



AFGHANISTAN EMERGENCY RESPONSE MECHANISM (ERM)

CASE STUDY FINDINGS



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CASE STUDY FINDINGS – AFGHANISTAN EMERGENCY RESPONSE MECHANISM (ERM)

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 programmes (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 Afghanistan Emergency Response Mechanism (ERM) was selected as a case study to illustrate the ‘alliance’ form of inter-agency collaboration for sector-focused cash assistance, with semi-formal relationships and separate funding flows between members. It is distinctive from other cases in that cash assistance is, for the vast majority of beneficiaries, provided by members on a one-off basis in response to immediate shocks and displacement.

Key findings from this case study include the following:

- Significant levels of collaboration and consistency were achieved despite the lack of formal contractual relationships between members.
- A decision to shift from a consortium to an alliance model illustrates the challenges members (and their donor) faced in trying to manage the ERM under a single grant agreement.
- While collaboration does not seem to have led to increased costs, it seems it has not offered successful opportunities to work together on improving cost efficiency.
- The alliance model has made it easier to adjust the membership of the partnership, enabling adjustments in geographic and beneficiary outreach.
- Tools and approaches developed jointly by members have enabled effectiveness gains. However, respondents have also noted risks associated with this level of harmonisation.
- ERM tools and approaches appear to be disseminated widely among humanitarian coordination structures, and so are likely to contribute to the wider cash response.
- Efforts to enable a shift of resources between members illustrate the potential benefits of collaboration in coping with an uncertain context and rapidly changing needs, despite practical challenges faced in resorting to such mechanisms.
- The limited availability of (consolidated) information regarding the ERM’s outputs and outcomes prevents discussions on best practices, or members’ efforts to keep each other accountable.

I CRISIS AND CTP CONTEXT

The ERM was established as a rapid-response mechanism to meet the emergency food, shelter/NFIs, protection and WASH needs of internally displaced persons (IDPs) affected by conflict or natural disasters across Afghanistan. Following the withdrawal of the bulk of international armed forces from Afghanistan, an increasing number of provinces have been affected by **conflict between Afghanistan's National Security Forces (ANSF) and non-state armed groups (NSAG)**. This conflict has resulted in the internal displacement of 197,000 people between January and September 2015, with a further 250,000 new IDPs projected for 2016.¹ In addition, Afghanistan is highly vulnerable to and regularly affected by **natural disasters, including floods, earthquakes, landslides and drought**, with an annual average of 235,000 people affected.² ECHO estimates that there were over 100,000 new IDPs in Afghanistan in 2015, bringing the total number to just under one million.³ Furthermore, an additional 175,000 **Afghan refugees in Pakistan were expected to return** to Afghanistan in 2016.⁴ Often already highly vulnerable, **many of these displaced populations suffer from restricted access to basic services and humanitarian assistance**, particularly in remote or conflict-affected areas. Of particular concern to humanitarian actors is the inadequate access to food, housing, water and sanitation, as well as significant protection concerns associated with living conditions in displacement.⁵

The **emergence of cash assistance in Afghanistan has been slower than in other parts of the world**, notably as a result of challenging conditions, including poor financial literacy of vulnerable populations, limited financial and market infrastructure (particularly in remote and conflict-affected areas), high levels of corruption, and access constraints. However, in recent years, **cash assistance has increasingly emerged as a relevant and efficient response modality** given the level of needs and access constraints, which make the transportation, storage and distribution of large amounts of in-kind items highly challenging. While some clusters – including notably Food Security and Agriculture (FSAC) and Shelter/Non Food Items (NFI) – have integrated the potential use of cash and voucher modalities into their sector planning process for a number of years, the importance of cash has gradually increased in recent years with WFP's launch of cash programming at scale after 2012, and the establishment of a Cash and Voucher Working Group (CVWG) as a multi-sector group in 2014. 3W (Who, What, Where) maps indicate 80,000 households were reached through cash modalities in 2014 (including cash for work and vouchers), while the 2016 HRP includes a budget item for multi-sector cash transfers and notes that 'The use of cash transfer modalities [...] will become increasingly expedient as access for large scale direct aid distribution is constrained.'

2 ERM FORMATION AND EVOLUTION

The ERM is a long-standing 'ECHO flagship' programme that has evolved significantly in its structure, objectives and focus since its inception in 2011. **Initially a consortium** of five partner INGOs led by Solidarités International (SI), the ERM's first three rounds (2011 to 2013) were implemented under a single ECHO contract to SI, who in turn had sub-agreements with the other four partners. However, despite programmatic achievements, the consortium broke down in 2013 because of tensions between member agencies around administrative and financial management issues, as well as a failure to harmonise approaches and interventions resulting in the consortium presenting significant discrepancies in the field. With no agency willing to take the lead of the consortium any more, ECHO and partners decided to **shift models of collaboration towards a 'partnership' model** (generally referred to as an 'alliance' model in other contexts).

Under this new model of collaboration, which remains in place to date, **agencies submit separate but coordinated applications to ECHO**. While the initial round of coordinated applications included many discrepancies, significant efforts from ECHO and partners over the years have led to the creation of a **highly detailed Common Rationale document**. Launched in late 2014, and revised annually to include improved tools as well as new pilots (for instance the introduction of individual protection assistance in 2016), this quasi-contractual document

¹ 2016 Humanitarian Response Plan for Afghanistan.

² 2016 Humanitarian Response Plan for Afghanistan.

³ 2016 ECHO Humanitarian Implementation Plan (HIP) for Afghanistan and Pakistan.

⁴ 2016 Humanitarian Response Plan for Afghanistan.

⁵ OCHA 2016 Humanitarian Needs Overview for Afghanistan.

(extensively referred to in the eSingle Form) forms the backbone of the ERM programme, and **sets out common objectives, results, activities, indicators, standards, tools, approaches and coordination mechanisms** that partners commit to abiding by. While membership of the ERM has changed over time, with some agencies joining and others departing, the Common Rationale has provided admirable stability and consistency throughout these changes, despite the absence of formal contractual relationships between partners.

In its current iteration (ERM 6, which runs from May 2016 to April 2017), the **ERM includes seven partner INGOs receiving collectively 12 million euros from ECHO under five grant agreements**: Action Against Hunger (ACF), ACTED (as an implementing partner of PIN), the Danish Committee for Aid to Afghan Refugees (DACAAR), the Danish Refugee Council (DRC), the Norwegian Refugee Council (NRC), People in Need (PIN) and SI (as an implementing partner of ACF). Partners **generally implement the same activities in different geographic areas**, with the exception of DACAAR being responsible only for WASH implementation. In addition, **most agencies lead a specific technical function** for the group, working on the design of tools and approaches as well as providing capacity-building to other members. This includes mobile data collection for ACTED, WASH for DACAAR, coordination for DRC, communications for ACF, and protection for NRC. Partners specifically commit to the following collaboration in the Common Rationale: (i) coordinate geographical coverage and response; (ii) leverage technical capacity and organise specific capacity building; (iii) manage mutual support, including logistics, access and human resources; and (iv) ensure protection principles are mainstreamed.

3 ERM COLLABORATION STRUCTURES

Partners have **no formal contractual relationship** (except in the case of implementing partners of agencies directly funded by ECHO). However, their project proposals are quasi-identical, with most sections extracted directly from the Common Rationale (exceptions include sections related to specific geographic areas, beneficiary calculations, budgets, or additional technical functions). In addition, **each partner lists other ERM agencies as potential implementing partners** to allow, if necessary, for the signature of an MoU to transfer funds from one agency to another in case of levels of need in one member's target area that exceed that partner's resources (though such a direct transfer of funds has never happened in practice). Each partner's budget and scope of work is discussed directly with ECHO, and members do not (formally) coordinate proposal submissions or total budget requests except in terms of geographic target areas.

As a result, **coordination between members of the alliance is informal**, with an 'informal' (no specific Terms of Reference) consortium coordinator who is not fully dedicated, but also serves as programme manager of their agency. Programme managers meet monthly in a technical ERM meeting to discuss respective achievements, challenges, potential for operational collaboration at field level (sharing of resources) and joint advocacy messaging. A steering committee, composed of country directors and ECHO, meets on a quarterly basis to discuss more-strategic issues. **ECHO, as a donor, is significantly involved** in the coordination and management of the programme, attending steering committee meetings (systematically) as well as technical meetings (where relevant), contributing to annual Common Rationale review workshops and endorsing formally any change to standard tools and documents, compiling partner reports on a monthly basis, and formally approving any response targeting over 100 households, as well as a range of 'exceptional' cases such as the use of cash for work (see below) or the targeting of undocumented Afghan refugees.

4 PROGRAMME DESIGN FEATURES

The ERM programme design features are outlined in detail in the Common Rationale document. ERM is distinct from other case studies in that its primary aim is **to respond to the immediate needs of IDPs across Afghanistan through the very rapid, but one-off provision of assistance** (except in exceptional circumstances described below). It is in many ways a **preparedness framework**, where beneficiary targets per area or partner are not set in advance, but instead partners pre-position capacity (in the form of staff, tools, knowledge, processes and financial resources) to respond very rapidly to acute needs that arise at the onset of conflict or natural disaster-related population displacements. As noted in partners' shared eSingle Form: 'This action is predicated on the need to respond swiftly to localised shocks, both conflict and natural-disaster related. The proposed actions therefore focus on achieving high quality and timely response through, among other actions, common rapid assessments, prepositioning of emergency response supplies and maintenance of emergency response teams capable of travelling at short notice to shock-affected areas.'

The ERM is also distinctive in that it is **not an exclusively cash-based programme**. Its objective is multi-sectoral, and so the assistance provided can include (depending on need and assistance): (i) standard assistance (sufficient to meet food and NFI needs for one month, as well as emergency shelter where necessary); (ii) additional individual protection assistance (IPA) for most vulnerable households (additional cash or in-kind items, additional shelter assistance); and (iii) WASH assistance. While the WASH assistance is provided in-kind and focuses on service delivery (with the exception of hygiene kits that can be monetised), the standard assistance and IPA are generally monetised, except where markets are not adequate (lack of supplies or elasticity) or not accessible to beneficiaries (for security or access reasons). The **programme design strongly favours the use of cash**: '[Cash-based programming] has been chosen as the most appropriate response modality that allows the beneficiaries flexibility and dignity in resolving their most immediate needs.' Despite being 'earmarked' for certain sectors or items, all cash provided through ERM is unrestricted, and the vast majority is unconditional (except for the provision to implement Cash for Work in specific cases where access is severely affected by a disaster and light infrastructure repairs are essential for market recovery).

Levels of collaboration: The table below shows the degree of collaboration achieved by ERM partners across the various stages of the CTP project cycle.⁶

⁶ 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	Harmonisation of design	Partners use the same tools and framework, but analyse and report separately for each geographic area.
Market analysis	Harmonisation of design	Partners use the same tools and framework, but analyse and report separately for each geographic area.
Operational feasibility analysis	Harmonisation of design	Based on market and needs assessment, conducted using shared analysis and decision-making tools, but by each agency separately for its geographic areas.
Modality selection	Harmonisation of design	Decisions based on a common framework (market assessment, prioritisation of UCT), but by each agency separately for its geographic areas.
Funding	Information sharing	Informal information sharing on funding and budgets can occur, but on a case-by-case basis. The exception is when a partner runs out of resources, but has needs in their area, in which case other members seek to re-allocate savings.
Targeting & vulnerability selection	Harmonisation of design	Partners share household assessment tools, selection criteria and data management tools (electronic data collection). However, results of the selection process are not shared or analysed jointly for learning, and each partner makes decisions for their area independently.
Contracting FSPs & CDM	Information sharing	All partners rely on a similar hawala mechanism, but based on individual agency decisions. Information is shared on available FSPs and their rates.
M&E	Harmonisation of design	PDM tools and logical frameworks are standardised, and partners collaborate concretely for data management (with electronic data collection). Analysis is conducted separately, and not shared formally, and there is no overview of the ERM's achievements as a whole. Attempts at peer monitoring have been discussed.
Protection	Harmonisation of design	Partners consistently mainstream protection using a shared framework and joint tools and approaches. Some partners provide capacity-building to other members, indicating minor degrees of collaborative implementation.
Exit strategy/Link to SP	No collaboration	This topic is not addressed by ERM partners in the Common Rationale or through other means.

Targeting and beneficiary selection: ERM partners have a clear process and straightforward framework for beneficiary selection and targeting, which is consistent and harmonised between members. Partners build relations with other humanitarian actors and local authorities in each of their target areas, and regularly monitor the situation in order to identify reports of disasters or displacements. Upon notification of an emergency, ERM partners have up to five days to trigger an emergency assessment (in coordination with OCHA and other actors if feasible, but not if it will delay response). This emergency assessment is based on standardised tools that include: (i) a rapid market assessment (see details below in modality selection); and (ii) a household-level assessment, assessing every single household reported to be affected (to avoid use of key informants and associated risks of politicisation of aid). An ERM Assessment Report (using an agreed template) should be prepared following all assessments, irrespective of whether a response is proposed or not. The assessment report should then be shared with ERM partners, ECHO and the Humanitarian Community within two days after the end of data collection.

This **household-level survey and the corresponding database forms the basis for beneficiary selection**. All households found to be directly affected by a conflict or natural disaster, and displaced for less than six months by the time of notification, are eligible for standard ERM assistance. In exceptional cases, with ECHO approval, undocumented Afghan refugee returnees (ineligible for UNHCR's cash assistance) can be targeted by ERM partners. Depending on the assistance received from other humanitarian actors, they can receive food and/or NFI assistance, as well as emergency shelter (usually in the form of tents) in case they are sleeping in the open. In addition, beneficiary households who meet at least two of nine vulnerability criteria are eligible for additional IPA assistance. These criteria are '**standard**' vulnerability criteria, which can, for the majority, be directly observed by field teams: unaccompanied minors, chronically ill members, women at risk or having suffered from GBV, high number of children under five, high debt, disability, absence of breadwinner. If a beneficiary is eligible for additional IPA assistance, a specific IPA assessment (using a standardised tool) is triggered, and a request for IPA approval is sent to the ERM Programme Manager. Beneficiary datasets are built using standardised tools, but maintained at agency level and not shared externally except in case referrals are required.

Modality and delivery mechanism selection: ERM partners **select the appropriate modality for assistance based on the aforementioned rapid market assessment**. This consists of focus group discussions to ensure the community is able to access markets, and a survey of vendors to ascertain market availability as well as determine local prices of the agreed assistance package. Again, **standard tools are used by all ERM partners** for this. In the aforementioned assessment report, each partner includes an analysis of this market assessment to determine whether a cash response is appropriate. The **default response modality is cash**, but in-kind NFI, emergency shelter or items to meet additional special needs (medical equipment, for instance) can be acceptable if necessary: 'when markets are not functioning adequately, i.e. when the necessary goods are not available or available only in limited quantities, or where beneficiaries cannot access markets.' A joint procurement, pre-positioning and stockpiling of NFI kits is part of the ERM project for such cases where in-kind assistance will be required.

At the time of the rapid market assessment, partners map the availability, cost and accessibility of cash-transfer mechanisms in the target area. In practice, **for cash transfers all partners rely on the use of the traditional *hawala* system** to bring cash into the affected area. Cash is then distributed in-hand to beneficiaries by the ERM partner. While this is recognised as a less-than-ideal transfer mechanism, it is, in the vast majority of cases, the only option given the state of financial infrastructure in target areas, and the timelines involved. Indeed, partners commit to providing assistance within five days of assessment completion. In general, partners are already familiar with available *hawala* and transfer mechanisms in their target areas, enabling them to move rapidly forward with the selection of a provider once a decision is made to respond to a shock. While partners intend to explore other potential options for cash transfer further, discussions around this to date have not produced many concrete results. It should be noted that research and documents available from other actors implementing cash responses note similar constraints, with the CVWG listing almost only *hawala* as a recommended transfer mechanism, and WFP and DFID having run small-scale pilots for mobile cash transfers – primarily in regional urban centres – with mixed results.

Transfer value and level of assistance: The ERM Common Rationale sets out a clear and consistent framework for setting levels of assistance and cash-transfer values for the different types of available assistance. The transfer amount is set for NFI assistance at 4,000 AFN (~60 US\$), with a top-up of 2,000 AFN (~30 US\$) for hygiene items if not provided by other actors and an additional 'winter top-up' of 2,000 AFN (~30 US\$) for fuel or blankets if the notification took place between 1 October and 31 March. For food, the amount set is based on the market assessment, based on local prices for an agreed standard and culturally-appropriate individual food basket (which has been endorsed by the FSAC, but is not the same one as WFP, who uses flour instead of rice), with 2,000 AFN (~30 US\$) per household added for transport and other costs; in practice, based on reviewed reports, this seems to amount on average to approximately 7,000 to 8,000 AFN (~105 to 120 US\$) per household.

Additional IPA amounts are set more flexibly, based on the individual situation of target beneficiaries as captured in the specific IPA assessment and 'case study' report, in line with the very household-specific approach of this cash-for-protection response. This can include a one-off unconditional cash transfer of up to 14,000 AFN (~210 US\$), as well as cash-for-shelter rehabilitation 'for displaced households demonstrating more than two core vulnerabilities, whose homes have been destroyed and have landownership enabling reconstruction of a new house', or cash-for-rent up to 4,000 AFN/month (~60 US\$) for up to three months for those that are highly vulnerable, but do not own land to re-build their shelter (accompanied by a trilateral agreement with the landlord and close monitoring).

Monitoring and evaluation (M&E): All ERM partners share a common logical framework (including indicators) and a common monitoring and evaluation framework, including the use of standard tools, datasets and monitoring requirements. This includes the aforementioned household and market assessment approaches, as well as a commitment to implement a standardised post-distribution monitoring within one month of the end of each response. The sampling framework for this PDM is set by the Common Rationale: all households if less than 10 targeted by a response, 10 households if less than 100 targeted, and 10% of the caseload if over 100 targeted (which does not appear to be linked to statistically representative sampling frameworks), with an equal representation of men and women respondents. PDM tools and report templates are standardised, and in line with contractual reporting requirements and the ERM objectives: they include questions regarding amounts received, food consumption, expenditure patterns, satisfaction with assistance, preference for cash and/or in-kind and duration of the assistance. They remain, however, relatively basic and from the few PDM reports reviewed for this study, do not seem to allow for in-depth analysis (in the absence, for instance, of comparison between pre- and post-intervention situations). Furthermore, in the case of additional IPA assistance, a specific IPA PDM must be administered to each target household, also within 30 days of assistance being provided.

There is less clarity, however, on the joint use of this M&E and PDM data, and it appears that there is **no formal mechanism or occasion to jointly review lessons learnt from these, nor any aggregation of different agencies' PDM data**. This could be feasible given the use of a common database structure and the recent coordinated shift to mobile data collection (which means one lead agency for mobile data receives data from all partners and then re-disseminates). Similarly, the shared logical framework and indicators are primarily output-based, with all specific objective indicators being related to timeliness (number of days between notification and assessment, assessment and assistance, and end of assistance and PDM). As a result, there is **little opportunity to measure the impact of the assistance on target beneficiaries' situations** beyond levels of satisfaction and food consumption scores (framed not in terms of improvement, but in terms of satisfactory level post-assistance), to understand how this one-month stop-gap assistance package affects the situation and living conditions of target IDP households.

Link between cash and other sectors (protection and WASH): The ERM's logical framework is built to include four results: (i) standard assistance (food/shelter/NFI); (ii) joint procurement; (iii) protection (IPA and mainstreaming) and (iv) WASH (implemented by a separate partner). The protection includes the aforementioned cash-based IPA as well as information sharing and referrals. **All partners implement these protection activities, so they are consistently integrated into the standard assistance framework**. A lead agency (NRC) develops information materials, drawing on its protection expertise to ensure adequacy of messaging and alignment with in-country standards, and trains partners on the delivery of these key messages. Furthermore, agencies are trained in the use of country-specific referral forms adopted by the Protection Cluster. While respondents to this study have raised concerns regarding the rather superficial nature of protection capacity building to non-specialised ERM agencies, **such relatively basic information-sharing and referral activities seem feasible and relevant** given the cash-based activities they complement, taking advantage of the information collected and level of access provided through comprehensive household surveys without causing significant risks to beneficiaries or responders.

In contrast, **WASH activities are implemented by a separate agency**, responsible in theory for covering disasters across the country, with the exception of hygiene kit distributions conducted together with NFI distributions by all agencies. Given the logistical and access challenges presented by the Afghan context, it **does not seem realistic** to expect one agency to ensure water access, water quality, access to sanitation facilities and waste removal across all ERM areas without very significant resources. The rationale for integrating this community-level WASH work with other ERM components, as well as the links between their implementation remain unclear, apart from the fact that disaster-affected communities need urgent WASH support. In practice, an analysis of consolidated ERM achievements between 1 May and 30 September 2016 show that while WASH activities have been implemented, they have never physically complemented other ERM responses, which suggests **little integration with other components**, and limited effectiveness gains likely from seeking such integration.

Exit strategy: Afghanistan does not have a social-safety-net mechanism, and previous attempts (notably by the World Bank) to establish these have not been successful, due particularly to the complex context in Afghanistan, high levels of corruption and the central government's limited capacities (including financial) or outreach into the provinces. As noted in the ERM common eSingle Form: 'these programmes [on-budget or quasi on-budget mechanisms (e.g. World Bank trust funds) for large, national level programmes] do not reach down to the most

vulnerable, in particular the Internally Displaced who are often systematically excluded.' Similarly, while efforts have been made to build disaster-response capacity among Afghan authorities at both central and local level, the international community's support is expected to continue to be required in the coming years. As an illustration, ECHO's HIP 2016 notes that '[...] the level of instability, the increasing number of conflict affected and displaced people, increased numbers of vulnerable returnees [...] mean that ECHO support continues to be needed in Afghanistan for the foreseeable future.' It is no surprise, then, that **little thought appears to have gone into the ERM's exit strategy, and that few efforts can be identified towards such an exit.** It should be noted that, unlike longer-term cash-transfer programmes in protracted crisis contexts, the ERM assistance only aims to help support shock-affected families to deal with the initial post-crisis period, for up to a month in the majority of cases. Nonetheless, as noted by some respondents, it seems that the continued presence of ERM partners at sub-national level, often without an ongoing crisis response, presents an opportunity to provide support and capacity building to local-level disaster response actors for a more sustainable impact.

5 PROGRAMME OUTPUTS, RESULTS AND OUTCOMES

The main challenge faced by this study in assessing the effectiveness of the ERM partnership is the **quasi-absence of consolidated information about ERM partners' achievements and results.** As such, it was **not possible to determine the extent to which ERM agencies, as a group, achieve most of the targets they set out in their shared logical framework and Common Rationale.** This appears to be one of the main drawbacks of the adopted collaboration model: with separate contracts and grants, partners have no reason or incentive to collate and compare the results of their work, and so no basis to present their collective achievements.

That said, it was possible to use an overview of outputs compiled by ECHO on the basis of each partner's standardised monthly reports to draw some tentative conclusions. The following points are based on combined ERM partner outputs under ERM 6 between 1 May and 31 October 2016. Over this six-month period, ERM responded to a total of 214 crises, the vast majority of which were conflicts (205), but also including six natural disasters and three Afghan refugee returnee influxes. Over 138,000 people were assisted through the ERM, which constitutes an average of 662 people per response. **In approximately half of these responses (108), ERM partners provided both food and NFI support,** indicating that they were the only/first available responders (given the ERM approach to meeting gaps in response). **Only 1.9% of beneficiaries assisted received in-kind support rather than cash,** indicating that the cash-based approach does indeed seem effective in the vast majority of cases. Furthermore, **only 37 households (0.2% of the caseload) received IPA,** indicating either that the strict targeting and exceptional nature of this assistance envisaged in the Common Rationale is indeed applied in the field, or, as suggested by a respondent, that non-protection partners are struggling to apply the IPA criteria in the absence of adequate capacity building. Finally, **while approximately 42,000 individuals benefited from water supply or sanitation assistance, none of these individuals benefited from standard or IPA ERM assistance,** suggesting a clear disconnect and lack of integration between the two components. As mentioned above, from this compilation of monthly reports, it was **not possible to determine to what degree ERM partners' timeliness commitment was met** for these responses.

6 WIDER CONTEXTUAL FACTORS AND CONSORTIUM ADAPTATION

Humanitarian coordination architecture: Overall, unlike other collaborations for CTP in rapid onset or larger-scale emergency contexts, **the ERM has operated in an environment with relatively few other cash-based initiatives at scale** – the exception being WFP programmes, although these were primarily voucher-based outside of major urban centres. For this reason, **advocacy for the use of cash has been at the core of the ERM vision and mandate** since its early days, and most respondents have noted the ERM’s ambition and willingness to influence humanitarian response and promote the use of cash in the Afghan context. This leadership is acknowledged by the 2016 Humanitarian Response Plan, which notes that ‘The NGO partners of the Emergency Response Mechanism (ERM), funded by the European Commission’s Humanitarian Aid Department (ECHO), have led the way in ensuring cash-based interventions are considered alongside other delivery modalities when responding to emergencies triggered by ongoing conflict or sudden-onset natural disasters.’ Given the transformative potential of the use of cash modalities at scale in a context of chronic emergencies like Afghanistan, **this alone constitutes a significant contribution to improved efficiency of the humanitarian response** as a whole.

In this context, it is no surprise that the **ERM is well-embedded in existing coordination structures, and contributes significantly to their work**. ERM partners **commit, through the Common Rationale, to aligning their advocacy in various clusters and WGs, and to ensuring coordinated representation** to speak with one voice. As noted in the introduction of its Terms of Reference, the Cash and Voucher WG ‘was and continues to be supported under an ECHO funded ERM project to establish a coordination platform and harmonise cash based interventions in Afghanistan’, and it is co-led by WFP and an ERM partner (NRC). However, as this CVWG is not a cluster, assistance delivered via cash modalities, such as ERM, is reported in the respective sectoral clusters (Food, NFI/Shelter, Protection). ERM tools – such as the framework for selecting appropriate modalities developed by NRC and Samuel Hall, the contents of the NFI package or members’ lists of financial service providers – feature among CVWG or NFI/Shelter Cluster guidance and technical documents. Furthermore, **ERM partners have successfully influenced response planning beyond their core sectors**, as is evident from the recent revision by the HCT of its inter-agency coordinated assessment framework for new emergencies drawing significantly from the ERM household-level assessment tool and approach. It will be interesting to see how this positioning and level of contribution will evolve with recent and ongoing efforts by other actors, including notably UNHCR, UNICEF, WFP and OCHA, to work jointly on developing the scope and scale of their cash-transfer programmes in Afghanistan. As the NRC has not had a CVWG lead in place for several months, and no other ERM partner has been willing to step in in the interim, **this positioning could potentially evolve in the future**.

Access and security: The sheer size of Afghanistan, and its **significant security and access constraints** (including poor transport infrastructure) constitute a significant challenge for all agencies operating in the country. In this context, the pooling of resources and capacities between seven partners with broad coverage provides a strong value-added in **ensuring capacity to respond in a wide geographic area**. Partners collectively achieve a scale and scope that would not be feasible for any single agency.

That said, the partnership remains vulnerable to some of these access constraints. In principle, contractual arrangements (inclusion by each partner of others as implementing partners in the eSingle Form) enable partners to transfer resources to one another in case of higher caseloads than anticipated in some areas to ensure that ‘in cases where one partner has access but another partner doesn’t, the ERM partners would be able to utilise each other as implementing partners for a specific caseload on an ad-hoc basis’. In practice, however, this has not materialised as **partners prefer instead to step in to other partners’ target areas to directly provide assistance where support is required**, according to some respondents to avoid shifting financial resources and risk losing associated support costs. **Divisions of areas of intervention agreed in theory at the start of each round do not prevent competition** between ERM members for coverage of populations displaced into more accessible areas of Afghanistan (as reported by a key informant in at least two instances). Attempts at operational collaboration through the sharing of staff, office space or transport capacity have reportedly rarely been successful. Finally, while the ERM should, in theory, allow for sharing of knowledge between field teams, coordination and capacity-building initiatives generally target staff at national level, while **staff at field level rarely have opportunities to collaborate or learn from one another** as a result of movement constraints.

7 PERCEPTIONS AROUND EFFECTIVENESS AND EFFICIENCY

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

One respondent has described the ERM Programme, by nature, as **'absolutely not cost-efficient'** due to its reliance on the 'pre-positioning' of teams, vehicles and other resources to enable a rapid response should a shock arise. However, the resources are not always used to respond to shocks impacting large numbers of beneficiaries, and so the pre-positioning cannot always benefit from the cost savings of a larger-scale response. Where shocks lead to large-scale responses, these are effective and more efficient thanks to this existing capacity, but where only few beneficiaries are targeted the costs per response are high.

Respondents indicate **limited efforts between partners to jointly improve cost efficiency**, and costs or budgets are rarely discussed. Recent efforts have taken place, with ideas to try to share facilities or staff to reduce costs, but these have not been possible due to security or logistical challenges. While there are **no costs to the collaboration (in the absence of dedicated coordination resources)**, it does not seem to enable cost-saving either, and in fact working together was believed to make little difference to agency budgets. Attempts at reducing costs by working together on a joint procurement have proved counter-productive, as the final cost of NFI kits procured through this mechanism has been higher than similar items purchased by individual members.

The ERM model results in **significant costs for ECHO**, who has a TA nearly dedicated to its oversight. This is due to ECHO's strong involvement, and also to the ERM design which relies quite heavily on donor input even for operational implementation. ECHO's close involvement into ERM has been described as an opportunity, not a cost, which has been **useful for advocacy purposes**. For instance, the use of a household survey tool has shown that IDP lists received from local stakeholders (previously the basis for UN inter-agency planning) included, on average, 30% of ineligible households.

While ECHO might have initially favoured a single consortium and contract, recent history has shown that this was **not necessarily more effective, and the current model is considered to be acceptable** – though consolidation from 5 to 2–3 contracts would be preferred for efficiency of contract management. The **current 'partnership' model was described as enabling more effective collaboration than the previous consortium model**. Previous challenges and constraints at the end of ERM 3 showed that while a consortium can reduce contract management costs and time when it works, it can also create significant challenges and costs. As a result, it was thought that **consortia should never be encouraged by a donor unless they arise organically** (and even then, it should be clear they are based on a shared programmatic vision rather than a fundraising opportunity).

Collaboration has, however, reportedly improved effectiveness in that it has led to **the adoption of shared tools and frameworks that draw on best practices of different members**. It has also **influenced the response of the wider humanitarian community**, beyond consortium members. However, because of the heavy institutional framework around these tools, it has **now become harder to adjust and improve them** (as in the case of the PDM), as this has significant consequences across a number of agencies. The Common Rationale's emphasis on speed and timeliness of response has also provided a **strong incentive for a more timely response by all members**. Mutual pressure has led to members integrating and abiding by this timeliness commitment.

The **Common Rationale was described as the 'guarantor' of ERM's stability and continued effectiveness** despite high staff turnover among NGOs in Afghanistan: the framework stays and people adapt to it. An associated risk, however, is that if the ERM process becomes too 'mechanical' and creativity elements are lost, **people may gradually lose interest and ownership**, which could lead to the ERM becoming irrelevant as the context evolves. To combat this, the introduction of annual pilots and improvements was found to be essential.

It was reported that the ability to pilot and fine-tune new elements during each **cycle** before integrating them into the Common Rationale at scale enabled the **testing and improvement of tools and approaches**, and is seen as a significant driver of the ERM's effectiveness.

One partner identified a **risk of ERM being the use of cash even when it is not appropriate** because it is easier for agencies and enables quicker results and improved cost efficiency. WASH was cited as one example where monetisation has its limits, but not the only one. It was felt that such concerns could not always be raised openly because they go against the assumptions at the core of the ERM's design.

Concerns were also raised regarding the **absence of an exit strategy** for the ERM, and the failure to effectively involve local authorities (despite their capacity gaps). The initial ERM objective was described as meeting gaps left by other responders' (UN, government) inability to respond in a timely manner, but was now reported to have replaced existing capacity, which is risky in the long term.

8 KEY FINDINGS AND CONCLUSIONS

The evolution in the form of the collaboration, and the shift after three years from a consortium to an alliance model, illustrates the **challenges members and donors faced in dealing with a single contract** without a strong willingness to collaborate. It also shows the potential for ensuring **collaboration and consistency through a less-formal alliance model and adjustments over time** – although it has required significant donor involvement and a willingness to manage multiple contracts. Through the use of a Common Rationale and associated set of tools, the ERM displays an **impressive degree of consistency and harmonisation** across the cash-transfer cycle, despite the absence of formal contractual relationships between members and a high staff turnover.

The model is noted by respondents as **inherently not cost-efficient** because of its specific design features, including preparedness elements and the need to pre-position capacities where disasters and displacement might not occur. While the **collaboration between partners had not led to increased costs** (given the lean coordination structure), it seems it has also **not offered successful opportunities to work together on improving cost efficiency**, notably as a result of logistical challenges inherent to the Afghan context (poor mobility between regions). This model, and specific programme design features of the ERM, however, have **required a high level of engagement (and investment) from ECHO as a donor**.

The **alliance model has also made it easier to adjust the membership** of the partnership, with members joining or leaving the ERM as required to enhance geographic and beneficiary outreach despite a changing access context. This has benefited effectiveness by enabling scale of response across the ERM, although **some competition remains** between members in geographic areas that are considered to be easier to access.

As it is based on extensive discussions between members, and efforts to adopt best practices from different agencies' field experiences, it seems that the **tools and approaches developed jointly are of better quality than individual agencies'**, which is likely to result in effectiveness gains. However, respondents have also noted **risks associated with this level of consistency**: efforts to review tools and change established approaches are time-consuming, and somewhat dis-incentivised. This implies that **partners might settle for the lowest common denominator** to reach approval, and also that **established frameworks might become less relevant or effective** in the long run if they fail to adapt to changing circumstances (including the rapidly-evolving cash-transfer ecosystem in-country). This latter risk is somewhat mitigated by efforts to revise the Common Rationale on an annual basis, by introducing improvements based on lessons learnt as well as piloting new approaches, which seems to be a good approach provided that these adjustments are not too superficial.

ERM partners' **tools and approaches appear to be shared and disseminated widely** among humanitarian coordination structures, which enables their use by cash actors outside of the core partnership. These efforts to promote the use of cash and share the result of initial investment in tool development have been recognised as valuable by inter-agency planning documents, and are likely to **contribute to the Afghan emergency response's overall cost-effectiveness**.

Efforts to enable a **shift of resources between members illustrate the potential benefits of collaboration** in coping with an uncertain context and rapidly-shifting needs. While these frameworks could enable improved effectiveness through flexibility, **agencies appear to be reluctant in practice to share resources between members**, given internal implications.

The **limited availability of (consolidated) information regarding the ERM's outputs and outcomes**, due to both a lack of consolidation and the limited scope of partners' M&E work (no comparison of pre/post assistance situations, for instance), does not offer strong evidence to enable discussions between members on maximising effectiveness. Consolidation of partners' achievements at the level of partners (as opposed to the donor) could provide an **opportunity for discussions between members on best practices, and help partners keep each other accountable**. This would likely help build confidence in the value of the programme and its design features, as well as between partners.

Sources:

- ERM common proposal template (eSingle Form) (last version as of December 2016)
- ERM Common Rationale and annexes (last version as of December 2016)
- Example of one partner's mid-term report (including PDM data analysis)
- Overview of ERM partner achievements on ERM VI up to 31 October 2016 (compiled and shared by ECHO)
- 2015 and 2016 ECHO Humanitarian Implementation Plans (HIP)
- 2015 and 2016 consolidated response plans for Afghanistan (Strategic Response Plan and Humanitarian Response Plan)
- Cash Working Group documents available online (3Ws, meeting minutes since September 2015, Terms of Reference, presentations and technical guidance documents)
- CaLP Cash Atlas
- NRC/Samuel Hall/UNHCR/ECHO, Cash and protection action research (December 2015)
- NRC/Samuel Hall, A practical guide for practitioners of cash-based interventions in Afghanistan (December 2015)
- WFP/Samuel Hall, WFP effectiveness study (March 2013)
- Samuel Hall, Humanitarian assistance through mobile cash transfer in Northern Afghanistan (May 2014)

Key Informant Interviews:

- Marco Menestrina (ECHO Technical Advisor overseeing ERM, previous ERM Coordinator for DRC, and ERM Programme Manager for PIN)
- Emanuela Mackova (PIN Head of Programmes, previous ERM Programme Manager for PIN)
- Luc Verna (previous ECHO Technical Advisor overseeing ERM)
- John Morse (DACAAR Country Director)
- Katherine Carey (OCHA) and Pia Jensen (UNHCR), both acting CVWG co-leads



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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