

**Checking Back.  
Using cash and vouchers in Somalia:  
Recommendations from the 2011-12 Somalia Drought Response  
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**Introduction**

This paper brings together recommendations from some of the key reports and evaluations from the 2011 Somalia drought response.

The process of preparing this paper involved reviewing 17 reports and identifying five that had recommendations which could be useful for all agencies involved the current response. It should be noted that many of the remaining reports have information and guidance which remains very pertinent but either they did not include recommendations per se or the recommendations were agency specific. Further, not all recommendations from all reports are listed as some are no longer seen relevant in the current context.

As plans for the 2017 response are developed, this paper is intended to support discussions and ensure we consider learning from the last response.

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## Recommendations from the 2011 drought response

### Response analysis and objectives

1. Drawing upon the lessons learned from the SCC Technical Working Group, CVMG and CBRWG, cash transfers should be routinely considered as a response modality. Cash transfers may be appropriate to achieve objectives within the response analysis of the food security, nutrition, WASH and shelter clusters. This will require capacity building of cluster-specific technical working groups. (Hedlund)
2. Insure M&E assesses the original assumptions on which response analysis was done, i.e. monitoring the continued relevance of the intervention logic, to test whether or not cash is still more appropriate than in-kind, whether or not unconditional is still appropriate, etc. (Hedlund)
3. Ensure the integration of cash and voucher responses in a common response analysis with active participation by those international and Somali NGOs that know the most about cash programming. (Hedlund)

### Transfer values

4. In a similar crisis, argue for short-term, smaller (minimum food basket or even most basic food basket), geographically targeted and blanket distribution. When lives are no longer at stake, implement community-based targeting, ensuring agency staff have the skills and, most importantly, the support to do this effectively. (Hedlund)
5. Design CTPs in IDP settlements in three distinct phases;
  - a. initial payments for food and non-food and emergency shelter needs
  - b. regular amounts to meet the food needs of targeted vulnerable HHs
  - c. grants and back-up support to those HHs wishing to return to safer areas ('incentivising and facilitating return') (Truelove)

### Targeting

6. Where targeting is applied, it should be based on local analysis of power dynamics, an agency's own – including its staff's – position vis-à-vis these dynamics and a common strategy that demands basic accountability (e.g., transparency), wide information sharing, participation and effective feedback mechanisms. (Hedlund)
7. Retargeting should be undertaken (in both urban and rural contexts) no more than six months after a cash and voucher intervention has become operational, particularly when food security conditions change considerably, but also as a risk mitigation strategy. (Hedlund)
8. Where beneficiaries are not retargeted – because a more than six month cash transfer is meant to achieve livelihoods-related objectives – ensure that M&E systems can measure livelihoods impacts and that targeting criteria reflect objectives. (Hedlund)

9. In addition to geographic targeting based on need, the commitment and capacity of local authorities should play a factor in deciding where to expand social protection programmes. (Hedlund)
10. The risks of not targeting the most vulnerable and/or diversion are real, particularly in medium or long-term programmes where transfers become predictable. Stronger community-based accountability mechanisms then become essential. Even before the transfer begins, stakeholders – in particular targeted communities – decide means and design methods to ensure benefits reach those for whom they were intended. Using established targeting methods, such as community based targeting, to determine registration lists, in coordination with randomised transfers on a monthly basis, might make it more difficult for those who wish to profiteer to manipulate beneficiary lists or tax beneficiaries. (Hedlund)
11. To understand issues around targeting, such as inclusion and exclusion error, it is necessary to include a wide range of stakeholders in the monitoring process, especially non-beneficiaries (particularly people with no vested interest in the programme). (HPG)
12. Active inclusion of minority groups is needed to ensure that they are involved throughout the programme and are targeted for assistance (if required). (HPG)
13. Ensure selection criteria and other project rules and rationale are well communicated to reduce the number of appeals and grievances. (Trulove)
14. Ensure cross-checks of beneficiary lists with other NGOs and the use of durable cards that are easier to store on the person and less prone to loss or theft, perhaps using photo ID or biometric information. (Trulove)

### **Coverage**

15. Conduct better and more effective mapping and analysis through the cluster system to ensure that cash and voucher interventions are better targeted geographically to have an impact on those populations most in need. This includes persistent engagement with non-traditional providers of humanitarian assistance, inter-cluster coordination, and development or harmonisation of databases. (Hedlund)
16. Simultaneously, agencies need to reflect on historical patterns of famine, both from a geographical and socio-political (specifically clan) perspective to better inform operational strategies, including negotiating access or finding alternative means to access famine-prone areas, such as working with Somali NGOs. (Hedlund)
17. The humanitarian community must increase its efforts to engage with Mogadishu city and national government officials, local elders and Somali NGOs representing the IDPs who are presently locked in an exploitive relationship with gatekeepers and other local authorities. (Hedlund)

18. Increase returns programmes, collaboration and monitoring with Somali NGOs to ensure that assistance is provided at IDPs' place of origin. As long as there is no aid in their places of origin, the majority of IDPs will continue to answer 'no' to inquiries regarding their intention to return. This should not be assumed to mean they do not want to go home. (Hedlund)

### **Financial services/payment mechanisms**

19. Review inter-agency engagement with hawala companies to reflect on lessons learned from the 2011–12 crisis, including a review of contractual arrangements and services, risk mitigation strategies, and opportunities and threats for future collaboration. (Hedlund)
20. Ensure easier access to payments, prioritization of, or special desks for, the elderly, PWDs and the infirm, and pregnant women. Make sure that partner staff are present at distribution points and maximize use public messaging. (Truelove)
21. One area which requires increased support involves further professionalizing hawala field agents. While the hawalas as institutions have interest in maintaining their credibility as serious partners to humanitarian agencies, they continue to work with field agents in the biggest cities or the most rural village in an informal and trust based system that does not include contracts, any type of official mechanisms for vetting agents or monitoring of their adherence to contractual obligations. Professionalizing hawala agents could include such measures as supporting them to introduce biometric or smartcard offline payment systems for both remittances and for payments to beneficiaries of humanitarian programming. (Ali)

### **Markets**

22. Ensure indirect CTP market interventions are considered to assist in restocking or credit to avoid potential short term price rises. (Truelove)
23. Agencies should be aware that large-scale cash distributions in foreign currencies could affect the local exchange rate. (HPG)

### **Evidence and learning**

24. Document and challenge assumptions; build up the evidence base for the impacts of cash-based programming in Somalia: on markets, on given outcome indicators, on women and on other vulnerable groups. (Hedlund)
25. Increase collaboration between cash-based programmes and practical action in protection. Document activities and share widely. (Hedlund)
26. Intensified investment in evidence, training and knowledge on cash programming.....the lack of technical expertise amongst the cluster coordinators and the various UN agencies, including senior management, meant that evidence-based technical debates were not taking place when and where needed. There needs to be a serious investment in gathering more data on large-scale cash programs as well as training staff and holding senior-level discussions especially with donors and

Humanitarian Coordinators to further familiarize them on the use of cash. Given that cash is also a multi-sectoral solution, cluster leads in particular need to be targeted with information and training so they are able to assess the viability of a market-based response to meet humanitarian needs. (Ali)

### **Planning and Coordination**

27. Humanitarian organizations should seek to lower transaction costs by reducing the number of intermediary levels of administration and by using more direct implementation mechanisms (e.g. more light modalities such as cash transfers and local procurement based on market analysis). (IASC)
28. The CBRWG should be recognised as the principal learning platform and inter-cluster technical working group for cash-based programming. The SCC and the CVMG (while they still exist) must maintain their commitment to the CBRWG, including advocacy for more reliable resources (perhaps using a CVMG funding model), and increasing the number of platforms in strategic locations within Somalia (especially Mogadishu). (Hedlund)
29. Continue consortium approaches such as the SCC and CVMG. They have demonstrated the ability to go to scale and to coordinate both operational and technical aspects of the work. They have increased trust, communication, information sharing, and shared responsibility for outcomes. Together with the SCC, CBRWG and CVMG have increased the information and evidence base for better design, planning, implementation and real-time improvement of programmes. This will require a review of pooled funding mechanisms for cash-based programmes and exploring alternatives where the CHF, ERF and CERF are inadequate. (Hedlund)

### **Risk Management**

30. All stakeholders (government, donors, UN, NGOs) should engage collectively in a transparent and rigorous risk analysis of all humanitarian interventions (both cash and in-kind transfers) in the Somalia context and jointly determine where responsibilities lie for delivery of those interventions. Increase the sharing of risk between field staff, senior NGO management, UN agencies and donors, when implementing agents/agencies show due diligence throughout the programme cycle. (Hedlund)
31. Given the inevitability of dependency on remote management in the short and medium term, the field capacity of INGOs in strategic locations and Somali NGOs needs to be further developed to effectively prepare for, manage and monitor CTPs as humanitarian interventions in the future. (Hedlund)
32. Work collectively with field staff of NGOs and the UN to reduce tolerance for diversion, including that which results from targeting errors. Investigate the real obstacles to greater transparency and communication between field staff and headquarters, agencies and donors. Consider transparency and accountability in the decision making process when deciding the need for repercussions. This demands ongoing reflection on what shared risk means in the Somali aid environment. Stop

yourself from criticising those agencies that are victims of misuse of funds. Everyone is affected; assume you just don't know about it yet. (Hedlund)

33. A more enabling environment for honesty and addressing mistakes .....In preventing and addressing famine, doing no harm is imperative. But in order for aid solutions to be innovative and inspired, we need to be less punitive and more supportive of NGOs and UN agencies that take risks and publicly share their failures. Even if the cash response reveals a significant flaw in the implementation, including diversion, fraud, or poor targeting, we should not punish the NGOs for responding in an environment where many could not or would not. For these NGOs the risks were worth taking in order to save lives. Risk management and risk aversion are not synonymous. Those agencies who understand the difference, even in times of failure, should be encouraged and supported rather than punished. (Ali)
34. Collusion between programme stakeholders is very difficult to monitor and will require innovative methods to identify occurrences. This may include interviewing more non-beneficiaries than are usually included – people with links to the targeted communities but who are not directly involved in the programme, or discussing the programme through personal networks of the programme staff. (HPG)
35. Traditional quantitative data collection was unable to pick up key programming issues such as diversion/corruption, and significant investment in qualitative data was needed in order to better understand these issues. (HPG)
36. Data from beneficiaries on this topic is often biased by fear of reprisal and may therefore not be an honest account of the situation. Agencies need to be aware of this and use trusted sources to collect data. (HPG)

### **Accountability**

37. Including a complaints/feedback mechanism in programme design is essential for improving accountability to beneficiaries and to the community at large. However, if the intention is to collect information on sensitive topics (such as diversion, treatment of beneficiaries or corruption), the system must be confidential. Ideally, the community should be involved in determining the type of system employed so that there is a level of community trust. (HPG)
38. Increase efforts to understand and exploit local accountability mechanisms, including understanding clan dynamics and how agency staff manoeuvre in a given context. Redouble efforts to share information with affected communities, both beneficiaries and non-beneficiaries, and continue to experiment with effective feedback mechanisms. Discuss these in the CBRWG or similar accountability working group. (Hedlund)
39. Related to the above, organise experience sharing and learning to improve internal accountability mechanisms, including whistle blowing procedures and investigative procedures appropriate to different types of diversion. Consider developing the collective capacity to do independent

investigations, including learning from and engaging with the UN Risk Management Unit and the UN Monitoring Group. (Hedlund)

40. While it is clear that cases of misuse of funds will need to be handled on a case by case basis, establish minimum standards vis-à-vis risk assessment, mitigation, monitoring, investigation, reporting, and transparency - the latter with the understanding that revealing mistakes is first and foremost done to stop harmful practice, then contribute to the learning of the broader humanitarian community, and when appropriate, to decide repercussions and retribution, not least to the affected community. Minimum standards and due process through perhaps an ombudsmen approach will contribute to ensuring equal treatment of agencies in the case of suspected or established cases of misuse of funds. (Hedlund)
41. Monitoring systems need to consider the lessons learned in this evaluation. Good practice includes common systems with a reduced but essential set of indicators that allow for comparability and aggregation, bi-monthly monitoring of process indicators, semi-annual monitoring of outcome indicators, timely and regular review by stakeholders of results and real-time adjustments made to programmes (particularly in the first few years) and finding innovative means to collect sensitive information such as targeting errors and diversion. (Hedlund)
42. Measuring livelihoods-related impacts is complex in a normal operating environment but made even more so by remote management. Finding a balance between what is possible and what is necessary will demand informed choices. Lessons can be learned from Ethiopia and other safety net programmes on how to determine impacts on livelihoods, improved resilience, define graduation, etc. (Hedlund)
43. As such, transparency and learning between agencies becomes paramount, and will involve a 'consortium'-like approach to building trust, establishing regular communication and problem solving. A consortium approach will also facilitate design of common monitoring systems/indicators, collective hawala negotiations, and other efficiency measures. (Hedlund)
44. In 2012 cluster leads should ensure that their member organizations regularly inform affected communities of their rights and duties (in a culturally appropriate and participatory manner for empowerment). They should monitor whether beneficiaries receive the assistance that they are entitled to. All agreements with implementing partners should make this compulsory. In those areas of SCS where access is limited, mobile phone technology could be used. (IASC)

### **Monitoring**

45. Review agency-specific and shared monitoring systems and best practices and identify best practice to inform the establishment of more effective and efficient monitoring of cash and voucher (and other) interventions in the future. (Hedlund)
46. Next steps for M&E for cash-based programming include working within and between clusters to determine minimum process and output indicators for cash-based responses, and to determine



common and sector specific outcome indicators, taking into consideration the strength and weaknesses of food security consumption-based indicators. (Hedlund)

47. Work together to establish common analysis and reporting formats for process, output and outcomes, and also methods for determining cost efficiency and cost effectiveness. At the same time, don't split hairs about differences between the various modalities. If a response choice is evidenced based, then it is up to beneficiaries, agencies and donors to determine together if the additional cost is worth the added benefit. (Hedlund)
48. Continue to experiment and innovate with M&E and investigative methods that produce results about sensitive topics such as diversion, fraud and targeting errors. This is not limited to cash and vouchers, and should involve M&E experts that use conventional and unconventional means of collecting information. (Hedlund)
49. The table below provides a list of the monitoring indicators that provided useful results, either in terms of identifying implementation processes that needed improvement, or in determining the impact of the interventions.

<b>Quantitative process indicators</b>	<b>Quantitative impact indicators</b>
<ul style="list-style-type: none"> <li>• Travel time to distribution</li> <li>• Waiting time</li> <li>• Security at distribution site</li> <li>• Transfer preference</li> <li>• Use of commodities (vouchers)</li> <li>• Overall process</li> </ul>	<ul style="list-style-type: none"> <li>• % HH expenditure (on food)</li> <li>• Number of meals consumed</li> <li>• Household Dietary Diversity Score</li> <li>• Intra-household conflict</li> <li>• Market prices/CPI/exchange rate</li> </ul>

It is recommended that the use of these indicators be continued in future programme monitoring activities. In addition, the monitoring team has identified two indicators that could be included in future in order to improve data analysis: access to credit (indicates improved access to coping mechanisms), and the proportion of households taking on new debt (and why). The Coping Strategies Index (CSI) appears to be better than the Household Hunger Index that was used in Phase 1 at measuring coping strategies. However, it needs to be used over a longer period than was possible in this programme, and so its utility cannot be confirmed at this stage. (HPG)

50. More robust monitoring and evaluation ....M&E would be strengthened by ensuring that IFMs are not linked to the districts, regions and clans of the organizations they are monitoring. This would increase their objectivity and keep them from being part of the perceived or real clan biases that occur in Somalia. It would also protect them (and the organizations on which they reporting) from potential distrust, discord, and even insecurity if they have to submit negative reports .... (Ali)
51. More robust monitoring and evaluation .....agencies need to use creative ways of monitoring in areas where no or limited access exists. One idea is to introduce a hotline that is manned 24 h a day by trusted staff in Nairobi and ensure that this number is made public through internet (via Somali websites) and radio to communities in project areas. This hotline should be managed by

vettted INGOs, donor agencies or independent monitoring groups and as little as possible by the NGO implementing directly in the field. Also, agencies could involve the extensive Somali network that exists in Nairobi and in Somalia to contact community leaders, beneficiaries and others on the ground to gain additional information on the implementation of activities. (Ali)

### **Funding**

52. Strengthened flexible funding and coordination mechanisms .... In the end, six donors signed 13 bilateral agreements with the four INGOs in the Consortium, a rather inefficient arrangement with multiple reporting requirements. A few UN agencies did take a significant political risk by fundraising and managing sizeable funds on behalf of the NGOs implementing cash and voucher programs, including members of the CVMG. However, the NGOs that wanted to engage directly with the donors had limited options other than the described inefficient bilateral agreements or working through UN managed modalities. If NGOs are going to program cash at scale, they need appropriate funding mechanisms that allow them to receive large sums of money without relying on the UN system as a conduit for that funding. (Ali)

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