

# MEASURING CASH TRANSFER PROGRAMMING – SCOPING STUDY

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## EXECUTIVE SUMMARY

This scoping study builds on previous work, particularly [Counting cash: tracking humanitarian expenditure on cash-based programming](#) and the [State of the World's Cash Report](#). It explores technical and policy issues that are constraining progress towards better measurement and reporting of Cash Transfer Programming (CTP)<sup>1</sup> and addresses these to identify ways forward.

### METHODOLOGY

The report is based on Key Informant Interviews with 53 people at 32 organisations, with two dial-in meetings allowing members of the Measuring CTP Working Group to give feedback. Where possible this was complemented with document review. However, the focus of interviews was on cash advisers, meaning that the perspectives of systems experts, advisers in other sectors, and country-based staff will not be fully represented.

### SECTION 1: WHAT MEASUREMENT IS REQUIRED?

This sets out the context and scope of the report. The drive towards counting of CTP has come in part from the Grand Bargain, which requires the scaling up of cash and therefore for CTP to be measured.

The information required on a strict reading of the Grand Bargain is quite minimal – although ideally cash and vouchers would be broken down, it is arguable that much less information is sufficient. However, other commitments in the Grand Bargain – particularly around transparency, harmonisation of reporting, cost-effectiveness and cost-efficiency, and duplication and management – reflect a wider push across the humanitarian sector for increased transparency and better data. Approaches to counting CTP should reflect these broader trends.

At present, cash is counted by Development Initiatives (DI) – with support from CaLP - via self-reporting and data collection from the UN and other sources. This has established a baseline of around \$2.8 billion of global cash programming in 2016, equating to approximately 10% of humanitarian assistance. This report sets out options to collect CTP data more systematically and in greater detail.

### SECTION 2: CURRENT PRACTICE - MAPPING OF AGENCY DATA MANAGEMENT/REPORTING SYSTEMS

This section groups the systems used by implementing agencies to track programmes, including CTP, into five categories and sets out the implications of what each type of system can measure. **This aims to show what information implementing agencies can currently provide, and how their systems could evolve – both immediately and in the medium/longer term.**

**PROGRAMME MANAGEMENT SYSTEMS:** these are set up around the grant management cycle to provide basic information about the grant. Some information on CTP is available in some cases, via keyword searches or checkbox systems to filter programmes that include a CTP element. However, in most cases this will not include the amount transferred, beneficiary numbers, or information on service delivery or in-kind programmes. In some cases, incorporating standard indicators has allowed some of this information to be included.

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<sup>1</sup> *Cash Transfer Programming* includes both cash and voucher programming; for this and other terms used in the study, see the [CaLP Glossary](#)

**FINANCE SYSTEMS:** many agencies count the volume of CTP through financial management systems, where a spending code is created for CTP that can be aggregated to show total spend. It can in principle provide disaggregated breakdowns of cash and vouchers or by conditionality (or further if desired) and can count in-kind assistance distributed. However, these systems cannot identify beneficiary numbers and would face challenges in identifying expenditure on service provision programmes.

**MANUAL SYSTEMS:** where systems cannot provide data on CTP, staff in some cases record this manually using spreadsheets, either in combination with a programme management system that enables them to identify CTP programmes or in liaison with country offices. These systems are highly flexible, but only appropriate to smaller agencies and cannot be automatically integrated with global reporting. They also cannot record in-kind or service-delivery assistance (unless also separately manually collected).

**BENEFICIARY SYSTEMS:** some agencies have beneficiary registration systems where assistance to households or individual beneficiaries is recorded. This enables detailed recording of CTP as well as what services or in-kind goods are provided, though non-cash programmes cannot be expressed in financial terms unless linked to the finance system.

**CASH MANAGEMENT SYSTEMS:** these are specially developed systems for managing electronic CTP and can provide information on cash/vouchers transferred as well as modality, conditionality, transfer value and beneficiary numbers. However, physical cash or paper vouchers are excluded, and it is not possible to use these systems to count in-kind or service delivery programmes.

### **SECTION 3: MAPPING CURRENT PRACTICE - INTER-AGENCY DATA MANAGEMENT OPTIONS**

This section looks at inter-agency data collection platforms. The Counting Cash report recommended both IATI and FTS as the most likely places to gather cash data, and this report supports that, though recent developments enabling collation of country-level 3Ws data may make this a possibility in future. The OECD-DAC is not considered to be a suitable vehicle for measuring CTP.

**UN FINANCIAL TRACKING SERVICE (FTS):** this tracks funding from donors to project level, and has recently introduced a cash marker, broken down by restriction and conditionality. A planned link to the parallel Online Project System (OPS) will provide some detail on what proportion of the programme is CTP. However, FTS is not consistently used, especially by NGOs, creating gaps in the data. In addition, OPS only records planned transfer values, not actuals, and it is not possible to capture the number of cash beneficiaries.

**INTERNATIONAL AID TRANSPARENCY INITIATIVE (IATI) STANDARD:** this is a voluntary initiative that seeks to improve transparency by making available core information in standard formats. A larger range of data are collected than through FTS and IATI plans to introduce codes to track CTP. Although there are no plans to track service delivery or in-kind programmes, similar coding could be introduced in future. Beneficiary numbers are, however, not available and the planned codes will only capture the overall programme level costs, meaning that support costs and mixed modality programmes cannot be broken down. A further concern is that as IATI is a voluntary standard, not all agencies report, meaning that there are gaps in the data.

**OECD-DAC:** data are collected from donors to track trends in Overseas Development Assistance. However, coding for humanitarian assistance does not detail how aid is used. A cash flag is being

introduced but will not be broken down beyond the overall programme level, and the ultimate destination of block grants to UN agencies is not recorded. Changes to systems are slow, but OECD-DAC codes also form the basis for IATI categories. Advocating for a code for multi-sector assistance to allow CTP to be better reflected would therefore be valuable.

**3Ws:** coordination information collected at country level can now be shared globally by uploading data to the Humanitarian Data Exchange and the use of Humanitarian Exchange Language (HXL)<sup>2</sup>. CTP can be broken down by conditionality and restriction and beneficiary numbers can be included. The format is highly flexible and could be adapted to include figures for in-kind and service-based assistance. Although different data are collected in each country, OCHA is encouraging the use of global templates – this may also provide opportunities to raise wider awareness of cash transfer programming. As with FTS, however, the 3Ws are not implemented in countries with no OCHA office, so there will be gaps in the data.

**STANDALONE SYSTEM:** it is likely that it will not be possible to find an immediate solution to measure CTP, and that an interim solution will be needed. This could be led by Development Initiatives and would be consistent with the methodology used so far, but with the flexibility to incorporate additional information as partner and global systems improve. However, it continues to impose a cumbersome standalone system and limits potential spill over to the wider humanitarian system.

**None of these provides an immediate solution, and in the interim multiple approaches will be needed. Even longer term it is not clear that there is a single system that will enable tracking of CTP without major change processes.** FTS and IATI will become interoperable and will provide the best source of information – but in the medium term the 3Ws may become a more useful source of data.

#### **SECTION 4: KEY QUESTIONS**

Section 4 looks at the key questions raised by the research and sets out potential ways forward.

**SEPARATION OF CASH AND VOUCHERS:** while practice varies with some agencies separating cash and vouchers while others count them together, most of the inter-agency data collection possibilities either separate them or could do so. **There was, however, overwhelming consensus that they should be separated, and a clear desire for guidance in this area.**

**SEPARATION OF UNCONDITIONAL AND CONDITIONAL TRANSFERS:** practice varies with some separating these and some keeping them together, while others separate ‘cash-for-work’ from other transfers. It is also possible to separate these within most inter-agency data collection platforms. **Although there was less consensus among agencies that these should be separated, there was enough interest for separating them to be a feasible medium-term ambition.**

**COUNTING SUPPORT COSTS:** some agencies, especially donors, are keen to collect this information to facilitate value-for-money analysis. However, **implementing agencies made clear that this would be extremely challenging, especially for multi-modality programmes.** Many also questioned whether this was desirable, as imposing greater requirements for implementing cash programmes than in-kind could reinforce perceptions that cash was more risky or could disincentivise cash programming. There was a strong consensus that this is not feasible at present.

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<sup>2</sup> <http://hxlstandard.org/>

**COUNTING CTP VS COUNTING ALL MODALITIES:** to know what proportion of assistance is transferred as CTP, we need both the volume of CTP and the volume of other modalities. This creates challenges particularly in defining service provision programmes – it may be more feasible to count only goods directly transferred. **Although both implementing agencies and those managing data collection platforms raised technical concerns, there was agreement that this was the direction of travel.**

**COUNTING BENEFICIARIES:** as well as counting the volume of CTP transferred, counting the total number of CTP beneficiaries would bring a different focus to CTP advocacy. Although there are challenges with this with many implementing agency systems, this could become feasible on data collection platforms.

## **SECTION 5: OPTIONS ANALYSIS**

**Pulling together what information agencies have, what data management agencies are able to process, and what key stakeholders would like to be able to generate is challenging and it is not likely to be possible to reconcile all these factors at this time.** However, there are options for improving data collection, either separately or combined (i.e. the options below are not mutually exclusive), both immediately and in the medium to long term:

**MINIMALIST APPROACH:** this would meet the Grand Bargain commitment to increase the amount of assistance delivered as CTP by counting the number and value of programmes including a CTP element. It could be met through FTS, IATI or through the DAC cash flag. However, **it is less information than is currently available and so would not meet the sector desire for more transparency.**

**MINIMALIST PLUS:** in addition to this basic information, some relatively small steps could enhance the available level of information. **A clear decision on separation of cash and vouchers would encourage agencies to disaggregate them, and DI could also begin requesting disaggregation of conditional and unconditional cash.** This could be formalised through FTS and IATI by modifying OPS and introducing the cash codes to the ‘aid type’ modality.

**EXPAND TO IN-KIND:** collecting data on in-kind programmes would make CTP data more comparable. **It would require work on agency systems as well as involvement of non-CTP specialists, especially to define in-kind and service provision programmes as well as what constitutes direct programming costs in service provision programmes.** In the immediate term the focus could be on measuring direct transfers in goods. This would require additional categories in FTS and IATI, changes that are feasible if there is sector demand. DI could begin requesting this immediately as a way to demonstrate interest.

**INCLUDE BENEFICIARIES:** this would bring an additional perspective and avoid skewing data if CTP is favoured in high-cost responses. It would also avoid challenges around monetising in-kind and service-provision programmes, though there is a risk of double counting if beneficiaries receive CTP from more than one agency. Neither agency systems nor the current data management platforms are currently set up to gather this information; adaptations may be possible to the 3Ws in particular (IATI and FTS would be more challenging), but this would be a longer-term process.

**LONG TERM HORIZON:** with all the options above, data are unlikely to be available from a single source and collation by DI or others will continue to be needed. **In the longer term, however, a single source**

for capturing global CTP data may become possible, with the most likely areas for this to develop being IATI or FTS. While the 3Ws offer exciting potential, they are further from readiness than IATI or FTS. Further work would be needed with IATI to encourage more agencies to report and to enable breakdowns of multi-modality programmes and value transferred, while the FTS would need to encourage reporting and include further modality data through the link with OPS. Either the 3Ws or the OPS would need to find a way to include data from countries where there is no OCHA office.

**SUPPORT COSTS:** despite donor interest, **none of the data collection platforms can capture this information for multi-modality programmes.** In addition, several agencies raised concerns about whether this would be desirable, due to risks of differential requirements for CTP and in-kind assistance. This is not likely to be feasible at this time, although if one of the more expansive approaches were to be adopted this could be re-explored in future.

## SECTION 6: RECOMMENDATIONS

**This is a highly complex issue that lacks a single solution and progress is likely to be incremental.** However, there are actions that can be taken to improve the quality of data now and move towards better data in the longer term not only on CTP but in the humanitarian sector as a whole.

In the **IMMEDIATE TERM**, actions to maximise the amount and quality of information to be gathered:

- **FTS** can work with **IATI** to ensure consistency in categorisation of CTP programmes (restricted/unrestricted vs conditional/unconditional) to facilitate the FTS-IATI compatibility project
- **IATI stakeholders** to advance the inclusion of cash coding in IATI via the 'aid type' category to enable collection of data on the value (and proportion) of programmes that include a CTP element.
- **All stakeholders** to lobby to agree on separation of cash and vouchers (or restricted/unrestricted cash) and open discussion around separation of conditional and unconditional CTP. This would facilitate more effective data gathering by Development Initiatives as an interim measure.
- **Development Initiatives** could begin using 3Ws and IATI data as well as FTS and self-reported data to include in a CTP element of the GHA report.
- **Implementing Agencies** can begin to align with likely recommendations by separating cash and vouchers in reporting and moving towards separation of conditionality, counting in-kind assistance and counting beneficiaries.
- **Cash focal points at agencies** can work internally to understand how they report to data collection agencies at HQ and country level. This would enable them to support staff to report correctly and advocate for more consistent reporting to data collection mechanisms.
- **Agencies not reporting to IATI** should report consistently to FTS as well as 3Ws at country level, ensuring that this data is representative of the sector as a whole.
- Reporting CTP at country level especially in 3Ws is dominated by the food security sector. **Agencies** can work with **clusters/sectors** to promote inclusion of modality information in other sectors.
- **DI's** annual tracking could begin requesting information on in-kind transfer of goods, as a step towards collecting data across the sector as a whole.
- **OCHA** should work with others to continue refining humanitarian taxonomies to improve the comparability of 3Ws data across contexts.

In the **MEDIUM TO LONGER TERM**, it will be possible to work towards more detailed data gathering:

- **Donors, CaLP and others** can advocate with IATI to include more detailed modality data, not only on cash and vouchers, but also on in-kind or service provision programmes.

- **Agencies not reporting to IATI** can lobby internally to ensure reporting to FTS. **OCHA** could build on this by exploring whether OPS could gather data on in-kind and service-based assistance.
- **Donors and Agencies** can monitor **OCHA** work towards collation of 3Ws data, accompanied by finding a way to gather this information for countries where there is no OCHA office.
- **Donors** can engage with the Grand Bargain workstream on reporting to ensure that the information they request on CTP aligns with what interagency data collection agencies report and agreed disaggregation (e.g. on cash and vouchers, by conditionality, etc)
- **Donors** can lobby within the OECD-DAC for a reform of coding to include multi-sector cash programmes as an activity code.
- **The Measuring Cash Working Group and workstream on cost efficiency and cost effectiveness** can collaborate in supporting improvements to financial reporting systems to allow the capture and breakdown of support and other programming costs and facilitate regular interactions with others to improve data collection across sectors and modalities.

This is a **complex agenda and requires not just technical cash knowledge but also input from statisticians, wider sector leaders and most importantly the data agencies**. Recommendations are based on a snapshot of current practice, and the options will change as systems evolve. **Cash is only one element of increased demand for data in the humanitarian system and it is necessary to balance what systems are designed for and what we ask them to do**. Similarly, the balance between asking for more data, and the risk of resulting in poor-quality data, needs to be considered.

The recommendations above have not recommended which of the options outlined should be taken forward as this is seen as a political question beyond the scope of the report. However, **feedback from stakeholders as part of the drafting process indicated strong support for at least the 'minimalist plus' option, and interest in exploring tracking of in-kind assistance in particular**.

## INTRODUCTION

Following a major focus on cash transfer programming (CTP) leading into the 2016 World Humanitarian Summit, the Grand Bargain identified the increased use and coordination of CTP as a priority. There is widespread support in the humanitarian community for this goal, reflected in a range of policy commitments and targets to increase the use and consideration of CTP across many donors and implementing agencies.

However, without an agreed system for measuring and reporting on the value of aid delivered as cash and vouchers, it is not possible to accurately measure achievement against this goal. This was recognised as a key action in the Grand Bargain and reflected in the [Global Framework for Action](#).

The 2016 working paper [Counting cash: tracking humanitarian expenditure on cash-based programming](#) sets out recommendations for improving measurement of CTP and systematic reporting on programming by cash, voucher or in-kind assistance and made an initial effort to measure CTP. This was built on in the [State of the World's Cash Report](#), which established a baseline of \$2.8bn of cash and voucher programming, equivalent to approximately 10% of global humanitarian assistance. This figure is, however, heavily caveated. It represents a total programming figure (including support costs), but this is calculated based on some agencies providing only the amount transferred to beneficiaries (with support costs estimated based on an average ratio), while others could include only the total programming costs of programmes including a cash element. In addition, as some agencies were not able to report at all and prior to January 2017, the UN Financial Tracking Service did not formally track CTP, meaning relevant programmes could only be identified through a keyword search, some cash programmes are likely to have been excluded.

Both the Counting Cash and the State of the World's Cash reports recognised that CTP must be tracked within wider efforts to improve humanitarian data and reporting. Ideally the data produced by organisational reporting systems would be compatible with interagency systems to enable consolidation and analysis on a global, cross-organisational basis. Technical and policy issues are constraining progress, and with many organisations grappling with how to improve counting of cash and vouchers, it is timely to support them by establishing sector-wide processes and standards.

In order to support and help coordinate efforts to address the issues highlighted below, in 2017 CaLP established a Measuring CTP Working Group. This includes specialist reporting initiatives (like Development Initiatives (DI), Financial Tracking Service (FTS) and International Aid Transparency Initiative (IATI) as well as donors and operational agencies. As of 2018, CaLP and ECHO are co-leads of the measuring CTP action point for the Grand Bargain Cash Workstream. This scoping study should be taken in the context of the work carried out by the Working Group and is intended to inform the group's recommendations and those of the Grand Bargain Cash Workstream.

As a scoping study on measuring cash, this report focuses on the mechanisms by which agencies and the humanitarian sector as a whole track programmes, particularly in financial terms. However, measuring the value of CTP is only part of the story. We also need to consider the impact humanitarian programmes have on beneficiaries and how CTP relates to other types of programme. Where possible, this report makes these links – however as a scoping study on measuring cash, this is not possible in detail. It will be for those implementing the recommendations to consider the wider context.

The report is split into six sections. Section one sets out the parameters of the debate, and outlines what data are needed to meet international commitments and why. Sections two and three then map out current practice, with section two focused on the implementing agency level while section three looks at interagency data collection systems and whether these can be adapted to provide the necessary data on CTP. Section four looks at key research questions, including what should be disaggregated and what data should be collected, in more detail. This feeds into options analysis in section five, setting out possible routes to collecting more information on cash transfer programming – either as standalone models or to be implemented in parallel. Finally, section six makes recommendations on next steps. The study has been cautious in making strong recommendations, given that many of the questions raised need to be addressed at the political level, but the recommendations set out possible next steps and routes to addressing questions, making clearer recommendations where the consensus was strong.

## METHODOLOGY

The report has relied heavily on key informant interviews, backed up with documentary evidence where available.

Key informant interviews were conducted with cash focal points at 16 NGOs and 4 UN Agencies, as well as with members of the Red Cross Red Crescent movement and 8 donors. In total, interviews were conducted with 53 key informants. These were based on a series of questions that asked about organisations' general procedures for tracking programming, before looking at how they apply specifically to cash transfer programmes. This asked how the process worked and what was recorded, as well as specifically what information could be centrally gathered in relation to cash transfer programmes. Informants were also asked about their general views and priorities in terms of what information should be collected.

At some organisations, where the situation was not clear from the initial interviews or to gather additional material, follow up conversations were scheduled with people working on reporting systems. Although a more comprehensive schedule of case studies was planned, this was scaled back due to time constraints to focus more time on understanding the position of interagency data collection systems. Here, a series of key informant interviews was held with each agency to understand how their data work, what information is gathered, and the processes for change. The aim was to understand not only what information was currently gathered in relation to cash transfer programming, but also the scope and timeframe for adjusting this if it were considered necessary.

Feedback was sought from key informants and other stakeholders at two dial-in meetings, one held after initial data gathering but before the report was drafted, and one to give feedback on the first draft and recommendations.

The primary weakness in this approach is that donor and agency informants were largely cash advisers. In addition, most informants were based at HQ and often had an imperfect understanding of what reporting is carried out to mechanisms such as FTS and the 3Ws. Similarly, as cash specialists, some informants were not fully informed on how internal systems operated in relation to in-kind programming or with the IATI reporting process. The lack of contact with those working on other modalities also meant that it was not possible to understand the level of interest among non-cash specialists in counting in-kind or service-based programming. Although ideally these gaps would have been mitigated with further interviews, the limited time available meant that this was not possible. A further omission was the lack of discussion with Financial Service Providers, who are increasingly

delivering humanitarian assistance directly. However, as their funding would usually be received from a UN agency or donor, so long as that agency was integrated with global reporting systems this should not be a barrier to recording that information.

In addition, the focus on humanitarian programming and the structures associated with humanitarian response meant that it was not possible to consider how shock responsive social protection could fit into this discussion. As this becomes an increasingly important element of the humanitarian cash landscape, policy makers will need to consider whether and how these figures can be included in calculations of the value of cash transfer programming. However, this poses more fundamental questions about humanitarian architecture than can be addressed in this report, focused on more narrow questions of how we measure assistance as it is currently conceptualised.

A further concern raised by some reviewers was that the study focused on the number of organisations using particular systems rather than the volume of cash flowing through each type of system. This was, however, unavoidable. Not only was a breakdown of what cash goes through each organisation not available, but there would also be a risk of double counting, as the two organisations responsible for the largest volume of cash – WFP and UNHCR – in practice implement through partners in the majority of contexts, with some of their partners also included in the study.

A full list of key informants is attached as [Annex 1].

## TERMINOLOGY

The report aims to be consistent with the [CaLP Glossary](#). In general, ‘cash transfer programming’, ‘cash-based interventions’ and ‘cash and voucher programming’ all refer to the use of any cash or voucher-based modalities in humanitarian assistance. ‘Cash’ without further modifiers refers to the transfer of money, whether physical or electronic and whether restricted or not, but excluding vouchers.

In-kind and service-based assistance are not clearly defined – something that represents a major challenge in measuring them – but have been distinguished as clearly as possible in the text.

When discussing support costs, a distinction has been drawn between ‘direct support costs’ – meaning those specifically associated with cash transfer programmes – and ‘indirect support costs’ or ‘other support costs’ – meaning those associated with any kind of programme. Direct support costs therefore include bank transfer fees, payments to traders, and so on, while indirect support costs refers to any other costs incurred – staff time, transport, office space, and so on.

## SECTION 1: WHAT MEASUREMENT IS REQUIRED?

The impetus for measuring cash has come to an extent from the Grand Bargain, which commits the humanitarian sector to increase the use of CTP. Assessing whether this goal has been achieved therefore requires the measurement of cash and voucher transfers to establish current performance and identify movement towards increased uptake.

**The level of detail required for compliance with the Grand Bargain commitment is minimal.** The Grand Bargain requires agencies to *“increase the routine use of cash alongside other tools”* and *“employ markers to measure increase and outcomes”*. Knowing what proportion of programmes include at least some cash would meet this threshold, as increased inclusion of CTP in programming would indicate wider routine use. However, most agencies interpret the commitment as requiring figures for how much assistance is transferred as CTP in financial terms. Alternative measures, such as the number of beneficiaries receiving at least some cash, would also meet the requirement. There is debate over whether disaggregation of cash and vouchers is required under the Grand Bargain. The text states that cash should be measured *“alongside other tools, including... vouchers”*, implying that a breakdown is needed (along with measurement of in-kind programming). However, others feel that a general measure of the scale of cash as a proportion of total assistance meets this requirement.

However, **the cash commitments in the Grand Bargain do not exist in isolation.** The Grand Bargain also contains commitments around **improving transparency (commitment 1), reducing duplication and management costs (commitment 4), and harmonising reporting requirements (commitment 9)**, which may pull in different directions. Commitments around increasing transparency would imply the collection of more information, such as breaking down the proportions of assistance transferred as cash and vouchers, collecting information on conditionality or method of transfer, or more detailed breakdowns of the cost of programming. Agreeing joint criteria for what information is gathered centrally could also facilitate the harmonisation of reporting requirements in line with commitment 9, if donors were to agree to align with these criteria. On the other hand, collecting this information – particularly cost breakdowns - would in many cases require agencies to establish more comprehensive reporting systems to collate information centrally – something that would increase support costs.

There are also broader trends to consider. The sector as a whole is moving towards increased transparency, and the interviews conducted for this study demonstrated a widespread desire for more information and greater comparability between agencies. **Data collection to meet only the minimum requirements of the Grand Bargain would not be in line the ambitions of practitioners, which stretch beyond CTP to the humanitarian sector as a whole, making it important to consider how CTP interacts with wider humanitarian programming and how decisions about what is collected for CTP could be applied – or not – to non-cash modalities.**

It is also important to consider how the demand for transparency and disaggregation – both as a Grand Bargain requirement and as a wider sector trend – **interact with the drive towards greater cost-effectiveness and cost-efficiency, something that requires the gathering of more detailed information around programme costs, programme deliverables, and outcomes.** This is reflected in the cash element of the Grand Bargain via subsection 3 (*“Build an evidence base to assess the costs, benefits, impacts, and risks of cash”*). However, the Grand Bargain text does not specify what form this evidence base should take, and while some actors, mainly donors, are pushing for detailed cost breakdowns to be collected across the humanitarian sector to enable analysis against this commitment, other actors argue that the complexities involved with this would be too great, and that

alternative approaches are needed to enable this analysis. A further consideration is the need to distinguish between data which are useful, and data which need to be collected, and at what level they need to be reported, collated and analysed..

At the heart of this discussion is the question of what the data collected are for, and who is the end user. If this is primarily aimed at meeting Grand Bargain commitments on CTP, it will make sense to adopt a minimal standard. If, however, the data are seen as having wider value – such as advocacy or global learning to inform programming – then it may make sense to adopt a more detailed approach. The possibilities and trade-offs this implies are set-out in section 4 (key questions) and section 5 (options analysis) of this report.

### **Grand Bargain Commitments under workstream 3 – “Increase the use and coordination of cash-based programming”**

*“Using cash helps deliver greater choice and empowerment to affected people and strengthens local markets, but remains underutilised. While it is not a panacea, and the context will ultimately define which tool to use, donors and aid organisations should routinely consider cash when evaluating response options and some donors may wish to scale up significantly. Cash cannot meet all needs: investment in public goods, including protection, education and health will still be needed. Delivering cash should, where possible and appropriate, use, link or align with local and national mechanisms such as social protection systems. It can have the greatest impact when delivered as a single multi-sector transfer, rather than broken into components for shelter, household goods etc. and may be complemented by in-kind assistance, specialised interventions, specific technical support and vouchers. It should include new partnerships, be coordinated across aid organisations and be delivered through common mechanisms. Preparedness, planning and mapping measures are essential to ensuring that cash-based programming can be used to best effect.*

*Aid organisations and donors commit to:*

- (1) Increase the routine use of cash alongside other tools, including in-kind assistance, service delivery (such as health and nutrition) and vouchers. Employ markers to measure increase and outcomes.*
- (2) Invest in new delivery models which can be increased in scale while identifying best practice and mitigating risks in each context. Employ markers to track their evolution.*
- (3) Build an evidence base to assess the costs, benefits, impacts, and risks of cash (including on protection) relative to in-kind assistance, service delivery interventions and vouchers, and combinations thereof.*
- (4) Collaborate, share information and develop standards and guidelines for cash programming in order to better understand its risks and benefits.*
- (5) Ensure that coordination, delivery, and monitoring and evaluation mechanisms are put in place for cash transfers.*
- (6) Aim to increase use of cash programming beyond current low levels, where appropriate. Some organisations and donors may wish to set targets.”*

## SECTION 2: CURRENT PRACTICE - MAPPING OF AGENCY DATA MANAGEMENT/REPORTING SYSTEMS

Agencies are at different stages in developing the use of online or automated systems to track CTP. Where online systems were set up prior to the push towards counting CTP they may not be set up to include this information, while newer systems are more likely to include an approach to measuring CTP. Some agencies – especially smaller agencies – rely on spreadsheet-based systems. Some agencies also use multiple approaches or are investing in systems that will either work together or mine data across different management systems. While agencies count CTP in different ways, and can therefore access different information, the approaches used can largely be grouped into a number of broad categories, explored below.

### PROGRAMME OR GRANT MANAGEMENT SYSTEMS

In general, these systems are set up around the grant management cycle. A record will be created on an online system when an opportunity is identified or a concept note submitted, and this will be updated regularly through the grant management cycle. In most cases, basic information on the grant will be available on the system, such as its overall value, the donor, and the country. They may also include details of whether it is a humanitarian or development programme, and the sector. Key documents such as proposals and reports will be uploaded to the system.

Agencies using these systems to track CTP either rely on keyword searches in the titles of the grants or use check box systems to identify programmes that include a cash or voucher element. Using keyword searches does not usually require systems adjustments but may limit the accuracy of the data, while with check boxes those creating the records can note that the programme contains a CTP element (this may or may not be split into cash and vouchers). However, unless this system is directly integrated with a finance system, they cannot use it to access further information, such as the value of cash or vouchers transferred or any breakdowns of modalities or conditionality. Data on beneficiary numbers is also generally not available. Some agencies use this as a backstop for a spreadsheet-based system or link with the finance system; otherwise this approach can generally only be used to count the planned total value of the programmes that include cash or vouchers.

In a few cases, this approach has been adapted to include standard indicators across all programme types, which for CTP programmes may include information on the total volume of CTP actually transferred, in addition to information on beneficiaries reached or information on outcomes. This approach can generate a high level of detail about the cash transfer programme, including outcome level data that could ultimately generate information about the effectiveness of CTP. Although information on the value of in-kind transfers or service delivery programmes could in theory be added to these systems, there was substantial doubt among users as to how this would work in practice.

#### **Example: CARE International**

CARE International has a programme information and impact reporting system across the Confederation that member organisations feed into. The Confederation-level system has a single indicator for multi-purpose cash for humanitarian programmes, meaning that vouchers or cash distributed as part of sector-specific programme will not be included. There is, however, an ongoing discussion around how the indicators on the system should next be updated. At the same time CARE is going through a process of shaping its organisational vision and playbook on cash. As part of this process, systems and processes in the organisation will be examined to see how they should be adapted to ensure they meet this vision. This is therefore a strategic opportunity to influence how

the Project and Program Information and Impact Reporting System (PIIRS) develops, as decisions will be made in the coming year and the Grand Bargain commitments mean that there may be support for aligning with international guidance, if agreed.

At the same time, individual CARE members operate their own systems. CARE UK have established a more in-depth system that will track cash in more detail, including transfer modality, volume, scale and delivery mechanism. This is because CARE sees electronic modalities, with potential spill over benefits for financial inclusion and greater security, as the gold standard, so see this as important to track. The system will also track in-kind distributions, meaning that cash as a proportion of the aid that is directly distributed can be tracked.

## FINANCE SYSTEMS

Several agencies gather information on the volume of CTP through their financial management systems. By creating a spending code for CTP (or separate codes for cash and vouchers), staff can simply filter for that code to identify CTP. Although this takes time to roll out and be used, this is a relatively simple fix for many agencies that allows access to real-time data on actual cash or voucher spending. A small number of agencies disaggregate further by splitting out electronic and physical cash and vouchers or conditionality, while others disaggregate commodity vouchers and value vouchers.

As well as information on the absolute amount of cash and vouchers transferred, this system can gather some information about support costs by counting the value of the direct costs associated with the programme, such as bank transfer fees or fees for traders. Agencies can also, in theory, extract information on the amount of in-kind assistance provided by searching for spending codes for (for example) NFIs or food transfers and aggregating them, although in practice this would be time consuming and is not carried out regularly.

This system has the advantage of simplicity and in most cases being relatively easy to integrate into existing systems (though it cannot be used by agencies who work through partners, whose spend will be recorded as grants to partners). However, for the same reason it is difficult to make further adjustments to enable the system to gather further information. For the agencies using this approach, gathering further information (such as beneficiary numbers, sectors, or outcome related information) would require a substantial restructure of systems that is not realistic in the immediate term.

In addition, all the agencies using this system noted that gathering information on service provision programmes where the programme 'deliverable' consists partly of putting staff (such as nurses or deminers) in place, would be extremely difficult. It is difficult for a finance system to distinguish these staff costs – which would count as 'direct' programme costs – from more general staff costs – which would count as 'support' or 'indirect programme' costs.

Similarly, information on support costs, beyond the direct support costs (such as bank transfer fees) cannot be generated, as the systems cannot distinguish between, for example, 'CTP' staff or office costs and 'other' staff or office costs, particularly when costs are split across programmes or modalities. Some informants noted that in theory this could be generated by creating CTP-specific spending codes for every category of spend, but that this would represent an unfeasible amount of work to create the system and input data.

### Example: Save the Children

The most detailed information currently available via a finance system is probably from Save the Children. A system of codes has been set up that is in use by all Save the Children country offices, meaning that accurate data on actual spend on CTP is available across the organisation.

The codes break down transfers by conditionality and/or restriction as well as by payment mechanism, breaking down different types of transfer, such as mobile money, physical cash and physical vouchers, e-cash, and e-vouchers. For instance, a typical food voucher programme would always be recorded, modality wise, as an unconditional and restricted transfer; the payment mechanism would indicate that it is a voucher, as well as whether it is a paper or an electronic voucher. Finally, the system also codes transfers by context (humanitarian vs. development) and sectors (or multi-sector). Save the Children are therefore able to access accurate, global figures from across the confederation that break down where and how they are doing cash. However, it is a slightly more complex system that might be more difficult for other agencies to adopt.

As with other agencies, they can track service fees but cannot track other support costs through the system. The financial system is linked to the grant management system through a common project coding, and the two can be used to provide complementary information.

### MANUAL SYSTEMS

Several agencies are using manual systems to gather information on CTP. This is clearly only feasible for smaller agencies, with larger agencies or confederations that are not able to gather this information more systematically simply reporting that they cannot do so. However, the number of agencies doing this demonstrates not only the challenge associated with the counting cash agenda but also the commitment of practitioners to addressing it.

Where these systems are used, it is often in conjunction with a programme management system that enables staff to search by key words or via tick-boxes to identify cash and voucher programmes. Alternatively, smaller agencies may work directly with country offices when programmes are signed off.

This system has obvious advantages and disadvantages. The information included can be highly granular and there is significant flexibility in what is included. Agencies that were not, for example, disaggregating cash and voucher or conditional and unconditional programming noted that they could easily do so going forward. There is also the potential to include figures on beneficiaries reached or planned, or on the transfer method (such as e-transfers versus physical cash).

On the other hand, this is a laborious process that cannot be scaled or linked to global systems for data collection. It also generally relies on planning figures, so actual values transferred may not be available and even direct support costs (bank fees etc) may not be known.

Even in this system, with its high degree of flexibility, informants noted that it would not be possible to gather information on support costs for multi-modality programmes as this information could only be gathered by understanding the breakdown of logistical costs as well as staff time, something that would require in-depth knowledge of the programme and could not be aggregated at HQ level.

#### **Example: Danish Church Aid**

DCA has an online finance system that incorporates some project management elements. Although there are plans to move towards a full project management system which could include indicators around CTP and other project management questions, it is likely that this will be a slow process. Tracking CTP through the finance system is not realistic as most of their programmes are carried out through partners, so the programme only appears on the finance system as a single transaction for the grant to the partner. As a result, the only option is to track CTP through a manual, spreadsheet-based system that is maintained at HQ level by the cash team.

Although this system has absorbed significant time and effort over the years, it does allow flexibility in what information is collected. Currently, the spreadsheet does not separate cash and vouchers, but does include details of the transfer modality used, so it would be relatively simple to introduce this information. Similarly, the system was updated to include (planned) beneficiary numbers in 2017, showing that changes can be made quickly. However, recording of support costs remains challenging for multi-modality programmes as this would require a breakdown of how staff spend their time. Information on what is spent on in-kind programming can also not be realistically collected, as this would require a similar manual count of all non-CTP programmes, as well as a link with the finance system to put the information in financial terms.

### **BENEFICIARY MANAGEMENT SYSTEMS**

A small number of agencies, notably those whose mandates primarily deal with refugees, use beneficiary management systems where each beneficiary is registered when they are first registered with the agency, and it is then used to track what assistance that person receives – including both direct assistance and service provision.

Information on the value of cash transfer programming (whether disaggregated into cash and vouchers or by conditionality or not) can be easily extracted, as can the number of beneficiaries receiving cash and vouchers. In most cases, informants felt that there was flexibility in the level of disaggregation, so if, for example, cash and vouchers were not disaggregated, it would be possible to change this if a global guideline on counting CTP required it.

However, it is not possible to gather any information on support costs, including transfer fees, as these are not transferred to beneficiaries. And although information on how many beneficiaries receive in-kind assistance or service provision programmes is included, there is no financial data attached, so information on non-CTP assistance cannot be presented in financial terms. This means that figures for the total volume of direct assistance cannot be provided and that these systems cannot derive information on what percentage of assistance was transferred as CTP.

#### **Example: International Rescue Committee**

IRC are using different beneficiary tracking systems, which vary by and are tailored to the needs of the different IRC country offices. Beneficiaries are registered on the tracking systems when they are first targeted to participate in IRC programmes, and these systems then record what assistance an individual beneficiary receives. These beneficiary tracking systems exist alongside – but do not interact with – a project management system, and contain demographic data on individuals and households. The data stored in these systems is aggregated on a global level on an annual basis.

In addition to the beneficiary data collection systems, a linked financial tracking system disaggregates assistance into cash and vouchers as well as in-kind assistance and service provision. This enables IRC to monetise that information and calculate what proportion of assistance is transferred as cash, in-kind and service provision, aiming towards a global target of

transferring 25% of assistance as cash by 2020. Although support costs are counted separately, this is probably the most advanced system in use at any organisation interviewed for counting non-CTP programming to access global figures.

## CASH MANAGEMENT SYSTEMS

Some agencies have invested in specific cash management systems such as Red Rose, that enable them to both manage transfers and generate data on CTP. These systems can automatically generate a whole range of information about transfers, including the amount transferred, number of transfers, when they were collected and in how many withdrawals, the number of beneficiaries in the household/number of beneficiaries reached, etc. The transfers are also disaggregated by modality, not only cash and vouchers but also separating different forms of cash transfer, such as bank transfers, transfers via traders or mobile money.

However, these systems are not always integrated with wider systems meaning that comparable information on in-kind or service provision programmes cannot be generated (in some cases, such as UNHCR and CRS – described below – they are integrated with a beneficiary management system, allowing more detailed data gathering). Additionally, paper vouchers or physical cash transfers remain a core part of the humanitarian cash landscape, but are excluded from these systems so may be missed in reporting. They are also unlikely to be implemented worldwide within particular agencies – agencies are likely to only invest in bespoke systems where they have large and/or longstanding cash transfer programmes.

In some cases, these agencies may have alternative routes to gather information, such as through the finance system or through a general overarching project management system. However, were a maximalist approach to be adopted that asked for information on non-CTP modalities as well as cash and vouchers, they would need to invest time in developing ways to generate this information.

### Example: Catholic Relief Services

As with IRC, CRS has a platform to manage beneficiaries and track cash and asset transfers, based on a commercial Red Rose platform that has been adapted for the organisation. The system can be connected to local financial service providers, manage closed loop voucher and e-voucher programs, and can also track reception of in-kind distributions, as well as participation in cash for work and trainings. This enables tracking of a wide range of CTP indicators, including the modality, number of transfers, and value of transfers. Conditionality can be tracked through the CFW and training participation function. The number of cash beneficiaries can be counted as well as the number of beneficiaries receiving in-kind, trainings, and other programming. Physical cash disbursements and paper vouchers printed through the system with unique identifiers and security features can also be tracked.

However, the system is only in use in 13 countries to date and, at time of publishing, data is mostly aggregated at the country- or response-level, not organization-wide. In countries where the new system is not in use, high-level data on cash and in-kind transfer values for humanitarian and development programs can be accessed via finance codes, however it is not possible to refine further by mechanism, conditionality, or other details. Furthermore, while reception of in-kind programming *can* be tracked on the system, it is not required to do so nor is there a standard way of costing in-kind items, making it difficult to accurately calculate percentages disbursed by transfer mechanism. CRS has an action plan to operationalize aggregated, agency-wide data collection through the platform, including tracking mechanisms and modalities.

CRS reports to IATI, and has a team working on drawing information from both the beneficiary system and from programme management and finance systems to consolidate for IATI. There is therefore a strong internal appetite for aligning with international guidance as well as for finding ways to address gaps in the data.

### MATRIX 1: WHAT EACH TYPE OF SYSTEM CAN AND CANNOT DO

	Separate humanitarian and development funding?	Separate cash and vouchers?	Separate conditional and unconditional CTP?	Information on actual spend (as opposed to planned)	Information on beneficiary numbers reached?	Record sectors in which cash programming is used?	Record value of in-kind/service delivery programmes?	Record support costs?
Programme management System	Yes (usually by donor, sometimes through check boxes or separate systems)	In practice this is often not done, but it is possible for most systems	In practice this is often not done, but it is possible for most systems	No	No (in theory some systems could include information on planned beneficiaries)	Not usually and would be challenging where programmes are split across multiple sectors	No	No
Finance System	Only if separate spending codes are set up for this	Yes	Yes	Yes	No	No - in theory this could be done via separate spending codes but it would be highly cumbersome	In-kind can be done by aggregating all relevant codes. Service delivery is harder.	Direct only
Manual Systems	Yes	Yes	Yes	In theory yes though in practice planned numbers are more often used	In theory yes though in practice planned numbers are more often used	Yes	No	Direct only
Beneficiary Management Systems	Yes - usually only applies to humanitarian	Yes	Yes	Yes	Yes	In theory possible though in practice not done	No - record assistance transferred but not in monetary terms	No
Cash Management Systems	Yes - usually only applies to humanitarian	Yes	Yes	Yes	Yes	No	No	Direct only

## SECTION 3: MAPPING CURRENT PRACTICE - INTER-AGENCY DATA MANAGEMENT OPTIONS

As well as what can be collected, it is crucial to understand the options for where that data can be gathered at the inter-agency level. The different options all track CTP in different ways, and how these systems develop will be as crucial as agency systems in determining what information is available. The Counting Cash report analysed options in 2016 and concluded that the most likely places to gather CTP data were the UN FTS system and IATI, while the OECD-DAC was not a suitable vehicle. In addition to these options, this analysis also looks at the 3Ws system, which OCHA, in collaboration with the clusters/sectors, is responsible for maintaining, as well as interim approaches such as incorporating CTP into the annual data gathering conducted by Development Initiatives for the Global Humanitarian Assistance report.

### FINANCIAL TRACKING SERVICE (FTS) / ONLINE PROJECT SYSTEM (OPS)<sup>3</sup>

The UN Financial Tracking Service (FTS) is a global system, managed by UN OCHA, that tracks humanitarian funding flows to project level. It works through an online portal through which donors and agencies (including private sector organisations) can report the funds they disburse and receive, enabling funding to be traced through the humanitarian system to project level. In countries with UN-coordinated humanitarian response plans, FTS tracks the amount of funding received against appeal requirements. Where agency respondents knew how FTS reporting was handled, they noted that it was largely managed at country level or by country teams in HQ, with high levels of participation from donors and UN Agencies and lower levels of participation from NGOs, especially national NGOs. To avoid double counting, the FTS data curation team reviews each record before it is published.

**In January 2017, FTS introduced a cash marker to track CTP through tick boxes, which show whether a project or funding flow includes any CTP.** A further upgrade is planned that will allow CTP to be marked as 'restricted' or 'unrestricted' and 'conditional' or 'unconditional'. Although FTS does not distinguish between cash and vouchers as such, it does separate restricted and unrestricted CTP, which fills a similar, but not identical, function (this distinction is discussed in section 4).

The introduction of these tick boxes moves forward the ability to count CTP, but this system does not differentiate the amount transferred as cash to beneficiaries versus other program costs and cannot split out different elements of multi-modality programmes. FTS can only reflect when a funding flow is delivered partly as cash and partly as vouchers, or as a mix of conditional and unconditional, if the relevant breakdown of the funding is reported by the source or recipient organization. Because cash as a modality is an object of the project, not the funding, it is possible to break one funding flow into multiple parts and record the multiple parts to FTS. For example, if an agency receives funding for a project that includes both conditional and unconditional CTP, they could report two funding flows to FTS (one for the conditional component, one for the unconditional). FTS also does not track beneficiary figures.

**More detailed information is, however, available in FTS via a link to the parallel Online Project System (OPS).** In countries with project-based humanitarian appeals, agencies upload planned projects to OPS as part of the appeal process, including information on whether the project includes a CTP element, and if so what proportion of the project consists of cash and vouchers (this is assumed

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<sup>3</sup> <https://fts.unocha.org/> ; <https://ops.unocha.org/Home.aspx>

to mean in financial terms, as opposed to by activities or by number of beneficiaries, but it is not specified). However, it isn't mandatory for organizations to complete the section on CTP in OPS project sheets. Project information also includes geographical area, sector and planned beneficiary numbers. Once projects are approved, they are migrated to the FTS platform and any funding flow reported to FTS that can be recorded to the project level can be matched to the relevant OPS project. This means that if a funding flow is entered in FTS and marked as containing a CTP element, it will be possible to access the proportion of that programme delivered as CTP.

FTS has a number of unique advantages as a tracking tool. It is available globally, already in place and its use is encouraged by donors and UN agencies, including pooled funds. Most donors consulted mandate their partners to report to FTS, though none followed this up to ensure compliance. Although the information available from FTS itself is limited, the link to OPS means that more detailed information on projects is available. It is often filled out at country level, meaning that for most organisations the person filling in the data will have a good knowledge of the programme and it is therefore not reliant on the organisational tracking systems described in section 2. Because the current CTP data used in the 'Counting Cash' and 'State of the World's Cash' reports are primarily gathered at HQ level, as are IATI data, FTS data can provide a valuable cross-reference.

There are, however, major challenges with using FTS as a tracking tool for CTP. **Although FTS is widely used by donors and UN Agencies, usage by NGOs is patchy, and very few national NGOs use it at all, meaning that in many cases the link to projects will not be possible.** Some funding received by NGOs will be captured through donor reports, but this will not deliver visibility on projects where funding is passed to other organisations (particularly national NGOs). Even where they are using OPS and FTS, not all agencies will fill in all elements of the form – so they may not include the CTP percentage on OPS even if it is a CTP programme. Additionally, the link to project level details via OPS will require agencies and NGOs to input additional data into the OPS project sheet when registering their projects in OPS. Specifically, having access to more detailed breakdowns of restrictions and conditionality would necessitate organizations to create a new project sheet for each type of CTP within the overall project. For example, if a single project includes both restricted and unrestricted CTP, which are collectively reported as 50% of the overall project in one project sheet, it wouldn't be possible to track the respective amounts of restricted and unrestricted transfers. If the same project is input as multiple projects, one for each type of CTP, there would be more visibility in the breakdown. However, this would be quite burdensome for organizations, and difficult for the FTS team to link the funding flows to the exact project without the donor or recipient specifying.

Although using it to track more data in line with Grand Bargain commitments could encourage more NGOs to participate, the opposite might be true – with more data making FTS compliance more burdensome, agencies might be less likely to participate. There are also risks associated with diverting the FTS system too far from its primary intent of tracking funding; more complex data could be less accurate.

A further challenge is tracking CTP in contexts which do not have projectized appeals or any interagency humanitarian response plan. Although agencies can report funding flows in these contexts to FTS, including recording whether the project includes a CTP element, there would be no link to OPS (as projects are uploaded to OPS as part of the appeals process) so the percentage of the programme that consists of CTP will not be available. In practice, the level of reporting for these responses is lower, with donors often reporting but low participation from UN Agencies or NGOs. Although this will mostly

affect smaller responses that will have little individual impact on global figures, in aggregate it is likely to amount to a significant proportion.

In addition, changes to the FTS system, where possible, take place via a cumbersome process that depends on consensus. The FTS split by restriction and conditionality would need to be reflected on OPS with associated percentages for each – or a case made for including percentages in the FTS system alongside the cash marker. A further challenge with the percentages approach is that a lack of clear guidance results in an inconsistent approach – in most cases, a programme that is CTP-only will refer to itself as being 100% CTP (i.e. including support costs), while a programme that is mixed modality will refer to only the percentage actually delivered as CTP (for example a programme that is 30% CTP, 30% in-kind and 40% support costs would refer to itself as 30% CTP – i.e. excluding support costs). Clear guidance on how to approach this would be needed if this were to become the primary vehicle for collecting data on CTP. OPS is also based on planned figures, so there may be discrepancies with the actual amounts disbursed or number of beneficiaries reached.

#### INTERNATIONAL AID TRANSPARENCY INITIATIVE (IATI) STANDARD<sup>4</sup>

Along with FTS, the International Aid Transparency Initiative (IATI) Standard was one of the primary approaches proposed in the Counting Cash report. IATI is a voluntary, multi-stakeholder initiative that seeks to improve the transparency of aid, development and humanitarian resources. It seeks to ensure that core information on international assistance is available to developing countries, enabling them to plan and manage resources effectively. Organisations implement IATI by publishing aid information in IATI's agreed electronic format (XML) online and linking it to the IATI registry. The registry acts as an online catalogue and index of information published to the IATI standard.

IATI has a number of benefits over FTS as a tool for tracking CTP. A much larger range of data are gathered and IATI has significant flexibility over what it collects via the regular (currently every 2-3 years) upgrades. Compared to FTS there is greater flexibility over what can be included as there are codes to which adjustments can be made much faster following requests from the community, and the possibility of introducing new codes during upgrades. In practice, however, IATI sticks closely to the DAC codes<sup>5</sup> – changing these would require a lengthy advocacy process with the OECD-DAC. **Adding a further section to specifically collect modality information would theoretically be possible, but only with the next upgrade and only based on user demand.**

As a result, the only way to include information on CTP at this time is to include it within the 'aid type' category<sup>6</sup>. This means programmes are identified as grants to programmes, with additional codes to specify that assistance is given as CTP, further broken down by whether it is cash or voucher, restricted or unrestricted or conditional or unconditional. This means **that even after the cash codes are introduced, IATI data will only be able to tell if a programme includes a CTP element. It might be possible to capture how much is transferred to beneficiaries by specifying this figure at transaction level, but only for one modality. IATI also can't currently track how many beneficiaries are reached.** It will not, therefore, be able to break down multi-modality programmes and will only in some single-modality cases be able to identify actual CTP transfers compared to the whole of programme cost – information which could only be gained via a more fundamental upgrade.

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<sup>4</sup> <http://iatistandard.org/>

<sup>5</sup> <http://www.oecd.org/dac/stats/dacandcrscodelists.htm>

<sup>6</sup> <http://iatistandard.org/202/codelists/AidType/>

A further concern with relying on IATI reporting to track CTP transfers is that **although the number of organisations reporting to IATI is increasing, it is a voluntary standard and is therefore not universally used**. Similarly, since IATI reporting is generally handled at HQ level, agencies' ability to report depends on the information they are able to gather through reporting systems – as described above in relation to CTP. In some cases, this will hinder agencies' ability to report. However, increasing transparency, including through IATI reporting, is a Grand Bargain commitment – tracking CTP through this method could encourage more agencies to begin IATI reporting.

Finally, **it should be noted that the discussion on whether information should best sit with FTS or IATI is to an extent superfluous due to ongoing plans to make IATI and FTS interoperable**, meaning that IATI data will be reported directly to FTS, helping to close gaps in the FTS record. **Ensuring consistency of approaches between IATI and FTS and seeking to move both forward together is therefore likely to be the most fruitful approach** to ensuring they collect the data on CTP that the sector see as important. As IATI will contain more detailed information than FTS, IATI can collect more information on CTP than FTS requires – so long as the information needed for FTS is being collected.

### OECD-DEVELOPMENT ASSISTANCE COMMITTEE (OECD-DAC)

The OECD-DAC data is collected annually from donors to track trends in Overseas Development Assistance (ODA) over time. There are clear criteria for what counts as ODA, which are used to inform calculations of what percentage of GNI countries are giving in ODA. Aid is split into 'aid types', including grant-based assistance, core funding to UN agencies, and concessional loans. In addition to headline figures, agencies separate assistance according to activity codes setting out the sectors and sub-sectors to which aid was targeted. For humanitarian assistance these are very high level, with the 'emergency response' category separated into 'material relief assistance and services' 'food aid' and 'Relief co-ordination; protection and support services'. There are separate codes for 'Reconstruction Relief & Rehabilitation' and 'Disaster Prevention & Preparedness'.

The Counting Cash report set out several reasons why **the OECD-DAC is not likely to be a suitable vehicle for gathering tracking CTP**, including that it is challenging to change their metrics, that only donors report and the ultimate destination of funds given as block grants to UN agencies is therefore not recorded, and that information is recorded a year in arrears. This conclusion remains valid; however, the OECD-DAC continues to have a role to play, not least because their coding also sets the terms of IATI reporting.

**The OECD-DAC has recently introduced a 'cash flag' which will enable reporting donors to record if a given programme included a CTP element**. However, it will not include pooled funds or core UN funding. Although other options were considered, notably a 'cash marker' which would have provided a greater breakdown of information, it was not felt that there was sufficient consensus, despite the Grand Bargain commitment. The 'cash flag' was therefore a compromise solution.

Further discussion is likely to be needed around changes to the activity codes, something which the OECD is extremely cautious to propose as their focus is on the statistical consistency of their data – a recent change, moving disaster risk reduction from 'humanitarian' to 'development' was a multi-year process. Changes also take up to two years to appear in the data – they will not be applied to the year in which they are made, and reporting has a 12-month lag.

Despite this long process, it is arguable that the current OECD-DAC activity codes as they relate to humanitarian response are not appropriate to cash-based responses. Multi-sector cash designed to

meet a range of basic needs would therefore fall across the ‘material relief assistance and services’ and ‘food aid’ categories. **There may therefore be a case for a change to the codes to include ‘multi-sector assistance’ or even ‘cash assistance’ as a separate category.** This could then facilitate more cash-focused reporting by IATI, as well as by the OECD-DAC. This would, however, require consensus-building over several years.

### 3Ws (WHO, WHAT, WHERE)

3Ws (or 4 or even 5Ws) are mappings conducted at country level to facilitate sector coordination as part of managing a response – the ‘Ws’ refer to ‘who, what, where’ with additional ‘w’s being ‘when’ and ‘for whom’, or ‘why’<sup>7</sup>. These are generally collected by clusters or sectors and collated by the OCHA office. However, until recently the excel-based format as well as the fact that they generally remain at country level meant that this was not a feasible global option for counting cash and it was not considered in the Counting Cash report. Recent changes make this worth revisiting.

**Although 3Ws do not have fixed templates, OCHA HQ is working with country level staff to promote the use of general templates, something which will improve comparability.** Even where different templates are used, the introduction of Humanitarian Exchange Language (HXL)<sup>8</sup>, which uses hashtags in data columns to allow information to be pulled from different spreadsheets that contain the same fields, means that it is possible to aggregate data without need for manual counting. However, for the data to be consistent further work would be needed on humanitarian taxonomies to ensure definitions matched across different contexts. 3Ws also are not collated globally – although increasingly they are uploaded to the Humanitarian Data Exchange<sup>9</sup>. OCHA is also increasingly moving to develop systems to facilitate online data collection – if this could be developed it would enable data to be collated worldwide far more quickly and efficiently.

If the challenges of data aggregation can be overcome, the 3Ws have the potential to become a key vehicle for collecting information on CTP. As they are collected at country level and have a flexible format, much more detailed information is available than through global reporting, with information on the value of distributions and the number of beneficiaries frequently included along with information on the modality and conditionality. Although they are a primarily operational tool and this must remain the priority, if the data can be used for sector-level analysis as well as country-level planning without generating additional work for country-level staff, this would represent significant value added.

However, despite this positive picture there are significant challenges to using the 3Ws to count CTP at a global level. Most importantly, **3Ws are only collected systematically in countries where there is an OCHA office, something which excludes many response contexts.** While the responses where OCHA are not present will be generally small, aggregating these together will add up to a substantial portion of humanitarian response. In addition, until recently, 3Ws often did not disaggregate CTP – including CTP has been driven by the food security sector, with other clusters often not including this and often no cash working group tracking this separately. In the past year, the general Excel template has been updated to include CTP data. Some operations have started collecting data relating to CTP

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<sup>7</sup> 3W products are published on <https://www.humanitarianresponse.info/>

<sup>8</sup> <http://hxlstandard.org/>

<sup>9</sup> <https://data.humdata.org/>

with such a template, through the clusters, and in some cases through the cash working group (especially for multipurpose cash)<sup>10</sup>.

Adapting the 3Ws to provide information on the scale of CTP would require huge buy in. On the OCHA side, systems for collating 3Ws would need to be created as well as promoting adaptable templates and the HXL coding system. More importantly, there would need to be out-reach to cluster leads particularly outside the food security sector to encourage clusters to include information on modality in 3Ws. It would also be necessary to identify a way to collect data from countries where there is no OCHA office. As well as a challenge, however, this represents an opportunity to promote the use of CTP in other sectors and to drive improvements in transparency and coordination across the sector. This has the potential to have a major impact – but is not a short-term solution.

### INTERIM/STANDALONE SYSTEM

**Given the complexities outlined above, it is likely that it will not be possible to find a single solution to the need to measure CTP in the immediate term, and an interim solution will continue to be necessary.** Development Initiatives, with CaLP support, has previously gathered data directly from agencies to inform the Counting Cash report (2016) and the State of the World's Cash report (2018). Development Initiatives also gathers data for the Global Humanitarian Assistance report, so CTP can either be incorporated into that process or continue to be counted separately.

This has a number of advantages: methodology is consistent with the methods used so far, but it is flexible so can include any information that partners can collect. Up to now, this has included self-reported and FTS data, but including a wider range of sources (such as IATI or 3Ws data) could improve accuracy over time. It also ensures that data which agencies are able to collect centrally but which can't be gathered through inter-agency data collection systems can be utilised.

However, there are disadvantages with this approach. The data produced is only as good as the underlying data systems that feed into it meaning that without improvements in reporting systems it will be at best an approximation – though this could be mitigated with clearer guidance on what should be included for agencies to work towards. Although the GHA report does allow some basic comparison between CTP and overall assistance, unless agencies are collecting this information it won't be possible to provide a breakdown. Lastly, creating a parallel system is problematic not only because of the extra labour it generates, but also because it does not enable the integration of CTP into regular systems or comparisons between CTP and in-kind.

Despite these caveats, given that it will take years for the systems changes outlined above to take place, and even then the data will not be complete, this is likely to be the only way to collect this information in the immediate term to track Grand Bargain commitments. In order to facilitate this, however, **it is essential to address some of the key issues around disaggregation, particularly whether cash and vouchers are counted together, whether information on conditionality should be collected, and whether any other information (such as beneficiary numbers) should be collected.** This could be done relatively quickly and would improve the consistency of the data.

### SUMMARY

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<sup>10</sup> Some of the resulting products are available on HRinfo: <https://www.humanitarianresponse.info/en/infographics/themes/cash-transfer-programming>  
Others can be found as interactive dashboards on the operations' pages of HRinfo or on HDX

**It is clear that none of these options provides an immediate solution to the need to count CTP against Grand Bargain commitments, and that – in the interim at least – multiple approaches will need to be pursued to get this information.** This derives not only from the complexity of the humanitarian system and the measurement that is needed, but also from the fact that the different interagency data management systems each were designed for a specific purpose, and can only be imperfectly adapted to counting CTP without undermining that purpose. The only system with more flexibility – IATI – is nevertheless linked to a more inflexible system – OECD-DAC coding – and in any case not all organisations report.

Even in the longer term, it is not clear that there exists a single system which would enable effective tracking of CTP without major changes, requiring multi-year advocacy processes. It remains true that FTS and IATI (with the distinction between them becoming increasingly blurred) are likely to be the best sources of information. However in the medium term, sharing of information from country-level 3Ws could open-up more detailed and field-level data. For FTS and IATI to become effective vehicles for tracking CTP, further work is required on the OPS systems side and on the IATI categorisations to make this information available with the level of detail that most practitioners want, in particular disaggregation of cash and vouchers, moving towards separation of conditional/unconditional assistance, and tracking of in-kind assistance. Even in the best-case scenario, humanitarian sector-wide estimates drawing from multiple sources are likely to provide the best means of producing an overall percentage or figure of cash and voucher assistance.

It should be noted that the systems described focus on the proportion of assistance transferred as cash or vouchers, rather than beneficiary-focused measures. Incorporating this data into analysis could add an extra dimension rather than simply duplicating or cross-referencing existing information. Discussion with agencies to identify how far this can be collected via self-reporting would also be a way to widen the discussion on what we mean by ‘scaling up cash transfer programming’.

Finally, none of these approaches have the potential to gather the more comprehensive information that many cash practitioners feel would be valuable, particularly comparative information on in-kind and service provision programmes, or information on the proportion of assistance that covers support costs. It is possible that over the medium term they could be adapted to provide more information on in-kind assistance, through, for example, adding additional percentage boxes to OPS or additional ‘aid type’ codes to IATI. However, it is difficult to imagine at present how they could provide meaningful data on support costs. If decision-makers believe this information to be crucial, they will need to find other means to gather it for the foreseeable future.

## MATRIX 2: INTER-AGENCY DATA MANAGEMENT OPTIONS

	Applies worldwide	Used by all agencies?	Can data be easily collated?	Information on number of programmes including CTP element?	Information on value of CTP programmes	Separate cash and vouchers	Separate conditional/unconditional CTP	Record value of in-kind or service delivery programmes?	Changes possible?
<b>FTS/OPS</b>	FTS - yes. OPS only contexts with projectized appeals	No - donors and UN use it but use by NGOs is patchy	Yes - global system	Yes	Yes (planned figures via OPS)	No - separate restricted and unrestricted but this could be changed	Yes (though can't reflect if a programme includes both)	No - may be possible to add this to OPS	Small technical changes yes. Otherwise long process to build consensus
<b>IATI</b>	Yes	No - voluntary (though this is increasing)	Yes - global system	Yes - via aid type codes (coming soon)	No. Programme-level information only, not value of cash transferred	Yes - via aid type codes (coming soon)	Yes - via aid type codes (coming soon)	No	Some changes can be made by IATI team. Others require changes from OECD-DAC
<b>OECD-DAC</b>	Yes	Donors only	Yes - global system	Yes - via Cash Flag (excluding core funding to UN agencies)	No	No	No	No	Very slow and consensus-based process.
<b>3Ws</b>	No - only contexts with a UN Appeal	Most organisations participate if the process takes place	No - requires aggregation via HXL hashtags	Template including CTP being rolled out	Possible but depends on template chosen	Possible but depends on template chosen	Possible but depends on template chosen	Not usually though this could be done in theory	Yes, very flexible
<b>Standalone system</b>	Yes	Voluntary reporting	No	Yes	Yes (depends on agency reporting using own systems)	Yes	Yes	Can request this but will depend on agencies' ability to report	Yes, very flexible

## SECTION 4: KEY QUESTIONS

### CASH AND VOUCHERS

Practice varies between organisations as to whether cash and vouchers are counted together or separately. Agreeing a common approach to counting cash and vouchers is vital. **The majority of organisations said that they had the capacity to separate cash and vouchers, and those that did not felt that in most cases it would be possible to address this if there were an imperative to do so. Most also felt – including those that were not currently separating cash and vouchers – that it was important to do so, as the two modalities have different effects. There is therefore a clear appetite for separation of the two.**

There are, however, remaining complexities, notably a discrepancy between agencies who separate ‘cash’ from ‘restricted cash’ (which would include vouchers but also cash whose usage is restricted, for example programmes where the second tranche is only released if the first tranche is spent on particular materials), and those which separate ‘cash’ from ‘vouchers’ (in which case ‘restricted cash’ that is transferred as cash would count as ‘cash’, with the restriction viewed as a type of conditionality). A further complexity is that some organisations, notably WFP, further distinguish commodity vouchers from cash (value) vouchers. This lack of standardized use of terminology/categorizations is reflected in the approaches taken by interagency data management, with FTS separating ‘unrestricted’ and ‘restricted’ cash while IATI plans to separate ‘cash’ and ‘vouchers’ and practice varies with the 3Ws.

**Overall, there was clear desire for guidance in this area. Many informants noted that this question had been under discussion for years with little progress.** There was widespread agreement that separating cash and vouchers was desirable, and although there was greater disagreement over whether to separate ‘cash’ and ‘vouchers’ or ‘restricted’ and ‘unrestricted’, separating ‘cash’ and ‘vouchers’ is a better reflection of current practice. Pushing this forward was seen as a key priority, with issues raised in this report such as how and where to count cash being seen as follow-ups.

### CONDITIONALITY

As with cash and vouchers, there was a variety of practice in terms of whether conditional and unconditional cash and vouchers were counted together or separately. However, there was much greater disagreement over whether this should be disaggregated or counted together, and fewer organisations are currently separating this information.

While the majority of organisations, particularly those which count CTP through the finance system, are not counting conditional CTP separately to unconditional CTP, those which used spreadsheet-based systems or which were using programme or beneficiary management systems were often able to do this. In addition, some agencies have been able to set up finance codes to enable counting of conditional and unconditional cash and vouchers separately. There was greater consistency among interagency data management, with both FTS and IATI separating conditional and unconditional cash, while this is also possible for the 3Ws. **In general, it would be possible to disaggregate CTP by conditionality, both on the agency and the data management side, even where this is not currently taking place.**

However, unlike with cash and vouchers, there was significant disagreement among informants about whether conditionality should be separated. Some felt that a conditional transfer – such as a cash-for-work programme – would have very different costs and effects to an unconditional programme and this should be reflected in statistics, particularly if data on support costs are also gathered. Others saw unconditional, unrestricted cash as the ‘gold standard’ and wish to track progress towards this. On the other hand, some felt that ‘conditional’ programmes varied substantially, from cash-for-work (requiring a high investment of beneficiary time and

agency management) to cash-for-training programmes which might only require attendance at a short training session. These are arguably so different that grouping them together would make the categorisation meaningless. With this in mind, some agencies rather than tracking ‘conditional’ and ‘unconditional’ transfers, separated ‘cash for work’ while including other forms of conditionality with ‘unconditional’ cash. Other agencies, have created separate categories for ‘conditional cash or vouchers’ and ‘vouchers or cash for work’. This increases the complexity of data recording but gives a clearer overall picture.

Overall, **there is no consensus on whether CTP should be disaggregated by conditionality. However, there is sufficient interest that this could be considered as a medium-term ambition.**

### Multipurpose vs Sector Cash

This study did not specifically explore the difference between multipurpose cash versus cash given as part of a sector programme, instead focusing on whether there were restrictions on how cash could be spent and whether there were imposed conditionalities. It may, therefore, also be possible to gather this information using some of the systems discussed.

This could enable tracking the extent of uptake of CTP across different sectors. Similarly, tracking how far cash is given in sector programmes and how far as a multisector approach would enable tracking progress towards ‘one transfer’ approaches where beneficiaries receive a single payment to meet a range of basic needs.

More broadly, there is little research on how beneficiary utilisation of their cash and the impacts of the programme are affected by whether that cash is explicitly multipurpose or whether it is provided to achieve specific sectoral objectives. Monitoring based only on sector-specific indicators may also risk missing wider impacts (for example, if beneficiaries receive cash for food but spend some of the transfer on shelter, an indicator which only tracks the impact on food security would understate the actual impact of the programme). Understanding what proportion of cash is given in this way would enable us to assess the scale of this issue and move towards more systematic recording – possibly via IATI codes under the ‘aid type’ category, or via lobbying for a new OECD-DAC code.

Inclusion of sector information in tracking of cash, accompanied by research on this issue, could make a valuable addition to our understanding of how CTP is being implemented and what effect this has on the impact of our programmes. This is an area to consider in future research.

### SUPPORT COSTS

There has been significant discussion around whether data on CTP should be collected including support costs – i.e. the whole cost of delivering the programme – or as just the money transferred. **Some agencies, particularly donors, are keen to gather this information to facilitate analysis of the cost-efficiency and cost-effectiveness of cash transfer programming.** Several other informants agreed that this would have value in advocating for increased use of cash. **The calculations for CTP spend for the Counting Cash report and the State of the World’s Cash report were based on inclusion of programming costs, which is also how overall humanitarian programming costs are captured. There is therefore a strong argument for including these costs to ensure comparability.**

However, the gathering of information for the Counting Cash Report or the State of the World’s Cash Report did not require any breakdown of those support costs or any stipulations on what should or should not be included, and agencies have not been consistent in what data is captured and shared. Several agencies reported that they were only able to submit the actual transfer values, not the full programming costs, which required an estimate to be calculated based on an average ratio of transfer value to programme costs. This was also supplemented by information from FTS (which includes programming costs) to derive an overall

figure. **Agency informants were consistent in noting that gathering this information in any systematic or consistent way would be immensely challenging.** While in some systems, gathering information on costs incurred entirely on CTP would be possible (such as cash programme officers or fuel used in implementing cash programmes), in multi-modality programmes even these could be hard to allocate. Allocating shared costs, such as offices or staff spending time on multiple programmes, would be even more complex. In multi-modality programmes this could only be done through use of timesheets. This would clearly impose a burden on staff and would require financial investment if offices are to be resourced to gather this information. As a result, **among agency informants there was almost universal agreement that it was not currently feasible to systematically collect information on support costs.**

Agency concerns around the feasibility of collecting this information depended on the method used for collecting data on cash:

- **Finance Systems:** in many cases separate codes have been created for direct support costs such as bank transfer fees or payments to traders. However, more general support costs go through the system under the relevant codes for staffing, office space, etc. The only way to separate out costs incurred for CTP programmes would be to create specific codes for CTP for each category of cost (e.g. ‘staffing’ as separate from ‘CTP staffing’). If programmes are separated by restriction or conditionality, this becomes increasingly complex (e.g. ‘staffing’, ‘unconditional cash staffing’, ‘conditional cash staffing’, ‘unconditional voucher staffing’, ‘conditional voucher staffing’), creating a significant burden on finance staff.
- **Programme Management Systems:** some agencies can identify only the total value of all programmes which include a CTP element, meaning that the full cost of the programme is included but cost-efficiency analysis is still not possible as it isn’t possible to isolate the value of cash or vouchers transferred. Where the value transferred is included, this information can be generated. However, for multi-modality programmes it is again more complicated, requiring the recording of the value of in-kind elements as well as support costs.
- **Cash Management Systems:** with these systems, agencies can often access direct costs (bank transfer fees, etc). However, the systems do not contain any information on other programme costs, meaning that separate systems would need to be established to gather this information.
- **Beneficiary Management Systems:** do not normally record any support costs, whether direct or indirect.

Some agencies are developing methods to gather better information on support costs – with WFP categorising all their costs apart from the most indirect (such as shared country office space), and IRC developing ways to track expenditure through their SCAN tool<sup>11</sup>, which pro-rates expenditure according to proportions set by programme staff. However, these are not close to being scale-able to the humanitarian sector as a whole, and further work will need to be done to explore which options would work to gather more detailed support cost information.

There are also challenges around reporting of support costs from an interagency data management perspective. While FTS could, in theory, report support costs via a percentage box on the OPS system, it would not be possible to break this down between cash and non-cash support costs for a multi-modality programme. Similar challenges would apply to the 3Ws. The IATI proposal of recording information on Cash Transfer Programming via the Aid Type category would also not separate actual cash expenditure and support costs.

Several informants also raised more fundamental concerns about this approach. These derived mainly from the fact that **no comparable data are collected for in-kind programmes, and indeed we are not even**

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<sup>11</sup> <https://www.rescue.org/sites/default/files/document/964/ircscantool2pager.pdf>

currently counting the amount of assistance provided as in-kind or service-provision programmes. **Proposing different approaches for CTP and in-kind programming risks reinforcing an already-higher burden of proof on cash transfer programmes.** Some even felt that a requirement to provide detailed breakdowns of support costs for CTP (but not for in-kind) could discourage stretched field offices from scaling up CTP or from proposing mixed-modality programmes even when these were suited to the context. Several informants also noted that the more complex the data, the greater the risk that data would not be accurate, while **‘easier’ options such as pro-rating support costs in multi-modality programmes would not be meaningful, as different elements of the programme would have different support costs.**

These concerns and practical challenges effectively rule out systematic data collection on support costs at this time. **However, many informants acknowledged that demonstrating cost-efficiency and cost-effectiveness was increasingly important, and that as a Grand Bargain commitment, ways need to be found to measure and improve this across all modalities, not just CTP.** Alternative approaches could include case studies with detailed analysis of different modalities in particular contexts, working with individual agencies to analyse a cross-section of programmes, or moving towards the counting of in-kind and service-provision programmes as a first step towards gathering more comprehensive data. Individual donors that feel that this information is necessary could also use their own reporting systems to gather this information for their programmes – though this would conflict with the Grand Bargain commitment to harmonise reporting.

#### Value for Money Analysis

Some donors are keen to access improved information on the efficiency and effectiveness of cash programmes and there was general acknowledgement among informants that this information would be valuable. However, **it is not likely that the detailed data needed to calculate this will be available across the humanitarian sector in the immediate term.**

**Donors and agencies seeking to further strengthen the case for cash will therefore need to explore creative ways to move towards more detailed information on programmatic costs and transfer values.** This could, for example, include add-on funding for projects to enable agencies to calculate cost breakdowns, or creating third party research contracts on a similar model to third-party monitoring to assess cost breakdowns. This approach would have the added benefit of enabling the collection of outcome information that would enable cost-effectiveness as well as cost-efficiency to be calculated.

**Analyses of cost efficiency and cost effectiveness will also need to develop ways to assess how a range of complementary interventions and modalities, including cash and/or vouchers, collectively contribute to achieve specific outcomes.** In addition, as the humanitarian sector moves, for example, towards the contracting of private sector providers for provision of the single transfer, consideration will also need to be given to how and where core programming activities such as beneficiary identification and post-distribution monitoring are allocated and compared in value for money analyses. These are key parts of any humanitarian programme regardless of modality but carrying them out separately to the transfer of relief raises challenges of how they are counted.

#### COUNTING ONLY CASH TRANSFER PROGRAMMING VS COUNTING ALL MODALITIES

As with support costs, this speaks to a question over what the data are used for. If we want to conduct analysis on the relative efficiency or effectiveness of cash and vouchers and in-kind or service provision, we not only need good data on CTP – including support costs – but also equivalent data on in-kind programmes. At a more basic level, **if we are to count what proportion of assistance is transferred as CTP compared to in-kind or service provision, we need to know not only the volume of CTP but also the volume of other modalities.**

This would create enormous challenges not only in the volume of data to be collected, but also in some programmes focused on service delivery (such as healthcare, psycho-social support, or mine action) which cannot truly be said to constitute ‘in-kind’ programming. Informants disagreed, however, on whether this was necessary, with some arguing that counting of in-kind transfers was sufficient as this would allow analysis of what proportion of assistance which can relatively easily be substituted with CTP (i.e. direct transfer of goods) was being delivered with cash or vouchers. Counting service provision programmes could come later.

### Service provision programmes and cash transfer programming

The clearest substitution between cash and in-kind programming is where an in-kind transfer – such as food, shelter materials or NFIs – is replaced with a cash payment. For this reason – and for simplicity’s sake – it may make sense to compare only cash and in-kind transfers of goods. This would represent a calculation of what proportion of goods that could easily be replaced with cash are being replaced with cash.

However, this does not represent the full picture. Provision of cash to meet general basic needs may have a wider impact including on access to services in a way that in-kind might not. For example, if beneficiaries use cash payments to cover transport to reach medical assistance then it may impact their access to healthcare. Similarly, where cash transfers are used alongside complementary interventions that seek to address non-financial drivers of vulnerability – such as construction of WASH facilities or legal assistance – it is difficult to isolate the impact of the cash element of the programme. Although this does not necessarily affect analysis that focuses on what proportion of assistance is delivered as cash, it may affect any cost-efficiency or cost-effectiveness analysis conducted on these programmes. (see the box on Value for Money Analysis above for more on this).

Organisations which have begun tracking CTP in response to initiatives such as ‘counting cash’ may not have the capacity to collect equivalent data on in-kind or service programmes. **However, many informants saw collection of data on in-kind programmes as crucial even if it is not feasible to collect it at present.** A caveat, however, is that the majority of informants were cash specialists who are used to gathering this information as part of the global advocacy agenda on CTP. **Building support among sectors where programming is largely in-kind or which uses mixed modalities, and which would have to introduce counting of assistance that is not provided at present, will be crucial if this is to be taken forward.** Some agencies are already doing this – for example, IRC defines all programmes as cash transfer programming, in-kind or service provision, allowing them to calculate progress towards meeting their target of 25% of assistance transferred as CTP. Detailed case studies of how these organisations have addressed the challenge this posed would be a useful first step in scaling this up to the sector level.

As with other issues, how feasible this is depends on the system in use:

- **Finance System:** agencies can in theory pull out spending codes relevant to in-kind transfers. Although most agencies are not currently doing this, and the more complex array of codes means that this would be significantly more challenging than for CTP, it is possible. Counting of service provision programmes is much more difficult, as in many cases the ‘deliverable’ will be staff time (such as a teacher or de-miner), which cannot be distinguished from ‘support’ staff time (such as programme officers, technical advisers or country directors). Separating staff costs into those directly providing services and those in support roles is currently beyond the capacity of most organisations.
- **Programme Management System:** some organisations mark programmes as containing a CTP element or not, making it relatively easy to pull out CTP but not in-kind or services. Others identify the modality for all programmes allowing separation of CTP and in-kind – however, very few organisations currently identify service provision programmes.

- **Beneficiary Systems or Cash Management Systems:** are wholly separate to other programme monitoring systems. Beneficiary systems count assistance provided, but if they are not linked to the finance system they do not provide this in financial terms. Cash management systems will not be able to provide any information on non-CTP programmes.

There are also challenges in how this data could be collected at the interagency level. FTS could be relatively easily adapted to include information on in-kind or service provision programmes, by adding percentage boxes similar to those used for CTP to the OPS system (although this would only track planned figures). Information on non-cash modalities is not currently planned by IATI, though this could be incorporated in future. The 3Ws tool can relatively easily include information on whether in-kind or service-delivery programming is planned, but would not normally record this in monetary terms – to require this would also begin to move the tool further from its core purpose of coordination. This information is not available from the OECD-DAC figures, and collection via a standalone system would depend on the ability of agencies to collect the data – the challenges of which are described above.

This area raises a number of key issues, particularly around the definition of ‘in-kind’ programming versus service provision as well as whether there is currently the will across the humanitarian sector to track this information. **However, there is clear appetite to move towards counting in-kind assistance, with many seeing this as an opportunity to use CTP to drive transparency improvements in the sector as a whole as well as seeing this as a step towards being able to compare CTP and in-kind programming more effectively.**

## BENEFICIARIES

Most discussion on how to count CTP focuses on the financial value of the cash or vouchers transferred, and most agency attempts to take this forward have had the same focus. However, reporting systems capture further programmatic information, including beneficiary counts. This raises the possibility of reframing the way in which we count CTP. **As well as counting the amount of money distributed, we could aim to count the number or percentage of beneficiaries who receive at least some of their assistance in the form of CTP.**

This type of counting is not possible for every system used to track CTP. It is relatively straightforward to extract this information for agencies using beneficiary management systems or cash management systems, and in some cases can be gathered by those using programme management systems or spreadsheet-based systems where indicators are incorporated into the system. For those using the finance system to track CTP it is not currently possible to get this information.

Information on beneficiary numbers is also not possible via IATI or the OECD-DAC, though it may be possible to introduce this via the results box in IATI. The 3Ws often include this information, and although it is not always broken down by modality this would be possible in most cases. FTS does not currently include this information though it could be possible to include total programme beneficiaries – this would not be broken down into cash and non-cash beneficiaries, but it would provide an indication of the number of beneficiaries included in programmes that included a cash element.

This represents an alternative way to present data that is more beneficiary-focused and reframes the debate around scaling up CTP to consider the number of beneficiaries receiving it as well as the amount transferred. Given the different costs of living in different humanitarian contexts and the resulting difference in transfer values (e.g. CTP transfers in Lebanon will be much higher than those in Nepal), this would also be a way to ensure that statistics are not skewed by expensive and CTP-heavy contexts that may not represent the wider sector.

Further advantages are that focusing on beneficiary numbers mitigates concerns about how to count in-kind and service delivery programming. If the metric is simply ‘proportion of beneficiaries who receive CTP’ then those receiving exclusively in-kind or service provision programmes can be similarly counted without needing to define what constitutes in-kind and what constitutes service provision.

**Counting the number of cash beneficiaries offers a way to gather additional data that would complement – but not replace – the existing data on the value of cash programming.** Although not all agencies can currently generate this information, there are enough that can and enough options at the inter-agency data collection level to make it a feasible target.

## SECTION 5: OPTIONS ANALYSIS

**Pulling together what information agencies have, what data management agencies are able to process, and what key stakeholders would like to be able to generate is challenging and it is not likely to be possible to reconcile all these factors at this time.**

However, there are options which could move us towards collecting better information, either separately or combined (i.e. the options below are not mutually exclusive), both immediately and in the medium to long term.

### MINIMALIST APPROACH

The Grand Bargain only commits signatories to increasing the amount of assistance delivered as CTP. As discussed in section 1, any of the approaches above could be used to provide, or at least proxy, this information – even if the only information available is the proportion of programmes including a CTP element, this could be argued to meet the Grand Bargain commitment.

This commitment could therefore be met through FTS (through the tick boxes to indicate whether the programmes include a CTP element), through IATI (once the ‘aid type’ codes for CTP are introduced) or through DAC via the cash flag.

This effectively represents the current position with a number of small steps forward, particularly around the DAC cash flag and the inclusion of cash codes in IATI. **However, while it does meet the minimum requirements of the Grand Bargain commitment, it represents less information than is currently available and would not be in line with the appetite for more information.** Although this could be combined with the analysis currently carried out by Development Initiatives and CaLP for the Counting Cash and State of the World’s Cash reports to estimate figures and percentages for the proportion of assistance delivered as cash and vouchers, it would not advance the Grand Bargain commitment to increase transparency.

### MINIMALIST PLUS

In addition to the basic information outlined above, some relatively small steps could significantly enhance the level of information that is available.

**Most importantly, a clear decision on separation of cash and vouchers would enable those agencies not currently disaggregating them to prioritise developing systems to do so.** As this data collection would need to take place through Development Initiatives in the immediate term, they could also begin requesting disaggregation of conditional and unconditional cash. Although not all agencies would be able to provide this, a clear recommendation would encourage agencies to find ways to access this information.

At the same time, steps could be taken to formalise this through FTS data and through IATI. On the FTS side, working with UN OCHA to explore whether it is possible to break down the CTP percentage box on OPS to include what proportions of assistance are delivered as cash and as vouchers (possibly also disaggregating by conditionality) as well as providing clear guidance on how these boxes should be used. When the link between FTS and IATI is in place, this would make it possible to gather data on the proportion of assistance delivered as cash and as vouchers through FTS.

On the IATI side, the initial step would be to continue plans to incorporate information on CTP into the ‘aid type’ column, thus enabling data to be collected on whether a programme includes CTP (with associated programme value). The current proposal includes disaggregation by conditionality and restriction, so this

would be able to provide the breakdowns that many in the sector want. In the longer term, further information could be included if there were demand in the sector, including more detailed breakdowns of programmes by modality and non-cash modalities.

This approach would give more information in a more systematic way. Although it would still rely on the Development Initiatives analysis initially and would likely continue to do so in order to collate information from FTS and IATI, it moves towards providing more detailed information as well as formalising the system used. It is therefore more in line with both the demand for further information across the sector, and with the Grand Bargain commitment to increase transparency. It also represents progress from the current position that is achievable within current structures and ways of working.

### **EXPAND TO IN-KIND**

There is widespread interest among key informants in expanding counting systems to include in-kind assistance. This would make the CTP data much more comparable and more meaningful by allowing clear statements about the amount of assistance delivered as CTP. It would also greatly advance the transparency of the humanitarian sector as a whole, using CTP to push this agenda.

However, this is likely to be significantly more challenging than the options outlined above. Firstly, most agency systems are not currently set up to gather this information. Although this is not necessarily insurmountable in the medium term, and there is widespread interest in taking this forward, it is unlikely to be an easy or quick process. Secondly, it would require involvement of a much wider group of people who have not been included in the conversation, which up to now has focused on cash specialists and counting agencies. This is a challenge, but also an advantage of this approach, as it would encourage sustained engagement on transparency and data across the sector, ultimately contributing to better data overall.

Most challenging of all, many agencies expressed reservations about counting programmes focused on service delivery as 'in-kind' programmes, meaning that a definition for 'service provision' programmes would need to be developed. This would include questions around how the cost of staff directly engaged in programme delivery (such as health centre staff or vaccinators) should be distinguished from regular staffing costs. The need for this distinction would make it very difficult for many agencies to gather this information in the foreseeable future, meaning that if this option were adopted it might be sensible to consider an interim approach. Instead of counting all programming, this would assume that in-kind transfer of goods can more easily be replaced with CTP than service provision, and that counting only what proportion of assistance was transferred as cash, vouchers and in-kind would therefore be a meaningful statistic, as well as being much easier to collect.

There would also need to be work from the data collection agencies. This could be approached by adding further codes to the 'aid type' category in IATI to include 'in-kind assistance', or by adding other categories if needed. However, as IATI data comes from central agency reporting, this would not work without the steps above on the agency side. Gathering data from FTS, which includes reporting from country offices could help avoid this, but would require further system changes to include percentage boxes for 'in-kind assistance' on OPS. In the interim, collecting this information via Development Initiatives' tracking would enable monitoring of the proportion of agencies currently able to provide this data – meaning that changes to IATI could be made only when a critical mass was reached.

### **INCLUDE BENEFICIARIES**

Most discussions on counting CTP focus on the amount transferred. While this is a valuable measure of how humanitarian response is carried out, it does not include the beneficiary perspective. It also carries risks – if a

small number of large and expensive responses (such as the Syria-Iraq crisis) do a lot of CTP, this could in theory drive an increase in the percentage of assistance delivered as CTP even if it was being used in fewer responses and reaching fewer beneficiaries. **Including information on the number (or percentage) of beneficiaries receiving some CTP would provide an alternative perspective and a different measure of whether CTP is being successfully scaled up.**

As well as providing a different perspective, this approach also avoids some of the challenges around counting in-kind or service-based assistance as well as multi-modality programmes. If the goal is to count which beneficiaries are receiving at least some of their assistance as CTP, it is not necessary to then assess whether they are also receiving in-kind or service based assistance. There is, however, a risk of double counting where beneficiaries receive transfers from more than one agency (such as a food voucher from WFP and a cash transfer for other basic needs from UNHCR).

Nevertheless, significant challenges remain. Currently, figures on the number of beneficiaries reached by the sector as a whole are not available, presumably because of the difficulty of avoiding double counting across organisations and/or that this data is not included in key information sources (like FTS and IATI). On the other hand, using the push to count CTP to drive this forward would be in line with the goal of using CTP to increase transparency and improve data across the sector.

Trying to gather this information would be challenging on both the agency side and the data agency side. Most agencies are not able to gather this, and would find it difficult to adapt systems to provide it. There is no feasible way to include it in IATI at this time. However, there may be possibilities of getting this information through 3Ws. It is also possible to get this information through FTS, as information on targeted beneficiaries is also included in OPS.

### **LONG TERM HORIZON**

With all the options above, it's likely that data will not be available from a single source and that analysis and collating – most likely via Development Initiatives – will be needed to pull it together and generate figures on how much assistance is delivered as CTP. However, with many discussions happening in parallel and several ongoing processes to collect and aggregate more data, it is possible in the longer term that this may no longer be necessary. **Given the constraints with the existing data methods, the most likely areas for this to develop remain IATI and FTS, though we should also consider the potential for an aggregated 3Ws.**

Although not universal, IATI reporting is increasingly being taken up. Data are centralised and comprehensive, meaning that there are checks on data quality. Since they are based on programme information they are retrospective. Most importantly, because IATI reporting takes place at the global level, it covers all contexts, rather than excluding contexts where there is no UN appeal. Although CTP is not currently included, this is planned. However, the major flaw is that since CTP information is planned to be collected at the 'aid type' level, it will not be possible to break down multi-modality programmes to identify the CTP element or amount transferred. To get to a point where this is the primary venue for collecting information on CTP, it would need to have a separate modality categorisation, and/or a DAC activity code for CTP. Much will depend on take-up of the new 'aid type' codes – advocacy to ensure these are well understood will be crucial.

The main challenges with using FTS data for counting cash have been that FTS does not include data on the amount of cash transferred. Although the link with OPS provides this information, a lack of clear guidance around how to enter information reduces the consistency of the data, and the OPS link does not allow breakdowns of programmes by conditionality and restriction, unless organizations register multiple project sheets for different types of CTP within an overall project. FTS also has low take-up in contexts where there is

no UN appeal but where humanitarian funds may be spent, and OPS is not used at all in these contexts, meaning that figures may not reflect the global picture. It is also not widely used by NGOs (especially national NGOs), reducing the extent to which funding can be traced through the system. However, as data are often inputted by country-level staff, it is a good source of information without relying on agency systems, and the proposed link with IATI may mean that this becomes a more comprehensive source of more detailed information in future.

In contrast, the 3Ws are collected at country level so can provide greater detail but may risk inconsistency if data are gathered slightly differently in different countries or using different timescales. Although it is not currently comparable across countries because different formats are used, OCHA is increasingly promoting standardisation and working on a system to collect 3Ws from different countries, while HXL will enable data to be collated and compared as well as clear and universal taxonomies accepted. In order for this to be an effective primary venue for collecting information on CTP, there would need to be a way to include countries where there is no OCHA office to ensure accurate worldwide statistics.

OCHA see the 3Ws as the most likely vehicle for collection of detailed response information, and it is increasingly possible to pull together information to make this feasible. However, there are also compelling reasons why IATI or FTS (or the two in combination) may emerge as a more reliable source of consistent and comparable data. In particular, both are closer to being able to produce system-wide, usable data on CTP, while the 3Ws is at a much earlier level of development. Given that all three methodologies are continuously developing, monitoring all options and continuing to advocate for the changes that would make them more suitable as vehicles for measuring CTP is likely to be a more effective strategy than backing a particular approach at this point.

## SUPPORT COSTS

As well as the information above, there is interest among donors in collecting information on support costs to allow analysis of cost-efficiency and cost-effectiveness of cash-based responses. If, as many believe, CTP is more cost-efficient and cost-effective than in-kind assistance, this would support advocacy on the scale-up of CTP. Further breaking this down for cash and vouchers and for conditional and unconditional programming would also allow more detailed discussion of how CTP should be scaled up. It would also be in line with the Grand Bargain commitment to increase transparency.

However, **none of the data agencies at present have the capacity to gather the requisite information on CTP transfers and support costs.** Although this could in theory be included in the OPS system – and therefore FTS – by asking for the percentage of assistance delivered as CTP and separately for the percentage of support costs – this would only be feasible for single-modality programmes. If programmes were delivered partly in-kind and partly via cash or vouchers, agencies would need to further separate ‘support costs’ into those incurred in the CTP element of the programme and those incurred in the in-kind element of the programme. **Agencies have been unanimous that they do not have the capacity to do this without substantial increases in staffing to track timesheets and allocate costs – something that would not be justifiable in a context of scarce humanitarian funding.**

In addition to the practical concerns, several agencies noted that this was not a desirable approach, as it would require significant extra labour to prepare this information for cash transfer programming that is not needed for in-kind programming. This would reinforce a damaging perception that CTP is a risky intervention requiring greater scrutiny. They also questioned whether this data would be meaningful without comparable information for in-kind and service provision programmes.

Counting disaggregated support costs as well as direct transfers is therefore not likely to be feasible at this time. This issue is also central to the work of the work stream on cost efficiency and cost effectiveness, which has recently identified facilitating improvements to financial reporting systems to allow better/more standardized capture of support costs as an action point. Equally this is a discussion that needs to be addressed at a humanitarian sector-wide level, rather than specifically within the cash workstream.

## SECTION 6: RECOMMENDATIONS

As the analysis above has demonstrated, **this is a highly complex issue that lacks a single solution. It is therefore not likely that it will be possible to begin collecting of cash data in a single format in the immediate term. Progress towards this goal is likely to be incremental.** However, there are actions that can be taken now to improve the quality of data available, and in the longer term to move towards more detailed data availability not only on CTP but in the humanitarian sector as a whole.

**IMMEDIATE TERM:** In the immediate term, some actions are possible to maximise the amount of information and quality of data that can be gathered:

- **FTS** can track programmes that use CTP and the total amount of money that is spent on programmes including a CTP element. Working with FTS and IATI to ensure consistency in their categorisation of CTP programmes (restricted/unrestricted, conditional/unconditional, etc.) would ensure that the FTS-IATI compatibility project increased the amount of data available.
- **IATI stakeholders** including donors can continue to advance the inclusion of cash coding in IATI via the ‘aid type’ category, which would facilitate the FTS-IATI compatibility project and enable collection of data on the total value (and proportion) of programmes that include a CTP element. Ensuring these are widely taken up and used correctly is crucial if this is to be a feasible vehicle for the collection of cash data in future.
- **All stakeholders** can lobby to agree whether cash or vouchers should be counted separately or together (or as restricted/unrestricted cash) and promote open discussion around whether conditional and unconditional cash transfer programmes should be separated. The overwhelming consensus among informants is that cash and vouchers should be counted separately, albeit there will also need to be discussion on the relative merits of using restricted/unrestricted cash as a near but not identical categorisation. There is a need for more general discussion around conditionality. This would facilitate more effective data gathering by Development Initiatives as an interim measure.
- **Development Initiatives** could begin using 3Ws data as well as FTS and self-reported data to include in a CTP element of the annual Global Humanitarian Assistance reports.
- **Implementing Agencies** can begin to align with likely recommendations and trends in CTP planning by separating cash and vouchers in their reporting and moving towards separation of conditionality, counting in-kind assistance and counting beneficiaries.
- **Cash focal points at agencies** can work internally to understand how agencies report to external data collection agencies at country level (e.g. FTS, 3Ws) and HQ (e.g. FTS, IATI). This would enable them to support colleagues to understand terminology/definitions and move towards more consistent reporting to international data collection mechanisms, particularly FTS. In the case of IATI, where introduction of new codes depends on user demand, working with IATI teams to ensure that priorities for counting CTP and breaking down non-cash modalities are reflected will be important if the introduction of the new codes is to be a success and new codes for in-kind and service delivery are to be introduced in future.
- **Agencies not reporting to IATI** should report consistently to FTS as well as 3Ws at country level, ensuring that this data is representative of the sector as a whole.
- At present, reporting of CTP at country level especially in 3Ws is dominated by the food security sector – **agencies** can work with **clusters/sectors** to promote the inclusion of modality information in other sectors.
- **Development Initiatives’** annual tracking could begin requesting information on in-kind transfer of goods, as a step towards system-wide data collection. This would require significant buy-in from non-CTP specialists, but would move towards greater comparability across modalities and there is clear appetite to move in this direction.

- **OCHA** should work with others to continue refining humanitarian taxonomies to improve the comparability of 3Ws data across contexts.

**MEDIUM TO LONGER TERM:** In the longer term, it will be possible to work towards more detailed data gathering:

- **Donors, CaLP and others** can advocate with agencies to report against the new IATI codes and with IATI to include codes for non-CTP modalities. Depending on findings from the initial roll-out, it may then be necessary to advocate with IATI to roll out categories that can break down programmes in more detail or present the data in different ways. This would be a step towards improved transparency across all modalities (requiring further discussion on the definitions of in-kind and service provision).
- **Agencies not reporting to IATI** can lobby internally to ensure reporting to FTS. Improved compliance with FTS will be crucial to making this an effective tool for the measurement of CTP. If more information is to be extracted from this, however, the link with OPS will be crucial. OCHA could explore whether in addition to a box requesting the proportion of assistance delivered as CTP, similar boxes could be provided for the proportions delivered as in-kind or service-based assistance, moving the system towards better analysis across modalities.
- **Donors and Agencies** can continue to monitor **OCHA's** work towards collation and comparison of data gathered through 3Ws – this is not currently in usable format but offers exciting potential to gather more detailed, country-level information. This would need to be accompanied by finding a way to gather this information for countries in which there is not an OCHA office – possibly through self-reporting to OCHA or an OCHA HQ presence to monitor this. This would, however, not be practical unless this information were being used more broadly than for CTP tracking.
- **Donors** can engage with the Grand Bargain workstream on reporting to ensure that the information they request on CTP aligns with what interagency data collection agencies report and agreed disaggregation (e.g. on cash and vouchers, by conditionality, etc)
- **Donors** can lobby within the OECD-DAC for a reform of coding to include multi-sector cash programmes as an activity code. This is likely to be a lengthy process but would address the current issues where multi-sector cash cannot be accurately reflected in DAC activity codes and would enable at least some data on CTP to be gathered via the OECD as well as facilitating more detailed data gathering via IATI.
- **The Measuring Cash Working Group and workstream on cost efficiency and cost effectiveness** can collaborate in supporting improvements to financial reporting systems to allow the capture and breakdown of support and other programming costs and facilitate regular interactions with others to improve data collection across sectors and modalities.

**This is a complex agenda and requires not just technical cash knowledge but also input from statisticians, wider sector leaders and most importantly the data agencies.** Although this study has made a start, recommendations are based on a snapshot of current practice, and the options will change as systems evolve. It needs to be borne in mind that cash is only one element of the increased demand for data across the humanitarian system – and therefore of the need for balance between what systems are designed for and what we are asking them to do. Similarly, the balance between asking for more data, and the risk of resulting in poor-quality data, needs to be considered.

The recommendations above have deliberately not recommended which of the options should be taken forward as this is in many respects a political question beyond the scope of the report. However, **feedback from stakeholders as part of the drafting process has indicated strong support for at least the 'minimalist plus' option, and interest in exploring the tracking of in-kind assistance in particular across the humanitarian sector.** Decision-makers may wish to bear this feedback in mind.

## ANNEX 1: LIST OF KEY INFORMANT INTERVIEWS

Donors	Maria Thorin	SIDA
	Joanna Pickles	DFAT
	Jodie Buchanan	DFAT
	Katharina Hanifnia	DFID
	Paula Macleod	DFID
	Emily Henderson	DFID
	Natacha Pugin	SDC
	Laura Meissner	OFDA
	Ruco van der Merwe	FFP
	Chloe de Soye	ECHO
	Simone	ECHO
	Damjan Vinko	German FFO
Implementing Agencies	Edward Fraser	PIN
	Francesca Battistin	Save
	Dina Brick	CRS
	Nancy Hearne	CRS
	Janette Macleod	GOAL
	Louisa Seferis	DRC
	Lisa Williams	ARC
	Kristin Smart	Oxfam
	Juergen Mika	WHH
	Etienne Juvanon DuVachat	FAO
	Olivia	FAO
	Elena	FAO
	Roger Dean	NRC
	Joanna Farley	IRC
	Jackie Macleod	IRC
	Vinothraj Ratnaraj	UNHCR
	Annika Sjoberg	UNHCR
	Tahir Nour	WFP
	Joseph Oliveros	IFRC
	Joanna Burton	ICRC
	Claire Durham	IFRC
	Charles Maumo	Adeso
	Christer Lænkholm	DCA
	Ciara O'Malley	CARE
	Annabel	CARE
	Uwe Korus	CARE
	Claire Mariani	UNICEF
	Bernie Fortes	WVI
	Belete Temesgen	WVI
	Alexa Swift	MC
Cecile Barriere	ACF	
Ruth McCormack	CaLP	

Others	Niklas Rieger	DI
	Cat Langdon	DI
	Andrej Verity	OCHA
	Petya Kangalova	DI
	Dave Megginson	OCHA
	Eva Vognild	OCHA
	Juliet Lang	OCHA
	Kaela Glass	OCHA
	Helen Campbell	British Red Cross

## ANNEX 2: TERMS OF REFERENCE

### 1. Background to the work

The need to improve the measurement and reporting of the value of aid delivered as cash transfers and vouchers is widely recognised. The development and use of common markers and definitions for organisations to track and report different transfer modalities including cash, vouchers, in-kind, and service delivery was identified as a key action by the Grand Bargain.

The 2016 working paper *Counting cash: tracking humanitarian expenditure on cash-based programming*<sup>12</sup> sets out recommendations for improving measurement of CTP and systematic reporting on programming by cash, voucher or in-kind assistance. These focus on building on existing systems, recognising that CTP must be tracked within wider efforts to improve humanitarian data and reporting. Mechanisms to measure CTP should be built into (a) the global and coordinated interagency systems used for collecting and collating data, and (b) organisations' internal systems. The study also found that the [International Aid Transparency Initiative \(IATI\) data standard](#) and OCHA's Financial Tracking Service (FTS) provide the best foundations for building global systems to track CTP. Ideally the data produced by organisational reporting systems would be compatible with interagency systems to enable consolidation and analysis on a global, cross-organisational basis.

In order to support and help coordinate efforts to address the issues highlighted below, in 2017 CaLP has established a Measuring Cash Working Group. This includes specialist reporting initiatives (like Development Initiatives (DI), Financial Tracking Service (FTS) and International Aid Transparency Initiative (IATI)) as well as donors and operational agencies. CaLP has taken on leadership of work in this area of measuring cash for the Grand Bargain cash workstream.

Several technical and policy issues are constraining progress. On a practical level, existing reporting systems have not generally been designed to include CTP, and adaptations to include it may be complicated. While this may be an internal challenge for agencies, in general resolving the key issues and finding agreement requires coordinated action across a large range of agencies and systems, which is a challenge in itself. Key issues here include:

- Disaggregation of cash transfers and vouchers - there are different views on whether to track cash and vouchers separately or together.
- What costs should be counted (e.g. transfer values, programming costs, core costs) and how to allocate programming costs to different modalities. This issue extends beyond CTP to other modalities, and is linked to Grand Bargain commitments on requiring greater budget transparency in how costs are reported and allocated.
- What programming data should be tracked (e.g. modality, conditionality, restriction, etc.), including what level of detail and granularity is necessary and useful for different areas of reporting.

To date the tracking of cash and voucher programming within organisations has often not been systematic, requiring labour-intensive manual gathering and analysis of relevant project data. Many implementing organisations and donors are actively working to improve the capacity of their internal reporting systems to better track CTP and other types of assistance. They will generally want to ensure that the systems they set up are aligned as necessary with global data standards and interagency reporting platforms. To support this,

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<sup>12</sup> ODI and Development Initiatives (2016) *Counting Cash: Tracking Humanitarian Expenditure on Cash-Based Programming*

it is necessary to have a better understanding of the different types of reporting systems organisations are currently using or developing to measure CTP and other modalities, what data they are collecting, and emerging best practices and challenges.

## 2. Scope and objectives

### 2.1. Primary objective

The primary objective of this scoping study is to provide a basis for developing guidelines on measuring cash transfer programming, by documenting and analysing organisational level systems and processes currently used for measuring and reporting data for cash and voucher programming.

It necessarily requires consideration of how cash and voucher programme data is captured and used alongside data for other assistance modalities (in-kind, service provision, etc.), particularly in terms of the breakdown and allocation of budgets and costs.

### 2.2. Specific objectives

- Map and document how different implementing agencies and donors are measuring cash and voucher programming data at the organisational level. This should include collecting information on:
  - markers and categorisations used to distinguish and cash and voucher programming from other modalities,
  - how and whether more detailed data on interventions is collected e.g. conditional, restricted, delivery mechanisms, frequencies, etc.; and
  - which cash and voucher project costs are tracked, and how these are broken down<sup>13</sup>;
  - which project costs are tracked for other assistance modalities, and if and how these costs are broken down and allocated in multi-modality projects
- Identify best practices and key obstacles encountered by organisations in terms of measuring cash and voucher programming.
- Analyse how organisational reporting systems for cash and voucher programming align with interagency reporting systems.
- Outline options for measuring cash and voucher programming, which can contribute to the development of guidelines that will set out technically consistent ways of (a) quantifying CTP project expenditure; and (b) allocating expenditure in multi-modality projects<sup>14</sup>. (NB. the development of the guidelines themselves will not be a part of this consultancy, but the findings and recommendations will be used to inform them)

## 3. Key steps and methodology

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<sup>13</sup> E.g. a) the value of transfers received by beneficiaries; b) the value of the transfers received, plus direct delivery costs e.g. transaction fees, hardware costs; and c) the value of transfers received, plus direct delivery costs, plus other staffing and operational costs.

<sup>14</sup> It is envisaged that ultimately the guidelines will: a) determine workable parameters for classifying and reporting programming and core costs for cash, vouchers and in-kind projects; b) define parameters and guidelines for systematic tracking of actual expenditure on cash and vouchers; and c) provide guidance for allocating programming costs by modality where a programme uses multiple modalities.

1. **Conduct a desk review** of relevant available documents and information and preliminary interviews with key stakeholders (CaLP staff and selected members of the Measuring Cash Working Group) to:
  - Identify the range of relevant stakeholders with whom to conduct interviews and plan data collection.
  - Draw preliminary findings from available secondary data in response to key study objectives outlined in section 2.2 above.
  - Draft a brief inception report based on the above, and share with CaLP
  
2. **Collect primary data:**
  - **Key informant interviews** conducted via Skype/phone calls (and some potentially face to face, depending on the location of the consultant) with relevant stakeholders including implementing agencies, donors, and representatives of interagency reporting systems and data standards (e.g. FTS, OECD DAC). The consultant should prepare the required tools/guidance for the interviews.
  
3. **Analyse information collected** and
  - a) Summarise findings and recommendations into a practical and succinct draft **scoping study report**, based on the specific objectives outlined in 2.2.
  - b) Prepare a **presentation(s) of the key findings and recommendations**, to be presented for discussion via webinar platform for members of the Measuring CTP Working Group and other contributors.

#### 4. Management arrangements

- This study will be led by an independent consultant contracted by CaLP.
- CaLP's Senior Programme Officer will manage this study, with assistance from CaLP's Technical Coordinator and other team members as necessary.
- All deliverables will be reviewed by CaLP, and relevant members of the Measuring CTP Working Group.
- Final decisions on content will be made by CaLP, in consultation with Working Group members as necessary.

#### 5. Workplan and key deliverables:

<b>Milestones and deliverables</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>
Consultant contract signed					
Secondary data review, drafting and finalisation of <b>Inception Report</b>					
Key Informant Interviews via Skype/face to face					
Data analysis and <b>Scoping Study Report</b> drafting					
Prepare and give a <b>Presentation of Key Findings</b> via webinar for Measuring CTP WG members and study contributors					
Submit <b>draft report</b> for review					
Submit final <b>Scoping Study Report</b>					