



OXFAM



# Evidencing the Value for Money of the CCI's Cash and Legal Programmes

Cash Consortium  
for Iraq

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## Acronyms

CaLP – Cash Learning Partnership

CCI – Cash Consortium for Iraq

CTP – Cash Transfer Programme

DFID – Department for International Development

ECHO – European Civil Protection and Humanitarian Aid Operations

HRP – Humanitarian Response Plan

ICAI – Independent Commission on Aid Impact

ICLA – Information, Counselling, and Legal Assistance

MoLSA – Ministry of Labour and Social Affairs

MPCA – Multi-Purpose Cash Assistance

MTA – Money Transfer Agent

OM – Operational Models

PDM – Post-distribution Monitoring

PMT – Proxy Means Test

PoS – Point of Sale

ToT – Training of Trainers

TWG – Technical Working Group

SC – Steering Committee

# Acknowledgements

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# Executive Summary

Value for Money (VfM) considerations are an increasingly common requisite in humanitarian programmes. The UK's Department for International Development (DFID) supports the adoption and scale-up of cash programming in humanitarian settings where appropriate, as both a more effective means for people to meet their basic needs in crisis, and a more cost-efficient modality than traditional forms of in-kind assistance. As part of its own VfM agenda, DFID would like to see whether INGOs, working through a consortium model, can scale to deliver cash assistance while demonstrating VfM. DFID have funded the Cash Consortium for Iraq (CCI) to respond in Iraq with MPCA, and to demonstrate VfM in their response.

The CCI was formed to better meet the needs of conflict-affected households by enhancing the impact of multi-purpose cash assistance (MPCA) through harmonisation, operational coordination, and expanded reach. The CCI is comprised of the International Rescue Committee (IRC), Danish Refugee Council (DRC), Norwegian Refugee Council (NRC), Oxfam, and Mercy Corps as lead agency. CCI partners provided approximately 25,000 vulnerable households with MPCA in 2015 and 2016. In 2017, the CCI scaled-up its operations to provide 30,000 vulnerable households with MPCA, and so far in 2018, 20,000 households have received MPCA. To date, the CCI has distributed one-off and multi-month transfers to over 75,000 households, or 450,000 individuals<sup>1</sup>.

To undertake its VfM analysis (discussed in further detail in **Section 3**) the CCI took a distinct approach, while working within DFID's '4Es' framework. This framework encompasses cost-efficiency, economy, effectiveness, and cost-effectiveness. Cost-efficiency is the cost to provide an output, in this case MPCA. Economy is securing the best possible price for inputs or resources. Effectiveness is how well those inputs are converted into outputs and outcomes. Cost-effectiveness is the cost per outcome.

To analyse **cost-efficiency**, the CCI partnered with IRC's Best use of Resources (BUR) team. In 2016 the BUR team developed the Systematic Cost Analysis (SCAN) tool, which allows for comparable cost analysis of humanitarian programmes by analysing budgets or expenditure reports and calculating a cost-transfer ratio (CTR) – a now standard metric in cost analyses. The CCI opted to partner with the BUR team and use the SCAN tool because it a) would provide fast, comparable analysis of spending across the CCI, without the need to manually analyse budgets and expenditure reports, and b) allowed the CCI to leverage innovative internal resources and thus promote VfM.

Two SCAN analyses were conducted, first in February then August 2018. The first was a prospective analysis on the CCI-DFID budget, followed by a second analysis after 10 months of spending (Q3), using expenditure reports. To better understand how costs are allocated to different programme activities, the CCI's Technical Working Group (TWG) and finance teams identified 7 programme activities and allocated proportions of every budgeted resource across each activity. The initial, prospective, CCI-wide CTR was £0.64. This means that for every £1 delivered to a beneficiary, it would cost the CCI £0.64.

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<sup>1</sup> The number of individuals is calculated by multiplying the number of households by six, or the national average number of household members (this is also true in CCI household data).

After 10 months of spending, **the CTR was £0.48**, or £0.16 less than budgeted. The activity breakdown then shows what percentage of the £0.48 goes to different programme activities, such as preparing for distributions, distributions, and post-distribution monitoring (PDM). If the savings found after 10 months of spending are realigned to programmes, the final CTR by the end of the programme would be **£0.53**. This is detailed further in **Section 4**.

To analyse whether **economy** had been considered throughout the CCI-DFID programme, first the CCI-DFID budget vs. actual (BVA) up to Q3 was used to look at how spending had progressed against the largest non-cash budget lines – staff and office costs. The processes associated with ensuring economy – thorough competitive tenders and market analysis – are in place across the CCI. A second level of analysis looked at the SCAN results and estimated the cost to the CCI of *ensuring economy*, i.e., what it costs to procure money transfer agents (MTAs) and verify payments. This was £0.08, or 16% of the CTR. This is discussed further in **Section 5**.

Multiple steps were taken to evaluate the CCI's **effectiveness**. The first step was to develop an initial framework, with indicators, to assess effectiveness. Key informant interviews (KIIs) were then held with a range of internal and external stakeholders, to evidence the more qualitative indicators of effectiveness, complimented by a thorough desk review. This component of the study was conducted by Mercy Corps' Regional Economic Opportunities Advisor. This data, which speaks to the CCI model, governance, and ways-of-working, supports and helps to explain the quantitative indicators of effectiveness (i.e., the CCI's results), which are captured in PDM and quarterly reports.

However the initial framework, while functional and rich in data, was thought too broad for a focused analysis. In September 2018, IRC's Cash Relief Technical Advisor joined the project to support with producing the final report. Following a second desk review, the initial effectiveness work was reframed to align with the Cash Learning Partnership's (CaLP) Operational Models (OM) Analytical Framework. This reframing allowed the analysis to focus on those areas or drivers of effectiveness that best inform and explain the CCI's results. Within the OM drivers of effectiveness, 4 were selected that broadly explain *how* the CCI achieves outcomes: *Strength of Inter-Agency Collaboration and Coordination Mechanisms*, *Targeting (Quality and Timing)*, *Linkages to other forms of Assistance/Programmes*, and *Speed of Delivery*.

**Section 6** details what has been achieved under each area or driver of effectiveness, including measurable results, and what could be done to improve in each area. The key finding here is that the four drivers of effectiveness have enabled the CCI to deliver MPCA quickly, at scale, and with a targeting methodology that ensures the most vulnerable households receive assistance, while achieving effective referrals to legal and non-legal assistance.

Finally, the CCI's overall **VfM** was analysed by returning to the activity breakdown developed during the cost-efficiency analysis, thereby linking costs to activities and ways-of-working to results and other indicators of effectiveness. Under the largest activity – *Distributions* – savings have been made through running larger distributions, without any measurable impact on effectiveness. Reducing fees paid to MTAs are discussed, including a potential move to delivering MPCA using mobile money. While this would reduce costs, MTA fees are themselves a very small portion of the budget, and the use of mobile money in the current context could impact on scale and accountability. In *Preparing for Distributions*, gains could be made through providing more comprehensive training to enumerators, as targeting is identified as a cost driver. However, retaining targeting methodology – PMT – is essential for programme effectiveness if the CCI is to maintain its evidence-based conception of vulnerability and initiate responsible transition to government systems through alignment with government targeting. *Post-Distribution Activities* are also a significant cost for the CCI, and here gains could be made by reducing both the duration of PDM and the frequency of PDM for multi-month transfers, from once per transfer (so 3 PDM surveys), to a 'first and last transfer' approach (2x surveys). Neither would significantly impact on effectiveness or accountability. These, as well as the remaining, less costly activity categories are analysed in greater detail in **Section 7**.

After a summary of the findings in **Section 8**, **Section 9** the findings and recommendations are outlined in a VFM action plan, to be implemented throughout programme year 2.

# 1. The Iraq Context

Following more than a decade of conflict, the rise and spread of the so-called Islamic State (IS), deepening ethnic and religious sectarianism, and a large-scale crisis of displacement, Iraq is entering a period of early recovery, with many displaced families returning to their areas of origin. The conflict in Iraq, from the US-led invasion in 2003, through to the conflict against the IS, led to a crisis of protracted displacement. Iraq was designated as an L3 emergency, according to OCHA's classification system, activated in the "most complex and challenging humanitarian emergencies, when the highest level of mobilisation is required, across the humanitarian system, to ensure that the right capacities and systems are in place to effectively meet needs." There are now an estimated 2,205,252 internally displaced people (367,542 families) since January 2014. New displacement is decreasing in scale, however, as more individuals and families return to their areas of origin; in December 2017, returnee households outnumbered displaced households for the first time since the conflict with IS began. There are now an estimated 3,365,598 returnees in Iraq since January 2014<sup>2</sup> and needs remain high among all households in conflict-affected areas.

In the areas most heavily affected by the conflict, households face numerous obstacles which prevent restoring any sense of normalcy, from insecure and unsafe areas of origin (with structurally compromised buildings, improvised explosive devices (IEDs), mines, and unexploded ordnance); severely limited opportunities for income generation; lack of access to public services (including healthcare and education); infrastructure destroyed or in disrepair; limited Social Safety Net (SSN) functionality; and missing civil documentation. These material deprivations compound the psychosocial damage inflicted by the shocks of conflict and displacement. Taken together, these obstacles are causing the secondary displacement of households trying to return and protracting the displacement of households unable or unwilling to return. Despite the need for stabilization and recovery, there remain areas of extreme vulnerability, and an estimated 8.7 million people in need of humanitarian assistance<sup>3</sup>. Alongside these contextual shifts, CCI assessments reflect that average socio-economic vulnerability has increased in conflict affected areas of implementation between 2017 and 2018.

## 2. The Cash Consortium for Iraq: Overview and Model

### Overview

The Cash Consortium for Iraq (CCI) was formed to better meet the needs of conflict affected households by enhancing the impact of multi-purpose cash assistance (MPCA) through harmonization, operational coordination, and reach. CCI partners the International Rescue Committee (IRC), Danish Refugee Council (DRC), Norwegian Refugee Council (NRC), Oxfam, and Mercy Corps as lead agency work together to implement first line, second line and full cluster responses in accordance with the Cash Working Group (CWG) Humanitarian Response Plan (HRP) strategy. CCI partners provided approximately 25,000 vulnerable households with MPCA in 2015 and 2016. In 2017, the CCI scaled-up its operations to provide 30,000 vulnerable households with MPCA, and so far in 2018, 20,000 households have received MPCA. To date, the CCI has distributed one-off and multi-month transfers to approximately 75,000 households, or 450,000 individuals<sup>4</sup>.

<sup>2</sup> IOM Displacement Tracking Matrix, Round 92:

[http://iraqdtm.iom.int/LastDTMRound/Round92\\_Report\\_English\\_2018\\_March\\_31\\_IOM\\_DTM.pdf](http://iraqdtm.iom.int/LastDTMRound/Round92_Report_English_2018_March_31_IOM_DTM.pdf)

<sup>3</sup> OCHA Iraq Humanitarian Bulletin, April 2018:

[https://reliefweb.int/sites/reliefweb.int/files/resources/OCHA%20Iraq%20Humanitarian%20Bulletin%20-%20April%20-%202014%20May%202018\\_final.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/OCHA%20Iraq%20Humanitarian%20Bulletin%20-%20April%20-%202014%20May%202018_final.pdf)

<sup>4</sup> The number of individuals is calculated by multiplying the number of households by 6, or the national average number of household members (this is also true in CCI household data).

Although this report focuses on MPCA delivery by CCI partners, the CCI is in the process of building its recovery portfolio to enable a comprehensive and integrated response to the variety of needs faced by affected populations in Iraq.

Throughout this scale-up, partners utilised and developed different methods, standards, systems and ways of working to better meet the needs of vulnerable conflict-affected households by leveraging the consortium model differently as the context has evolved. The CCI refined its overall vision and strategy in late-2016, in the CCI Operational Strategy (2017 – 2019).

In the Strategy, the CCI outlines its vision as follows:

“To be a leading national and global cash actor, which supports the ability of vulnerable, conflict-affected people to cope and recover from shocks, and which influences national and global policies regarding the use of cash-based interventions in conflict contexts.”

And developed 3 strategic objectives:

**Strategic Objective 1:** To meet the relief and recovery needs of 420,600 vulnerable, conflict-affected people through high-quality, conflict-sensitive cash-based programs, at scale.

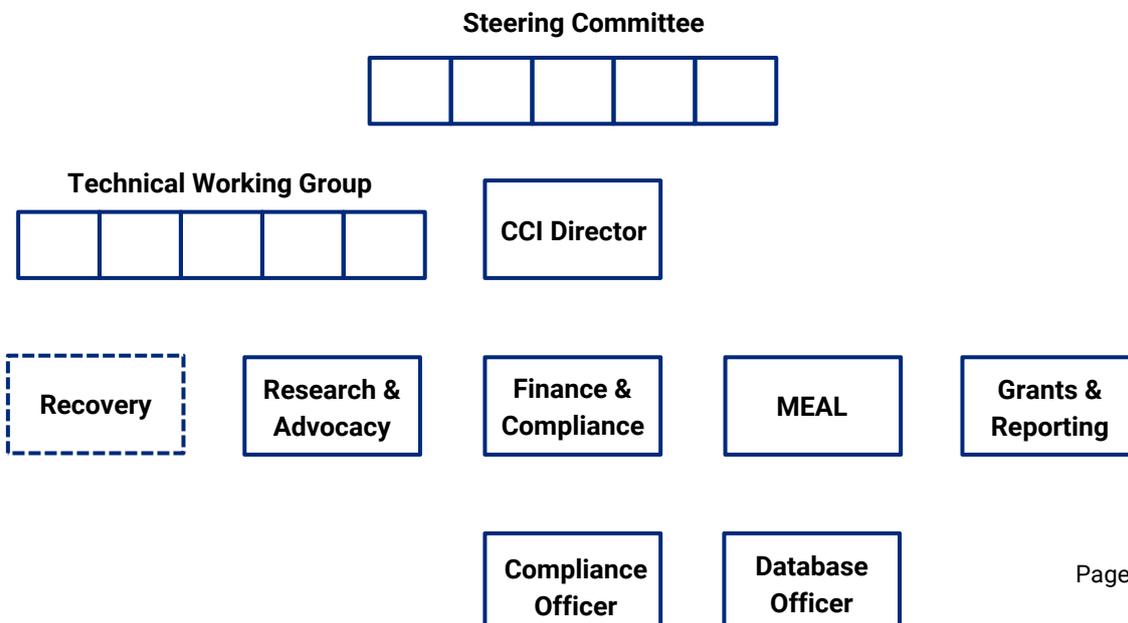
**Strategic Objective 2:** To increase the use and effectiveness of cash policies and programming at the national and global levels, through evidence-based research and advocacy.

**Strategic Objective 3:** To optimize the CCI’s institutional capacity and resources, in order to achieve greater efficiency and economies of scale.

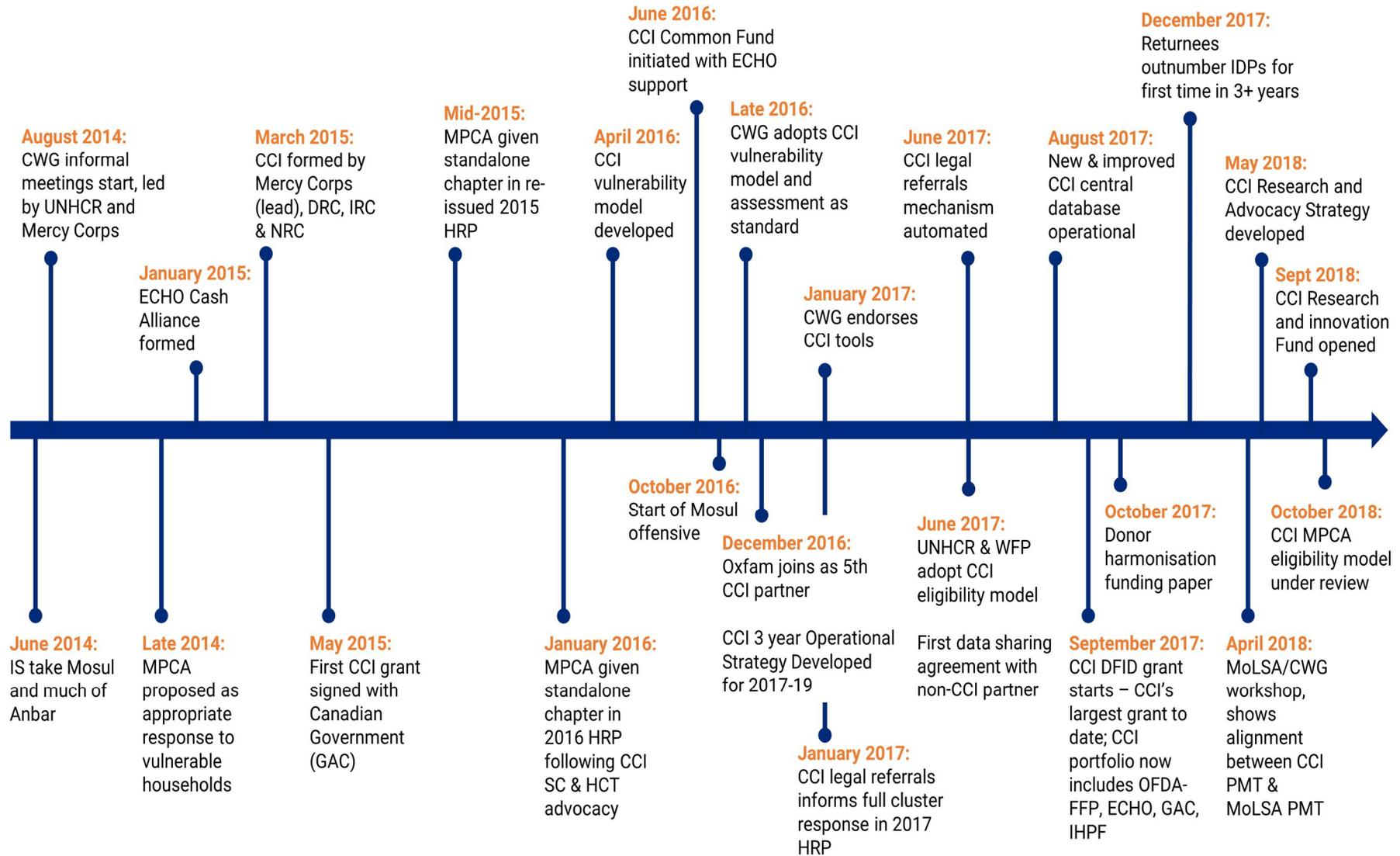
**Model**

The CCI was structured similarly to the Lebanon Cash Consortium model, as a consortium of implementing partners with one lead agency serving as a secretariat (the CCI Management Unit; MU) and through a secondment structure based on each agency providing a staff member to the MU to serve in key functional roles: Director, Finance and Compliance Manager (Mercy Corps); Research & Advocacy Coordinator (Oxfam); Reporting Coordinator (NRC); MEAL Manager and Database Manager (IRC). The CCI is governed through a Memorandum of Understanding (MoU), which commits the CCI to inter-agency coordination. The CCI’s operations and response planning is led through a Technical Working Group (TWG), with oversight provided by a Steering Committee (SC). This is shown below in **Figure 1**. A brief history of the CCI’s organisational and programmatic development, along with certain contextual events, is shown in the timeline in **Figure 2**. The timeline is helpful in understanding how and when the CCI came to build its own response and influence the wider response. The evident trend, starting in late 2016, is one of growing scale, CCI-led sector harmonisation, and better programme quality through targeting, data management, and referrals.

**Figure 1: Cash Consortium for Iraq Model**



**Figure 2: CCI Operational Timeline**



# 3. Introduction: Value for Money, Methodology, Limitations

## Value for Money

Value for money (VfM) considerations are an increasingly common requisite in the delivery of humanitarian aid, as all actors push to maximise the value of their spending to meet a myriad of needs while the global humanitarian sector faces a significant funding shortfall<sup>5</sup>, which is expected to be answered in part through more efficient and effective programming (as noted during the 2016 World Humanitarian Summit, and reiterated by the then UN Secretary General).

The UK's Department for International Development (DFID) supports the adoption and scale-up of cash programming in humanitarian settings where appropriate, as both a more effective means for people to meet their basic needs in crisis, and a more cost-efficient modality than traditional in-kind assistance. As part of its own VfM agenda, DFID would like to see whether INGOs, working through a consortium model, can scale to deliver cash assistance while delivering VfM. DFID have funded the CCI to respond in Iraq with MPCA, but also to demonstrate VfM in their response.

When discussing VfM within cash programming, there is an evident synergy with the ongoing debate about operational models for delivering efficient and effective cash transfer programmes (CTP). As evidenced by on-going work by the Cash Learning Partnership (CaLP), there is often duplication of activities and costs in humanitarian responses, particularly for CTP, for instance in the parallel management structures created by different agencies delivering similar (or overlapping) assistance to the same beneficiaries. As underlined in the Grand Bargain, this requires donors and agencies to identify innovative and harmonised ways of working together<sup>6</sup>. The crux of the operational models debate is how to define 'quality CTP at scale' and understanding which forms of collaboration (referred to henceforth as 'operational models'; OM) can best deliver quality in different contexts<sup>7</sup>. As such, within the CTP OM agenda, multiple models are being proposed as a solution for achieving scale and quality CTP.

This follows from prior global policy conversations on how MPCA programmes are funded and delivered, including in DG ECHO's cash transfer guidance note<sup>8</sup> and research into delivery mechanisms<sup>9</sup> supplanted recently by CaLP's OM research<sup>10</sup>. These conversations explored cost-efficiency, effectiveness, and which types of operational models are best suited to delivering cash assistance at scale.

The ECHO review found that: 1) the UN was typically the most cost-efficient in delivering cash at scale compared with NGOs, measured using a cost-transfer ratio (CTR), and 2) that the number of actors in a given response should be rationalised as much as possible, meaning they should aim to provide one large transfer to meet a range of needs, through a single entity capable of achieving scale, rather than multiple smaller transfers from multiple implementing actors.

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<sup>5</sup> UN High-Level Panel on Humanitarian Financing (2015) 'Too Important to Fail: Addressing the Humanitarian Financing Gap', Geneva, Switzerland.

<sup>6</sup> WHS (2017) 'Grand Bargain – A Shared Commitment to Better Serve People in Need.'

<sup>7</sup> CaLP (2017) 'Discussion Note: Building evidence and developing guidance on operational models for CTP'.

<sup>8</sup> DG ECHO (2017) 'Guidance to partners funded by the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) to deliver large-scale cash transfers'.

<sup>9</sup> DG ECHO (2015) 'Evaluation of the Use of Different Transfer Modalities in ECHO Humanitarian Aid Actions 2011-2014'.

<sup>10</sup> CaLP (2018) 'Greece Cash Alliance: Building an Evidence Base on Operational Models for the Delivery of CTP'; 'ERC Consortium - Nigeria: Building an Evidence Base on Operational Models for the Delivery of CTP'.

In Iraq, these policy conversations have been supplemented by donor recognition of and convergence around what makes for an effective MPCA response: harmonisation, response coordination, and accountability to beneficiaries. However, these conversations rarely tried to estimate the costs of these drivers of effectiveness, nor resulted in guidance as to what a good quality MPCA programme at scale *should* cost. This is largely due to the fact that context determines the appropriateness of MPCA and, if appropriate, what an MPCA response will look like.

As part of the CCI's 2017-2019 multi-year DFID award, the CCI committed to exploring its VfM in delivering MPCA, and in December 2017 initiated an internal study that seeks to demonstrate its VfM, using as a methodological basis DFID's '4Es' framework<sup>11</sup>, and informed by the wider OM research agenda. The purpose of this report is to analyse the value for money of the CCI's current model. To do so, the report proceeds through analysis of efficiency, economy, effectiveness, and the overall VfM of the CCI. Recommendations follow the analysis, providing guidance on how and where the CCI can increase its VfM.

The aim of the research was to answer the following two interrelated questions:

- I. **How effective is the CCI at delivering MPCA?**
- II. **What does it cost to be effective in the delivery of MPCA?**

The study explores the CCI's achievements during the first ten months of the DFID-funded programme and seeks to capture if and how the CCI, a consortium of five of the largest MPCA actors in Iraq, generates value for money. Based on this analysis, it aims to show, where possible, how these operations impact the CCI's outcomes.

The primary outcomes of the research are clear recommendations in the **Summary** section on how to further enhance the CCI's VfM throughout programme year two, and tools for tracking operational changes. The recommendations as presented in the report will inform the CCI's planning and resource allocation across its other MPCA awards. More broadly, the findings contribute to the CTP operational modals agenda and the cash 'cost-effectiveness' Grand Bargain work stream.

The VfM research report will be submitted as part of the CCI's 2017 – 2019 DFID award, which includes, as **Result 3**, "By 2019, the value for money and efficiency of the CCI model is demonstrated to external stakeholders." The report will also contribute to the CCI's Strategic Objective 2 (noted above), by promoting learning among CCI partners and sharing lessons learned with DFID.

## Methodology

To answer the research question, the study used a mixed methods approach within the 4Es framework. The first component used established metrics to determine the CCI's cost-efficiency, breakdown what kind of activities were covered by those costs and provide recommendations on potential programmatic and budgetary changes to be implemented at the start of programme year two, with the aim of enhancing the CCI's overall cost-efficiency. The CCI leveraged the expertise of IRC's Best Use of Resources (BUR) team, who used their Systematic Cost Analysis (SCAN) tool<sup>12</sup> with CCI partners to analyse the cost-efficiency of each implementing partner, and the overall cost-efficiency of the CCI.

The second component aimed to assess the CCI's effectiveness, or how well the CCI achieves its outcomes, so focusing on what the CCI does as a consortium that contributes and makes more effective the CCI's overall programming. For this component of the research, the CCI leveraged Mercy Corps' Regional Economic Opportunities advisor to conduct a desk review and semi-structured key informant interviews (KIs) with CCI partners and external CCI stakeholders (donors, the Cash Working Group, and referrals partners). The aim of this component was to identify both what the CCI does well and areas for improvement and be able to attach to a cost-figure to the overall indicators of effectiveness.

<sup>11</sup> A summary of the 4Es approach to VFM can be found here: <https://beamexchange.org/guidance/monitoring-overview/assessing-value-money/4e-approach-VfM/>

<sup>12</sup> An overview of the Systematic Costs Analysis (SCAN) Tool can be found here: <https://www.rescue.org/sites/default/files/document/964/ircscantool2pager.pdf>

## Limitations

Given the two components of the analysis are internal, looking only at the CCI, it is not possible here to make contextually-sensitive comparisons that holistically assess the VfM of MPCA delivered through a consortium. While the issue of measuring impact is not unique to CCI, the analysis in this study is perhaps better framed as a performance evaluation tool to identify aspects of the CCI's model that promote VfM, rather than assessing whether another operational model is 'better' suited to delivering outputs and facilitating outcomes. Similarly, the cost gains for DFID funding a single contract, rather than multiple contracts, cannot be captured here. Further, the aspects of CCI effectiveness analysed here are those that relate to cost-efficiency, not every facet of how the CCI aims to promote effectiveness. That said, some comparison is possible, using standardised metrics and with sufficient qualification (this will be discussed below).

Arriving at conclusions on the CCI's VfM here also assumes that the return on investment is from a direct contribution made, in this case from the DFID grant, while the CCI has several complementary grants, which enable partners to leverage resources across the portfolio to achieve outcomes. Activity costs such as assessments are shared across grants, where more than one funding stream is directed to a response in a given area. Another indicator of effectiveness would be influencing the wider response, which would likewise be funded by multiple grants. In other words, the response as a whole is bolstered through complementary funding streams; however, costs are allocated to each donor as per the donor agreement. This is to say that, while the cost-efficiency and economy studied here focus on the CCI-DFID award, certain indicators and drivers of effectiveness will be achieved through other sources of CCI funding.

# 4. Cost-Efficiency

## Introduction

Under the DFID 4Es framework, efficiency and economy relate to the costs of inputs and outputs, in relation to the overall value for money of a program. Example definitions provide by DFID are as follows:

- **Economy:** Economy relates to the price at which inputs are purchased (commodities, delivery mechanisms, management information systems, independent evaluations, staff costs). Economy is an important consideration in programmes transferring cash or vouchers, and would include, for example, to the fees paid to financial service providers to deliver cash or manage voucher systems.
- **Efficiency:** Efficiency relates to how well inputs are converted into outputs. This analysis spans both economy and efficiency, focusing on the relationship between the costs of an MPCA programme and the value of the cash transfers delivered to beneficiaries.

To analyse cost-efficiency and economy of the CCI program model under the DFID award, the CCI partnered with the IRC's BUR team, who in 2016 developed the SCAN Tool to enable comparative cost analyses of humanitarian programmes. Working across CCI partners, analysis was conducted in February to set up the software, and August 2018 to assess findings.

The February analysis was done prospectively, i.e. using budget data and data about planned distributions. The results were thus the *expected* cost efficiency of activities across the consortium, over the life of the grant. This was preferable to a retrospective analysis of activities to date because, at the time the analysis was conducted, six months of programming had elapsed, which may have led to anomalous results<sup>13</sup>. In the August analysis, expenditure data from September 2017 to June 2018 was used, showing cost-efficiency findings that could be compared to analysis of the budget.

<sup>13</sup> This would be due to results potentially capturing the initial set-up costs typical in the early stages of a programme.

## Approach

The DFID award provides funding for both MPCA and legal assistance. The two programs are integrated, with vulnerability assessment data being used to identify households in need of legal services, but for the cost-efficiency analysis, each program was considered a distinct output within the SCAN tool. This is necessary to arrive at a cost-efficiency result that can assess performance across the CCI (including partners providing legal assistance, and partners not providing legal assistance) and when compared against other like-for-like programs. The metrics used to assess the cost efficiency of cash delivery and legal assistance programs were:

$$CTR = \frac{\text{All non – transfer costs}}{\text{Value of cash transfers}} \quad \text{Cost per Case} = \frac{\text{Costs of Case Management}}{\text{\# of Cases Served}}$$

While cost-efficiency was analysed separately for the two programs, these metrics do allow us to look at the value-for-money created through integration. The cost-efficiency analysis focused only on the MPCA delivered and the costs paid for by the CCI's DFID award, and not the other awards managed by the CCI. Within the DFID-funded portion of the CCI's work, this analysis separates out direct costs, shared costs, and indirect cost recovery for each partners' expenditure. **This ensures that the same costs have been captured across for agencies, and that no agency has certain costs missed because they are charged differently.**

During the February workshops, the CCI and BUR team also identified several implementation activity categories that form separate stages or components of an MPCA programme. This was done to enable analysis of which stages of an MPCA programme drive costs, and thus help to identify where savings could be made. The activity categories developed during the cost-efficiency workshops are:

- Pre-distribution Assessments
- Preparing for Distributions
- Distributions
- Post-distribution Activities
- Grant Management
- External Coordination and Meetings
- Consortium-level Engagement

Once the initial cost-models had been completed in the SCAN tool, CCI partner participants took the further step of estimating how each of the resources identified in those cost models had been used across different implementation activities. During the second round of analysis, the team did not reassess the allocation of resources to different activities for cash distribution but updated the cost breakdowns across activities using the actual cost-transfer-ratio for Q1-Q3.

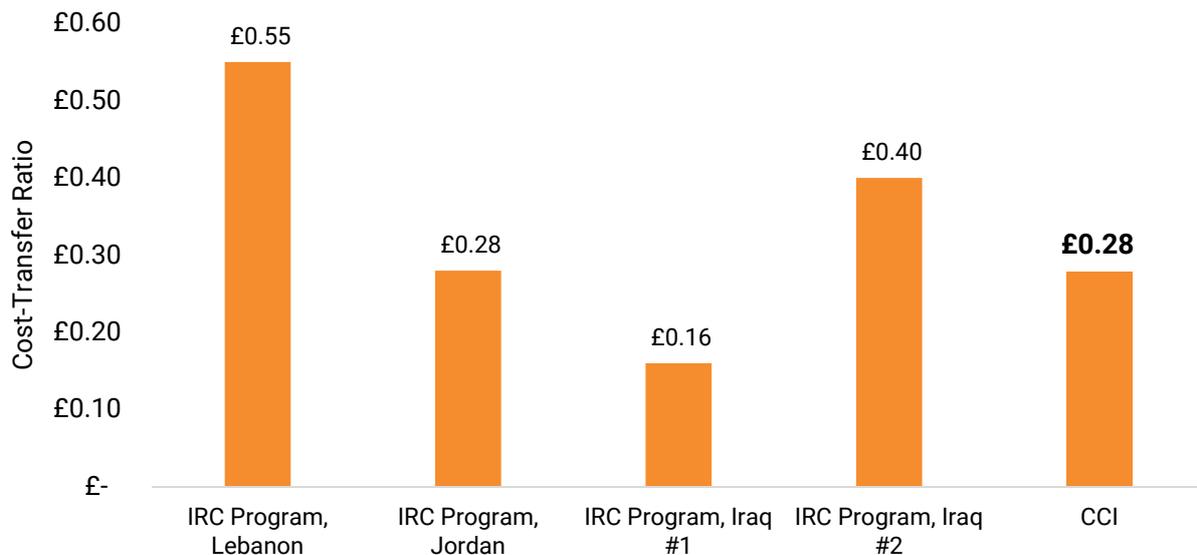
## Summary of Efficiency Findings

### Cost Transfer Ratio (CTR)

Across the CCI, the cost-transfer ratio for the CCI-DFID programme is **£0.48** for expenditure on activities from September 2017 to June 2018. In other words, **for every £1.00 of assistance delivered to beneficiaries, it cost £0.48** for the necessary assessments, targeting, transfer fees, post-distribution monitoring, etc. This cost includes shared costs such as HR, supply chains, and finance, as well as indirect cost recovery (ICR). The cost-efficiency forecast prepared at the beginning of the project estimated that the cost-transfer ratio would be **£0.64, a decrease of £0.16, or 17% of the delivery costs**<sup>14</sup>. How the CCI compared with other past IRC MPCA programmes in the initial projection is shown in **Figure 3** below. This figure is without ICR.

<sup>14</sup> This is calculated by dividing the total savings by the original cost to deliver.

**Figure 3: Cost-Efficiency of CCI and Past IRC Programmes (No Shared/ICR; CTR of Budget)**



Another way of expressing this is through the delivery costs of every £1.00 spent. Across the CCI, of every £1.00 spent that was funded by DFID, **£0.32 was spent on delivery costs and £0.68 went to beneficiaries**<sup>15</sup>. However, for the remainder of this report, the former metric will be used. How the £0.48 CTR is spread across different CCI activities is shown in **Figure 4** below.

### Explaining the Cost-Transfer Ratio

The results from the first retrospective analysis exceeded expectations, which is due to a number of factors. Firstly, some partners have made more progress in MPCA distributions than original spending plans suggested, due in part to high MPCA eligibility in areas of intervention. Furthermore, in April 2018 a caseload realignment led to a shift in payments from one-off to multi-month transfers. This realignment reduced the total number of unique beneficiaries, meaning less costs related to identification of beneficiaries and verification per pound of assistance delivered. Some partners over-budgeted during the programme design stages in early to mid-2017, anticipating that certain proposals might not be successful. Finally, partner financial reports show that the level of expenditure on programme activities is higher than the supporting costs as a result of some of the budgeted supporting costs not being charged under this project.

**While the CTR is unlikely to remain at £0.48, since the context has changed and other DFID-funded activities such as research incur different costs, the CCI has an opportunity to re-align savings made during the first 10 months into cash transfers and proportionate supporting lines, which would result in a final CTR of £0.53, or 10% reduction in distribution costs; recommendations on this will be discussed in the summary section.**

### Cost of CCI Legal Assistance

The **cost of providing legal assistance per case is £137**, while the original cost-efficiency projection estimated it would cost the CCI an average of £298 per client over the life of the grant. This can be explained partly by the heterogeneity of assistance provided by partners. Some partners focused on (relatively inexpensive) referrals for internal counselling, while others provided more holistic case management. At both £298 and £137, this is well below the average cost per case of prior legal assistance programs analysed in Iraq.

<sup>15</sup> The formula here is:  $0.48/(1+0.48) = 0.32$ ;  $1-0.32 = 0.68$ .

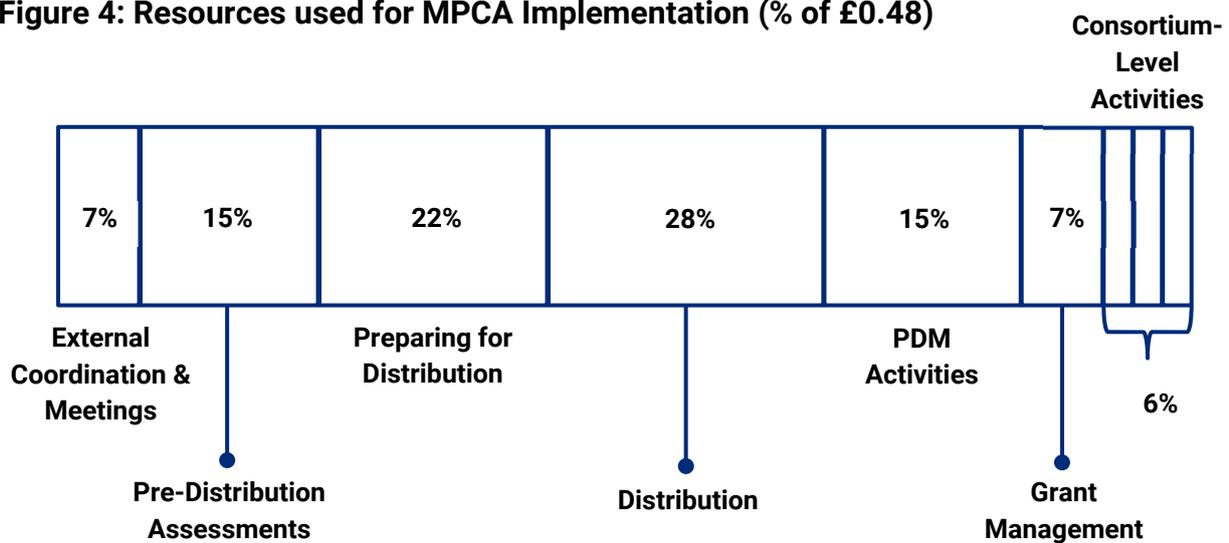
This suggests that using the CCI’s vulnerability assessments to refer for legal assistance is a driver of cost-efficiency, because the dedicated costs of targeting for legal assistance are absorbed into the MPCA beneficiary targeting process, thus reducing the overall cost of provision. In a prior IRC study of legal assistance services, legal assistance programs cost between \$250 and \$2500 per case on average.<sup>16</sup> This wide variance was explained both by the scale of the programs, but also by the heterogeneity of case needs in different regions. In some cases, legal staff might provide counsel to help beneficiaries fill out and file a request for documentation, while in others they might provide legal representation during a lengthy detention case.

**Main Cost-Efficiency drivers for CCI MPCA**

In both the February and August analyses, two key cost-efficiency drivers were identified among cash transfer programs: 1) scale, and 2) the intensity of targeting, both of which help to explain these findings. The CCI achieves considerable scale when compared with other MPCA actors in Iraq, with each partner expected to reach between 2,000 and 3,000 households over the life of the DFID grant. This drives the CTR *down* relative to previously studied smaller-scale MPCA programmes in comparable contexts.

Conversely, the CCI also undertakes intensive targeting activities, conducting up to four separate geographic and individual assessments before a distribution is conducted (security, needs, market, and vulnerability). This is compounded by the fact that- the CCI does many one-time transfers, meaning that the costs of targeting are not spread over multiple distributions. The intensity of targeting would be expected to drive the CTR *up*.

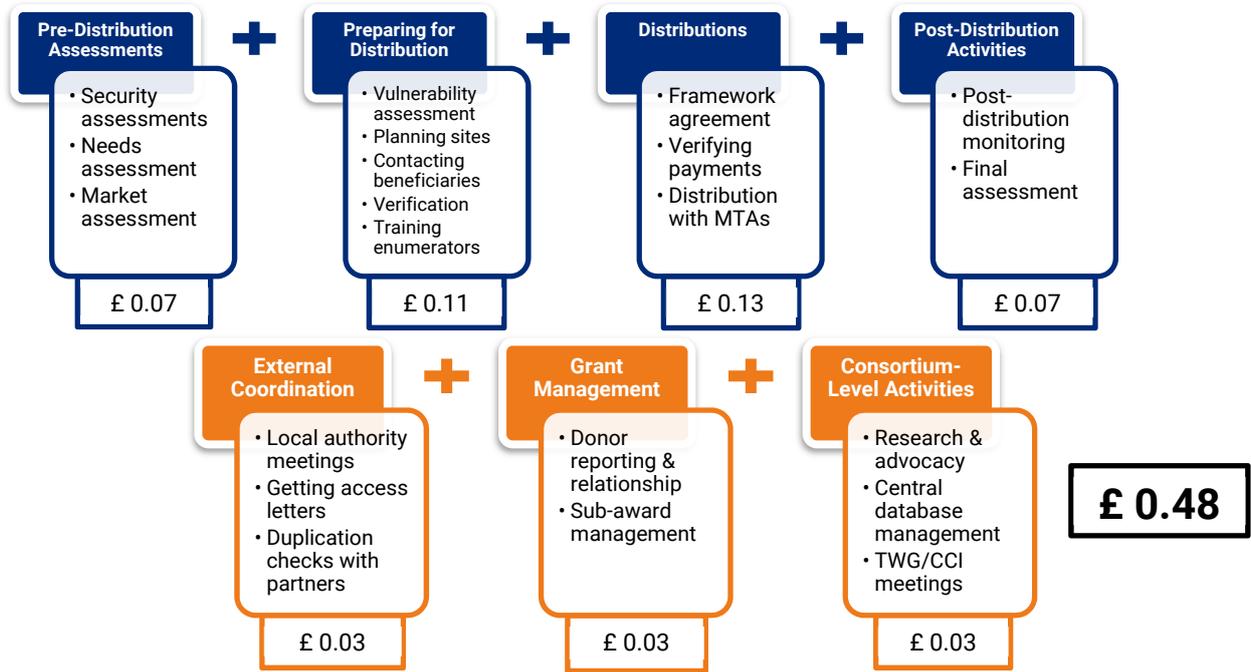
**Figure 4: Resources used for MPCA Implementation (% of £0.48)**



The largest category of resource use is for *Distribution* activities (28%), which includes the costs of actual distributions, time spent on compliance and procurement, paying distribution fees to MTAs, and having Finance staff verify payments. The second-largest category is *Preparing for Distributions* (22%), which includes the household vulnerability assessments to identify beneficiaries, staff time to plan site visits and contact beneficiaries, training of enumerators, and procurement work on contracts. Geographic-level assessments, including security assessments, needs assessments, and market assessments in the communities the CCI serves, account for a full 15% of the resources spent by implementing partners (*Pre-Distribution Assessments*). How this translates to the £0.48 CTR is shown in **Figure 5**.

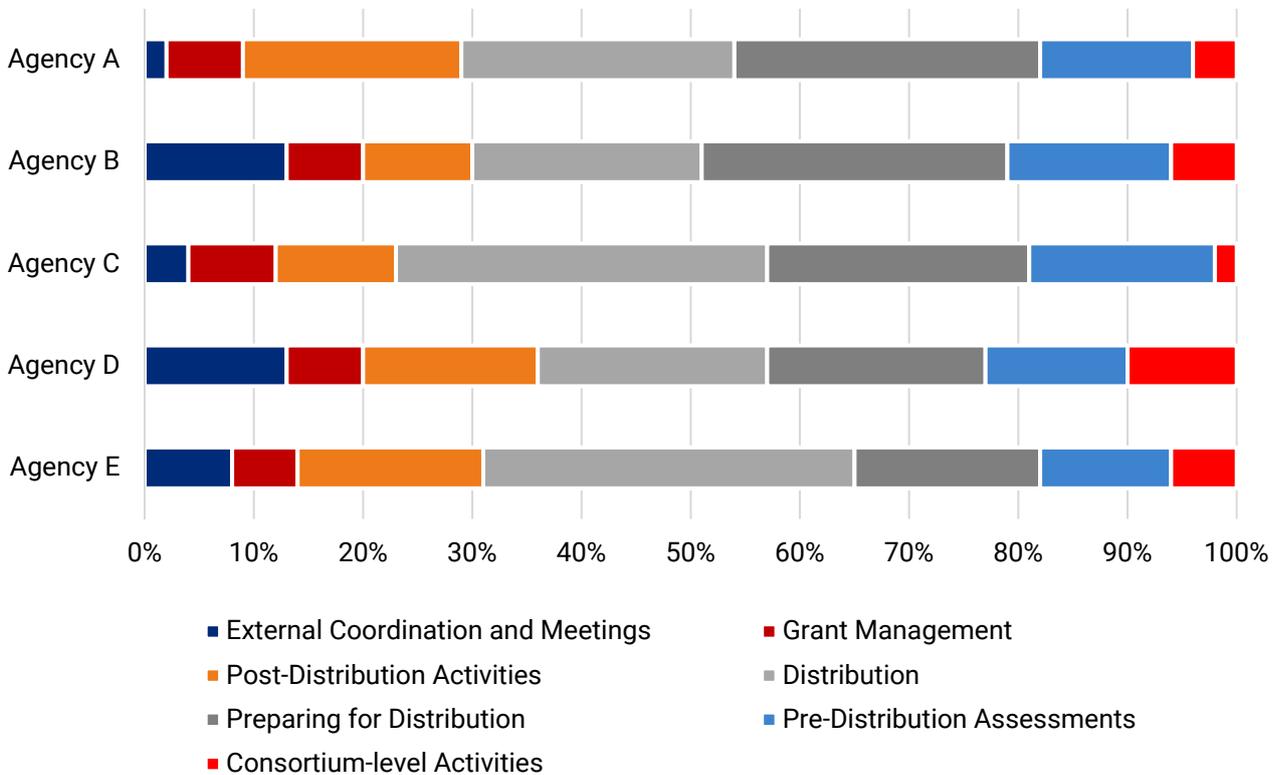
<sup>16</sup> See IRC (2017) “Cost Efficiency Analysis: Legal Case Management”.

**Figure 5: What does the £0.48 for £1.00 Transferred in Delivery Costs Buy?**



At the CCI partner level, how the CTR was spread across different activities did not vary greatly from the overall CCI breakdown, as shown in **Figure 6** below.

**Figure 6: CCI Partner Activity Breakdown**



The activity breakdown was undertaken by the TWG representative and finance manager from each partner. While the allocations were applied initially to budget-based efficiency estimates, 6 months of programming had transpired by the time the workshops were held, giving each partner a good understanding of how resources were being used. Each partners' team went through their own budget independently and allocated percentages spent on the programme activities across all relevant budget lines. While this is not as precise as all budgeted staff completing time sheets, and requesting estimates on the allocation of supplies, office costs, and assets from the relevant departments - which is very resource and labour intensive - the relatively small variance between partners across different activities does generate confidence in the results.

The categories of *Consortium-level Activities*, *Grant Management*, and *Pre-Distribution Assessments* had the smallest variance (<8%), while *Distributions* had the largest variance, at 13%. Across all partners, the categories of *Distributions* and *Preparing for Distributions* were the largest activity categories. The differences in activity categories per agency are idiosyncratic, as partners work in different locations and all have slightly different operational structures. For some partners, enumerators are integrated across different sectoral teams; for others, the cash teams have dedicated enumerators and can assess and arrange distributions with greater flexibility. Some have larger head office M&E teams, others are more decentralised. In terms of Consortium engagement, the different skillsets among partners results in varying levels of effort over time, leading to some additional activities such as arranging in-country CaLP training or revising CCI tools; some partners have TWG representatives with larger operational portfolios e.g., cash and livelihoods, whereas others manage purely cash projects. At the partner level, the relatively small variance in and proportion of costs dedicated to *Grants Management* is likely due to DFID shifting the costs of administering five separate contracts to the CCI, reducing the administrative burden on partners.

Thus, there is not a rule as to how much each partner should spend per activity category, nor a benchmark portion of the total cost each group of activities should comprise. One more concrete finding from the partner-level activity breakdown was that *Distribution* costs are higher when smaller and more frequent distributions are conducted. Since the first analysis, those with higher distribution costs have started conducting larger distributions, which has been reflected in the reduced overall CTR.

### **Comparisons with other MPCA Programmes**

While **Figure 3** above compared the overall CTR with other CCI partner programmes, two in similar contexts, caution must be taken in making like-for-like comparisons. The choice of modality is rarely the only difference across programmes: operating environment, barriers to field access, costs of inputs (and related currency fluctuations), and, for MPCA programmes, appropriate programme design (the quantity and value of transfers) and options over delivery mechanism, are just some of the contextual factors that impact the CTR.

In the DG ECHO review (cited above), as noted the UN had the lowest CTRs for cash programmes, at 1.31, or in the terms used here, \$0.31. The NGO cash programmes reviewed had an average CTR of 2.01, or \$1.02. The CCI's CTR of £0.48 is closer to the UN CTRs found in the ECHO review, and contains all programme costs – direct, indirect, and shared.

***It is important to note that comparing even CTRs, all else being equal, is only possible if the programme data contains all direct costs, shared costs, and ICR. This is to say, analysis of a programme with costs covered disproportionately by other sources, including core financial support, would not accurately reflect the true cost-efficiency of the programme or enable like-for-like comparison.***

## 5. Economy

Within the '4E's' model, applying 'economy' means ensuring that programme inputs are procured for the best possible price. This is very closely related to cost-efficiency (costs per output) because changes in the cost of inputs will directly affect the cost of outputs<sup>17</sup>. While the SCAN tool allows for analysing cost-efficiency and generates a comparable CTR, it does not capture whether a programme applies economy considerations. It can give an indication that economy considerations have been applied – a comparatively high CTR indicates that certain inputs could be procured for less – but is not itself a tool for applying economy analysis.

Economy considerations are typically made by programme management and supply chain / logistics teams. For example, human resource inputs can be procured for a lower price by nationalising certain budgeted positions. Operational inputs such as transport, programme materials, capital assets, equipment and office costs can be procured for the best possible price by ensuring sufficient market analysis is conducted by the supply chain / logistics teams, and that robust tendering processes are in place. In analysing the CCI's VFM, economy can be assessed in two distinct stages: 1) whether the CCI has ensured economy throughout the duration of the programme, and 2) what it costs the CCI to *ensure* economy. As with the cost-efficiency analysis, this section will look at economy through the end of Q3. Part 1) will use the CCI-DFID budget and expenditure reports, part 2) will use the SCAN analysis.

### CCI Economy

Generally speaking, "cash maximises economy in terms of the cost of the transfer...a \$100 transfer will always cost \$100"<sup>18</sup>. In Iraq, the transfer value is harmonised across the MPCA community and derived through the Survival Minimum Expenditure Basket (SMEB) methodology. Thus, for the largest single item in the CCI's budget – cash transfers – the harmonised transfer value of \$400<sup>19</sup> will always cost the CCI \$400 (unlike, for example, a food or shelter programme, where the costs of meeting certain dietary requirements or shelter standards will vary from context to context).

Ensuring economy throughout the programme is attained through human and operational resource procurement procedures. All CCI partners adhere to tendering processes generally in the procurement of programme materials and supplies, vehicles, human resources such as consultants, and for MPCA programmes specifically, for the procurement of MTAs. All CCI partners require at least three quotations, and each tender is reviewed by staff from supply chain / logistics, finance, and programme departments. The same teams also undertake market analysis to inform the costs of office occupancy, and banking, courier, and other professional fees. These standard processes contribute to ensuring that inputs are procured for the best possible price.

The largest non-cash transfer categories in the CCI's budget are staff costs (including salaries and benefits) and office and 'other operational costs' (which includes communications, couriers, and banking and professional fees), together comprising 29% of the CCI-DFID budget. International and national staff salaries together comprise 16% of the total budget, with a larger share going to national staff salaries. By the end of Q3, more had been spent on national staff, but as the reduced CTR suggests, spending on both was lower than forecast for Q3<sup>20</sup>. While this means less was spent on staff inputs, as discussed in **Section 4**, savings were found across most staff lines. In addition, the requisite compliance and reporting oversight across humanitarian programming, including MPCA, as well the technical expertise required, and the CCI MoU which requires engagement by all partners' Finance Directors, Country Directors, M&E managers, and Grant Managers, in addition to technical leads, contributes to explaining the value of the input. The CCI work, including this study, is made possible because the consortium structure has buy in across all levels of management.

<sup>17</sup> Cabot-Venton, C., Bailey, S., and Pongracz, S. (2015) 'Value for Money of Cash Transfers in Emergencies'.

<sup>18</sup> *Ibid*, p.20.

<sup>19</sup> This is the budgeted transfer value; the actual harmonised value is IQD 480,000.

<sup>20</sup> Given Q3 encompasses 10 months of spending, and the entire programme is 18 months, burn rates *should* fall around the 55% mark, however this is not true for all budget lines.

In addition, all international staff positions in the CCI-DFID budget are subject to competitive, open recruitment, and any interested national or international candidates may apply. Many of the budgeted national staff lines are field staff and enumerators, necessary for CCI programming. The CCI's efforts to promote rigour and evidence require a commitment to verification surveys and longitudinal PDM, for instance, which is labour intensive but crucial for learning.

Office and 'other operational costs' make up 6% of the total budget and, as with staff costs, spending on these costs was lower than forecast by the end of Q3. The CCI partners have a combined thirty-seven offices across eleven governorates, but only offices in six governorates are budgeted under the DFID grant. Similarly, rather than this indicating that office and other operational costs had been rationalised, analysis and consultation suggests this is due savings being made across the related budget lines. Covering the input costs of multiple offices in multiple governorates is justified due to the humanitarian and programmatic imperative to access hard-to-reach conflict-affected areas and to apply equity in targeting. Coordinated programming can pivot quickly due to the infrastructure being in place. This decentralised office structure promotes access as well as accountability, and understanding of needs, through proximity to affected communities. Further, CCI partners have a variety of services on offer across areas of intervention, that are programmed out of the same offices used for their MPCA programming. This enables comprehensive and integrated programming.

The fees paid to MTAs do not absorb a large portion of the budget (2%) but are a core programmatic cost in addition to the cash transfer lines. On the procurement of this input, CCI partners conduct transparent and competitive tenders and sign a framework agreement, including the fee rate, with the successful MTA. The framework agreements range from 1-3 years in length, with fee renegotiations typically occurring every 1-2 years.

Across the CCI, the rates vary little from partner to partner largely depending on the degree to which areas are hard-to-reach for the MTA, and by the end of Q3, spending on MTA fees averaged 3.1%. As will be discussed further in **Section 7**, reducing the MTA fees across the CCI could be achieved through a single CCI framework agreement, however this would risk market distortions through monopoly, losing the added value that some MTAs have in certain areas, and potentially limiting access to liquidity.

### **Ensuring CCI Economy**

While the SCAN tool itself does not show whether or how economy has been considered, the activity analysis conducted by the CCI and BUR teams can give an estimate of what it costs *to ensure economy considerations are applied*.

As noted above, the implementation activity breakdown produced during the SCAN analysis is not a feature of the software itself, but an additional layer of analysis undertaken during the initial workshops. This provides greater resolution, in that the types of costs associated with ensuring economy are components of the different MPCA programme activities. Broadly, these are the activities undertaken by partner supply chain, logistics, and finance teams. Within the activity breakdown, these are procurement orders (in *Preparing for Distributions*), signing framework agreements (in *Distributions*), and verifying payments (also in *Distributions*) (shown in **Figure 4** above).

Thus, certain additional conclusions on the CCI's economy are evident in the SCAN findings if it is assumed that the costs of the sub-activities are equally distributed across the MPCA programme activities. If, for example, within the category of *Distributions*, which has four sub-activities, it is assumed that each sub-activity represents 25% of the total cost, **the total cost of the activities associated with ensuring economy is £0.08<sup>21</sup>, or 16% of the CTR**. This would include costs such as finance and logistics staff time, as these budget lines were allocated across the MPCA programme activities.

<sup>21</sup>  $Y = \sum (0.13 \times 0.25) + (0.13 \times 0.25) + (0.11 \times 0.125)$ , where Y is the economy cost, 0.13 is the Distributions cost and 0.11 is the Preparing for Distributions cost.

## 6. Effectiveness

Programme effectiveness is an important consideration for the CCI: the CCI model was specifically established to promote a more effective response to needs through the modality and operational model, as evidenced by the founding goals and CCI strategy. Effectiveness here means the quality of an intervention, or how well the programme converts outputs into outcomes and impact.

As stated in DFID's 'Guidance on Value for Money of Cash Transfers in Emergencies', "[e]ffectiveness considers the benefits of a programme, what it achieves (i.e. outcomes and impacts) and the manner in which it achieves it, such as the speed and quality of the response". The UK Independent Commission for Aid Impact (ICAI), states that effectiveness and value for money are inextricably linked, asking how a programme can demonstrate value for money if it is not effective, and if there is poor value for money, is the programme being as effective as it could be<sup>22</sup>?

Utilising the CaLP OM analytical framework, this section analyses *how* the CCI achieves key results and targets. The key finding is that the four drivers of effectiveness outlined below have enabled the CCI to deliver MPCA quickly, at scale, and with a targeting methodology that ensures the most vulnerable households receive assistance, while achieving effective referrals to legal and non-legal assistance. Further, the CCI adheres to harmonised cash programming principles: common targeting criteria, an interoperable database, a common delivery mechanism, a standardised transfer value, and a common results framework. This is possible through the strength of CCI collaboration and coordination.

### Approach to Measuring Effectiveness

Figure 7: CCI Drivers of Effectiveness<sup>23</sup>

Drivers of Effectiveness (Outcomes)	
Prior humanitarian presence and capacity	Preparedness
Duration and level of response	Linkages to/combined with other forms of assistance/programmes
Capacity of Markets to absorb assistance/supply chain	Impact on early recovery and longer-term resilience to future shocks
Adequacy of transfer value – meets programme objectives	Targeting (quality and timing)
Speed of delivery – relation to responding to needs as quickly as possible	Meeting needs – geographic coverage
Strength of inter-agency collaboration and coordination mechanisms	Engagement with private sector
Beneficiary financial and social inclusion	Empowerment, enabling beneficiaries to take control of their situation in times of crisis/providing dignity
Debt/credit relations and norms within community	Accountability (beneficiary preferences, communications, etc)
Beneficiary financial literacy	Assessments
Linkages to social safety nets	MPGs and use of multi-sector transfers

<sup>22</sup> ICAI (2011) 'ICAI's Approach to Effectiveness and Value for Money'.

<sup>23</sup> From CaLP OM Analytical Framework, Annex B, p.21.

While some of the CCI's outputs and outcomes are captured in CCI PDM, how the CCI operates to convert its inputs into outputs and outcomes, or how effective the CCI is, also relies on qualitative data analysis. For this project, the CCI effectiveness assessment was carried out in two parts. Initial data collection was conducted in February 2018, using an extensive desk review and KIIs with CCI stakeholders<sup>24</sup>.

In September 2018, after analysis of the data collected during the KIIs, and following internal consultation with the CCI TWG, a decision was made to re-frame and situate CCI effectiveness under the twenty drivers of programme effectiveness in CaLP's Operational Models Analytical Framework<sup>25</sup> (see **Figure 7**).

The reasons for re-framing under OM were:

- I. The drivers listed in the OM analytical framework are increasingly recognised by cash actors globally as contributing to operational effectiveness;
- II. The initial framework used during the qualitative data collection was based on the OM framework (with some differences in structure and language); this meant most of the qualitative areas of effectiveness and areas for improvement identified during the KIIs could be re-grouped under the OM categories as listed in the analytical framework;
- III. Some of the drivers of effectiveness in the OM framework cover aims within the CCI's Operational Strategy (specifically, linkages to legal and non-legal assistance);

Through the analysis process, four of the twenty OM effectiveness drivers were selected with the aim of situating the CCI effectiveness data within in the broader landscape of effectiveness measurement, and to demonstrate alignment CCI's with outputs and outcomes, as contained in the logframe. The selected drivers are highlighted in **Figure 7** above.

Throughout this section the effectiveness of the CCI will be analysed to address the following questions:

- I. Why this area is important to CCI programming?
- II. What has been achieved so far?
- III. What the CCI can do to improve effectiveness in the particular area?

## 1. Strength of Inter-Agency Collaboration and Coordination Mechanisms

### *Why is this area of effectiveness important to the CCI?*

Strong inter-agency collaboration and functioning coordination mechanisms are crucial to overall CCI effectiveness. It is through collaboration and coordination, and the necessary trust and good working relationships this requires, that the CCI is able to achieve its programmatic targets and meet the needs of vulnerable households.

As such, this driver of effectiveness says the most about how the CCI has achieved results. While not directly tracked as an indicator, the strength of inter-agency collaboration within the CCI facilitates achievement towards all other indicators measured within the CCI. The following unpacks further the results achieved under this effectiveness driver.

<sup>24</sup> Twelve KIIs were conducted both in-country and remotely with the two existing CCI Management Unit staff (Director and Research & Advocacy Coordinator); 5 Technical Working Group (TWG) Advisors, representing each agency; 3 Steering Committee (SC) representatives (IRC, NRC and Oxfam); as well as external actors, including donors (3 representatives from DFID and one from ECHO) and from coordination mechanisms, including the Cash Working Group (CWG) Co-Chair and UNOPS Call Centre Information Officer.

<sup>25</sup> The list of effectiveness drivers has been developed through a review of key resources and feedback from the CaLP Technical Advisory Group.

## What has been achieved so far?

### Strong Internal Coordination

- **The CCI has established strong internal coordination systems and ways of working.** These allow the CCI to track collective progress to targets, coordinate current and planned geographic interventions, discuss operational challenges, and collectively manage the Common Fund. Mandated coordination (as opposed to aspirational coordination) among five agencies combined with a shared vision and strategy ultimately enables stronger collaboration.
- **Good Governance:** The SC of CCI partners' Country Directors use their agency-specific seats in different forums (such as the NCCI, HCT, etc) to advocate on issues related to the CCI programming and the broader response. Their cumulative contact with, and access to, key stakeholders across the entire humanitarian architecture is leveraged to drive the CCI's strategy forward. Meanwhile, SC oversight promotes and enables accountability. CCI partners' representatives at the TWG, including cash experts as well as protection experts, represent a hub for technical expertise, learning, as well as response planning and a catalyst for change within the community at large. The TWG also use their agency-specific membership at the CWG and its Task Forces, as well as other key forums across the humanitarian architecture, to advocate in unison on issues of concern and contribute CCI learning to the wider community.

### Harmonisation and Standards

- **Transfer values, targeting model:** The CCI has been pivotal in influencing the wider humanitarian cash community: utilising all CCI partners' membership at the CWG to, a) advocate for standardised, response-wide transfer values (using a Survival Minimum Expenditure Basket); b) promote utilisation of the CCI-developed context-specific and evidence-based targeting model<sup>26</sup> and c) advocate for organised, and divided, geographic coverage based on needs, access, and capacity to deliver. As a result, the CCI has directly coordinated cash response across 22 districts in 5 governorates under the DFID grant<sup>27</sup> and influenced the response in a way to prevent duplication with non-CCI actors.
- **Training to support non-CCI actor's standardisation uptake:** Through providing training for non-CCI agencies on how to administer the assessment tools and household scoring, a variety of actors have been able to operate side-by-side by conducting duplication checks and communicating eligibility in the same way. CCI TWG and field team members have also been funded to become certified CaLP trainers. Trainings for CCI partner staff, as well as staff among CWG member agencies, will promote access to important learning opportunities for the community.
- **Standard assessment and monitoring approach and tools:** Drawing upon the expertise housed within the CCI TWG, the CCI has developed standardised accountability guidelines, M&E guidelines, and harmonised PDM tools and practices providing opportunity to leverage the CCI internal dataset for cross-organizational learning at a level allowing for trend analysis.

### Geographic Coverage and Inter-Operability

Consortia can facilitate more efficient geographic divisions and coverage of needs in large responses. Through the CCI geographic divisions have brought efficiency gains and administrative cost reductions. The CCI partners divide coverage in accordance with needs, capacity, and infrastructure to promote these efficiency gains, and now have representation across thirty-seven NGO offices across Iraq from which to run operations.

<sup>26</sup> The CCI's scoring model development was documented and shared publicly to promote wider understanding of how the CCI conceptualises household-level socio-economic vulnerability, and generate an evidence base to inform the MPCA response at large and spur harmonisation around eligibility.

<sup>27</sup> CCI Indicator: # of governorates of intervention.

- **Coordinated operations:** Leveraging harmonised standards/approaches and through Steering Committee buy-in, the CCI has proven that the consortia structure can be used, when required, to improve the quality and speed of rapid targeted responses at scale through joint responses. While not a standard approach, in several rapid responses partners' joint operations enabled rapid response, and provided opportunities to test different models of collaboration<sup>28</sup>.

#### Data Sharing, Pooling and Learning

- **Data sharing system:** The ability to share information about assessed and eligible households between organisations is another strong argument for investment in inter-agency collaboration and coordination in demonstrating effectiveness. The CCI partners' interoperable, centralised database is at the heart of the CCI structure, utilising shared technology as well as the shared governance structure outlining commitments to data protection and data security, as well as shared standards.
- **Data sharing agreement:** The CCI data sharing agreement enables partners to share all households' data and facilitates much more effective cross-checks because the data is also structured exactly the same way. The value-add of this system must not be underestimated<sup>29</sup>. Since data is automatically uploaded and centralised, duplication checks can be conducted between assessed as well as assisted households, to ensure greater accuracy. In addition, the data sharing governance structure has been extended beyond the CCI. Several data sharing agreements have also been signed with external actors to enable data sharing and referrals based on need (*it should also be noted that the CCI's VFM study was possible in the first place due to data sharing agreements*).

#### Enhanced Accountability

- The enhanced centralised database has also facilitated layers of accountability and oversight which better enables tracking of household assistance over time and evidence adherence to KYC requirements. CCI partners developed a unique household identifier to track receipt of cash and legal assistance across CCI partners, locations and over time. This has increased confidence of oversight among donors and helped to enable the CCI to scale.

#### Transferring Caseload/Sharing Resources

- **Promoting response speed:** The ability to transfer assessed/eligible households to another agency has largely become a common practice between CCI partners. This has enabled the CCI as a whole to shift implementation plans to more closely mirror needs on the ground, and promote efficiency and speed where partners are ready to respond. This approach has also reduced concerns that partners would be unable to service eligible households, and promotes rolling vulnerability assessments that enable scale. Up to Q3 of the CCI-DFID award, the CCI has serviced **8,392 unique households, or 50,352 individuals**<sup>30</sup>.

#### What can the CCI do to improve this area of effectiveness?

- **Further leverage CCI learning:** The appointment of a dedicated Research and Advocacy Coordinator alongside specific funding dedicated to research and learning are steps in that direction. Dedicating resources to the development of learning documents and sharing with the wider cash community should be a continued effort to demonstrate effectiveness drivers for the CCI model.
- **Develop CCI strategy beyond MPCA:** Key informants noted that further development of the CCI's strategy beyond both MPCA and legal assistance programming, and the 2017 - 2019 operational period, is required to ensure shared understanding of how the CCI will continue to add value as the CCI's recovery programming portfolio increases. This would be crucial to understanding what results the CCI would be expected to achieve and how it continues to collaborate and coordinate to realise those results.

<sup>28</sup> CCI (2017) 'ECHO Lessons Learned'.

<sup>29</sup> *Ibid.*

<sup>30</sup> CCI indicator: # of households reached.

- **Document learning:** Mechanisms for identifying whether different operational response models could be taken advantage of, could be developed to better evidence the frequency of these collaborations, whether a simple operational matrix to be employed in TWG meetings, or through a formalised request form. However, any initiatives designed to formalize these processes must ensure that flexibility, and rapidity are not undermined.
- **Streamline information channels:** Information sharing within the CCI still requires systematising or at least streamlining to increase consistency. Recommendations for improvements within the data management systems are required rather than increased information sharing. The dashboards are being designed to promote better access to partners' data, ownership and accountability.
- **CCI database management:** The CCI database has been built to very specific needs among CCI partners. Efforts must be taken to institutionalize understanding of back-end management and ensure the system can evolve with the portfolio.
- **Sharing resources:** To maximise the reach, awareness, and impact of its learning and knowledge the CCI would benefit from formalised branding, and a website where all up-to-date resources are easily accessible and shareable for its output.
- **Coordinated caseload transfers:** While strides have been made in caseload sharing and this has a proven impact on the effectiveness of the CCI model, systems to better track and report on resource sharing and caseload transfers more rigorously are required. Developing a light touch coordination mechanism that incorporates resource and caseload transfers in response and tracks at a high level is recommended to increase oversight without increasing reporting burden on partners or the MU.

## 2. Targeting (Quality and Timing)

### *Why is this area of effectiveness important to the CCI?*

Targeting is the basis of effective cash transfer programming, while also being one of the most challenging, expensive, and time-consuming aspects of programme implementation. Since forming in March 2015, the CCI has developed an evidence-based understanding of socio-economic vulnerability within Iraq. Not only has this been integral in the generation of standards for targeting but has more served and informed the broader humanitarian response.

### *What has been achieved so far?*

#### **Evidenced-based Proxy Means Testing (PMT)**

- **Understand vulnerability at scale:** In 2016, the CCI conducted analysis that has highlighted prominent or generalisable characteristics of the beneficiary population in Iraq, representative of those households in the lower quintiles of national vulnerability. The analysis provides an understanding of comparable vulnerability: that is, how different households compare in terms of overall vulnerability. In doing so, the CCI has been able to distil some important trends between different sections of the beneficiary population and has detected trends in their corresponding levels of vulnerability (e.g., there is no relationship between movement status and socio-economic vulnerability). This analysis informed the development of a PMT targeting model which is used to determine eligibility for MPCA. In influencing overall program quality, accurate targeting has enabled an overall 79.5% reduction in target beneficiaries use of negative coping strategies, almost 20% more than the reduction targeted<sup>31</sup>.

<sup>31</sup> CCI indicator: % reduction in negative coping strategies (target, 60%).

- **Alignment with social safety nets:** Due to the targeting methodology adopted first by the CCI, then by most MPCA actors in Iraq, this has enabled the CCI, and the wider MPCA community, to explore alignment with the federal government's Ministry of Labour and Social Affairs (MoLSA) social protection assistance<sup>32</sup>. The new vulnerability model currently under development by the CCI will determine both eligibility for MPCA *and* indicate whether a household, based on their characteristics and behaviours, would also qualify for MoLSA assistance.

#### Quality of Targeting

- **Community based assessment rigour:** The Iraq context and funding landscape requires rigorous targeting of all beneficiaries serviced with MPCA in order to accurately identify recipient households and levels of vulnerability<sup>33</sup>. Blanket door-to-door assessments are the preferred approach for all CCI partners to ensure engagement with communities, the promotion of inclusion, verification, and ensure the MPCA reaches the most vulnerable households. The current eligibility rate varies from governorate to governorate, however on average roughly 75% of households are found to be eligible for MPCA.

#### *What can the CCI do to improve this area of effectiveness?*

- **Increase data sharing agreements with non-CCI actors:** Further value-add can be gained through the increased use of the model both within the cash community in Iraq and with other actors in the response. The current PMT vulnerability model, developed using statistical regression, is due to be revised by the CCI and CWG in late 2018 to ensure the sector-wide conception of vulnerability remains evidence-based and context-relevant, and to more closely align with the government's proxy means-tested cash transfers.
- **Ensure clear documentation of the model:** Based on lessons learned, the CCI will need to develop and issue another report to evidence the updated model, withstand turnover across the community, and accompany it with suggested communication guidelines to better enable other actors to explain the rationale behind the model to their teams, as well as members of the local community.

### 3. Linkages to/Combined with other forms of Assistance/Programmes

#### *Why is this area of effectiveness important to the CCI?*

Internal referrals for legal and non-legal support, and linkages to external / government support, are a core component in the CCI's Operational Strategy, and form the full cluster response in the 2017 and 2018 HRP.

As discussed in **Section 4**, initiating legal referrals through MPCA assessments is a cost-efficiency approach to legal targeting. And, given the vulnerability assessment is designed for multi-purpose cash, and contains multi-cluster indicators, the household data collected during MPCA assessments is suitable for non-legal referrals.

<sup>32</sup> An analysis of this dataset along with the indicators included in the model can be found in the April 2016 CCI Vulnerability Model Report.

<sup>33</sup> Although CCI partners reserve the right to assess from lists provided by local stakeholders if security conditions prohibit door-to-door assessments, there is growing evidence that lists from Mukhtars or local officials can be heavily politicised.

## What has been achieved so far?

### Internal Referrals

- **Automated legal referrals:** A driver of effectiveness identified in the KIIs is the automatic, inter-agency legal assistance referrals for civil documentation recovery. The provision of *in house* legal assistance to obtain civil documentation and connect with the social safety net is core component of CCI programming. Drawing upon the protection and ICLA expertise provided by some CCI partners, using the data sharing agreement enhances transition to other forms of assistance beyond MPCA. At time of writing, **29% of referred cases for legal support have been connected to social safety nets**<sup>34</sup>.
- **Non-legal referrals:** The CCI has also tested internal non-legal referrals, to date referring 1,242 cases from MPCA to livelihoods and child protection programmes<sup>35</sup>. While this is more difficult to systematise because of the multiple indicators required to meaningfully refer to different sectoral programmes, inter-agency referrals have taken place on an *ad hoc* basis, with a form developed for CCI partner teams to request household data in accordance with their specific criteria.

### Positioning with the Social Safety Net System

- A workshop held in April 2018 with participants from MoLSA, DFID, the World Bank, and the CCI, CWG, and UNHCR and WFP, allowed relevant stakeholders to identify areas for further alignment, coordination, and, eventually, referrals and improved case management. One of the areas identified as already showing a good degree of alignment was the approaches to targeting used by the CCI and MoLSA (also detailed above), with many of MoLSA's variables overlapping with the variables in the CCI's model. This suggests that the capacity of MoLSA's PMT to absorb the humanitarian community's MPCA caseload is high and, since other MPCA actors adopted the CCI tools, the MPCA community can inform efforts to reform the SSN as well as promote responsible transition. The addition of an indicator to future assessments that would allude to eligibility for MoLSA assistance is planned.
- As noted above, the CCI refers households missing civil documentation to internal legal teams for free document recovery assistance. Some of the legal documentation is used to access government social protection. This, too, positions the CCI well in the transition to government schemes, by providing households with the means to register for assistance.

## What can the CCI do to improve this area of effectiveness?

- **Non-legal referrals:** As the response continues throughout 2018 and 2019, the CCI should enhance efforts to enable systematic non-legal referrals when feasible and appropriate. The upcoming revision of the beneficiary intake survey will likely provide an opportunity to include specific indicators that would trigger an automatic referral of households to other services. A stronger internal referral process could be scaled to the wider humanitarian and recovery sectors.
- **Revising the CCI's PMT:** While this activity is currently underway, for the CCI to align with MoLSA's approach to targeting certain steps can be taken, principally the inclusion of regional scoring models and seeking peer review from the World Bank.
- **Researching barriers to inclusion:** The CCI's legal assistance could also be refined through more detailed reporting and, if possible, research into the types of barriers households face in recovering civil documentation and registering with the social safety net, to build a more robust evidence base for future advocacy.

<sup>34</sup> CCI indicator: HHs referred for legal support to connect to SSN, who connected to SSN (target 60%).

<sup>35</sup> CCI indicator: # of individuals identified through MPCA vulnerability assessment and referred for non-legal assistance.

## 4. Speed of Delivery

### **Why is this area of effectiveness important to the CCI?**

A consortium approach has helped streamline operations and avoid duplication, while enabling the flexible reallocation of resources based on contextual changes<sup>36</sup>. Speed to delivery is a crucial quantitative indicator of effectiveness for the CCI emergency MPCA disbursements.

### **What has been achieved so far?**

#### **Establishing Systems that Contribute to Speed of Delivery:**

- **The CCI Common Fund:** Unique to the CCI, the Common Fund is utilised to enable flexibility and channel funds to the partner best placed to respond and/or scale-up to specific events and shifts in needs. This promotes efficiency when a partner can scale in any given area to respond to increased needs, without necessarily requiring corresponding levels of delivery costs, not another partner to join the same response. The approach enables funding to be directed at the partner best positioned with access and capacity to respond, as the emergency evolves. Under the CCI-DFID grant, by Q3 84% of the common fund had been allocated to partners, responding to<sup>37</sup>.

#### **Time to Deliver:**

- Using vulnerability assessment and distribution form data captured in the CCI database, and as shown in **Figure 8** below, **the CCI's time to delivery, from assessment to first distribution of MPCA, is 33 days** across the duration of the programme. This started with an average time of 15 days in September 2017 and remained within 1 month throughout the first 5 months of programming. This includes first round transfers funded by other CCI donors (which then had the second and third transfers funded by DFID). During the programme, this included faster responses, such as during the November 2017 Iran-Iraq earthquake response, which had a delivery time of 11 days. However, 2018 has seen a slowing of delivery time of DFID-funded MPCA, to over 4 weeks from assessment to transfer in February, May and June, with a median time in June 2018 of 84 days (which will factor in a slower response due to Ramadan)<sup>38</sup>.
- The CCI validated these data with the TWG and the respective partner field teams. The reasons for this are part contextual and part programmatic. The contextual reasons include sector-wide access issues following the 2017 Kurdish Referendum, and more localised issues of authorities requesting beneficiary lists, seeking to control who does and does not receive assistance, and in some areas such as Anbar, requesting that beneficiaries have security clearance to receive MPCA (so being on local authority lists).

These localised issues have dramatically increased since IS territory was retaken and has caused delays to implementation as additional meetings with local leaders, and careful coordination, has been required to enable access and programming in accordance with humanitarian principles. The programmatic factors include:

- I. Programming with multiple transfer results (i.e. one-off, multi-month) using a single assessment (with different eligibility cut-offs) operating in areas with all types of beneficiary requires flexibility in order to remain needs based: to assess for a particular result (e.g. one-off) but find eligibility for another (e.g. multi-month) is inevitable, and while the particular target group can be assisted, some distributions have been delayed due to delays in funding coming online.

<sup>36</sup> CCI-ECHO Strategy and Vision.

<sup>37</sup> CCI indicator: % of common fund allocated to partners.

<sup>38</sup> Due to the range of days varying from 1 day to over 99 days, which would distort a mean, the CCI has opted to use the median number of days.

- II. Conducting larger distributions, while reducing costs per pound transferred, has also impacted on preparation times.
- III. A pause in distributions between March and early May 2018, due to the DFID target realignment.

### ***What can the CCI do to improve this area of effectiveness?***

- Having previously reached households within 4 weeks of vulnerability assessment, reducing the time to delivery should be improved if the CCI is to be able to not just programme with quality, at scale, but also respond to needs quickly. The partner validation affirmed that 3-4 weeks from assessment to distribution is an acceptable time to delivery in a humanitarian setting. However, CCI partners must continue to program in hard-to-reach, complex and underserved areas which are likely to require careful ongoing communication and advocacy by all program teams to ensure humanitarian space, and principles, are upheld. As partners continue to build trust and community buy-in in complex areas of intervention, it is hoped that the time to deliver will decrease.

**Figure 8: CCI Speed of Delivery (DFID Assessments to Distributions, in Days)**

	Sept (2017)	Oct	Nov	Dec	Jan (2018)	Feb	March	April	May	June
Speed (Median)	15	27	15	14	28	57	28	24	79	84

### ***Summary of Key Findings***

This section has reviewed the effectiveness of the CCI through the lens of four effectiveness drivers found in the CaLP Operational Model Analytical Framework. As demonstrated here, the CCI's effectiveness is cross-cutting, with multiple points of intersection between the different drivers, each facilitating the realisation of programmatic outputs and outcomes. Through the process of mapping data gathered in KIIs against a broader list of effectiveness drivers, these four discussed above were recognised as the key drivers of CCI effectiveness – or those that explain *how* the CCI achieves results. The analysis and areas for improvement documented under this section will be fed into the subsequent section and analysed to determine where value for money can be found and increased.

## 7. Value for Money

As noted by DFID, VfM is about maximising the impact of each GBP spent to improve the delivery of aid. DFID's 4Es framework shows that the Value for Money agenda is not just about cutting costs, rather analysing and being realistic about how money (outputs) can be expected to be transformed into outcomes<sup>39</sup>. As such, following the previous sections outlining the efficiency of the CCI MPCA program and its main areas of effectiveness, this section will synthesise efficiency, economy, and effectiveness to outline current VfM and determine how the CCI can enhance its VfM throughout the remainder of the programme and beyond. Using the MPCA programme activity breakdown developed during the SCAN analysis, this section will analyse:

- I. What the biggest cost drivers are, and where there is opportunity to increase value for money under each CCI activity category, and;
- II. How adjustments to efficiency or effectiveness may positively or negatively impact overall value for money.

As the four most prominent and prioritised drivers of effectiveness do not sit squarely under each activity area, the analysis below will demonstrate the cross-cutting nature of the CCI's effectiveness and how it intersects with efficiency. It should be noted that the following analysis will not cover recommendations for legal aid case management, as the SCAN analysis demonstrated how the CCI's approach to legal assistance is already cost-efficient: leveraging MPCA delivery and using vulnerability assessments to identify beneficiaries minimises program costs (the primary cost being the variable cost: legal staff time).

CCI activities are addressed in descending order from largest CTR contributor to the lowest. Recommendations from this analysis will be captured in the final section of this report outlining key actions next steps. The key findings across the different activities are:

- The CCI can reduce distribution costs by organising larger distributions, up to a distribution size that does not negatively impact on beneficiary and staff safety and satisfaction.
- The most effective delivery mechanism continues to be MTAs through unilateral contracts; the CCI could save on delivery fees by using mobile money, however the savings would be relatively small as a proportion of overall expenditure, and a shift to mobile money would likely impact on reach and accountability.
- The CCI could reduce targeting costs through community-based approaches, however while vulnerability remains high (as measured through eligibility rates in conflict-affected areas), and there remains a risk of politicised exclusion, door-to-door targeting, with the associated costs, should remain in place.
- The CCI should be able to reduce the time to deliver in the medium-term without impacting on cost.
- Cost-efficiency gains can be made through reducing the duration and frequency of PDM; for multi-month beneficiaries, the PDM sample could be reduced to after the first and third transfer, rather than after all three transfers.
- While not a significant cost driver, the costs of donor reporting could be reduced through consolidating reports and submitting.

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<sup>39</sup> DFID's Approach to Value for Money (VfM), UK Department for International Development, July 2011

## 1. Distributions

Sub-Activities	TCTR %/ Cost	Related Drivers of Effectiveness
<ul style="list-style-type: none"> <li>• Framework agreements</li> <li>• Verifying payments</li> <li>• Distribution with MTAs</li> </ul>	<b>28% / £0.13</b>	<ul style="list-style-type: none"> <li>• Speed of delivery</li> <li>• Strength of inter-agency collaboration and coordination</li> </ul>

### VFM Analysis

Through the SCAN analysis, the activity category of Distributions accounts for the largest proportion of the overall cost transfer ratio at 28% (£0.13), and as such, cost savings under this activity would be most likely to have the largest impact on TCTR reduction.

The effectiveness driver most notably linked to this activity category is speed of transfer, which also happens to be one of the foremost effectiveness drivers of the CCI MPCA program and model.

The results verification and analysis exercise conducted by partners in February and August identified the most significant cost drivers as the **frequency and size of distributions**. Other, smaller cost drivers from an economy perspective include **staff time** used to verify payments and, **MTA service fees**. On the other hand, the distribution design and verification procedures required for distribution are a significant influencer of timely and quality cash disbursements and, should be considered in increasing value for money through distributions.

### Run Distributions for Larger # of Households:

As identified through the SCAN analysis, a straightforward approach to cutting the costs under this activity category would be to run larger-scale distributions, because the logistics (and associated costs) involved with each distribution tend to be fixed. Since the initial SCAN analysis, CCI partners who had been conducting smaller distributions, serving on average 50 – 60 households, have increased the size of distributions to serve on average between **140 – 250** households. Where distributions are smaller this is driven by contextual considerations such as the security situation in the area and the size of the community, and by programmatic considerations such as responding to a particular caseload and result (e.g., a small newly-displaced group of families in an informal settlement). Increasing distribution size carries protection concerns for beneficiaries and partner staff, however. Larger distributions can negatively impact key protection principles for distributions, including increased waiting times, longer queues for feedback and complaints desks, and potentially longer distances for households to travel to distributions, and the related costs incurred. The programmatic conclusion here is that there is a balance between cost-efficient distributions and unsafe/uncomfortable distributions.

### Reduction of MTA Service Fees:

At the time of writing, MTA service fees ranged between 2% to 3% of the total transfer value. From an economy perspective this could be an area to reduce cost. Benchmarking the cost of MTA fees against those incurred across cash programs within the Middle East region, this cost is at the lower end of the scale compared to Syria, Lebanon and Jordan. CCI partners have established unilateral contracts with MTA agents.

Within the CCI, the use of multilateral service agreements with MTAs has been discussed. With its total annual transfer value, the CCI would likely be in a strong position for negotiating improved rates. However, it was determined by partners that the current model of MTA contracting is a considerable contributor to the effectiveness drivers of speed, scale, flexible access to liquidity (as evidenced after the Kurdish referendum), accountability, and widespread geographic coverage.

Having unilateral contracts with MTAs based in different governorates and districts has proven to be essential to the flexibility required to respond at speed and at the appropriate scale. As noted in **Section 5** above, the partner contracts with MTAs are currently established on a reimbursement basis, and given the scale of the programming, should all agencies work through the same MTA agency, this could have the potential of causing liquidation delays. There is also the risk of creating monopolies negotiating a single, CCI-wide fee, especially given the MTA contracts range from 2-3 years. While re-tendering more frequently would reduce the risk of promoting monopoly, this might be too frequent for the MTAs. While the CCI operates with this delivery mechanism, the recommendation is to maintain unilateral contracts, especially given the proposed increase of CTP through the CCI recovery portfolio.

### **Delivery Mechanisms:**

Moving from the current payment mechanism to mobile money would likely be an area where costs could be reduced. However, following another recent mobile money pilot conducted by a CCI partner, it was concluded that mobile money is not, currently, recommended as an appropriate payment mechanism. This is largely due to: a relatively time-consuming set-up processes, the use of MTA offices as PoS by the mobile money provider (it is not currently an end-to-end system), the MTA's varying proximity to target populations, long waiting times, concerns over a lack of oversight at the PoS, some complaints of incorrect amounts of cash given at PoS, and concerns over data sharing.

In sum, the expected gains of using mobile money have not been realised in Iraq. While additional piloting could be undertaken in the future, for now any potential impact on cost-efficiency is outweighed by the negative impact on effectiveness and accountability.

### **Speed of Delivery:**

Speed of delivery is a key indicator for, and driver of effectiveness within the CCI MPCA programme. As noted in **Section 6**, there has been a decrease in speed over the past **6 months** in the delivery time from assessment to distribution, from **21** days in September 2017 to a median of **48 days** in June 2018. The reasons behind this have been noted in **Section 6**, with the recommendations to decrease the median number of days

Increasing the speed of delivery should not entail a significant increase in costs. While larger distributions, which reduce costs, have been cited as a reason for a slower response, the CCI attained a faster response during the first 5 months of programming, and again in March and April 2018. One possibility is that there is a trade-off between speed and scale – that the CCI's MPCA response takes more time when undertaken at an ever-larger scale over time, due to specific features of the CCI response (rigorous targeting prioritising complex hard-to-reach and under-served areas, beneficiary verification, and the use of MTAs). However, this has not been affirmed.

As the Iraq context transitions gradually to recovery, speed may become a less important driver of effectiveness. However, while households remain acutely vulnerable – in many cases, more so than in 2017 – a fast time to deliver is paramount.

### **Staff Time:**

The economy analysis in **Section 5** above showed that, under the Distribution activities, a sizable portion of costs cover the staff time associated with procurement of MTAs, preparing and reviewing framework agreements, and verifying payments. However, as a proportion of the overall CTR, these staff costs are not significant, and the types of activities associated with these costs are necessary for MPCA operations – should the CCI change the delivery mechanism, these types of activities would remain.

VfM Recommendations	Indicators /targets
<ul style="list-style-type: none"> <li>CCI to identify internal and external factors impacting speed of delivery and identify mitigation activities to control for these.</li> <li>Increase the frequency of monitoring and analysing delivery speed as a key indicator of effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Analysis and action plan to address decreased delivery speed.</li> <li>Speed of delivery in days from assessment to distribution.</li> </ul>

## 2. Preparing for Distributions

Sub-Activities	TCTR %/ Cost	Related Drivers of Effectiveness
<ul style="list-style-type: none"> <li>Vulnerability assessment</li> <li>Planning sites</li> <li>Contacting beneficiaries</li> <li>Verification</li> <li>Training enumerators</li> </ul>	<b>22% / £0.11</b>	<ul style="list-style-type: none"> <li>Targeting (quality &amp; timing)</li> <li>Speed of delivery</li> <li>Linkages to/combined with other forms of assistance/programs</li> </ul>

### VFM Analysis

As the second largest contributor to the overall cost transfer ratio, preparing for distributions is where the largest level of time and effort is attributed. Equally, connected to this activity category are a number of cross-cutting effectiveness drivers with which the relationship to pre-assessment activities is integral and has some of the largest leverage to impact the overall effectiveness of the programme.

### Time-Intensive Targeting Methodology:

A large proportion of costs under this activity is in the staff time to complete vulnerability assessment and verification. However, programme quality requires household-level assessments, and ensuring the most vulnerable receive MPCA requires accurate targeting. Although eligibility rates for MPCA in the most heavily conflict-affected governorates varies between 75 – 80%, there is still variance in household vulnerability. To minimise inclusion and exclusion errors, an approach to targeting that can accurately show a household's ability to cope (as measured through consumption) is necessary. To shift to alternative targeting models, such as community-based or categorical targeting, could undermine the CCI's in-depth understanding of contextual and household-level vulnerability that continues to inform its programming.

Further, findings from CCI data is valuable for actors outside the CCI, with briefing papers and factsheets on household vulnerability, SSN registration rates, and protection issues such as missing documentation made available for internal and external teams and partners. Both in terms of the quality of programming the CCI delivers and the influence and impact the CCI's targeting data has on the wider humanitarian community, the recommendation from the CCI is to maintain existing targeting methodology and approach and absorb the necessary cost incurred in order to maintain programmatic effectiveness.

### Distribute to Already Identified Households:

Providing more transfers to fewer households costs less than giving the same number of transfers to many households, due to reduced targeting and some assessment costs. Undoubtedly, the determination of the duration of transfers when designing a program should categorically not be determined by cost reduction objectives, but rather through response analysis and iterated theory of change and overall program outcome.

Incidentally, as a result of a routine analysis of MPCA eligibility generated through CCI's targeting and evidence-based household assessments, it was determined appropriate to realign caseloads to a multi-month transfer schedule. It is worth noting that the cost driver of time intensive targeting influences both effectiveness (in terms of achieving programme outcomes with longer-term transfers) and cost-efficiency, as a result of the transition to multi-month transfers. However, appropriateness is key. If, in the future, context dictates an increase in one-off transfers, the CTR should be reasonably expected to increase from its current level.

### Improvements in Enumerator Orientation and Training:

Quality data is primarily a result of quality data collection, a key component of humanitarian programming too often overlooked. Within the SCAN analysis, this area is noted as a cost-driver in terms of staff time allocated to training of enumerators.

There are notable gains from an effectiveness perspective that include the joint trainings of partner staff and leveraging staff time and technical expertise across partners. As a cost-driver that does not juxtapose effectiveness, this is a clear area where value money can be gained through increasing systematic and standardized training for program enumerators. Recommendations include the development of standardised orientation and training materials, collective ToTs, and training coordinated through a training calendar. The CCI could benefit from engaging REACH as a technical expert in data collection within Iraq as training packages are developed.

VfM Recommendations	Indicators / targets
<ul style="list-style-type: none"> <li>• Communication mapping.</li> <li>• Publish more learning documents.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed communications mapping.</li> </ul>

### 3. Pre-distribution Assessments

Sub-activities	TCTR %/ Cost	Related drivers of effectiveness
<ul style="list-style-type: none"> <li>• Security assessments</li> <li>• Needs assessments</li> <li>• Market assessments</li> </ul>	<b>15% / £0.07</b>	<ul style="list-style-type: none"> <li>• Strength of inter-agency collaboration and coordination</li> </ul>

#### VFM Analysis

Within any MPCA program, ensuring the required information gathered through cash feasibility assessments is integral to informing response analysis, and ultimately leading high quality, contextually appropriate program design. While pre-distribution assessment accounts for 15% of the CCI's CTR, the timely and quality implementation of these steps within the CCI programme cycle are integral to improving program effectiveness and ensuring do no harm principles are applied to populations and targeted local economies.

#### Coordinate and be Strategic with Assessments:

Throughout the SCAN analysis, numerous assessments were identified that had been carried out by each partner. These include security, needs, market, and vulnerability assessments, as well as post-distribution monitoring. There have been greater efforts to share security assessments when feasible/appropriate, vulnerability assessments are shared/transferred, and all partners share market assessments.

However, the cost-savings to be made in this area are likely driven by the duration of the response itself: as the Iraq response matures, new areas of intervention, requiring new security, needs, and market assessments, diminish, with programming being gradually geared towards new and secondary displacement and returns in existing areas of intervention.

VfM Recommendations	Indicators
<ul style="list-style-type: none"> <li>Workshop and SOPs on resource sharing.</li> </ul>	<ul style="list-style-type: none"> <li>SOPs produced.</li> <li>Reporting on shared use of resources.</li> </ul>

#### 4. Post-Distribution Activities

Sub-Activities	TCTR %/ Cost	Related Drivers of Effectiveness
<ul style="list-style-type: none"> <li>Post-distribution monitoring</li> <li>Final assessments</li> </ul>	<b>15% / £0.07</b>	<ul style="list-style-type: none"> <li>Strength of inter-agency collaboration and coordination</li> </ul>

#### VFM Analysis

Post-distribution activities, much like some of the other activity categories, relies heavily on staff time. There could be opportunities to increase the efficiency under this activity through reducing the length of post-distribution (PDM) and through reviewing the frequency of PDM. Under this activity category, there is opportunity to increase accountability and subsequent quality of programming through drawing on partners for peer monitoring.

#### Post-distribution Survey Duration:

The CCI could review assessment tools to ensure all data collected is valuable and used to inform programming with the aim to reducing the overall time of surveys (this would also apply to pre-distribution assessments). Using digital data collection time stamps, the CCI partners could measure the average duration of each survey and use this as an indicator both for ensuring quality data collection (not rushing through surveys) and that the optimal amount of staff hours are used.

#### Frequency of PDM for Multi-Month Transfers:

The CCI currently conducts PDM among a sample of one-off and multi-month beneficiaries, on a monthly basis, according to the CCI M&E Guidelines (95% confidence interval, 10% margin of error). However, for multi-month transfers, it is not necessary to conduct PDM after every round; rather PDM could be conducted after the first and third transfers. This would save on staff time and effort (a reduced cost on enumerators and travel), but still allow for the panel approach currently used, which enables the monitoring of changes to household income, spending, and coping strategy usage over time.

#### Peer to Peer Monitoring:

The CCI model enables cross partner learning and the subsequent driving of standards. Peer to peer monitoring is yet to be standardised within the CCI, but offers an opportunity to increase the quality and accountability markers, thereby increasing effectiveness in the CCI. While peer to peer monitoring will require an increase in staff time on initial trainings and coordination, systematising an approach and frequency would likely expose opportunities to increase the quality of program delivery. To ensure a systematic and efficient approach the CCI should develop SOPs and orientation/training materials for peer to peer monitoring.

VfM Recommendations	Indicators
<ul style="list-style-type: none"> <li>Review frequency and duration of post-distribution surveys.</li> <li>Reduce frequency of PDM on multi-month transfers.</li> <li>Build on actability guidelines and develop peer monitoring SOPs.</li> <li>Share findings externally.</li> </ul>	<ul style="list-style-type: none"> <li>Determine average acceptable time for survey duration across partners and include in training packages.</li> <li>Peer monitoring SOPs developed.</li> </ul>

## 5. External Coordination

Sub-Activities	TCTR %/ Cost	Related Drivers of Effectiveness
<ul style="list-style-type: none"> <li>Local authority meetings</li> <li>Obtaining access letters</li> <li>Duplication checks with partners</li> <li>Influencing CWG</li> </ul>	<b>7% / £0.03</b>	<ul style="list-style-type: none"> <li>Strength of inter-agency collaboration and coordination mechanisms</li> <li>Linkages to/combined with other forms of assistance/programmes</li> <li>Speed of delivery</li> </ul>

### VfM Analysis

As a relatively low contributor to cost, external coordination can still be administratively burdensome. To reiterate the analysis within other activity categories, the costs here are largely added through use of staff time and could be reduced through better coordination/communication systematisation.

#### Local Authority Meetings / Access:

The CCI has made attempts, in specific situations, to obtain local authority agreements for operating in particular areas for multiple partners. A recent example of this was the joint advocacy undertaken by two CCI partners responding in west Anbar. They worked together to advocate for the space to implement MPCA without sharing beneficiary lists with local authorities, despite the pressure to do so, and which would have compromised humanitarian principles. However, much of the external coordination still needs to be undertaken by CCI partners individually, whether meeting local authorities or obtaining access letters.

#### Automating Duplication Checks:

As noted under *Preparing for Distributions*, there could be some coordination gains from introducing technological solutions for communication, including duplication checks. Within the CCI, duplication checks are conducted on a weekly basis. There are typically less than five duplications of assessments per week, and no cases of duplicated transfers. However, while duplication checks have taken place between the CCI and other MPCA actors, this is on a request basis and could be regulated. While this would not be an immediate action, this could to ensure at least more predictable costs and a more effective response, thereby increasing VfM.

VfM Recommendations	Indicators
<ul style="list-style-type: none"> <li>Explore feasibility of systematising external duplication checks with non-CCI MPCA actors.</li> <li>Group CCI advocacy on access.</li> </ul>	<ul style="list-style-type: none"> <li>External duplication checks conducted.</li> </ul>

## 6. Grant Management

Sub-Activities	TCTR %/ Cost	Related Drivers of Effectiveness
<ul style="list-style-type: none"> <li>Donor reporting and relationships</li> <li>Sub-award management</li> </ul>	<b>7% / £0.03</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>

### VFM Analysis

While not captured as a relatively significant cost-driver, grant management still adds to the overall cost due to it being undertaken mainly by staff on international contracts. Cost savings here would not have the significant implications on the overall CTR, however, as while the unit cost might be relatively high, the number of units is relatively small. Nevertheless, there are likely steps that can be taken to streamline processes and reduce the overall burden on staff time which can be used elsewhere and ultimately increase value for money.

### Donor Reporting:

The most notable time intensive sub-activity is donor reporting. As per process, each donor report is informed by the partners, then written by the CCI MU. The frequency of reporting varies by donor, meaning there is almost always a minimum of one report, with associated donor-specific PDM, in process. While donor reporting is generally a non-negotiable contractual agreement, when looking at VFM both uni- and multi-laterally with donors, it would be prudent to open dialogue to identify opportunities to address this.

VfM Recommendations	Indicators
<ul style="list-style-type: none"> <li>Engage with donors on reporting frequency and harmonisation.</li> </ul>	N/A.

## 7. Consortium-level activities

Sub-Activities	TCTR % / Cost	Related Drivers of Effectiveness
<ul style="list-style-type: none"> <li>Research and advocacy</li> <li>Central database management</li> <li>TWG/CCI meetings</li> </ul>	<b>6% / £0.03</b>	<ul style="list-style-type: none"> <li>Strength of inter-agency collaboration and coordination mechanisms</li> <li>Linkages to/combined with other forms of assistance/programs</li> </ul>

### VFM Analysis

Though ranked as the CCI activity category least contributing to the overall CTR, consortium-level activities are where much of the CCI's effectiveness drivers can be found. While not a direct response to cost drivers there are clear ways that through the improvement of effectiveness under this activity, increased efficiency will become apparent.

As noted in **Section 6** there are clear actions to increase effectiveness through the drivers of:

- Strength of inter-agency collaboration and coordination mechanisms;
- Linkages to/combined with other forms of assistance/programs;

### Strategy Planning:

The CCI's vision for harmonized approach and standards has been central to success. Ensuring the CCI continues to drive a clear strategy that articulates how the CCI endeavours to leverage its position within the Iraq response to transition to early recovery programming will be essential as the context evolves. Incorporated within the transition, the CCI should establish an approach to increase non-legal referrals and align the PMT model with MoLSA's approach to targeting through the inclusion of regional scoring models. These positioning steps are essential to leverage the CCI's value add as the Iraq response develops.

### Streamlining Communication:

Through the key informant interviews, intra-CCI communication was cited as requiring significant amounts of time, both from partners and the MU. As noted under the *Preparing for Distributions* activity category, it is recommended that communication channels are analysed and streamlined where possible to increase efficiency. Further to streamlining information, the availability of timely and accurate information is integral to decision making. The CCI should also review the required frequency and accountability mechanisms for updating internal coordination mechanisms by partners.

### Staff Turnover and Data Management Standards:

The central database has also been noted as central to CCI efficiency, flexibility and learning. Ensuring that the knowledge over the back-end management of the database is integral to mitigating risk as key staff transition out of the CCI. Efforts to ensure the seconded MU does not face prolonged staffing gaps is also crucial to the CCI's continued evolution.

### Sharing Resources and Learning:

Finally, as noted within the effectiveness and impact on the broader humanitarian community, there is a huge amount of learning and best practice tools to be gained from the CCI. The CCI should consider branding and a more formal approach to more actively sharing resources and learning with the wider humanitarian community.

VfM Recommendations	Indicators
<ul style="list-style-type: none"> <li>● CCI early recovery strategy planning.</li> <li>● Review and analysis of communication channels.</li> <li>● Identify a more active approach to sharing CCI learning and resources.</li> </ul>	<ul style="list-style-type: none"> <li>● CCI early recovery transition strategy.</li> <li>● Communications mapping and review.</li> </ul>

## Summary of CCI VFM

This section has analysed the CCI activity categories from the perspective of where VfM can be identified and how it can be increased. While this section presents value for money from the viewpoint of cost-driving activities, it could equally be reversed to reflect on value for money from an effectiveness perspective - i.e., according to the drivers of effectiveness discussed in **Section 3**, where cost-savings could be made. As seen through the analysis, often times the hypothesis is such that effectiveness gains would likely impact efficiency and cost-drivers positively. For example, speed of delivery is driver of effectiveness, however components leading to an increased speed of delivery are grounded in economy and efficiency.

The analysis of value for money has presented recommendations per activity category that the CCI can use to inform work planning and resource allocation as they move forward. In **Section 9** of this report, a VfM activity plan can be found summarizing actions, targets and indicators.

Finally, as noted in the limitations of this report, the analysis provided is not completely comparable. It is possible to see here the value for money provided through the CCI model in the Iraq context, but given the differences in context, strategic objectives, and structure, comparisons between the CCI CTR and the results it has achieved for that CTR should only be made with these differences in view. This would be a next step for interested stakeholders. The CCI is one of the longest running and largest cash consortiums to date in terms of duration and scale, and as such the tools and approaches used should be made available to the wider humanitarian community and opportunities provided to learn from the model. Within the broader operational models and VFM agenda, the CCI model offers ample opportunity for learning and this should be capitalised upon.

## 8. Summary

This report has been the first attempt to not just document, but with a good degree of depth analyse the full VFM of a multi-agency model – a consortium – delivering both MPCA and legal assistance. Using the SCAN tool, the CCI was able to arrive at a comparable CTR, both across CCI partners and for the whole of the CCI. This was done first based on the budget, then repeated after 10 months of expenditure. During this exercise, the CCI and BUR team developed a set of implementation activity categories, in an attempt to better understand the cost-efficiency of the CCI in more depth, and arrive at approximate cost figures for each of the distinct components of an MPCA programme.

After 10 months of programming, the CTR was significantly lower than the initial budget projection, by £0.16. This was because less was charged to support lines versus cash transfers during the first 10 months of programming, due in part to the CCI having multiple large grants live over the same period, and partly due to initial uncertainty while budgeting for multiple grants. One key insight from the activity breakdown of costs is that significant resources are dedicated to *Pre-distribution Assessments* at both the geographic and household level. The gradual shift in context to one of greater multi-month eligibility affords an opportunity to shift from one-off to multi-month transfers, which would lower the intensity of resources used to identify new households and see cost savings that could be moved to transfer lines.

With the savings made during the first 10 months of programming, the CCI should aim to re-align these savings into cash transfers (with proportionate allocations for support costs). **This would result in a CTR of £0.53 by the end of the programme, or a reduction of the original cost to deliver of 10%.** The activity categories resulting from the workshops, in addition to reviewing the budget and expenditure reports, also allowed for some slightly more in-depth analysis of economy, and what portion of the overall CTR is allocated to costs associated with ensuring the CCI's programming considers economy.

The report then looked at the CCI's effectiveness. This built on data collection conducted in February, at the same time as the SCAN analysis, organised through an initial effectiveness framework. This was then reframed and reorganised to more closely align with CaLP's OM framework (allowing for greater comparison with research on-going under that agenda), focusing on the drivers of effectiveness that the CCI prioritises and those that were commonly mentioned during the KIIs. These were interagency collaboration and coordination, targeting, speed of delivery, and programme linkages. This section identified where and how the CCI achieves effective programming within each area, and how effectiveness could be improved going forwards.

The report then brought the CCI's VFM together, by mapping the drivers of effectiveness across the activity categories built during the efficiency analysis. In doing this, it allowed for clear analysis of where the CCI could be more efficient, but where that might entail a trade-off with effectiveness. Actions to be taken that work towards efficiency and effectiveness improvements noted in **Sections 6 and 7** are noted in the action plan below.

**Next steps:**

- I. CCI to initiate budget realignment of savings made through Q3;
- II. CCI to hold launch presentation for stakeholders in Iraq and for DFID;
- III. CCI to develop reporting plan for VFM findings, for DFID final report (will add in indicators and/or produce separate, final report following the end of programme year 2)

## 9. CCI VFM Action Plan

All actions listed below are to be completed by the end of the current CCI-DFID programme in March 2019, unless otherwise stated.

	Action & Deadline	Efficiency?	Effectiveness?	Output/Outcome
1	CCI to realign savings and submit realignment to DFID before the end of December 2018.	✓		More cost-efficient Consortium-led MPCA.
2	CCI to identify internal and external factors impacting speed of delivery and identify mitigation activities to control for these.		✓	Analysis and action plan to address decreased delivery speed by February 2019.
3	Increase the frequency of monitoring and analysing delivery speed to a monthly basis as a key indicator of effectiveness (in CCI dashboard).		✓	Speed of delivery in days from assessment to distribution reduced to reasonable period (<4 weeks).
4	Communication mapping to identify opportunities to reduce the quantity of internal communications by February 2019.		✓	Completed communications mapping.

5	Workshop, SOPs, and updated mapping of geographic services and resource sharing by March 2019.			SOPs produced.
				Mapping of services shared use of resources.
6	M&E focal points to review frequency and duration of assessment and PDM surveys by February 2019, with the aim to reduce frequency and duration where possible.			Less costly and intensive PDM processes that still allow for adequate monitoring, evaluation, and learning.
7	Develop peer monitoring SOPs to be integrated into accountability guidelines.			Peer monitoring SOPs developed. <b>Completed</b>
8	Explore feasibility of systematising external duplication checks with non-CCI MPCA actors by January 2019.			External duplication checks conducted on regular basis.
9	Engage with donors on consolidated reporting by March 2019.			Less time intensive reporting schedule negotiated across CCI donors.
10	CCI early recovery strategy planning by March 2019.			CCI early recovery transition strategy.