

Discussion Note: Building evidence and developing guidance on operational models for CTP

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This discussion note summarises CaLP's proposed approach to developing guidance for donors and operational agencies to assess the suitability of different operational models for CTP, by context. The note lays out the current debate relating to different forms of collaboration for CTP, and the operational models proposed by different actors. It proposes a "Framework for building evidence on operational models for CTP", which can be used to review a range of different models. The collective evidence base from these reviews will be used to develop the guidance on assessing the suitability of operational models. This revised note provides an overview of CaLP's proposed approach to this work, and opportunities for CaLP's members to engage.

Background

The potential of Cash Transfer Programmes (CTPs) to deliver an efficient, effective and accountable response in large scale crises is widely recognised, as is the fact that scale is the greatest driver of efficiency. Donors and operational agencies therefore have the opportunity – and obligation – to work together to radically increase the use of CTP as a tool for high quality humanitarian aid.

It is also recognised that there is substantial duplication of activities and costs in humanitarian responses, particularly for CTP, for instance in the parallel management structures created by different agencies delivering similar (or overlapping) assistance to the same beneficiaries. As underlined in the Grand Bargain, this requires donors and agencies to identify innovative and harmonised ways of working together¹.

Operational agencies have to carry out a variety of activities to achieve quality CTP. These include assessment and programme design, community engagement, delivery, programme & relationship management, monitoring and continual improvement. It is unlikely that any single agency has the capacity to undertake all of these, for all potential beneficiaries in different locations across any specific humanitarian response. However, there are significant opportunities for existing aid actors to work together to benefit from new partnerships with financial service providers.

Accordingly, there are clear opportunities for agencies and new actors to work together to achieve quality CTP at scale. The crux of the debate lies around how to define "quality CTP at scale" and understanding which forms of collaboration (referred to from henceforth as 'operational models') can best deliver quality in different contexts.

The current situation

Multiple models are being proposed as a solution to achieving scale and quality in CTP, all of which require collaboration in some form. Donors, UN agencies and NGOs are driving these operational models in different contexts.

¹ WHS (2017) 'Grand Bargain – A Shared Commitment to Better Serve People in Need.'

<https://consultations.worldhumanitariansummit.org/bitcache/075d4c18b82e0853e3d393e90af18acf734baf29?vid=580250&disposition=inline&op=view>

One model is exemplified by the recent large, competitive ‘single agency’ tenders for CTP in Turkey and Lebanon. As noted by an ODI-led series of case studies, these “*could lay the groundwork for future responses by encouraging new models of programming*”². These too require collaboration, either for independent monitoring and accountability, or for implementation and wider programme management.

Alternative models³ emphasise the efficiency and effectiveness gains of common delivery mechanisms as the Common Cash Facility (CCF) set up by UNHCR in Jordan. Other collaborative cash transfer consortia in Ukraine, Somalia and Iraq demonstrate the potential for geographical and functional segregation of duties. These models have substantial implications for different actors.

Evidence to date⁴ demonstrates that these different operational models have different strengths and weaknesses for the delivery of efficient, effective & accountable CTP, in different contexts. The debate is current and significant, affecting very substantial resource flows, business models and the global strategy of key actors. Some argue that the function of (a) delivering CTP should be separated from the functions of (b) analysing needs, designing the programme, monitoring it, and ensuring accountability. It is proposed that this enables better use of private sector capacities, and removes significant conflicts of interest. Others argue that it is unlikely that the delivery of CTP can be fully separated from the core design and monitoring functions, as these are all key components of the overall programme management that operational agencies normally undertake. Currently, decisions on which model should be selected in different contexts are not yet clearly made on the basis of evidence-based analysis. Actors are relying on partial information to make these key decisions.

The broader debate which underlies this division is the extent to which cash should be an agent of reform in the humanitarian system. The role that incentives, inter-agency politics and leadership play in realizing the potential of cash at scale has been recognized in a series of recent studies⁵. Against this back-drop, the Grand Bargain and CaLP’s [Global Framework for Action](#) identify that the need to invest in, and assess, operational models is crucial for CTP to achieve its potential.

What is needed to advance the debate

Stronger evidence is needed about the costs and benefits to different actors of different models in different contexts. Currently however, there is limited evidence available to inform the development of such guidance. Where evidence does exist, the analytical approaches differ, and therefore comparisons across contexts are challenging. Evidence needs to be built based on a common analytical framework, and consolidated into practical guidance for decision makers. This

² Bailey, S. and Harvey, P. (2017) “*Time for change: harnessing the potential of humanitarian cash transfers*” and contributing case studies. ODI. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11419.pdf>.

³ Working definition of collaborative models; “*a form of cooperative arrangement in which multiple agencies work jointly towards a common design and/or implementation goal of cash programming.*” Taken from; Smart, K., Nataf, R. 2017. ‘A review of Inter-Agency Collaboration for CTP Delivery. CaLP/ USAID.

⁴ Bailey, S. and Harvey, P. (2017) and Smart, K., Nataf, R. (2017)

⁵ Bailey, S. and Harvey, P. (2017) “*Time for change: harnessing the potential of humanitarian cash transfers*” and contributing case studies. ODI. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11419.pdf> and ; Smart, K., Nataf, R. 2017. ‘A review of Inter-Agency Collaboration for CTP Delivery. CaLP/ USAID.

guidance should support operational agencies and donors to assess the suitability of different operational models, by context. This guidance should consider: when it is appropriate to collaborate; at what stages of strategic and operational management; and in which contexts. It should acknowledge agency (dis)incentives for collaboration, and help assess the trade-offs around collaboration (particularly between efficiency and effectiveness). For donors, guidance should help inform funding decisions around operational models, such as the appropriateness of separating funding for different components of the CTP design and delivery, or contributing to pooled funding streams towards one streamlined CTP⁶.

In order to develop such guidance, the following key questions need to be addressed:

- First, what operational models are available to agencies implementing CTP?
- Second, how do different models improve the efficiency, effectiveness and accountability of CTP in different contexts?
- Third, which operational models are most appropriate in which contexts?

What is CaLP doing?

CaLP is proposing to address the questions above and lead the development of guidance using the following phased approach:

1. As a starting point, CaLP has drafted a **“Framework for building evidence on operational models for CTP”**. This framework is based on collating existing evidence on collaboration and value for money in CTP, and inputs from CaLP’s widely representative Technical Advisory Group (TAG). It sets out collaborative actions that operational agencies can take to achieve greater efficiency, effectiveness and accountability of CTP within a humanitarian response, and associated indicators. So, the framework provides a basis for assessing how well different operational models achieve efficiency, effectiveness and accountability. This framework acknowledges trade-offs between efficiency, effectiveness and accountability. As such although the proposed framework can be applied across contexts, the proposed approach to evidence building recognises the influence of context on these trade-offs.
2. Together with its members, CaLP will aim to **and use this framework to build evidence across a set of case studies of different operational models**. This should cover a comprehensive breadth of operational models, and will build on CaLP’s existing review of inter-agency operational models⁷, CaLP and UNHCR’s review of the Common Cash Facility in Jordan (to be published in August) and engagement with other ongoing studies (e.g. the review of the ESSN in Turkey). To support the use of this framework, CaLP has developed the following package of documents:
 - A guidance note on how to use the framework
 - A tool to collect standard general information on the operational model and contextual factors

⁶ Reference the need to consider pooled funding streams to maximize the potential of humanitarian CTP in Bailey, S. and Harvey, P. (2017) *“Time for change: harnessing the potential of humanitarian cash transfers”* and contributing case studies. ODI. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11419.pdf>.

⁷ Smart, K., Nataf, R. (2017)

- A data collection template for the proposed guiding actions and steps of the framework
 - A data collection template on the perceptions of those involved (internal and external to the operational model)
3. The **evidence collated across these case studies will then be compiled into an aggregated evidence base**. This evidence will allow CaLP to refine its framework, and **develop guidance which meets the needs of operational agencies and donors**. This guidance will be supported by practical examples and tools, drawn from the case studies, to support specific elements of collaboration.

Prospective timeline

- August: Recruitment of consultant(s) to support the refinement of the framework and to lead on reviews of operational models in specific countries.
- September: Establishment of a working group comprised of CaLP members and other external stakeholders, to steer this work. The working group will be engaged in:
- September: Revision of draft framework for assessing quality of operational models, and associated guidance & tools for data collection
- September 2017 – January 2018: Preparation of case studies (CaLP-led and CaLP-supported – i.e. where other actors have used CaLP's methodology and associated guidance)
- January/February 2018: Analysis of evidence base against contexts
- March/April 2018: Drafting of guidance on the selection of operational models by context (format TBC), including final revisions of framework