

MESH II LEARNING SUMMIT



Cash, Social Transfers and the world of
Adaptive Management

23 January 2020

Purpose

Learn & Act.

Explore key issues around cash programming and what we need to do to improve and monitor its effectiveness.

Output

Ground discussions in practical actions to maintain momentum and drive progress.

Generate decisions/actions to enhance how we deliver, monitor, and assess cash-based programming.

Outcome

Common understanding of issues, constraints, and possible solutions related to cash programming.

Commitment to working together to continuously improve and deepen the effectiveness and impact of cash-based programming.



MESH DATA

Between 2015-2018, MESH generated a substantial amount of data based on over 145,000 recipients of conditional, unconditional, emergency and safety net from FAO, WFP, BRCiS and UNICEF; 90,000 of these during the 2017 food security crisis. This data, along with additional information from an impact evaluation to assess resilience programming in the course of that period and a thematic review on cash programming during the 2017 crisis built a broad set of insights on cash programming in Somalia.

What we know



- Most people get the right amount of cash at the right time (80 – 95%), although problems persist.
- 1 – 3 % of people state that they have engaged in some type of involuntary transfer.
- Prior to food security crisis, expenditure patterns on food tended to be around 75%, then spiked to above 90% for 2017; this has not returned to pre-2017 levels since.

What we kind of know



- While 1 -3% in involuntary transfers is an issue, there are lots of voluntary transfers that people engage in that we have not effectively tracked. We also sense that involuntary transfers are under-reported.
- The influx of massive levels of cash based programming can mitigate against the threats of food insecurity and support longer-term programme integrity.

What we don't know and worries us

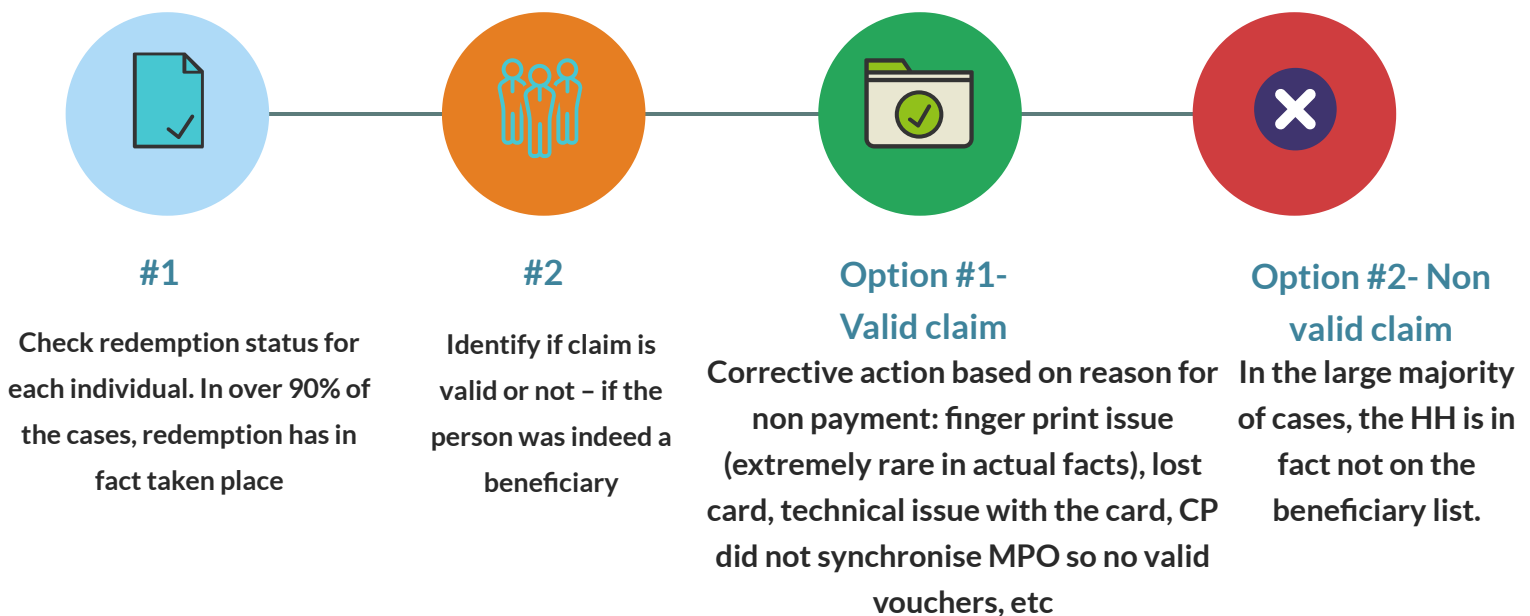


- Unclear how/if emergency cash and safety nets lead to longer term gains (more shock resilient/less vulnerable/fewer chronically vulnerable)
- Unclear how the massive influx of cash based programming since 2017 is leading to more 'social transfers' and community-based strategies for supporting (or not!) the most vulnerable/most marginalised.
- Don't know enough about how vulnerable households support family members with disabilities and other family members with acute vulnerabilities.

WFP: Tracking and managing cash disbursements

The cumulative impact of sustained shocks in Somalia has kept communities in a cyclical state of humanitarian need calling for frequent and massive emergency response. This response has long been characterised by large scale food aid which, while much needed, and immediately life saving, has nevertheless been prone to corruption, diversion and riddled with challenges inherent to delivering at scale within the country context. For many years, donors and aid agencies grappled with the viability of large scale cash delivery as a safer and more effective alternative to food aid. Since 2011, cash programming has been significantly scaled up as a core approach to emergency response in Somalia. WFP has gradually emerged at the forefront of actualising at scale emergency response and delivering timely support through its cash based beneficiary and transfer management system- SCOPE. Given this, the CBA session, led by WFP, sought to generate discourse around how they are tracking/managing cash that has not been disbursed in practice as well as challenges experienced.

WFP applies the following set of procedural checks and balances to handle claims of non-payment;



Main challenges

- Often beneficiaries are not properly informed about their entitlement. 90% of the calls to the CC (1000/month) are to ask questions.
- Info on the hotline is present but prior info is not always passed on from CP to beneficiaries.
- Sms campaigns but phone numbers not always functional.
- AAP and CC staff working on strategy to improve direct communication with beneficiaries.

BRCiS: Social transfers in Safety Nets and Multi-purpose Cash Assistance

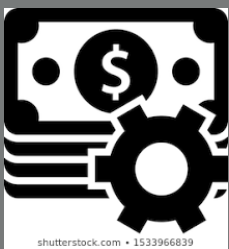
As a people that have been hard hit by recurrent climate related shocks for over two decades, Somali communities have had to form and rely on a number of inter-dependencies to cope. At the heart of this is a duty bound approach to viewing available resources more as a public good than belonging to individuals or households, commonly referred to as “social capital transference”. The garnering of social capital relies on contributions from numerous sources, and while data from MESH monitoring activities indicates that communities rank reliance on aid inputs lower than on other sources, they still play a part that cannot be ignored. Even in severe emergency situations, the resources available to aid agencies strive to focus on the most vulnerable, particularly with Cash Based Assistance, which automatically excludes parts of communities who are marginally less needy. Local community leaders play a critical role in bridging this exclusion gap by balancing out how these resources are shared. Although social structures and mechanisms step in for the benefit of the collective, this has opened up opportunities for aid diversion and malfeasance. Despite this, social capital transference remains a little researched area, hence, the BRCiS led session sought to share emerging insights on social transfers with evidence from their safety net and multi-purpose cash assistance programming.

Insights from BRCiS Safety Net activities



- In nearly half of recorded cases (48.7%), HHs spent cash transfer received exclusively on food
- The fraction of beneficiaries who reported sharing cash transfers received outside their households is negligible (possibly due to low transfer values)
- Besides food and water, safety nets transfers are marginally utilised for long-term goals such school fees and supplies at 15% and health expenses at 6%; significantly larger than seen in the expenditure patterns of MPCA transfers

Insights from BRCiS MPCA activities



- 74% of MPCA recipient households report that cash transfers received were enough to meet immediate basic needs (in line with this, 72% showed acceptable or borderline food security per the FCS)
- The transfers helped in various ways including improved food access (95%), debt reduction (63%), ability to cover medical care (21%) and restarting livelihoods (18%)
- About 10% mentioned that they shared the transfers with other households, primarily with relatives. 99% confirmed that they didn't need to pay anyone to be able to access the cash transfers while 0.5% said they paid an amount to a third party, (villages elders for compensation of other community members, local institutions, other community members, etc.)

FAO: Assessing expenditure patterns across shock cycles

With evidence continuously reinforcing that households require a holistic “basket” of support to cope with recurrent shocks, cash based interventions have been increasingly preferred and scaled up in Somalia over the last 15 years. However, transfer values constantly fluctuate based on market conditions and affect the ability of households to cover basic needs. The Minimum Expenditure Basket (MEB) was designed to give a common indication of critical needs of affected populations. The MEB is especially useful for agencies whose responses involve cash transfers as a means for households to meet basic needs. While in reality, food values which consistently constitute the largest portion of the MEB do significantly influence it, in practice, the MEB is not equated to the transfer value. Consequently, the FAO led session sought to discuss the extent to which percent spent on food before, during, and after crises, indicates opportunities to assess MEB transfer values and other aspects of transfer amounts, emergency cash payments, and the move to safety net approaches.

1 Why change the Cost of Minimum Expenditure Basket (CMEB)?

- **Transfer values for most cash based interventions in Somalia are pegged to the CMEB** which has made the transfer value of cash based interventions expensive. The revised CMEB composition meets dietary requirements for energy, protein and fat intake at relatively lower values than recommended.

2 Transfer values and donor approaches in Somalia

- The Food Security Cluster **consolidated and analysed data collected by FSNAU, WFP and REACH from all the 18 regions in Somalia covering the period from 2012 to 2016** to develop the transfer value logic model and a set of recommended transfer values.
- The advised **rates were different in the different regions in Somalia** noting that there are significant changes between regions.
- While the FFP followed the CWG recommendation, **some donors opted for a simpler approach**.
- With a focus on harmonisation in donor approach as well between regions, **3 supra regions (\$60, \$70, \$85) were created** proving to be operationally easier.
- **DFID/ECHO rates stand at 65% of the full MEB.**

3 Where are we now?

- **The different rates applied have caused confusion and complaints from beneficiaries/ministries.** Cash evaluation in 2017 recommended bringing amounts for similar objectives back into harmony and consider adapting the frequency of instalments and their duration.
- **Change in transfer rates vs well being.** Even with changing transfer amounts, there have been no major differences in how beneficiaries use CBA or their satisfaction, possibly due to the common sharing of assistance in Somalia. Lumping and increasing sizes of cash transfers temporarily increased the amount of food available at household and reduced the likelihood of utilising negative food coping strategies, this also faded away soon after. A mini study undertaken by the cash consortium revealed that there isn't much difference between 75 USD and 95 USD.
- **The MEB composition has not been updated for a while (especially for non-food items).** Complaints from Southern part of the country show the rates are perceived as unfair

Key Reflections and Feedback

The following comments, suggestions, and insights were provided by participants at the end of the learning event. These have been edited for clarity and combined when addressing similar points. Some comments were not included as they did not address issues specific to cash programming.

Addressing the needs of the most vulnerable

- Need to ***better understand how cash support enables IDPs to reduce vulnerabilities and increase resilience/integration***. This is an ongoing aspect of both the partners (BRCiS and Danwadaag) monitoring and evaluation and of MESH's work.
- It remains highly unclear how cash is enabling people to reduce their vulnerabilities. There is a ***growing body of evidence that shows how cash affects food insecurity (MYHP impact evaluation; MEB/HEA study, FSNAU, et. al.)*** although this is only one aspect of chronic vulnerabilities. However, this ***should be expanded***.
- Need to ***be much more proactive and include a 'zero tolerance' approach to involuntary payments***. This is a key aspect of MESH monitoring and should be used throughout the response.
- ***Do we know enough about whether cash is creating dependencies?*** The humanitarian context in Somalia has implied that many people are dependent on humanitarian assistance. This is unlikely to change in the near future although the increasing role of government is meant to shift this towards a more proactive and long-term strategy.

Targeting

- There are ***real concerns that targeting is not including the most vulnerable or marginalised and seemingly insufficient efforts to address this***. This is an on-going concern in the context of Somalia and the assumption that cash may 'raise all boats', e.g. 'trickle down' to the most vulnerable is unproven.
- ***Need targeting to have more nuance regarding the particular vulnerabilities within households and communities***, e.g. persons with disabilities, elderly, etc. This is an important consideration and more research is required on the extent of Humanitarian Inclusion Standards and the needs that these raise for households.
- We should ***move to consider the community as the primary analytical unit, as compared with individual households***. May consider broader community based targeting. While this corresponds with the nature of many of the programmes, most support focuses on households with wider-community activities as complements to this direct assistance. In the case of cash, however, it would be important to better understand social transfers and the mechanisms therein.
- ***If safety nets are only targeted in specific locations, what will we do about the 'pull' effect***, e.g. people moving to these locations to benefit from said safety net programming? This is a valid concern and will depend on diligent targeting by respective parties.

Cash programming during shocks

- ***Need a better understanding of how to 'ramp up' cash programming during shocks***. The MYHP impact evaluation provides a basis for this and should be used to further study how much cash support should be deployed to whom and when,

Key Reflections and Feedback

Emergency cash and safety nets

- Need to **better understand the interplay between humanitarian cash and safety nets and how households/communities may transition to safety nets**. This is an important consideration that various parties seek to address.

Understanding communities/ social transfers

- **Need much better information on social transfers and their effects on the most vulnerable**. This was a recurring theme of the learning event and requires a more in-depth study.
- We have a **poor understanding of the power dynamics that cash plays into**—we may be inflaming disparities and increasing marginalisation. This is an important concern and needs to be analysed in much greater detail.
- **Cash programming needs more profound social insights into the communities**—their values and beliefs and how these play out in supporting the most vulnerable. This is important but has been missed in traditional programming.
- **Need a better understanding of the rates of sharing** and consider higher percentage of households in communities and/or fewer communities—**just accept sharing**. This is related to targeting and a better understanding of how social transfers work and their effects on the most vulnerable within communities.
- **Need to be highly sensitive in how communities are asked about their vulnerabilities**. This is not only important given humanitarian principles and a dignified approach to affected populations but also important for valid data.
- There is a very **poor understanding of how communities work together to address crises and the most vulnerable**. This is undoubtedly true and should be rectified as much as possible.

Cash programming effects in macro-indicators

- Need to **better understand how cash affects prices across different commodities**. Some partners, like WFP, include this as a staple of their analysis. However, broader macro-economic trends and effects are largely unknown.
- Need a **study on how cash may be affecting inflation and other macro-economic indicators in Somalia**. Such a study would certainly be warranted, and it would depend on sufficient data across sectors and financial markets, data that may not be available/sufficient for dependable analysis.

Alignment with HRP

- There needs to be **better alignment between cash support and the Humanitarian Response Plan**. Ground Truth Solutions and others are already collecting data/information from affected populations to inform the HPC/HRP/HNO processes. However, it is unclear how bi-lateral targeting and support aligns with these.

Role of the government

- The **role of the government** was raised by various participants. Need to address the root causes of prolonged vulnerability before moving to safety nets. This is a central feature of the BRCiS and Danwadaag programmes and yet the balance between immediate humanitarian action and government led support remain unclear.

Actions and Next Steps

1

Follow-up on the HEA and MEB study and its implications on current social protection programming. This study will reveal aspects of how minimum expenditure baskets and food insecurity are being addressed through cash and other programming.

2

Make links between cash programming and the findings/recommendations from the MYHP impact evaluation. The MYHP impact evaluation will continue to be included in various analyses as a foundation for programming decisions.

3

Fix FSNAU dashboard---dispel the myths associated with market volatility and how this affects food prices during an emergency. FSNAU remains a vital source of data and information regarding food security across Somalia. Any efforts to improve/support their work will undoubtedly benefit the response.

4

Need for follow-up analysis after cash distribution. Analysis tends to focus on immediate gains/issues, rather than longer term effects. While this is true, given the malleability of cash, longer-term effects would be very difficult to assess.

5

Wider facilitation of learning from Radio Ergo and SDRI on the exclusion aspects of mobile money. This is an important aspect of cash programming and the insights of these organisations and others will be vital for understanding targeting and who is excluded when and why. *Radio Ergo share reports with MESH monthly.*