

**Working paper 505**

Counting cash: tracking humanitarian expenditure on cash-based programming

Alexandra Spencer, Chloe Parrish and Charlotte Lattimer

Key messages

- Data from aid agencies suggests that, in 2015, at least \$1.9 billion was spent on humanitarian assistance in the form of cash-based responses (51% cash and 49% vouchers).
- There is currently no systematic tracking of the volume of humanitarian assistance delivered in the form of cash and vouchers. As such, the international system is not ready to report on its cash-related commitments from the 2016 World Humanitarian Summit and the Grand Bargain.
- The overarching barrier to better data on expenditure by modality is the lack of a single, comprehensive systematic means of reporting on programming by cash, voucher and in-kind assistance. Establishing a common approach requires a concerted global effort to develop and align systems and standards, promote comprehensive reporting, and ensure that information is analysed and used.

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Acronyms

CaLP	Cash Learning Partnership
CRS	Organisation for Economic Co-operation and Development – Development Assistance Committee’s Creditor Reporting System
CWG	Cash Working Group
CERF	UN Central Emergency Response Fund
DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
DFID	UK’s Department for International Development
DI	Development Initiatives
ECHO	European Commission’s Department of Humanitarian Aid and Civil Protection
FFP	US Agency for International Development Office of Food for Peace
FSP	Financial Service Provider
FTS	UN Office for the Coordination of Humanitarian Affairs’ Financial Tracking Service
HXL	Humanitarian Exchange Language
IATI	International Aid Transparency Initiative
INGOs	international non-governmental organisations
NGOs	Non-Governmental organisations
OCHA	UN Office for the Coordination of Humanitarian Affairs
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OPS	Online Project System
oPt	occupied Palestinian territories
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
UNRWA	United Nations Relief and Works Agency
USAID	United States Agency for International Development
WFP	World Food Programme

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Executive summary

Assistance provided as cash or vouchers to people affected by humanitarian crises can offer greater choice and empowerment compared with assistance provided as goods in kind. At the World Humanitarian Summit in May 2016, many of the world's largest humanitarian donors and agencies made a set of commitments, as part of a 'Grand Bargain', to improve the efficiency, effectiveness and accountability of humanitarian assistance. Among the commitments was an agreement to 'increase the use and coordination of cash-based programming' (Grand Bargain, 2016).

There is currently no accurate, globally comparable data on the volume of assistance delivered in the form of cash and vouchers, though previous research has provided estimates (Development Initiatives, 2012-2016; ODI, 2015; Development Initiatives, 2015). Reliable and comparable data is needed to accurately monitor progress towards the Grand Bargain commitments and hold signatories to account, but also to continue improving the efficiency and effectiveness of humanitarian assistance for crisis-affected populations.

This working paper aims to begin filling the data gap by providing a baseline estimate on the volume and nature of cash-based programming in 2015. Most of the largest implementing agencies of cash and voucher programming have provided us with data on their organisational expenditure relating to cash-based humanitarian programming. By combining this with data from secondary sources, we have established the most accurate estimate yet of overall global expenditure.

Our research suggests that, in 2015, at least \$1.9 billion was spent on humanitarian assistance in the form of cash or vouchers. Of this total, two-thirds (\$1.2 billion) was delivered by UN agencies, \$541 million by non-governmental organisations (NGOs), \$102 million by the Red Cross and Red Crescent Movement, and \$3.9 million by 'others'.¹

Where disaggregation of the total is possible, the vast majority (84%) of cash-based programming was provided unconditionally, while just under half (49%) was delivered in the form of vouchers. The majority of

voucher programming is delivered by the World Food Programme (WFP); in 2015, approximately 80% of its cash-based programming was delivered in the form of vouchers. According to our data, NGOs appear to deliver much more of their assistance in the form of cash – with 86% of transfers provided by NGOs delivered in this way.

Data reported to the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS) indicates that the largest donors of cash- or voucher-based programmes in 2015 were the US, EU institutions, and the UK. Collectively, they provided an estimated 74% of total donor-allocated funding to identified programmes. The largest four recipient countries combined – Syria, Lebanon, Palestine and Jordan – received almost three-quarters (73%) of all funding for cash-based programming.

We urge caution when using the baseline estimate to calculate the proportion of total international humanitarian assistance provided in the form of cash and vouchers: our data is derived from different sources than those used to calculate annual amounts of total international humanitarian assistance.² However, to put the data into context and taking this caveat into consideration, cash-based programming was equivalent to approximately 7% of international humanitarian assistance in 2015.

Priority recommendations

There is currently no single, systematic means of tracking financial investments in cash-based programming. We conclude that the international system is not currently ready to report on its cash-related commitments at the 2016 World Humanitarian Summit, including commitments made within the Grand Bargain. Establishing a common approach requires a concerted global effort to develop and align systems and standards, promote comprehensive and comparable reporting, and ensure that information is well analysed and used.

-
1. 'Other' includes funding reported directly to us and delivered by a government agency, as well as data reported to UN OCHA's FTS under the private organisations and foundations, and 'other' appealing agency types.
 2. Our annual estimate of international humanitarian assistance is derived from a combination of data from Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN OCHA FTS, the UN Central Emergency Response Fund (CERF) and a unique dataset on private humanitarian assistance. See the *Global Humanitarian Assistance Report 2016* (Development Initiatives, 2016) for more detail. As these sources do not provide detail on funding for cash-based programming, the estimate in the report is derived from data collected directly from organisations implementing cash-based programmes, triangulated against data from OCHA FTS.

The overarching barrier to better data on expenditure by modality is the lack of a single, comprehensive systematic means of reporting on programming by cash, voucher or in-kind assistance. We consider the FTS and International Aid Transparency Initiative (IATI) Standard as the best long-term options for systematic global reporting on cash and voucher expenditure. However, a number of outstanding issues will need to be resolved before these tools are able to collect and provide reliable, accurate and comparable data.

Our recommendations to establish a common approach to cash tracking is contingent on achieving three key objectives:

1. Systematic reporting of funding by programming modality;
2. Development and implementation of standardised reporting norms for data on cash-based programming; and
3. Comparable and consistent terminology and data.

We consider the priority recommendations for achieving these three objectives to be:

- Advocate for and invest in the FTS and IATI as the best long-term options for systematic global reporting on cash and voucher expenditure.
- Develop a standard template for the reporting,

collection and collation of ‘Who does What, Where’ data on assistance by modality, with cash- and voucher-specific fields, and coordinate its use at country-level. This data can be linked with the funding data on the FTS to give a picture of actual expenditure and delivery by modality.

- Agree categories for and levels of disaggregation on cash-based programming to ensure complementarity across individual organisation and system-wide reporting systems.
- Begin to standardise the language used by different stakeholders to describe cash-based programming by adapting and adopting relevant terms for common reporting, using the Cash Learning Partnership (CaLP) glossary as a starting point.

This work will need to be closely coordinated through inclusive mechanisms, bringing in technical inputs from a range of organisations that are implementing and financing cash-based programmes. We recommend that aspects of this work be taken on by a number of existing global and country-level working groups, rather than establishing a new forum specifically focused on financial tracking of investments in cash. To ensure that initiatives are complementary and momentum is sustained, this endeavour will require strong leadership and oversight from operational agencies and donors.

1. Introduction

In recent years, under stretched resources to meet seemingly ever-growing humanitarian needs, the potential role of cash-based programming has gained growing levels of attention. In certain contexts, cash and vouchers are seen to offer comparative advantages to in-kind assistance (ODI, 2016). Growing evidence of the efficiency and effectiveness of cash, combined with the commitments on cash made as part of the Grand Bargain, has led to a tipping point in the use of cash and vouchers for the provision of assistance to people affected by crises.

The Grand Bargain commitments on cash include an agreement from donors and agencies to:

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

More comprehensive, accurate and detailed data on humanitarian expenditure by modality is essential in order to hold Grand Bargain signatories to account and track overall progress towards a more efficient, effective and accountable humanitarian system. Financial data, if combined effectively with comparable data on results and impact, can support evidence-based decision-making on

the most appropriate modalities for providing assistance to crisis-affected populations.

This is not the first attempt to quantify humanitarian expenditure on cash-based programming, but we believe that it is the most accurate and comprehensive. In 2015, the High Level Panel on Humanitarian Cash Transfers, using its own methodology, estimated that expenditure on cash and voucher programming represented around 6% of total humanitarian assistance (High Level Panel Report, 2015). Our previous publications estimated expenditure based on a key word search of titles and descriptions of projects reported to the UN Organisation for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS) or the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee's (DAC) Creditor Reporting System (CRS). Expenditure on cash-based programming was subsequently estimated by manually coding each project as 'partially' or 'fully' related to cash (Development Initiatives, 2012). However, lack of detail in project descriptions and on the volume of the cash element in 'partial' programmes limits the reliability of this word-search method. The scope for its inaccuracy is based on two main reasons: first, it relies on the reporting organisation including a key word pertaining to cash or voucher programming in the project title or description, so any projects reported with insufficient detail, or using words not included in our key word list, are not captured; second, it is impossible to establish the proportion of overall expenditure on the cash or voucher element for projects identified as 'partially' related to cash, making it difficult to reach an accurate estimate of overall expenditure on such programmes.

Section 2 presents our new baseline estimate on the quantity of cash-based programming expenditure, providing a breakdown of the data. Section 3 summarises the main challenges and options identified through consultations with external stakeholders for improved systematic reporting and tracking of global humanitarian expenditure on cash-based programming. Finally, we put forward a series of recommendations to work towards better, more globally comparable data in the future.

3. See: http://reliefweb.int/sites/reliefweb.int/files/resources/Grand_Bargain_final_22_May_FINAL-2.pdf.

Box 1: Key definitions

There is some variation in the technical terms used by different groups, organisations and stakeholders to describe elements of cash and voucher programming. For this research we have predominantly used the Cash Learning Partnership (CaLP) glossary, supplemented with our own definitions for the purposes of this research. Key terms used throughout this paper and their definitions include:

- **Cash-based programming:** The provision of cash or vouchers
- **Cash transfer:** The direct provision of cash to beneficiaries
- **Condition:** Actions that must be taken to receive a cash transfer or voucher or subsequent instalment (e.g. sending children to school, attending training, rebuilding part of a house)
- **Modality:** The form in which assistance is provided to beneficiaries (e.g. in the case of this paper, the main modalities are cash, voucher and in-kind)
- **Multipurpose:** Transfers intended to address needs that fall under a range of humanitarian response sectors
- **Sector specific:** An intervention designed to achieve objectives in specific sectors
- **Voucher:** A paper, token or e-voucher that can be exchanged for a set quantity or value of goods, denominated as a cash value (e.g. \$15), predetermined commodities or services (e.g. 5 kg maize; milling of 5 kg of maize), or a combination of value and commodities. These are redeemable with preselected vendors or in 'fairs' created by the agency.

2. How much humanitarian assistance is currently spent on cash-based programming?

2.1. Methodology and data caveats

This research sets out to establish a baseline estimate of cash-based programming. The paper presents estimates of both the value of transfers to beneficiaries and an overall cash and voucher programming figure. Where data is available, the analysis is disaggregated by modality and conditionality.

2.1.1. Methodology overview

Data was collected from 20 organisations through collaboration with CaLP, whose members were asked to supply data on the volume of their cash-based programming in 2015. To fill gaps and avoid double counting, the data was then triangulated against a download of data from OCHA's FTS to arrive at a baseline figure. The data from FTS required a forensic keyword search to highlight cash and voucher programmes from the project description field.

A number of agencies that contributed to this study were only able to provide data on the value of cash and vouchers distributed through their programmes. For those agencies, we have estimated programming costs (i.e. the total amount spent, including overheads). To do this, we tracked the expenditure of a number of organisations working across a variety of programming environments where the cost of implementation varied depending on a number of factors, including the strength of markets and the security situation.

There are a number of caveats to the analysis presented in this paper that need to be highlighted:

2.1.2. Comparing cash to total international humanitarian assistance

While this study does estimate the total volume and proportion of humanitarian assistance provided in the form of cash and vouchers in 2015, as noted above, we recommend using our proportional estimate with caution, as each respective total relies on different data sources and therefore does not allow for an easy comparison.

Our estimate for international humanitarian assistance uses data from OECD DAC, OCHA's FTS, UN Central Emergency Response Fund (CERF) and our own unique dataset of private voluntary contributions. In this analysis of cash programming, however, the data is derived primarily from implementing organisations; OCHA's FTS is the only data source of those listed above used to supplement the data collected from these.

2.1.3. Potential underestimation

Many organisations reporting directly to us shared concerns about the potential to underestimate their cash-based programming due to internal difficulties in tracking cash expenditure. Where direct budget lines or account codes were not available, a keyword search was applied to internal tracking databases to highlight projects with a cash or voucher element. However, this methodology assumes that these key terms were included in the project title or description, and so there is a possibility that projects not labelled as such may have gone uncounted in this analysis.

It was not possible to gather comprehensive internal data from some of the largest operating agencies for this study. For these agencies, including the United Nations Children's Fund (UNICEF), United Nations Relief and Works Agency (UNRWA), Oxfam and the International Rescue Committee, we relied on data from the OCHA FTS. However, a lack of reporting to the FTS or insufficient detail in project descriptions (as mentioned above) presents a risk of underestimation.

2.1.4. Potential overestimation

Conversely, project-based reporting can make it harder to isolate the direct cash and voucher elements, as well as the programming costs associated with these, so it is possible that other funds have been included in this estimate.

The largest risk for overestimation comes in the form of double counting (i.e. counting funding both when it is received by a large international organisation and again when it is transferred onwards to a partner organisation for implementation). Where possible in compiling the cash dataset, we identified and factored in funds that were channelled through other agencies before being implemented. For example, we highlighted and removed instances where the World Food Programme (WFP)'s cash expenditure is also being reported by its implementing partners. In cases where this was unknown, it is likely to produce an overestimate.

Lastly, as project cycles do not always run from January to December of the same year, it is difficult to attribute related programming costs to a particular calendar year. This is particularly challenging for organisations that report in fiscal rather than calendar years. Where this is the case, there is a potential for both under and overestimating of programming costs.

2.1.5. Key challenges

Many agencies that we approached recognised that their current reporting systems are insufficient to provide accurate figures for this research, and are in the process of investing in better internal reporting systems. Most organisations had to manually gather data in order to contribute to this research.

This customised, manual approach, combined with different internal systems, means that data is not reported in a standardised way across organisations and, as such, the same level of data is not available for each organisation. This makes collating the data difficult and means that some findings are based on only partial datasets. Lastly, the lack of consistent definitions across the sector made reporting on sections of our survey particularly difficult for agencies.

A full description of the methodology used for this study can be found in Annex 1.

2.2. The baseline figure

According to our data collection and analysis, the overall value of cash-based programming in 2015 was approximately \$1.9 billion. A further \$188 million was reported to OCHA's FTS as having a partial cash element. However, this amount has not been included in our baseline estimate, as it is not known how much of this additional funding can be attributed to cash-based programming.

UN agencies account for 66% of the \$1.9 billion estimate, with expenditure of approximately \$1.2 billion on

cash-based programmes. Non-governmental organisations (NGOs) account for 29% (\$541 million) of the total in the form of cash and vouchers; the Red Cross and Red Crescent movement account for 5% (\$102 million); and 0.2% (\$3.9 million) was delivered by 'others'.⁵

When requesting data from organisations, we asked them to specify how much of their total spending on cash-based programmes was transferred directly to beneficiaries. Agencies often do not track funding in that way so many were not able to provide this data. Of those that were able to supply clear data, the proportions varied considerably – both between organisations and from project to project in different operating environments. Estimates from NGO sources ranged from as little as 55% transferred directly to beneficiaries to as much as 88%. A recent report by the European Commission's Department of Humanitarian Aid and Civil Protection (ECHO) on different transfer modalities revealed an even greater disparity between projects and contexts. For example, cash distributed through a programme in the Democratic Republic of Congo comprised 22% of the total budget, compared with 91% in a Syrian refugee response project (Maunder et al., 2015). Note that this evaluation cautioned that some administrative costs may not have been captured in these estimates, such as when UN agencies subcontract activities to partners.

A number of variables influence the cost of programming, including the choice of transfer mechanism, the scale and duration of projects as well as accompanying project activities such as research and training. Without a common measure in place for counting what reaches beneficiaries, there are also disparities in the way that organisations collect and organise information, making it difficult to draw too many conclusions from the available data. These inconsistencies are addressed later in this paper, with accompanying recommendations for standardising the tracking of expenditure on cash and providing visibility of the resources that beneficiaries actually receive through cash-based programmes.

2.3. Disaggregation

Note that the following analysis on disaggregation of cash-based programming is derived from data gathered directly from agencies and does not incorporate additional data drawn from the FTS. This is because disaggregation between spending on cash and vouchers or conditionality is not yet possible using FTS data.

2.3.1. Modality

In 2015, 51% of overall cash-based programming was delivered in the form of cash transfers and 49% in the

5. 'Other' includes funding reported directly to us and delivered by a government agency, as well as data reported to UN OCHA's FTS under the private organisations and foundations and 'other' appealing agency types. The 'other' FTS category includes funding where the recipient is not yet known.

Figure 1: Cash-based programming by organisation type, 2015

● Cash ● Vouchers



Source: Development Initiatives, based on data supplied by agencies operating cash and voucher programmes.

Notes: This data is partial and representative of only the organisations where an accurate breakdown is possible; for this reason, data for UNHCR has been removed from this chart. This figure excludes a \$3 million contribution directly implemented by a government agency. RCRC: Red Cross and Red Crescent Movement.

form of vouchers. However, it is important to highlight that this figure is somewhat skewed by the volume of WFP assistance and their predominant use of vouchers rather than cash transfers. In 2015, WFP delivered four times as much of their cash-based programming in vouchers (\$545 million) compared with cash (US\$135 million). This preference for vouchers was not shared by the other UN agency that provided data for this study; the UN High Commissioner for Refugees (UNHCR) estimates that it delivered the majority of their cash-based programming in the form of cash transfers in the same year.

The majority (86%) of cash/voucher funding provided through NGOs is delivered in the form of cash transfers. This figure varies significantly from agency to agency, with NGOs delivering between 58% and 100% of their assistance in the form of cash transfers.

2.3.2. Conditionality

Conditionality refers to the presence of ‘pre-requisites or qualifying conditions that a beneficiary must fulfil in order to receive a cash transfer or voucher’ (CaLP, n.d.). Based on available data, we estimate that the majority of transfers (84%) were provided unconditionally in 2015.

We did not gather data on the types of conditions applied to cash-based programmes, but a logical hypothesis is that these are mainly cash for work initiatives, which is a relatively common humanitarian intervention. While conditions that aim to promote behaviour change (e.g. by encouraging parents to send children to school and access health services) are common in social protection programmes designed to reduce poverty, they are rare in humanitarian programmes. There are exceptions, however, such as large shelter and livelihood grants, where certain actions need to be taken to receive installments, as well as nutrition programmes that seek to improve caring practices.

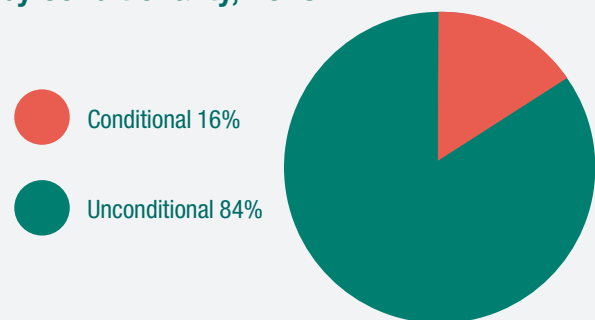
Case study: World Vision International

World Vision International is one of the largest NGO implementers of cash-based programming. It is also one of a handful of organisations that have explicitly announced a target for cash. As part of its commitments made at the World Humanitarian Summit in May 2015, World Vision International aims ‘to deliver 50% [of its] humanitarian aid through a multi-sectoral and multi-purpose cash first approach by 2020, where context is appropriate’ (World Vision International, n.d.).

The organisation’s work includes a focus on food security, for which established internal tracking services are in place. These have helped to leverage better tracking of cash, vouchers and in-kind contributions at the national, regional and international level, and have provided a particularly rich dataset for this research.

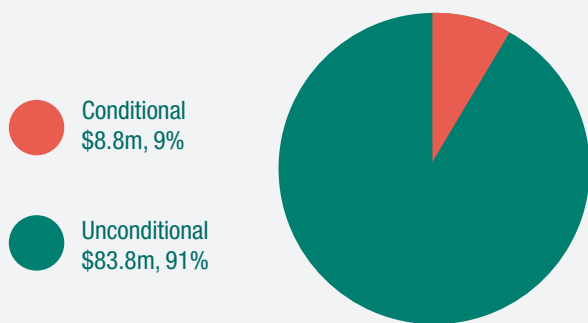
As shown in figure 3, in 2015, World Vision International delivered 91% of its cash-based assistance

Figure 2: Cash-based programming by conditionality, 2015



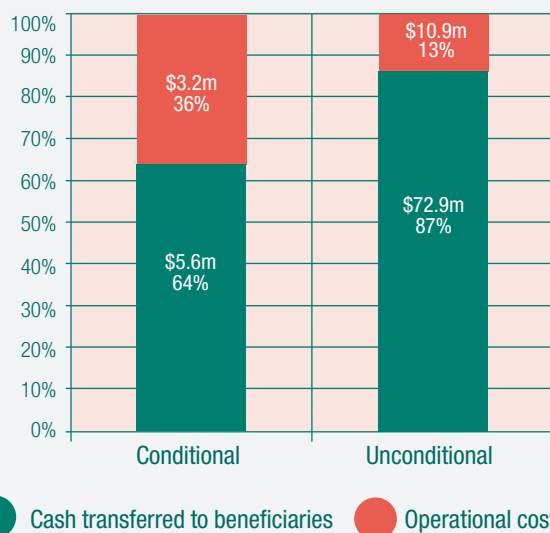
Source: Development Initiatives, based on data supplied by agencies operating cash and voucher programmes. This data is partial and representative of only the organisations where this breakdown is possible.

Figure 3: World Vision International's cash-based programming, 2015



Source: Development Initiatives, based on data supplied directly by World Vision International.

Figure 4: World Vision International's cash-based programming, 2015



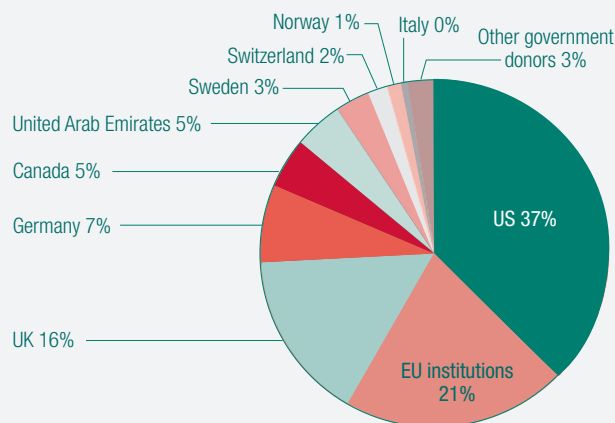
Source: Development Initiatives, based on data supplied directly by World Vision International.

Notes: Operational costs have been determined by World Vision's own internal reporting standards.

(\$83.8 million) in the form of unconditional transfers and a further 9% (\$8.8 million) with some form of condition.

Of the total, 15% of cash expenditure (\$14.1 million) was reported as 'operational costs', according to its own organisational reporting standards. For World Vision, operational costs refer to the costs incurred to run the project, such as staffing, transport, travel, assets to support the project and other administrative costs. Figure 4 shows a breakdown of overall costs, including the

Figure 5: Contributors of the largest amounts of funding for humanitarian cash-based programming, 2015 – governments and EU institutions



Source: Development Initiatives, based on OCHA FTS data. Data downloaded 10 November 2016.

Notes: These donors and figures are not representative of the entire baseline estimate. The figures in this chart have been taken from a word search of the FTS and provide only an indication of the source of cash-based programming funds; they do not include analysis on projects reported as containing a partial cash element.

amount transferred to beneficiaries as well as operational costs, comparing conditional cash-based programmes with unconditional programmes. Spending on overheads for conditional cash transfers was higher than for unconditional cash transfers, presumably due to the cost of monitoring potential recipients to ensure that they met the required conditions.

2.3.3. Major donors and country recipients of cash programming

Analysis of spending by donor and recipient is derived from FTS data. It does not represent the full estimate of \$1.9 billion spent on cash-based programming presented elsewhere in this paper, nor does it capture donor contributions that are not reported to the FTS. It does, however, provide a good indication of trends.

2.3.4. Largest donors

According to FTS data alone, the US was the largest donor of cash-based programmes in 2015, providing 37% of all funding from government donors. This was followed by EU institutions (21%) and the UK (16%). The largest three donors represented 74% of total donor-allocable cash programming that year.⁶

6. Funding from government donors represents 87% of all cash-based programming reported to OCHA's FTS.

2.3.5. Largest recipients

According to FTS data, the largest four country recipients combined received 73% of all cash-based programming funds in 2015. The largest proportion of cash-based programming was delivered in Syria (33%), driven largely by programmes implemented by the UNRWA for Palestinian refugees residing in Syria (UNRWA, 2015). Jordan and Lebanon received a combined 26% of the reported funding for cash-based programming in 2015, of which 97% was delivered under the Syria regional refugee response plan. A further 14% of assistance was channelled to the occupied Palestinian territories, the majority of which (79%) was delivered through UNRWA's long-standing cash transfers programmes, whereby families unable to meet basic food needs are entitled to a supplementary cash grant of \$780 per year (UNRWA, n.d.).

Case study: Food for Peace, United States Agency for International Development

The US funds the largest volume of cash and voucher programmes. Its Office for Food for Peace (FFP) is one of its primary agencies used during an emergency response to utilise cash, voucher and in-kind assistance. In 2015, FFP's expenditure on cash-based programmes amounted

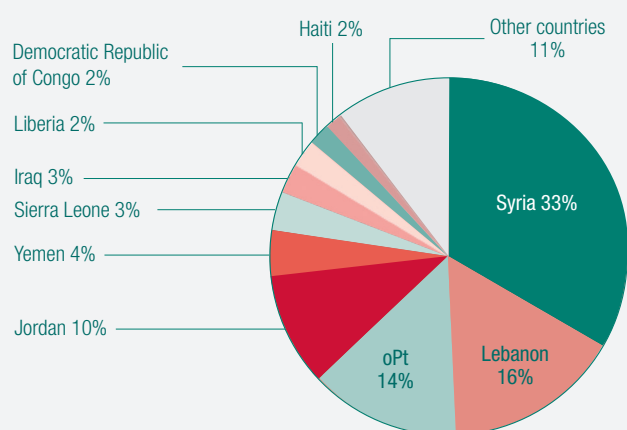
to approximately \$488 million; of which \$130 million was delivered in cash, \$348 million in vouchers, and a further \$9.6 million was reported as being used for multiple modality projects.

The majority of FFP cash and voucher grants in 2015 were delivered through UN agencies in the first instance, two-thirds (\$329 million) of which went to organisations such as WFP (USAID, 2015).⁷ The remaining one-third was channelled through NGOs.

Countries affected by the regional Syria crisis received the most cash and voucher expenditure from FFP in 2015, obtaining 50% (\$244 million) of all FFP contributions with a cash and/or voucher element. This was followed by Somalia (8%, \$37.8 million) and Liberia (5%, \$25.3 million).

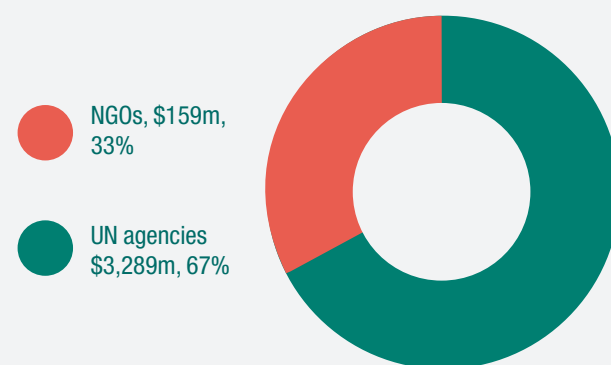
Comparing data received directly from the FFP with available data in the FTS also suggests under-reporting of cash-related funding to international reporting mechanisms. The volume of data provided bilaterally by the FFP alone is equivalent to 80% of the overall funding reported as cash-relevant to the FTS. Furthermore, the totals derived from the FTS keyword search⁸ reflect 25% of US contributions to cash transfer programming, thereby illustrating the likely underestimation of spending on cash-based programming using the FTS data alone.

Figure 6: The 10 countries receiving the most humanitarian cash-based programming, 2015



Source: Development Initiatives based on OCHA FTS data. Data downloaded 10 November 2016. Notes: This does not include analysis on projects reported as containing a cash element.

Figure 7: Food for Peace cash-based programming by agency type, 2015

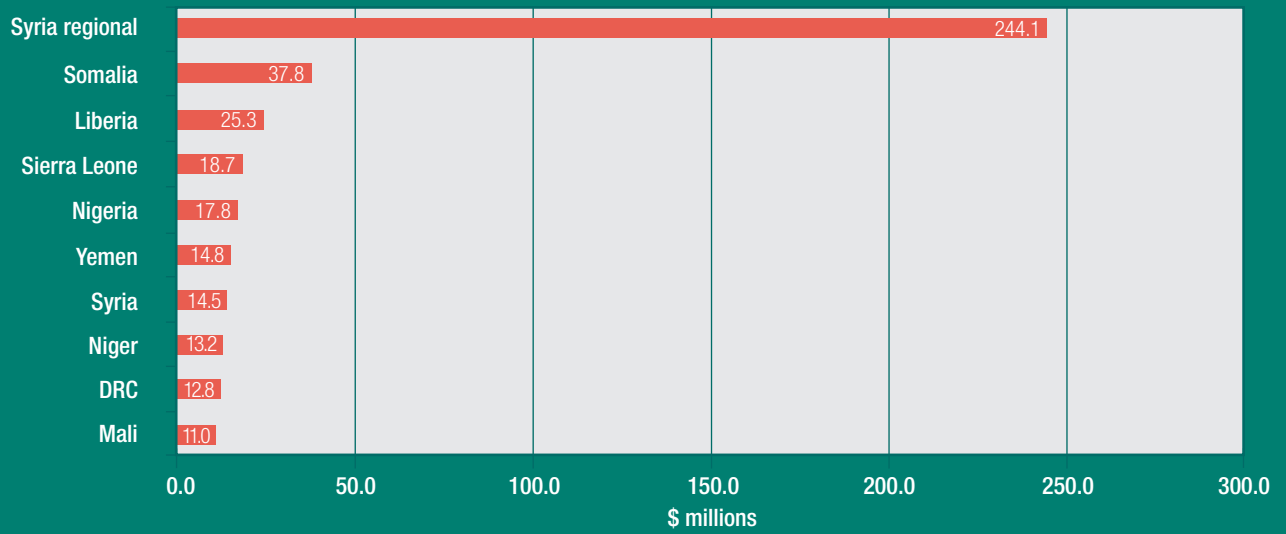


Source: Development Initiatives based on data provided bilaterally by FFP and funding reports. Notes: This includes a small proportion of funding that was not able to be disaggregated by modality – \$3,960,000, (0.8% of total) which was reported for local and regional procurement/cash/vouchers. Total amounts do not include FFP's overall office budget as it does not include FFP's Title II resources.

7 The World Food Programme is the primary partner for emergency food assistance globally.

8. This figure refers to 'full' cash projects only. It doesn't take into account the projects reported to OCHA's FTS with a partial cash element. If we were to include these, the proportion would be 49%.

Figure 8: FFP cash-based programming by recipient country, 2015



Source: Development Initiatives based on data provided bilaterally by FFP. Notes: Syria regional includes: Egypt, Iraq, Jordan, Lebanon and Turkey.

3. How can cash and voucher expenditure be better tracked?

3.1. Introduction

This study aims to provide practical inputs to the question of how best to track humanitarian expenditure on cash-based programming. Background research for this section of the paper involved a literature review and consultations with a wide range of external stakeholders, including operational NGOs and UN agencies involved in the delivery of cash and voucher programmes, umbrella organisations, donors, reporting systems and standards, and representatives from OCHA. See Annex 4 for a full list.

3.2. Context

The move towards more cash-based programming and better quality data on cash and voucher expenditure coincides with gathering momentum around a number of other significant agendas coming out of the World Humanitarian Summit and the Grand Bargain. There are several positive examples of progress already being made to improve reporting.

Almost all of the commitments made in the Grand Bargain require better reporting. Consequently, many organisations have begun thinking about how best to respond to this through their own internal reporting and data collection procedures, including those specifically related to tracking of cash-based programming. Simultaneously, the FTS is in the process of rolling out a number of significant new developments, with capacity to now capture and present data on programming by modality. Other relevant initiatives include joint work led by the CaLP and the Humanitarian Data Exchange to connect information on cash-based programmes reported in different formats through the use of common hashtags, known as the Humanitarian Exchange Language (HXL).

Coordination of efforts in reporting across these agendas is critical for efficiency and complementarity. Data for monitoring and accountability of the various

commitments needs to be joined up and comparable, minimising and streamlining the separate reporting requirements as far as possible. Any systems and processes put into place now must take into account, and be able to respond to, changing needs in the future and a world in which humanitarian assistance may be delivered very differently.

3.3. Tracking options

A number of tracking options exist, some of which are already able to track cash and voucher expenditure to a limited extent, or are in the process of incorporating changes to better do so. Other options present opportunities to develop entirely new systems or processes. These are not mutually exclusive; there is scope for them to work together to provide a comprehensive tracking of humanitarian expenditure by modality.

We have assessed the feasibility of the main options identified through this research; Annex 2 provides an overview of these and identifies whether they offer a short-, medium- or long-term solution. It also outlines the level of complexity with regards to reporting and summarises the key advantages and disadvantages of each potential option.

3.3.1. OCHA's Financial Tracking Service

OCHA's FTS was set up in 1992 and is now used to track funding by most international government donors. This includes a number of donors who are not part of the OECD DAC, as well as UN agencies and international NGOs. Reporting is voluntary and the system is curated to ensure that data is eligible for inclusion.

As a widely used, global system designed to provide information on humanitarian assistance through data on financial expenditure, the FTS is the obvious starting point for long-term, systematic tracking options for cash programmes. Specifically in relation to the modality of providing assistance, the most relevant proposed

modifications to the FTS will involve:

- Space for donors and implementing agencies to provide an estimate on what proportion of a funded programme will be delivered in the form of cash/vouchers
- Functionality to present ‘Who does What, Where’ cash/voucher implementation data collected from country-level coordination groups. This will form part of the replacement system for the current Online Projects System (OPS), which is expected to be field tested in 2017 and rolled out in 2018. Revisions to OCHA’s humanitarian programming cycle mean that ‘Who does What, Where’ data can be inputted at the country level and will link directly with financing data in the FTS to provide users with a picture of actual expenditure and delivery by modality.

Previous recommendations have suggested that humanitarian organisations are more ‘cash ready’ and able to better predict whether a cash or voucher response will be appropriate at proposal/planning phase (World Bank, 2016). At this stage, the main design features of a programme, including the provision of cash, vouchers or in-kind aid, may be known or proposed. However, the choice of transfers or the volume of programming can change as the analysis or context evolves. A positive feature of the FTS is that data can, and often is, updated retrospectively, making it possible to add detail on the modalities of delivery throughout the project cycle. This will allow initial estimates on donor and recipient funding for cash-based programming to be revised during implementation.

In addition to modality flags or filtering capabilities for ‘cash’ and ‘voucher’, we recommend that the FTS also includes tags for ‘in-kind’ and ‘other’. This implies treating all modalities equally and providing the same level of detail for cash, vouchers and in-kind assistance.

3.3.2. The International Aid Transparency Initiative

The International Aid Transparency Initiative (IATI) is a voluntary transparency initiative that provides a framework – the IATI Standard – for publishing data on development and humanitarian assistance in an open, comparable format. It has been gathering pace since its launch in 2008 at the High-Level Forum on Aid Effectiveness in Accra, with over 500 publishers now reporting data on funding to the IATI Standard. The most recent upgrade to version 2.02 of the IATI Standard introduced new humanitarian elements, though these are not yet widely used by publishers.

IATI promotes the concept of ‘publish once, use often’ – generating data that can be used by different people or platforms. The FTS already uses IATI data and has been piloting the use of data from specific publishers within its system. Significantly more humanitarian assistance is currently reported to the FTS than to IATI, but the FTS publishes all of its data to the IATI Standard. Therefore, as reporting of humanitarian assistance to the IATI

Standard increases, the long-term intention, particularly of signatories to the Grand Bargain, is that the tables will turn and the FTS will instead access much of its data from data published to IATI. Subsequently, this will mean agencies publishing good quality, timely IATI data will no longer need to report separately to the FTS.

Minor (decimal) upgrades to the Standard are considered on an annual basis, while major (integer) upgrades only take place around once every five years to maintain stability and minimise disruption. Elements adopted as part of the Standard are then included in official publishing or analytical tools, such as AidStream or IATI Studio.

As a publishing standard, IATI does not currently offer a way of disaggregating data by modality. We recommend clarifying which new IATI fields may be most appropriate for building modality tracking into IATI reporting, as well as developing code lists for those fields that disaggregate between cash, vouchers and in-kind assistance. These should be proposed to the IATI Secretariat as additions to the formal Standard during the process of considering the next decimal upgrade, which begins during the annual IATI Technical Advisory Group meeting in March 2017.

Beyond the formal upgrade processes, publishers can publish anything they want with their IATI data in ‘namespaces’, though these new fields will not be compatible with existing IATI tools, such as those mentioned above. Prior to or in parallel with the next upgrade of the Standard, donors and agencies may wish to coordinate among themselves to test the proposed modifications as namespaces, and potentially also build their own tools to analyse data reported to these fields. Any new code lists that are developed would also need to be ‘owned’ by a group in the long term to ensure that they are regularly reviewed, updated and shared.

3.3.3. OECD DAC Creditor Reporting System

Data on development and humanitarian financing has been published by members of the OECD DAC and a number of additional voluntary non-member reporters since the 1970s.

Discussions are underway within the DAC to implement a new coding system or marker on cash programming, and a final proposal will be put forward in 2017. Discussions have so far focused on a marker to identify programmes that involve an element of cash or voucher programming. Though simple to implement and use, a purely binary marker – simply flagging whether or not a programme includes a cash or voucher component – will not enable accurate quantitative analysis on the amount of assistance that is provided in the form of cash or vouchers.

As with donor reporting to the FTS, reporting to the DAC on modalities is particularly challenging due to the fact that donors do not always know in advance which modality will be used, particularly in cases where funding is not earmarked. Furthermore, unlike the IATI and FTS, DAC data cannot be retrospectively updated or amended,

so even if an estimate is provided by agencies at a later stage, the data that appears in the DAC may be less precise compared with data reported to the FTS.

DAC reporting systems are not fundamentally designed to track assistance through to the final recipient, and this is unlikely to change. The new FTS flow methodology, and, further down the line, IATI's, will offer greater capacity to show traceable humanitarian funding flows. Furthermore, it will do so in more real-time than the DAC's Creditor Reporting System, which is published up to a year after funding is provided.

3.3.4. Cash Atlas

Cash Atlas is a cash mapping tool developed by CaLP that aims to visually represent the use of cash-based programming at a global level. Although it is an effective advocacy tool, and unique as a single issue repository and interface, Cash Atlas data contains a number of reporting errors and gaps. As an entirely voluntary system that sits outside of other broader financial reporting processes, and with a focus on just one element of programming, it does not represent a sustainable or efficient option for primary data gathering for long-term tracking of expenditure on cash and vouchers.

The collection of data on cash-based programming expenditure will no longer be necessary through Cash Atlas, if reporting by modality is incorporated into broader global financial reporting processes and systems. However, CaLP may still wish to consider collecting and analysing complementary data on programming details – such as programmatic objectives, target beneficiaries, contexts, sectors and types of intervention – to provide a more in-depth picture on how cash is being used. In addition, CaLP is well positioned to contribute to greater systematic coordination and accountability of cash-based programming by developing Cash Atlas into a platform that presents detailed analysis of FTS and IATI data on cash and voucher programming for advocacy purposes.

3.3.5. Annual baseline studies

While not sustainable in the long term, nor yielding the systemic changes necessary in reporting, periodic studies may provide a good interim solution while longer-term systems are being implemented and used. Agencies have indicated that providing the data for this once a year is currently achievable, and as they implement better internal reporting systems it should become easier. However, additional work by a third party will be required to first gather and then analyse the data.

3.3.6. Financial Service Providers

Cash and voucher programmes are increasingly conducted using Financial Service Providers (FSPs), through debit card services or electronic vouchers. Financial service providers, mobile network operators,

industry associations and others involved in the delivery of humanitarian cash transfers are collecting large volumes of data that is not currently being brought together. The diversity of actors, and their varying roles and motivations, makes it difficult to propose precisely what role they could play in financial tracking, but opportunities may become more apparent over time.

3.3.7. 'Who does What, Where' data

As part of this research, we attempted to gather data from Cash Working Groups (CWGs) at the country level, primarily through their tracking of 'Who does What, Where'. This proved challenging for a number of reasons; for instance, there were difficulties with locating and contacting individual CWGs, as well as gaps in the data that the groups were able to gather and share. Some of the CWGs that we contacted for this research are at the early stages of developing information management processes and therefore not yet able to report regular and up-to-date information in comparable formats.

Normally, data collected in-country during planning and implementation of programmes provides the most accurate picture of what was delivered, in what form and to whom. However, coordination of cash transfers has been ad hoc and unsystematic to date, thus hindering good tracking. Resolving the challenge of more predictable and better resourced cash coordination needs to be prioritised, including standardised tracking of amounts distributed and total budgets. This requires including these information fields in 'Who does What, Where' data collection exercises, whereby organisations report on the overall amount of their programme budget and the amount of money directly transferred to beneficiaries. Reporting in a standardised format, ideally using HXL/ common hashtags, would improve both comparability across different environments and alignment with global-level reporting procedures, thereby contributing to a global understanding of progress and efficiency.

Existing country-level CWGs can support these efforts, but it will require significant investment for them to do so effectively. Assistance is also required at the global level so as to improve the quality, comparability and consistency of country-level reporting.

3.3.8. Other options: national governments and social safety nets

Some cash and voucher programmes are delivered in collaboration with, or through, existing domestic government-operated emergency response and social safety net/protection schemes. This may increase with moves to improve efficiency, strengthen connections between humanitarian and development programming, and foster links with national government activities where appropriate. However, this may also present additional challenges in terms of reporting, as national governments are unlikely to collect and provide data that matches the requirements of

global, humanitarian-specific financial reporting systems.

3.4. Challenges and recommended solutions

The overarching barrier to better data on expenditure by modality is the lack of a single comprehensive systematic means of reporting on programming by cash, voucher or in-kind assistance. Tracking systems (such as the FTS and DAC) currently present data on the volumes of funding provided by donors, the countries in which assistance is delivered, the organisations through which funding is channelled and the sectors in which they work. To fully understand the volume of cash-based programming compared with other forms of assistance, we also need to know the programming modality – whether assistance was provided as cash, vouchers or in-kind.

Through these consultations we identified a number of key challenges relating to better reporting by modality, some of which are technical, some policy-related, and others political. These challenges fall under three main categories: 1) a lack of systematic reporting by programming modality; 2) no clear standards for reporting of data on cash-based programming; and 3) incomparable and inconsistent terminology and data. There are also surrounding challenges that are not specific to tracking of cash-based programming, but which may have an impact on the effectiveness of efforts to improve and coordinate the quantification of investments in cash.

By far the biggest challenge to reporting that we were informed of time and again through consultations falls under the first category above: namely, the question of what to count and what to include in data on cash-based programming expenditure. The amount transferred to beneficiaries is self-defining and therefore relatively straight forward to track. However, overall expenditure – including associated programming costs and potentially core expenditure, such as staff training and organisational expertise development – gives a more meaningful indication of investment in these forms of programming.

Data on programming costs varies from agency to agency. For example, we received data from one organisation showing the cost of an entire programme that was delivered in cash or vouchers, including programming costs. This was not comparable, however, with data provided by another organisation showing only the amount transferred to beneficiaries (usually because cash programming was one element of a larger budget, which could not be easily broken down by modality). Rarely did organisations have both types of data. This complicated the data collection and analysis processes for the baseline study, and, more importantly, illustrated a larger problem that will need to be overcome for effective, accurate and comparable data to be made systematically available in the future. It also poses a challenge to tracking the efficiency of different modalities

within the provision of humanitarian assistance in the future, since the most logical way to quantify efficiency is to assess the value of the transfer compared with total programme costs.

The main challenges to improved reporting of expenditure on cash-based programming that we identified through our research, alongside our recommended solutions, are outlined below (and summarised in Annex 3).

3.4.1. Systematic reporting

Challenge: Lack of a single comprehensive systematic means of reporting on programming by cash, voucher or in-kind assistance.

Recommendations:

- Advocate for and invest in FTS and IATI as the best long-term options for systematic global reporting on cash and voucher expenditure. Within the proposed new FTS reporting structure, reporting on funding by modality will be the responsibility of both donors and recipients/channels of funding.
- ‘Who does What, Where’ data, accessible in the future through the replacement OPS, is likely to offer the most accurate data on implementation by modality, provided appropriate global standards for country-level data collection are put in place and followed. All actors should support OCHA as it rolls out its new reporting fields within the FTS, and the replacement for OPS, by providing regular and accurate data on planned and actual cash-based programming.
- For IATI to effectively provide data on activities and expenditure by modality, fields and code lists first need to be defined. This will be contingent on agreed terms and definitions concerning cash and voucher use (see below). We recommend that cash and financial tracking experts work together to develop proposed new IATI fields for modality tracking and associated code lists as additions to the formal Standard at the next upgrade. Prior to that, testing of proposed modifications using namespaces should be coordinated among a group of operational agencies.

3.4.2. Clear standards

Challenge: No standardised template exists for the global collection of comparable data on cash-based programming.

Recommendations:

- Develop a standard template for the reporting, collection and collation of ‘Who does What, Where’ data on assistance by modality, with fields specific to cash, voucher and in-kind assistance. This should be modifiable at country level to fit with the specifics of different working contexts, with local CWGs responsible for making country-level amendments appropriate to context.

- Build on the work already begun by CaLP and the Humanitarian Data Exchange (HDX) to connect information on cash-based programmes reported in different formats through the use of the Humanitarian Exchange Language (HXL). This data can then be linked to financial tracking data through the FTS/replacement OPS to provide users with a more detailed picture of spending by modality at the country level.

Challenge: Following cash commitments made within the Grand Bargain, global financial tracking systems such as the FTS and DAC, as well as donors and humanitarian agencies, are implementing new financial reporting systems to enable improved tracking of expenditure by modality. There is a risk that each will implement different systems based on their own operational reality and internal definitions, leading to a fragmented and uncoordinated system-wide data picture. Once new systems are implemented, agencies will be unlikely to make retrospective amends to meet the requirements of global reporting systems.

Recommendations:

- Begin system-wide discussion on appropriate and required categories, as well as level of disaggregation, for cash and other programming modalities. This will require top-level leadership and technical discussions. However, coordination and reporting bodies such as the FTS and IATI should also be involved, to ensure complementarity across organisational and global reporting systems.

Challenge: Ad-hoc collection of data on cash and voucher use at country and global levels.

Recommendations:

- Once definitions and standards have been agreed (see above), country-level data collection should be coordinated by CWGs, and global-level data collection should be coordinated by OCHA.

3.4.3. Comparable and consistent terminology and data

Challenge: Lack of clarity and consistency around terms and definitions concerning cash and voucher use, particularly the distinction between conditionality and restrictiveness. The use of different terms and definitions across organisations is not a problem for internal reporting mechanisms, but could hamper the effectiveness of a common tracking system if conflicting definitions are used and interpreted differently.

Recommendations:

- Agree adaptation and adoption of relevant terms, using the CaLP glossary as a starting point, for the purposes of common financial tracking. Further discussion may be required to align terminology with

that used by national governments and national-level implementers of social protection programmes, as well as development actors also implementing cash and voucher programming.

Challenge: Lack of comparability of what is currently being tracked and the breakdown of programming costs by modality. Programmes involve assistance delivered through multiple modalities. Allocating programming costs fairly across those modalities is currently complex, as: a) it is often not possible to split time spent by staff by specific areas of a programme; and b) where delivery of one modality is considered more efficient than another, splitting costs purely by the proportion of assistance delivered using each modality is often inaccurate.

Recommendations:

- Agree parameters of cash, voucher and in-kind expenditure; for example, how to classify and report core costs such as capacity building and recruitment of specialist core staff.
- Develop and agree guidelines for systematic tracking of actual expenditure on cash, including programming costs and relevant core costs that agencies incur as they build up internal capacity on cash.
- Develop guidelines for allocating programming costs by modality where a programme involves the use of multiple modalities.

3.4.4. Coordination and oversight

As previously stated, we consider the FTS and IATI to present the best long-term options for systematic global reporting on cash and voucher expenditure. There are clear roles for both OCHA, with regard to the FTS and IATI's decision-making bodies, in the adaptation of tools to better track humanitarian funding by modality. Both will need to be closely guided and supported by experts in the business of cash-based programming as they do so.

At present, no existing group or body has the specific remit to develop systems and processes for the standardised reporting of data on cash-based programming; furthermore, there is no one obvious place for overall coordination within this area of work. Due to the proliferation of humanitarian fora and working groups, there is little appetite for establishing a new cash-related coordination forum. Therefore, we recommend that aspects of the work be taken forward by existing groups and organisations, working in close coordination with one another to ensure complementarity across different discussions and initiatives. This may include:

- The Good Humanitarian Donorship Initiative, specifically the work stream on cash co-chaired by the governments of the UK and Norway
- Working groups following up on the Grand Bargain commitments on cash-based programming, transparency and harmonised reporting

- CWGs operating in humanitarian contexts and OCHA's Inter-Cluster Coordination section at the global level
- The Inter-Agency Standing Committee's Humanitarian Financing Task Team⁹
- CaLP and its various thematic working groups on specific cash-related topics.

Even with a concerted effort to coordinate initiatives within and between the above groups, overall collaboration and cooperation cannot be expected to happen organically. Senior humanitarian leaders – from both donor and implementing agency constituencies – will need to come together to provide direction, leadership and oversight.

3.4.5. Related challenges and recommendations

There are a number of challenges that are not specific to the tracking of cash-based programming, but which may have an impact in the future on the effectiveness of efforts to improve and coordinate the quantification of investments in cash. Three key issues relating to this, and our recommendations to overcome these challenges, are outlined below.

One concern is that the drive to scale up cash use is being driven by a desire for efficiency savings, without: a) due regard for the most effective programming mechanism in a given environment; and b) evidence that cash is always more efficient than in-kind assistance. To address this, improved tracking of cash-based programming could add to the already existing body of research on the costs and benefits of different modalities in different contexts, ensuring that the data that tracking provides on volumes of funding is read alongside evidence on appropriateness and impact.

Tracking volumes of humanitarian financing of cash,

vouchers and in-kind assistance is an entry-point for efficiency analysis, which is an important opportunity emphasised by the High Level Panel on Humanitarian Cash Transfers (ODI, 2015). This efficiency analysis would require data on both the financial value of the programme and the amount of assistance reaching beneficiaries. However, some agencies have raised concerns that such financial data could be taken out of context and disadvantage agencies that appear to be less efficient (for example, because a context in which they operate requires more investment compared with another that is more favourable to cash transfers programming). It is therefore important that improvements in financial tracking be accompanied by more systematic tracking and analysis of outcomes, and that cost data is always situated within a broader understanding of what can be achieved.

Finally, there is a worry that the scale up of cash and vouchers is led by experience of the food sector, and implementation of financial tracking will not represent the needs or programming realities of other sectors. Non-food focused organisations risk being left out of discussions and decisions regarding systematic reporting and tracking, leading to systems that do not accurately reflect or take into account the needs and operational realities of different stakeholders, particularly those operating outside of the food sector. Discussions on the development of standards on cash- and modality-related data collection should be fully inclusive, with a balance of sectors, operational agencies and umbrella or coordination bodies, representing a range of organisation types (local, national and international; small and large; UN, NGO, donor and private), and specialist areas (technical, operational).

⁹ The Humanitarian Financing Task Team's current work plan – covering the period 2016-2017 – does not specifically include a focus on tracking investments in cash; nor does the group include technical experts on cash-based programming. However, there may be specific areas relating to financial transparency that could be proposed to the Humanitarian Financing Task Team for its next phase of work.

4. Conclusions

Understanding the current scale and scope of funding for cash-based programming is critical to accurately monitor progress towards the Grand Bargain commitments and continue to make improvements in the overall delivery of humanitarian assistance to crisis-affected populations. Our estimate of \$1.9 billion provided in the form of cash or vouchers in 2015 was derived from a labour-intensive data gathering and analysis exercise. Developing and sustaining a systematic means of reporting on programming by cash, voucher or in-kind assistance is feasible. However, it will require a concerted effort on the part of donors and implementing agencies to put the right measures in place and subsequently ensure that they are well understood and used.

We believe that the best ways of providing accurate data on cash and voucher expenditure in the long term are to report country-level implementation data on cash to the FTS and, ultimately, publish high-quality data to the IATI Standard on humanitarian expenditure by modality. Modifications to the IATI Standard that will enable it to capture modality data will also be necessary, potentially with some testing of proposed modifications before adoption in a formal Standard upgrade. A standardised template for capturing and reporting ‘Who does What, Where’ data by modality, which will require collective agreement on disaggregation, could play an important role in creating a richer data environment. Norms should be developed for reporting by modality, defining an approach to disaggregating programme

expenditure by modality, and agreeing what data needs to be reported and to what level of detail.

This work should be led by operational agencies and donors, ideally through existing coordination fora. As well as good coordination, leadership is critical to the successful implementation of new programming and reporting practices. Cash-based programming, as well as improvements in reporting and our ability to access information on how assistance is spent, are both currently high on the humanitarian agenda. Indeed, there is already strong commitment and goodwill to ensure that changes to programming and reporting are made to improve overall effectiveness and efficiency. However, the introduction of new systems, standards and processes inevitably involves technical and practical complications, as well as raising conceptual, political and ideological concerns. The latter will be more complex to address, and both will require a coordinated, system-wide approach with clearly defined roles and responsibilities. System-wide buy-in and commitment can only be achieved if all stakeholders are satisfied with the approach taken and donors, in particular, are prepared to demand and support better and more consistent reporting.

Finally, we believe that financial data only offers part of the overall picture. Efforts to advance the reporting of financial expenditure must be accompanied by endeavours to improve the systematic availability of comparable data on needs and results to ensure optimum funding for optimum response – whether relating to cash-based or in-kind assistance – in any given context.

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Annex 1: Methodology: establishing a baseline

Data overview

Development Initiatives (DI) gathered data on the value of cash and vouchers transferred to beneficiaries and, where possible, the overall programming costs. Where either of these was not known, an average proportion of programming costs was added or subtracted to figures from organisations unable to provide both figures. Beyond overall figures, DI looked for data disaggregated as follows (in order of priority):

- **Cash/voucher breakdown:** this was perceived to be the most useful disaggregation because it showed the level of flexibility in expenditure given to the beneficiary.
- **Conditional/unconditional:** conditional cash transfers are less common in humanitarian assistance which was reflected in the data collected.

DI has not categorised funding according to a breakdown of restricted/unrestricted cash and vouchers. These terms were believed not to add value since, in general, vouchers are restricted and cash is not.

Data was collected for 2015 only, because it was perceived that requesting time-series data would become a more time-consuming task for the data provider and may have had negative effects on the amount and quality of data provided.

Where possible, DI sought to understand from the data: 1) where the funding originated from; 2) where it was channelled; and 3) who finally delivered the project. This level of detail was essential in limiting the potential for double counting.

Data sources

The data collection process required inputs from three types of actors:

- Donors
- Agencies/implementing partners
- Cash Working Groups (CWGs)

To collect this data DI worked with the Cash Learning Partnership (CaLP) and other external contacts.

Donors

DI contacted some of the largest known cash donors, including, but not limited to: DFID (UK), the European Commission's Department of Humanitarian Aid and Civil Protection (ECHO) and the United States Agency for International Development (USAID), specifically Food for Peace and the Office of US Foreign Disaster Assistance. These donors were asked whether they would be willing to

share data on the total amount of funding distributed for cash and voucher programming. Additionally, donors were asked whether they could report on the funding channels of these transfers to avoid double counting data received from other sources. Only one donor was able to provide this level of data, but issues with traceability affected its use in the baseline estimate because DI couldn't guarantee that there weren't instances of double counting. Instead, this data was used as a case study.

Agencies

Data was collected from agencies in two ways. First, the Cash Learning Partnership (CaLP) supported DI by emailing members a survey produced by DI and assessing whether figures collected from the Cash Atlas (where available) accurately represented their organisation's cash and voucher programming in 2015. If not, CaLP members were asked to adjust their figures or provide new figures in the instance where the organisation had not previously reported to the Cash Atlas.

Second, DI directly contacted some of the known agencies working in cash transfer programming who were not CaLP members or had not responded to the CaLP survey. These included: Welt Hunger Hilfe, DanChurchAid, Solidaritiés International and the International Federation of Red Cross and Red Crescent Societies. These organisations were also asked to complete the survey.

CWGs

DI directly contacted known CWGs and asked whether they could provide 'Who does What, Where' data for the cash programmes in their specific countries. It was hoped that the project breakdown would highlight the project donor and implementing agency to identify double counting and highlight significant donors and agencies for subsequent follow-up. However, the availability and quality of data was mixed, and much of the data in the 'Who does What, Where' templates had already been provided by the organisation's HQ by the time we received the data, therefore it was not included in the baseline estimate.

Cash transfer baseline methodology

Once collected, the data was collated and triangulated. This involved an intensive review of the data whereby funding reported to DI from each organisation type was assessed to remove duplicates and avoid double counting.

DI recognised that the data collected from organisations was only a representation of cash transfer programming in the humanitarian sector. Therefore, the data was

triangulated against a download from the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service (FTS) to provide a baseline figure. The data from the FTS required a forensic search to highlight cash or voucher programmes from the project description field. Once completed, the values for organisations that were not in DI's study set, but were highlighted as cash- or voucher-related on the FTS, were aggregated with the figures provided by individual agencies.

Once the combined dataset was created, a pivot table was able to sum the total value of cash programming in 2015. Where the breakdown by modality was available, figures have been provided for cash and voucher programming respectively. The same is true for the disaggregation by modality. It must be noted that this is only available for the organisations that directly reported data to DI, and, of those, only organisations that had sophisticated internal tracking systems. This is because, as of yet, we are not able to disaggregate FTS data modality or conditionality.

Why particular approaches were chosen over others:

- The keyword search using the OCHA FTS is an insufficient way to track cash and voucher programming, since it is dependent on reporters using cash-related words or phrases in the description fields and, as a result, represents underestimated figures. The FTS was, therefore, used only to supplement data collected directly from agencies delivering cash and voucher projects.
- Cash Atlas was considered in this project, but wasn't used to triangulate the data. This is because there is limited uptake of the Cash Atlas as a tool to track global cash and voucher programming, and it is yet

to be representative of the entire humanitarian sector. Additionally, due to errors in reporting, there are questions surrounding the quality of data currently being reported to the Cash Atlas.

Caveats

Data availability was not consistent across all organisations. DI had to estimate programming costs for some agencies based on an average derived from a number of organisations in the study set.

DI has made its best efforts to reduce all occurrences of double counting, by identifying funds that were channelled through other agencies before being implemented. For example, we highlighted and removed instances where the World Food Programme (WFP)'s cash expenditure was also being reported by its implementing partners. Where we were unable to collect data on these funding channels, it is possible that DI has double counted some funds.

DI advises caution when using our cash estimate to proportionally reflect the amount of international humanitarian assistance given as cash versus other types of assistance in 2015. Each total relies on different data sources and does not provide an easy comparison. The estimate for international humanitarian assistance uses data from the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), UN OCHA FTS, UN Central Emergency Response Fund (CERF) and DI's unique dataset of private voluntary contributions, only one of which (OCHA FTS) features in this cash transfers analysis.

Annex 2: Overview of cash and voucher expenditure tracking options

Option	Term	Description	Complexity	Advantages	Disadvantages
Financial Tracking Service (FTS)	S-M-L	Donors to provide estimated breakdown of project delivery by modality at the UN Office for the Coordination of Humanitarian Affairs (OCHA)'s FTS reporting stage, and/or 'Who does What, Where' implementation data from the field to provide the FTS (via the replacement Online Project System) data on actual and more accurate expenditure by modality.	All: Moderate	As cash/vouchers become more widely used and international humanitarian response gets more 'cash ready', donors and agencies are likely to have a better idea at grant stage of programme breakdown by modality in more cases. Encourages planning by modality at needs assessment stage prior to gaining funding. 'Who does What, Where' data would provide an accurate picture of actual expenditure by modality.	Donor breakdown of programme delivery by modality reported to the FTS at point of grant agreement is unlikely to be accurate, as agencies will adapt programming on the ground according to context – though accuracy is likely to improve over time. Identified proportion of expenditure by modality at grant agreement stage could run counter to donor commitments to less earmarking and flexible funding. It will be some time before FTS data gives an accurate and consistent picture of programming by modality.
IATI	M-L	New fields within the International Aid Transparency Initiative (IATI) Standard to be proposed for reporting on activities by modality.	Donors: relatively simple International Non-Governmental Organisation(INGO): relatively complex	Coincides with momentum towards investing in improved IATI reporting of humanitarian assistance following Grand Bargain commitments on transparency. No modality-related fields currently in use or proposed through IATI means it offers a 'clean sheet' to develop most appropriate fields possible. Flexible; open standard can be amended periodically according to changing needs/ context. Compatible with the FTS so agencies can report to one or the other.	Incorporating modality-related fields to the official Standard would require adoption through a formal upgrade, which only occurs every one to two years. 'Namespace' fields could be tested and used in the meantime, but data reported to these fields would not be compatible with official IATI tools. Therefore, additional tools would need to be developed to use data reported to these fields. Any amendments to modality reporting would need to be compatible with across the two (though FTS could be amended in time to meet the long-term IATI Standard on modality).
OECD DAC Creditor Reporting System	S-M-L	Amends to purpose codes of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) are currently being developed, including a marker to track funding to programmes involving a cash/voucher element.	Unknown (final proposal not yet known)	Final proposal is not yet known. However, a marker, which seems most likely, offers a simple addition to reporting for donors, and, unlike the FTS, does not require them to break down programming costs by modality.	A marker that flags programmes with an element of cash/voucher programming does not enable any breakdown of actual expenditure by modality, offering little more than existing ability to identify programmes through FTS word search. Only captures data for DAC members, potentially missing significant cash and voucher programming donors such as Saudi Arabia. Data is not timely (published a year after the fact).

Cash Atlas	S-M-L	Donors and agencies are committed to report accurate data to Cash Atlas on cash and voucher programming expenditure. Focus is on transfers to beneficiaries.	Donors: relatively complex NGOs: moderate UN: moderate	Already in place. Independent. Single issue one-stop repository and interface	Data is not comprehensive and is at times inaccurate. This is due to its voluntary nature combined with the fact that it represents an additional reporting process for organisations to comply with, beyond broader financial tracking tools, systems and processes.
Annual baseline studies	S-M	It will take a number of years to achieve accurate, consistent, comprehensive reporting to the system adopted. In the meantime, annual or bi-annual baseline studies could continue to track progress towards a) commitments to scale up use of cash, and b) better reporting.	All: relatively simple	Fills the gaps until a long-term tracking solution is agreed, implemented and used. More comprehensive and accurate than relying on figures reported to Cash Atlas.	Estimates are not accurate or comprehensive; it depends on agencies voluntarily providing data annually (though as they implement better internal tracking systems this will become easier). Requires regular financial resources to carry out the study, in addition to resources being used for long-term improvements to reporting and tracking systems.
Financial Service Provider (FSP) data	S-M-L	FSPs involved in the delivery of cash and voucher programming to provide data on the financial value of transfers to beneficiaries.	Agencies: simple	Comparable: FSPs can already provide data on transfers to beneficiaries broken down by value of transfers, number of transfers and number of beneficiaries. This offers almost immediately available comparable data to begin tracking at least one key element of expenditure on cash and vouchers.	Limited to data on programmes delivered using FSPs. Does not include any data on programming expenditure, so cannot be used alone to assess efficiency and effectiveness of programmes.
Field-level 'Who does What, Where' data	S-M-L	Standardise the data collected at field level on programming by modality and present via the FTS.	INGO: moderate UN: moderate Cash Working Groups (CWGs): complex	Offers potential to improve traceability of funding (i.e. linking up expenditure data with activities delivered).	Not currently comparable; different CWGs collect data in different formats, to differing levels of detail. Requires commitment to implement reporting to proposed global standard. Requires investment in CWGs.

Key: L= long term (over 3 years); M = medium term (2–3 years); S = short term (up to two years)

Annex 3: Summary of challenges and recommendations

Challenge	Solution
1 Systematic reporting	
1.1 Lack of a single comprehensive systematic means of reporting on programming by cash, voucher or in-kind assistance.	Advocate for and invest in the UN Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) and the International Aid Transparency Initiative (IATI) as the best long-term options for systematic global reporting on cash and voucher expenditure.
	All actors should support OCHA as it rolls out its new reporting fields within the FTS, and the replacement for an Online Project System (OPS), by providing regular and accurate data on planned and actual cash-based programming.
	Cash and financial tracking experts should develop proposed new IATI fields for modality tracking and associated code lists as additions to the formal Standard at the next upgrade. Prior to that, testing of proposed modifications using namespaces could be coordinated among a group of operational agencies.
2 Clear standards	
2.1 No standardised template exists for the global collection of comparable data on cash-based programming.	Develop a standard template for the reporting, collection and collation of 'Who does What, Where' data on assistance by modality, with fields specific to cash, voucher and in-kind.
	Build on the work already begun by the Cash Learning Partnership (CaLP) and the Humanitarian Data Exchange (HDX) to connect information on cash-based programmes reported in different formats through the use of the Humanitarian Exchange Language (HXL). This data can then be linked to financial tracking data through the FTS/replacement OPS to provide users with a more detailed picture of spending by modality at the country level.
2.2 A number of new financial reporting systems are being developed to enable improved tracking of expenditure by modality. There is a risk that multiple different systems will lead to a fragmented and uncoordinated system-wide data picture.	Begin system-wide discussion on appropriate and required categories, and level of disaggregation, for cash and other programming modalities.
2.3 Ad-hoc collection of data on cash and voucher use at country and global levels.	Country-level data collection to be coordinated by Cash Working Groups and global-level data collection to be coordinated by OCHA.
3 Comparable and consistent terminology and data.	
3.1 Lack of clarity and consistency around terms and definitions concerning cash and voucher use, potentially hampering the effectiveness of a common tracking system.	Agree adaptation and adoption of relevant terms for common financial tracking, using the CaLP glossary as a starting point.
3.2 Lack of comparability of what is currently being tracked and how to break down programming costs by modality.	Develop and agree guidelines for systematic tracking of actual expenditure on cash, including programming costs and relevant core costs that agencies incur as they build up internal capacity on cash through, for example, recruitment of specialists and training for existing staff. Develop guidelines for allocating programming costs by modality where a programme involves the use of multiple modalities. Agree parameters of cash, voucher and in-kind expenditure; for example, confirm how to classify and report core costs such as capacity building and recruitment of specialist core staff.

Annex 4: Consultations and data providers

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Data providers

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Ciara O'Malley at HelpAge International
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Max Chapnick at GiveDirectly
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William Anderson at Medair

Consultations

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Andre Griekspoor at the World Health Organization
Carmen Sumadiwiria at British Red Cross
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