacities (compared to the number and category of beneficiaries targeted, for instance).
- Carrying out concerted and sustained advocacy towards service providers to try and convince them to extend their coverage to some localities or to negotiate a common price.
- Developing a common transfer value and beneficiary card in order to minimize the risk of fraud, confusion, double-targeting, and frustration among communities.
- Learning from failure and overcoming obstacles and difficulties encountered during CWG meetings.

Recommendation 4: Develop a network of reliable local partners.

As the northern Malian example demonstrates, in a challenging environment it is often necessary to work in partnership with local actors (either financial service providers, local traders or NGOs) to deliver CTP to the community and overcome access and security barriers. Where possible, work with a range of local partners per location instead of a single partner in order to avoid creating monopolies or conferring excessive power on one actor.

The word 'partner' is deliberately used to emphasize the need for greater collaboration with these local actors. In the case of financial service providers and local traders, it may not be possible for INGOs to sign a partnership

agreement with private actors. However, these service providers should not be left alone to manage risks linked to the operations delegated to them. Mechanisms should be put in place for INGOs to be able to share information with them on the context, and to discuss risks and mitigation measures, etc. This is particularly relevant when the service providers are small traders who may not have established clear procedures and processes for managing risks.

For instance, a short document could be created by each CWG to raise service provider awareness regarding the level of discretion required during humanitarian operations and the dignity and respect that should be accorded to beneficiaries.

These local actors need to be regarded and treated as strategic partners, and not simply as service providers. This could provide an opportunity to work on two Grand Bargain commitments at the same time: the increased uptake of CTP and localization.

Recommendation 5: Develop CTP preparedness ahead of the emergency.

Preparedness has always been a key component of emergency response, and this is especially true for CTP using e-transfers. As mentioned previously, switching modality or delivery mechanism requires preparedness well ahead of the crisis. This is especially the case when switching to e-payments, as the set-up costs and time required are often higher than for other mechanisms. The adoption of new technologies also requires new working arrangements that demand time and resources.

For CaLP

Recommendation 6: Continue to showcase experiences on risk assessment and mitigation.

As mentioned, the analytical basis underpinning the choice of modality and associated risks within organizations is often opaque. CaLP's focus on CTP and risks in 2018–2019 is particularly relevant and should be pursued. It would be interesting to examine the findings of a few additional case studies with different contexts to the Malian one. In addition, while this case study focused on perceived risks, and since it is necessary to build a strong body of evidence on the CTP-related risks, it would be important to compare perceived risks with risks that actually materialized.

In addition, the consultants recommend shedding light on specific practices revealed by this and other planned case studies. In the case of northern Mali, for example, this could take the form of a meta-analysis of existing evaluation reports, or organization-specific case studies, focusing on the selection and contracting of local partners by some organizations.

Recommendation 7: Promote and foster the adoption of tools to address new risks such as data protection.

Lastly, if the use of electronic and mobile delivery mechanisms is to be promoted, strengthening the knowledge and skills of implementing organizations in terms of data protection and the internal management of information is crucial.

While this issue was raised by just one interviewee, the consultants observed that most organizations implementing CTP in northern Mali were in the process of switching to electronic delivery mechanisms without considering the risks that were emerging with the use of new technologies.

Some resources, such as the Electronic Cash Transfer Learning Action Network (ELAN) Data Starter Kit for Humanitarian Field Staff, and CaLP's guide and e-learning course on 'E-Transfers and operationalizing beneficiary data protection', already exist. However, these resources would benefit from being more widely known about and integrated within implementers, as most of the organizations consulted in Mali did not seem to be aware of these risks. This could be achieved by raising the awareness of the CWG leads and/or protection clusters, or by identifying a data protection focal point in each country.

7. ANNEXES

7.1 ANNEX A: DETAILED METHODOLOGY

7.1.1 Overall methodology of the case study

Following the inception phase, the study followed a three-step approach. The methodology contained the stages outlined below.

Figure 3: Methodological phases of the case study

Phase 1: Desk Review	Phase 2: In-country data and remote data collection	Phase 3: Analysis and report writing
Secondary data review of available documents on CTP and risks in northern Mali	Field visit in country: Thirty-one stakeholders interviewed	Coding of the secondary and primary data
Thirty-three documents screened, including internal document (risk matrices and decision trees), CWG reports, etc.	Key informant interviews and group discussions when possible	Analysis of in-country trends
	Remote data collection: three stakeholders interviewed	Draft report writing
		Comments from the review group

7.1.1.1 Phases 1 and 2: Desk review and remote and in-country data collection

The data collection started with an in-depth desk review. Following the inception call in mid-May 2018, an extensive structured desk review of the project and overall humanitarian response documentation related to CTP was conducted to inform the primary data collection and help finalize the design of data collection tools. The desk review included documentation and data available from the CaLP website produced by the cash working group in Mali, and from the ALNAP website among others. The 18 documents collected included monitoring and evaluation reports, cash guidance, learning event reports, orientation notes, case studies and research papers. The desk review aimed to harness both qualitative and quantitative data.

The consultants collected 10 more documents during key informant interviews. They were mostly internal documents, including risk matrices, decision trees, intervention maps and reports. They were added to the desk review following an iterative process.

The primary data collection was carried out both remotely and in-country, in Bamako. Its main purpose was to bridge the information gap following the desk review.

Hélène Juillard conducted three remote interviews by Skype from 27 May to 31 May 2018, while Chloé Maillard interviewed 31 actors during her field work in Bamako from 27 May to 1 June 2018. During the inception phase, CaLP and the two consultants identified interviewees. The selection of interviewees was done purposefully and targeted people thought to be best able to contribute to the review process. They were representative of the following categories:

- donors and staff at regional offices
- project staff from various organizations involved in CTP and non-CTP projects in the region
- humanitarian decision-makers, cluster leads and cash working group leads.

A semi-structured guide and a list of key informants were developed. The guide relies both on the research matrix and on the additional questions developed with the project team during the inception phase.

The interview guide comprises a set of questions and a risk matrix (see Annex F). The risk matrix enabled the consulted stakeholders to visually represent how they rank each identified risk. A hard copy of the risk matrix was printed out so that participants could write on it and see how the rating of each risk changed over time, where possible. Interviewees were asked to rank the probability of each identified risk occurring (low, medium or high) and its potential severity (negligible, marginal, critical or catastrophic). The score for each risk was defined by looking at the number at the intersection of the probability and severity values. Interviewees were asked to repeat this exercise for different periods during the crisis, where possible. The ranking exercise was undertaken by 15 out of 34 interviewees. The consultants decided not to carry out this exercise when interviewees had already shared their risk matrix, as the activity would have been redundant. It was also not undertaken when the consultants felt that the interviewees were uncomfortable using the matrix and during Skype interviews, as this exercise only seemed suitable in a face-to-face setting. The data collected without using the matrix was consistent with the data collected with the matrix, and, as such, was integrated into the report.

The data averaged from the rating of each risk only represents the opinion of the person consulted and may not be representative of the entire humanitarian community.

The first questions were deliberately designed to be open so as to allow interviewees to highlight risks that were not identified during the desk review, for instance.

In total, H  l  ne and Chlo   conducted 34 key informant interviews. In-person interviews often involved two or three stakeholders from the same organization working on CTP. This enabled a dynamic in the conversation to be created and was interesting for the consultants attending the discussions.

7.1.1.2 Phase 3: Analysis and report writing

Following the data collection, H  l  ne and Chlo   proceeded to analyse the results. Qualitative data was recorded and coded to analyse emerging trends. The analysis was done iteratively so as to be able to adjust the data collection tools and to explore, in greater depth, some of the trends. The findings were compared and added to the findings revealed in the desk review.

The team then compiled the primary and secondary information to produce a first draft of the case study of a maximum of 25 pages. H  l  ne and Chlo   then translated the case study into French while waiting for CaLP's feedback on the first version of the report.

Upon receiving feedback remotely from the project team, the consultants produced the final version of the report and the executive summary in both languages.

7.2 ANNEX B: RISK ASSESSMENT TOOL³⁸

		Severity			
		NEGLIGIBLE	MARGINAL	CRITICAL	CATASTROPHIC
		Small/unimportant Unlikely to have a significant effect on the operation of the programme/activities	Minimal importance Has an effect on the operation of the programme but will not affect the programme outcome	Serious/important Will affect the operation of the programme in a negative way	Maximum importance Could result in disaster/death; WILL affect the operation of the programme in a negative way
Probability	LOW Very unlikely to occur and has never occurred in the past	LOW (1)	MEDIUM (4)	MEDIUM (6)	HIGH (10)
	MEDIUM Will MOST LIKELY occur	LOW (2)	MEDIUM (5)	HIGH (8)	EXTREME (11)
	HIGH WILL occur, possibly multiple times, and has occurred in the past	MEDIUM (3)	HIGH (7)	HIGH (9)	EXTREME (12)

Explanation of risk ranking	
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #76b82a; padding: 10px; text-align: center;">LOW</div> <div style="background-color: #f1c40f; padding: 10px; text-align: center;">MEDIUM</div> </div>	<p>If the consequences of this programme/activity are ranked as LOW/MEDIUM, you should still proceed with the programme/activity. It is advised that if the activity is ranked as MEDIUM, risk mitigation measures should be taken.</p>
<div style="background-color: #f39c12; padding: 10px; text-align: center;">HIGH</div>	<p>If the consequences of this programme/activity are ranked as HIGH, it is advised that you seek additional planning support/make amendments.</p>
<div style="background-color: #c0392b; padding: 10px; text-align: center;">EXTREME</div>	<p>If the consequences of this programme/activity are ranked as EXTREME, it is advised that you do not hold it without prior consultation with the Risk Management department.</p>

³⁸ Source: Authors

7.3 ANNEX C: DESK REVIEW

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The Cash Learning Partnership

Mali is one of the poorest countries in the world. The 2012 military coup and the ensuing armed conflict in the northern part of the country exacerbated pre-existing structural weaknesses, which led to an acute crisis. Since then, the situation has worsened in certain areas, and insecurity and violence have spread from the northern to the central regions of the country. Half of the population now lives below the poverty line and 4.1 million people are currently estimated to be in need of assistance. Humanitarian actors have been using cash transfer programming (CTP) in Mali from at least 2010 onwards. Today, CTP is used to deliver assistance in northern Mali by most international NGOs, UN agencies and social protection departments of the state. In 2017, CTP represented 54 percent of total reported humanitarian funding in-country.

This case study aims to contribute to the body of evidence on CTP-related risks and mitigation strategies by drawing lessons learnt and identifying recommendations in challenging contexts. Specifically, CaLP commissioned the case study to map and compare identified risks for the implementation of CTP and non-CTP programmes; to assess the extent that and the manner in which these risks have influenced decisions around CTP design and implementation; to identify implemented mitigation measures and safeguards; and to reflect on how programmes and risk mitigation measures were amended as a result of the sudden change in the northern Malian security situation, and adapted over time in line with the evolving security and access issues. The overall aim is to draw lessons learnt and make recommendations that inform response analysis and planning in other challenging contexts.

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