



CASH CONSORTIUM OF IRAQ (CCI)

CASE STUDY FINDINGS



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CASE STUDY FINDINGS – CASH CONSORTIUM OF IRAQ (CCI)

This case study report forms part of the findings from a Cash Learning Partnership (CaLP) study on inter-agency collaboration for the delivery of Cash Transfer Programs (CTPs). The relationship between various forms and levels of inter-agency collaboration for the delivery of CTP and the efficiency and effectiveness of these programmes was examined via four case studies. For further details on the study scope, methodology and findings across cases, please refer to the full study report.

The Cash Consortium Iraq (CCI) was selected as a case study to illustrate a consortium model of inter-agency collaboration for multi-purpose cash assistance (MPCA), with a formal relationship between partners and a shared funding stream, both bilaterally to member agencies and through the lead agency. It is distinctive from other cases in that the consortium is ongoing and funded by multiple donors as part of a response in a protracted crisis. A multi-sector approach to cash, core to the strategy of the consortium, is also recognised as central to the humanitarian response plan in Iraq.

Key findings from this case study include the following:

- Strong collaboration can play a role in advocating for cash assistance, particularly Multi-Purpose Grants (MPGs), and in the development of standardised tools and approaches, therefore contributing to a more effective cash response.
- The consortium in Iraq was formed as a joint initiative between member agencies to address the shortcomings of the Cash Working Group. This agency driven consortium formation is likely to have contributed to a strong incentive base for effective collaboration. Agencies reported being committed to working together, sharing information openly and delivering against the agreed consortium strategy.
- The multiple funding streams of the consortium, both bilaterally and through the consortium lead, has allowed for access to a range of funding opportunities and cost sharing, and added to the volume, and therefore scale, of programming implemented through the consortium.
- Initial resources required to establish the consortium were high. However, they laid the groundwork for potential savings over time as the consortium reached economies of scale and began to access multiple funding sources.
- Given a high level of formality within the consortium and accountability between member agencies, the consortium was able to deliver high levels of programme consistency, standards and harmonisation.
- Although the consortium partners did not work towards the selection of a shared financial services provider (FSP), or one contract for the delivery of cash transfers, this was reportedly not necessary in order to achieve gains in cost efficiency as these were reached through information sharing activities alone.
- The CCI example illustrates the significance of a harmonised approach to monitoring and evaluation (M&E) tools, particularly in post-distribution monitoring, allowing partners to collect comparable data and the potential to build on lessons learned.
- By providing a standardised, streamlined and harmonised approach to referrals, consortia offer opportunities to link into government-led social protection platforms and therefore potential gains in effectiveness.

I CRISIS AND CTP CONTEXT

The onset of the most recent conflict in 2014 with the uprising of the Islamic State in Iraq and the Levant (ISIL), and war in Syria, have resulted in **over 3.1 million internally displaced persons (IDPs) and nearly 230,000 Syrian refugees** in need of humanitarian assistance within Iraq.¹ In addition to returnee households, numbering close to 1.2 million individuals, host communities and households in newly-accessible or conflict areas are all in need of critical humanitarian support.

The conflict is characterised by widespread violations of human rights and is widely recognised by the humanitarian community as a **protracted protection crisis**. The crisis in Iraq falls under the UN Office for the Coordination of Humanitarian Affairs (OCHA) classification system as an L3 emergency, representing only 'the most severe, large-scale humanitarian crises'. Nearly **half of the displaced persons in need reside in 'hard-to-reach areas'** of central and northern Iraq, creating concerns around access and accountability. An estimated 86% of internally displaced persons and 58% Syrian refugees are **living outside of camps**.² The high proportion of displaced persons living amongst the hosting community puts a strain on local assets, social services and infrastructure, and has pushed hosting communities into a situation of economic decline.³ As a result, 3.2 million host community members have been included in the most recent Humanitarian Response Plan (2016).

Due to an abundance of oil, which provides 90% of government revenues, Iraq is classified as an upper middle-income country. However, the **current situation has stretched the capacity of the government to meet critical humanitarian needs**. The costs of financing the counter-insurgency against ISIL and the global decline in oil revenues have significantly impacted Iraq's economic standing. The World Bank has estimated a reduction in oil revenues in Iraq of US\$ 40 billion in 2015, leading to a budget deficit in 2016 of US\$ 30 billion and a 40% reduction in public spending.⁴ These factors, combined with the conflict, have led to **increased poverty, vulnerability and unemployment across the country with an estimated 23% of the population now living in poverty**.⁵ Prior to the crisis, Iraq had established a stable social safety net through a public distribution system (PDS) supplying food rations to all Iraqis (not just the poor) and providing more than one-third of Iraqis' calorie consumption.⁶ Yet with the reduction of government incomes, issues of access to non-government controlled areas and the dynamics of populations on the move, the PDS system has been disrupted and cannot be relied upon by households to meet basic food needs.

Iraq's status as a **middle-income country with highly integrated market systems** suggests it might be a conducive context for cash programming. Cash programming by humanitarian actors in Iraq was initially introduced through the UNHCR-led response for Syrian refugees in northern Iraq in 2014. By late 2014, agencies had also started to use cash-based responses to the IDP crisis, which **led to the formation of the CWG in August 2014**. Headed by UNHCR and MC, the CWG membership **started at about 13 members (2014) and expanded to over 40 within two years (2016)**. Part of the uptake of cash assistance can be attributed to the **inclusion in the 2015 and 2016 Humanitarian Response Plans (HRPs) of a separate chapter for Multi-Purpose Cash Assistance (MPCA) and the placement of the Iraq Cash Working Group under the Inter-Cluster Coordination Group (ICCG)**. This move to accept multi-purpose cash, led by the Cash Working Group as a 'semi-cluster', provided a unique opportunity for the use of cash-based responses at scale in Iraq.⁷ According to data from the Financial Tracking System (2016) the IDP cash-based response comprises both Unconditional Cash Transfers (UCTs) designed under sector-specific objectives (mainly WFP and UNHCR) and UCTs designed under the multi-purpose objective (mainly the Cash Consortium of Iraq and other INGOs) and **represents an estimated US\$ 31.1 million (2.4%) of the total response**.

¹ IOM Disaster Tracking Matrix (DTM) Iraq, DTM Round 58 November 2016 / UNHCR Syrian Refugee Response, Interagency Information Sharing Portal, November 2016: <http://data.unhcr.org/syrianrefugees/country.php?id=103>

² UN OCHA, Humanitarian Needs Overview (HNO), November 2015.

³ IOM Disaster Tracking Matrix (DTM) Iraq, DTM Round 48 June 2016 / UNHCR Syrian Refugee Response, Information Kit No.15, May 2016.

⁴ World Bank. Iraq's Economic Outlook – July 2016. www.worldbank.org/en/country/iraq/publication/economic-brief-july-2016

⁵ World Bank, Iraq. Country Overview, April 2016: www.worldbank.org/en/country/iraq/overview

⁶ 2013. IRIN. Iraq 10 years on; Less dependent on food rations. Baghdad. www.irinnews.org/report/97991/iraq-10-years-less-dependent-food-rations

⁷ ODI, Evolution of Cash Transfers in Iraq, to be published 2017.

2 CASH CONSORTIUM OF IRAQ (CCI) FORMATION AND EVOLUTION

The consortium was formed in early 2015 by four partners: NRC, Mercy Corps, DRC and IRC. Discussion with the leads for each agency noted that **the consortium formed as a response to the slow progress within the CWG on developing harmonised tools and approaches and an agreed need among the CCI partners for a cohesive MPCA strategy.** The agencies also covered complementary geographic areas and saw an added value in working together to deliver a cash programme split geographically. The four partners were active members of the CWG and represented the largest NGO cash actors at the time.

At the time of the formation of the consortium, **donors were also insistent on a more aligned approach to cash programming.** This was strongly led by ECHO and harmonised cash programming (transfer value, number of transfers, targeting) was a requirement across ECHO's cash partners. At the time, the members of the CWG were not aligned in their approach to the delivery of cash assistance. For example, UNHCR was providing cash for protection and WFP vouchers for food assistance, and the broader INGO community was providing UCTs with varying objectives and approaches. **The steps towards harmonisation that the donor community was looking for could not be reached via the CWG.** In response ECHO formed an 'ECHO Cash Alliance', which included the members of the consortium as well as IOM and required partners to submit nearly-identical cash projects under which each partner covered an agreed geographic area. ECHO Cash Alliance partners were required to meet regularly in the ECHO office and discuss the technical components of their respective programmes. Through the ECHO Cash Alliance, partners received bilateral funding, and as a result there was some limited transparency between the agencies on budgets and costs, or agreement on shared costs.

From this ECHO-initiated starting point, the partners with the largest cash programmes within the ECHO Cash Alliance (IRC, DRC, NRC and MC) began discussions the **formation of a formal cash consortium with a harmonised approach, a cost sharing strategy and strong geographic coverage across Iraq.** Given other regional experiences with consortium models, ECHO was at first reluctant to recognise the consortium and maintained its terminology as the 'ECHO Cash Alliance'. The first direct funding to the consortium came from the Government of Canada (GAC) in mid-2015 and laid the foundation for the establishment of the Cash Consortium of Iraq.

Since the formation of the consortium in 2015 the membership has, with the addition of Oxfam in late 2016, grown to five partner agencies, and receives diverse funding sources bilaterally and multilaterally, funding through the lead.

3 CASH CONSORTIUM OF IRAQ (CCI) COLLABORATION STRUCTURES

Under the formalised consortium, Mercy Corps was selected as the lead agency and recruited a **dedicated team, including a cash consortium coordinator, grants manager and reporting officer, to support the consortium.** Agencies agreed on a **geographic split of coverage response and a technical division** with each agency leading a different technical function, including monitoring and evaluation (M&E), data and information management, and vulnerability and assessments. IRC was agreed as the M&E lead and received additional funding from the GAC for a consortium M&E manager and support. DRC and NRC did not have dedicated staff for the consortium, but led on specific tasks as agreed in the technical working group, such as the targeting tools and vulnerability analysis.

The decision-making process was originally outlined in the CCI Teaming Agreement. The CCI is structured around the two main bodies, the technical working group and the steering committee. **The steering committee is responsible for providing the overall strategy and direction, leading donor outreach and communication** and ensuring the CCI is represented with the Iraq Humanitarian Country Team (HCT). **The technical working group, on the other hand, is responsible for the technical design and support to implementation** of the cash programme. The technical working group is also responsible for advising the steering committee and represents the CCI in the CWG. The technical working group meet bi-weekly and the steering committee monthly. The CCI coordinator provides the bridge between both groups and chairs both bodies.

The **strategy of the consortium is purely concerned with the delivery of multi-purpose cash to vulnerable, conflict-affected households, including displaced people, returnees, hosting communities and newly-accessible individuals.** The partners in the CCI split activities geographically with each covering an agreed district or sub-district of Iraq.

4 PROGRAMME DESIGN FEATURES

The CCI's programme design is founded on the **MPCA strategy outlined in the 2015 and 2016 Iraq humanitarian response plans.** The primary objective of this strategy is to meet the multi-sector basic needs of conflict-affected populations across Iraq, with a particular focus on newly-displaced people and the use of cash assistance as a first-line emergency response tool. There are two lines of support within the strategy, **a one-off cash-transfer for newly-displaced or newly-identified vulnerable households and a multi-month transfer to the most extremely vulnerable** of these cases. As such, it is primarily focused on speed of delivery and providing a standardised approach across areas of implementation.

The CCI strategy also includes the provision of **complementary activities, including referral of protection cases** for further follow up, both between agencies and externally to government counterparts **and livelihoods programming** to support a 'graduation model' of multi-month cash-assistance programming.

Levels of collaboration: The table below shows the degree of collaboration achieved by CCI partners across the various stages of the CTP project cycle.⁸

⁸ As defined by the CTP collaboration framework developed under the ERC project 'Increasing the Uptake of Multi-Purpose Cash Grants in Emergency Responses'.

CTP project cycle (ERC matrix)	Degree of collab. (ERC matrix)	Comments/Notes
Needs assessment	Harmonised design and highly collaborative implementation	Joint market and needs assessments developed by agencies and used as an inter-agency tool to assess newly-accessible areas. At the time of this study, harmonisation of the needs assessment was in progress and market assessment completed.
Market analysis	Harmonised design and highly collaborative implementation	See above
Operational feasibility analysis	Information sharing	Although information needed for an operational feasibility assessment is included in the market assessment tool, each agency independently conducts their own operational analysis, for example in terms of access, risks, availability of FSPs, etc.
Modality selection	Harmonised design and highly collaborative implementation	Modality selected – multi-purpose cash grant – is agreed across members of the CCI and used consistently in cash programmes implemented by member agencies.
Funding	Harmonised design and highly collaborative implementation	CCI has a two-tier funding approach, both through a shared fund managed by the lead agency and bilaterally to member agencies. There is some degree of information sharing on budgets received and cost transparency between member agencies.
Targeting & vulnerability selection	Harmonised design and highly collaborative implementation	Developed jointly and a harmonised approach to the assessment and selection of beneficiaries completed by the member agencies.
Contracting FSPs & CDM	Information sharing	Agencies share information, including costs, services and challenges, on FSPs yet stop short of negotiating jointly and using a common delivery mechanism or FSP.
M&E	Harmonised design and highly collaborative implementation	Led by IRC with dedicated staffing, agencies use and jointly revise common tools, shared databases and information management systems. Agencies upload data into a shared database for inter-agency analysis.
Protection	Harmonisation of design	A referral system for protection cases is agreed between agencies and each agency maintains their internal protection mainstreaming practices.
Exit strategy/Link to SP	Harmonised design and highly collaborative implementation	A referral system is in place with highly vulnerable cases referred to IRC lead for the social protection component, and then transferred with IRC's support into a government-led social protection programme (when funding is available).

Situation response and analysis: CCI partners reported having a fairly **harmonised and standardised approach to market and needs assessments, but a less harmonised approach to the operational feasibility assessment**, which was reportedly done by each agency independently in order to assess their own internal capacity to effectively deliver within a specific geographic area and context. One example is the work done by the CCI partners in preparation for the Mosul response. In order to prepare for the large-scale displacement expected as part of a military operation to take back Iraq second largest city, Mosul, CCI partners **conducted an inter-agency market assessment to ensure the context was conducive to a cash programme. This was complemented by agency-led assessments of operational feasibility** confirming the capacity of each agency to deliver assistance in the agreed geographic areas of coverage between consortium members.

Intervention design: CCI partners are **strongly aligned in intervention design, including modality selection, funding strategies and targeting**. Where market and operational conditions are supportive, the CCI member agencies agree on the delivery of multi-purpose cash assistance as the primary modality required to meet the basic needs of vulnerable displaced, returning and hosting-community households.

Regarding funding, consortium members agree to implement all their multi-purpose cash programmes using the consortium strategy. **This means that bilateral funding, as well as funding via the lead (MC) with sub-contracts to the partner agencies, is considered to be consortium funding.** This funding approach allows multiple donors to cover operational costs and therefore implies a cost sharing between the donors. This also gives the consortium the flexibility to appeal for funding either as a group or bilaterally, depending on the most likely route to accessing funding, but with an 'integrated approach to communications with donors'.⁹ In terms of cost efficiency, having two funding streams (bilateral and via the lead) may not be the most efficient due to the costs of grant management that agencies maintain individually to manage their bilateral funds. However, this may be offset by gains in the scale of response or cost sharing obtained through accessing multiple donor funding streams.

Targeting was reported as one of the greatest difficulties for the CCI partners. Although partners are harmonised in their targeting and methodology for defining vulnerability, which is based on socio-economic and demographic variables as well as context-specific coping strategies, the complex approach for determining a score and 'cut-off point' was referred to as 'arbitrary' and difficult to communicate both internally and externally. The CCI partners **have shared the targeting approach with the CWG members and offer the targeting tools as a 'public good' to be used by the CWG partners, but uptake has been limited outside the CCI partners.** The main reasons stated for this are first, that agencies have specific programmes and therefore different required targeting criteria (e.g. UNHCR and protection programmes) and second, the complexity of the CCI system proposed.

Operational delivery: The highly harmonised approach across the members of the consortium is evidenced by high degrees of collaboration and a standardised approach to the transfer value, distribution processes (SOPs shared), beneficiary feedback systems and data management. Interestingly, however, **agencies reported 'information sharing' only when it came to the selection of Financial Service Providers (FSPs) and a common delivery mechanism (CDM).** When this was discussed further, i.e. looking at the potential for cost savings and a lower negotiated rate if agencies signed with one FSP, agencies reported that there had been no need to consider a shared FSP contract since they were all receiving the same rates and service packages from the FSPs. In addition, it was reported that the rates received from FSPs did not vary depending on the number of transfers to be completed, therefore it was seen to be unlikely that an FSP would offer lower rates if agencies negotiated together. In the case of Iraq, the FSP of choice among both the CCI partners and wider membership of the CWG was the Money Transfer System (MTC) referred to as 'hawala' agents in country.

Monitoring and evaluation (M&E): In the CCI, **M&E is led by one agency, IRC, which hosts a dedicated M&E manager specifically as well as other supporting functions, such as maintaining a shared database.** The M&E team provides compiled reports to donors, the CWG and other agencies in order to inform the cash response as well as provide evidence for the outputs and impacts of the programme (Post-Distribution Monitoring Reports). It is not clear from the interviews completed how systematically inter-agency reports are compiled by the members, or the extent to which these are used to hold one another accountable. It was noted in discussion with the CCI partners that **a greater focus on outcomes and wider impact is needed.**

⁹ Key Informant Interview, November 2016.

Exit Strategy and Linkages to Social Protection: Given the protracted nature of the crisis in Iraq against the back-drop of limited funding available globally, there has been a focus on the exit strategy for humanitarian programmes, particularly for cash assistance and MPCA. In line with these constraints, the CCI partners were required by one donor to establish a clear referral pathway to government-led social protection platforms. This strategy was developed by IRC, which leads the **referrals from all agencies through one streamlined and harmonised approach**. However, the results of this referral system were not clear without any data tracking done by the INGOs/CCI partners on what happened to the referrals and if they were finally accepted to functioning government-led programmes.

5 PROGRAMME OUTPUTS, RESULTS AND OUTCOMES

One limitation of this study has been the ability to accurately review and assess the overall outcomes and impact of the cash response delivered by the CCI over the past two years (2015–2016). With no inter-agency evaluation completed at the time of the study, findings here can only reference post-distribution monitoring (PDM) data independently collected and analysed by the member agencies of the consortium.

In terms of scale, the CCI **delivered assistance to 3,335 households in 2015 and 12,759 households in 2016 representing an almost 40% increase in the scale and funding of the CCI in the span of one year**. This implies that the CCI strategy, outcomes as evidenced by PDM data, and opportunities to reach cash at scale with a harmonised approach, have been well received by the donor community in Iraq and opened access to additional funding for the consortium. **PDM data collected by the member agencies show that households receiving the cash transfers had the highest expenditures on food, shelter/rent and healthcare, and highlight a reduction in negative coping strategies over the three-month cash-transfer programme.**¹⁰

6 WIDER CONTEXTUAL FACTORS AND CONSORTIUM ADAPTATION

There were a number of factors that supported the formation of a strong cash consortium and an active CWG in Iraq. Critically, Iraq is context-conducive to cash programming. As a middle-income country, with pre-existing social transfer systems, integrated markets and a diverse financial services sector, Iraq is recognised by donors and agencies alike for its potential to provide a cost-effective cash-based response. The role of the government in providing social transfers to its citizens through blanket distribution programmes, referred to as the Iraqi Public Distribution System (PDS), also laid the groundwork for the use of cash assistance with a beneficiary population familiar with the concept of social transfers.

Within the humanitarian context, there was **great support among the donor community for the formation of a consortium that could provide a standardised approach to MPCA with wide geographic coverage**. Given the scale of the IDP response in Iraq, targeting over 7.1 million people with a funding appeal of US\$ 681 million, the opportunities to provide cash assistance at scale are clear (HRP 2016). The potential savings from delivery of cash versus in-kind in a response of this scale was one of the driving factors in the formation of the consortium, meaning the partner agencies had an agreed preference for a cash-based modality to address multi-sector needs. This strategy was strongly backed by donors and the UN resident humanitarian coordinator, both of which pushed for a space for multi-purpose cash assistance in the face of resistance from the clusters and other sector-led response agencies within the overall response.

However, the **context also presented significant challenges with regard to the acceptability of cash assistance as a heavily targeted social-transfer programme, security and access constraints, and the humanitarian architecture and system for coordinating cash assistance within the Cash Working Group**.

¹⁰ CCI (2017). Update Cash Consortium of Iraq (CCI) – Update 31 January 2017. Prepared as a brief for ECHO.

Targeted social transfers: Although the concept of social transfers was familiar to the population of Iraq, the concept of targeted transfers was fairly unusual. The PDS programme in Iraq as a blanket distribution programme to all Iraqis created a **beneficiary community accustomed to the idea of social transfers to all, not just the economically or socially vulnerable**. Reportedly, as a result of the targeted approach to cash transfers, agencies faced significant blockages by government officials at local levels. For example, in Duhok, in northern Iraq, local government stakeholders sat as active members on the sub-national Duhok Cash Working Group and blocked CWG members from providing cash assistance to individuals not approved by the local government officials. There was also a push from the Duhok officials to provide blanket cash assistance only in camps, which was not part of the CCI strategy at the time. This left some of the CCI partners unable to deliver cash in line with the CCI strategy in Duhok and having to reallocate planned programming to other more accepting governorates.

Security and access: The ability of CCI partners to safely and repeatedly access areas of implementation is critical to the CCI strategy, which includes a multi-month transfer and therefore multiple visits by agency cash teams. Yet the **security and access constraints in some of the most 'in need' areas of Iraq were reported to have in some cases limited the capacity of the CCI to respond at scale in a timely manner**. In other instances the consortium was able to address these security and access constraints by transferring resources and the responsibility for the response to whichever agency was best able to overcome security and or access constraints, particularly in and around areas of Baghdad where strong community networks and relations were required to access beneficiary populations.

Cash coordination and the Cash Working Group: Iraq also provides a unique environment for the coordination of cash assistance, with a CWG that sits in the Inter-Cluster Coordination Group (ICCG) and with a separate line for MPCA within the HRP. The Iraq Cash Working Group (CWG) formed in August 2014 was initially mandated to provide technical support to all cash-based response actors across both the refugee and the IDP responses in Iraq under the leadership of UNHCR and Mercy Corps. Yet, with the formation of the **CCI in early 2015 and donor push for a multi-purpose and harmonised approach to the delivery of cash assistance, the CWG became the centre of a highly political battle within the coordination and response structure** in Iraq. The CCI strongly advocated for MPCA within the CWG and managed to get MPCA into the HRP with the CWG as the lead with a seat on the ICCG, and responsibility for the implementation and coordination of the MPCA deliverables outlined in the 2015 and subsequent 2016 HRPs. However, the leadership of the CWG was divided and not in agreement on the MPCA strategy. Both lead agencies, UNHCR and MC, had an alternative agenda with regard to the cash strategy and were not aligned in their leadership of the group. As a result, the membership of the CWG felt 'detached' and on the sidelines of a political debate between the UN and INGOs on the placement of cash in the response. This reduced participation in the CWG. In this sense, **a divided CWG left an opening for the CCI to develop collaborative approaches, tools and standards for the delivery of MPCA that would, in other contexts have been developed directly by the CWG**. Regardless of this, all tools, strategies and findings of the CCI are systematically shared with the CWG partners with the aim of contributing to more effective collaboration.

7 PERCEPTIONS AROUND EFFECTIVENESS AND EFFICIENCY

This section aims to summarise the views shared by respondents specifically regarding the impact of collaboration on efficiency and effectiveness. Findings have been anonymised at their request.

In discussion with the consortium partners there was a clear agreement that working through a consortium model had provided the individual agencies with significant gains in terms of cost savings. Many tasks that would otherwise have been done bilaterally by each agency were streamlined through one lead, particularly with regard to **monitoring and evaluation tasks, 'resource savings in terms of shared tools, systems and data management'**.¹¹ The shared database platform and information-sharing systems were cited as clear cost savers across agencies, although getting the shared platforms up and running was reportedly resource heavy (direct costs and time). There was limited citing of other areas of shared costs or costs savings of the consortium, suggesting that a greater use of shared resources could potentially contribute to further gains in cost efficiency. At the time of the desk review there was **discussion among the CCI partners to standardise and reduce overhead costs with the objective of providing a harmonised ratio of support to programme costs across the consortium members** and therefore higher levels of cost efficiency to donors.

It was also reported by donors and the lead agency that **the initial setup phase of the consortium during the first few months of operations was particularly costly**. In the first phase the donor agreed to significant support costs in order to get the consortium up and running for *'the greater good of beneficiaries and other donors'*.¹² Following this initial setup support, costs covered by the lead agency to cover shared consortium expenditure and charged to other donors, were reported to be significantly reduced. At the same time there was also some discussion on the efficiency of the overall structure of the consortium, which requires high maintenance costs with heavy reporting, technical and steering-committee requirements for all agencies. As such, it follows that **the cost efficiency of a consortium model needs to be considered in regard to start-up costs versus cost savings over time** as well as costs saved at different operational levels; namely the agency and donor.

The capacity of the consortium to access multiple funding streams, both bilaterally and via the lead agency, also offered agencies and donors potential savings by providing the opportunity for cost sharing across different donor grants and to access a larger pool of total funding, therefore achieving a greater scale of cash response as well as gaining benefits from economies of scale.

Perceptions around effectiveness were harder to address, with representatives of the CCI stating that was *'not clear'* whether or not the consortium approach has led to better outcomes as *'no large-scale evaluations have been done to assess the overall impact and outcomes'* (CCI partner). Although the **potential for a strong inter-agency evaluation within the CCI was strong, with a shared dataset and standard approach to collect data, it had not yet been reached** with limited inter-agency data analysis. What was clear was that the **CCI has pushed for a more harmonised cash response and therefore a more accountable response**. This occurred at two levels in Iraq, one through the consortium partners and one through the broader membership of the CWG. Within the formal membership of the consortium, partners delivered a highly harmonised and standardised cash programme. Across the operational delivery of cash assistance, partners consistently used the same tools and approaches including targeting, transfer values, and monitoring and evaluation. By coordinating geographically and sharing a beneficiary database, partners reduced the chances of beneficiary duplication and contributed to the more effective use of resources. The **CCI also influenced the broader cash response by providing tools and other supporting technical guidelines developed for the consortium with the CWG** and inviting other cash actors to use the same tools and approaches.

The CCI has also **played a very strong role in influencing the shape and direction of the overall cash-based response in Iraq by advocating for MPCA**. Through the multi-sector nature of the strategy they have spear-headed, the CCI partners have created a unique space for cash assistance within the humanitarian response in Iraq and paved the way for the greater use of a potentially more cost-efficient multi-sector transfer.

¹¹ Key Informant Interview, November 2016.

¹² Key Informant Interview.

8 KEY FINDINGS AND CONCLUSIONS

Unlike in some other contexts where a consortium is formed out of a donor-driven push for an alliance between its partners, the CCI was formed as **a joint initiative between member agencies to address the shortcomings of the Cash Working Group**. With the support of ECHO through the ECHO Cash Alliance and the Government of Canada (GAC) as the first donor to the CCI, **the agency-driven formation of the consortium is cited as being a contributing factor to its sustainability and to a strong incentive base for effective collaboration**. Agencies reported being committed to working together, sharing information openly and delivering against the agreed consortium strategy.

The strength of the consortium is also likely to have been strengthened by the flexible approach to funding adopted by its members, allowing the consortium to access a diverse range of funding streams. **The multiple funding streams of the consortium, both bilaterally and through the consortium lead, has allowed for access to a range of funding opportunities and cost-sharing, and added to the volume, and therefore scale, of programming implemented through the consortium.**

At the same time, the initial resources required to establish the consortium were reportedly high. However, **heavy start-up costs at the agency level laid the groundwork for potential savings over time as the consortium reached economies of scale** and began to access multiple funding sources. In this sense, donors share the costs of the consortium by agreeing to support substantial initial costs in order to reduce costs for all donors over the longer term.

The consortium is structured around a steering committee and technical working group and organised with dedicated staffing both for the leadership of the consortium and supporting services, including grants management and monitoring and evaluation. The terms of reference and ways of working together are clearly outlined in the teaming agreement between agencies against which members are held accountable. **Partially as a result of the high level of formality within it, the consortium was able to deliver high levels of programme consistency, standards and harmonisation.**

In terms of cost efficiency and the use of the selection of financial service providers (FSP), consortium partners stated that **cost benefits from joint negotiations with an FSP was not necessary in order to achieve gains in cost efficiency as these were reached through information-sharing activities alone**. FSPs in Iraq were cited as offering the same transfer rates and services regardless of the number of transfers to be completed, and therefore in negotiating jointly with a larger number of transfers the consortium was unlikely to have received reduced transfer rates by the FSPs. At the same time it appears that the capacity of one FSP to deliver across all the areas of operation for the CCI was questionable with the limited geographic coverage and access for FSPs.

Although not yet capitalised by the consortium, **the CCI example illustrates the significance of a harmonised approach to M&E tools, particularly in post-distribution monitoring, allowing partners to collect comparable data and the potential to build on lessons learned**. With a shared methodology, tool set, data, and information management platforms the potential for interagency analysis and evaluations is a clear benefit of the consortia approach and offers an opportunity to contribute to the overall effectiveness of the cash response in Iraq.

In addition, **consortia, by providing a standardised, streamlined and harmonised approach to referrals, offer opportunities to link into government-led social-protection platforms and therefore potential gains in effectiveness**. Within its core strategy, and with donor support, the consortium has focused strongly on a referral pathway for social safety nets. The consortium platform also offers a standardised beneficiary database and approach to vulnerability analysis that can be easily handed over to government counterparts, particularly in comparison to the handing over of piecemeal cash programmes all run independently by different agencies.

Respondents interviewed for this study both within the consortium and within the cash community of Iraq noted the role of the CWG in shaping the overall cash response – particularly the role that **strong collaboration can play in advocating for cash assistance, especially MPGs, and in the development of standardised tools and approaches, therefore contributing to a more effective cash response**. This might be explained by the relatively smaller membership of the consortium in comparison to the CWG, which enables agreement to be more easily reached; as well as the interests of the CCI members in making the CWG the central place for coordinating cash assistance in the response.

Sources:

Consortium project documents, including initial proposals, budgets, teaming agreements and ToRs

- Summary briefs on findings from Consortium Post-Distribution Monitoring (PDM) reports
- Consortium briefs and updates prepared for donors/humanitarian community
- Iraq Humanitarian Response Plan 2015 and 2016, specifically sections referencing multi-purpose cash assistance
- ODI Cash Study on the Evolution of Cash Transfer Programs in Iraq (December 2016 DRAFT of the study)
- Cash Consortium of Iraq Lessons Learned Paper, 'Operationalizing Emergency MPCA: Learning from the Ramadi Displacement, May to July 2015'
- IRC completed study for the CCI, 'Referral pathways to legal and economic assistance for cash consortium of Iraq's extremely vulnerable IDPs in South Central Iraq.' March 2016
- Humanitarian response data sources for Iraq including; UN-OHCA Humanitarian Needs Overview (2015), IOM Disaster Tracking Matrix (DTM) and UNHCR Syrian Refugee Response

Key Informant Interviews:

- Lotti Douglas (Chairperson for the Cash Consortium of Iraq, Mercy Corps)
- Wassana Puyasena (Interim Chair Iraq Cash Consortium, Mercy Corps)
- Gilbert Khoury (Co-lead Cash Working Group, Iraq)
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The Cash Learning Partnership

Recent global initiatives have reaffirmed the potential for Cash-Transfer Programmes (CTP) to effectively and efficiently meet a wide range of disaster-affected populations' needs while preserving dignity and choice. Although much work has been done in advocating for the benefits of CTP and enhancing its use in humanitarian action, relatively less research has explored the means through which cash transfers can be delivered to maximise their potential. With the increasing funding gaps faced by humanitarian actors globally – compounded by increasingly protracted crises – demonstrating efficiency and effectiveness has become critical to ensuring the best possible allocation of limited resources to meet the needs of crisis-affected populations.

While there are different, strongly held views about how to organise stakeholders to maximise efficiency and effectiveness, evidence about how well different delivery models provide quality CTPs in different contexts – including governance and collaboration arrangements – is scarce. For example, which is more efficient and effective: diverse competitors responding to harmonised specifications or a single delivery mechanism able to access economies of scale? In which contexts, and under what enabling environments? What collaboration mechanisms maximise quality, coverage and consistency of delivery?

This study tests the commonly held assumption that greater collaboration results in greater efficiency or effectiveness. It establishes drivers and measures of efficiency and effectiveness in CTP delivery, characterises different models of collaboration for cash delivery and assesses these different models against the measures of efficiency and effectiveness.

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