



# REVIEW OF THE COMMON CASH FACILITY APPROACH IN JORDAN

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## ACRONYMS AND ABBREVIATIONS

<b>ACF</b>	Action Contre la Faim
<b>ASC</b>	Asylum seeker certificate
<b>BNWG</b>	Basic Needs Working Group
<b>CAB</b>	Cairo Amman Bank
<b>CaLP</b>	Cash Learning Partnership
<b>CBI</b>	Cash-based intervention
<b>CCF</b>	Common Cash Facility
<b>CTP</b>	Cash Transfer Programme
<b>FSP</b>	Financial service provider
<b>GRC</b>	German Red Cross
<b>GoJ</b>	Government of Jordan
<b>KYC</b>	Know Your Customer
<b>MoI</b>	Ministry of Interior
<b>MoSD</b>	Ministry of Social Development
<b>NGO</b>	Non-governmental organization
<b>ODI</b>	Overseas Development Institute
<b>PDM</b>	Post-Distribution Monitoring Report
<b>PU-AMI</b>	Première Urgence – Aide Médicale Internationale
<b>RAIS</b>	Refugee Assistance Information System
<b>SOP</b>	Standard Operating Procedure
<b>UN</b>	United Nations
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>WFP</b>	World Food Programme
<b>WRG</b>	World Relief Germany

## EXECUTIVE SUMMARY

The United Nations High Commissioner for Refugees (UNHCR) in Jordan has pioneered a collaborative, multi-stakeholder approach to the delivery of cash, known as the Common Cash Facility (CCF). The aim of the CCF is to provide humanitarian actors with direct and equal access to a common financial service provider. UNHCR started the first full scale-use of the CCF in Jordan in 2016, with the objective of testing the underpinning goals of such an arrangement in a large-scale cash operation.

Ten humanitarian organizations currently use the CCF (two UN and eight other humanitarian agencies). In 2016, the CCF in Jordan delivered a total of US\$118m to some 40,000 refugee families; this represented more than 90% of the cash assistance provided to Jordan's most vulnerable refugees living outside camps. The CCF uses a public-private partnership approach, contracting with a financial service provider (currently the Cairo Amman Bank), which provides transparent and equal services to all agencies under the CCF Agreement.

The financial service provider acts as platform manager, with costs paid to it directly by member agencies in proportion to the services received. This arrangement ensures that each organization maintains a separate and direct relationship with the bank, upholding financial integrity and accountability. The combined strength of partners within the CCF has allowed it to negotiate record-low banking rates and premium services. No fees other than the bank fees are associated with CCF membership.

The CCF draws on UNHCR's registration base, which in Jordan involves the use of a biometric registration system that was already in place before the CCF and used by all agencies for beneficiary caseload identification and management.

This review was commissioned by UNHCR and the Cash Learning Partnership (CaLP) to examine the principles by which the CCF was devised and to contribute to the Grand Bargain commitments on cash. More specifically, the review's objective was to examine the CCF in Jordan and assess whether the concept of collaboration and open access to the financial sector could be applied more broadly to cash-based assistance across different contexts. The review team used a mixed-methodological approach to collect data, including a desk review of key documentation, a country visit, and semi-structured interviews with key informants, including refugee families. The team also made use of the CaLP inter-agency review of collaborative models<sup>1</sup> to help inform key areas of review and data analysis.

## HOW THE COMMON CASH FACILITY FUNCTIONS

The CCF is a system for delivering cash-based assistance. It allows for the delivery of funds by a number of humanitarian organizations without requiring each organization to set up its own procurement arrangements, open separate beneficiary accounts or distribute different ATM cards to beneficiaries. All agencies participating in the CCF benefit from the same terms and conditions, and beneficiaries access their cash using a biometric iris-scanning system installed at bank ATMs. The CCF offers economies of scale and cost advantages: the more agencies that join, the lower the bank fees.

All partners joining the CCF can transfer cash assistance on an equal and direct basis, under the same terms and conditions, and at the same low overheads, with no entry or exit barriers. This means that a small NGO processing a one-off payment for a limited number of refugees would benefit from the same low fees as a large agency delivering monthly cash assistance to thousands of refugees.

The CCF is jointly managed by a Steering Committee which includes representatives of all participating organizations and maintains oversight of the overall implementation. UNHCR manages the contract with the bank.

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<sup>1</sup> *A Review of Inter-Agency Collaboration for CTP Delivery*, CaLP, 2017.

## KEY FINDINGS

This review concluded that the CCF provides a secure, efficient and innovative cash transfer approach that has enabled predictable cash payments at scale to refugees, while accommodating multiple organizations' cash transfer programmes. It has reduced costs and duplication, and has resulted in improved efficiency, accountability and coordination of cash assistance activities. The model can be replicated in various contexts and for other transfer mechanisms. The key findings of the review are summarized below.

**Key finding 1:** Coordination of beneficiary caseload payments helps to minimize potential duplication between participating agencies. The real-time transaction history from the ATM and bank enables agencies to monitor who is receiving cash and to identify changes at household level on a monthly basis, supporting real-time follow-up and trend analysis. There is room to strengthen integrated monitoring systems to improve analysis.

**Key finding 2:** The CCF in Jordan provides a secure, efficient and innovative cash transfer approach that has enabled cash payments at scale to registered refugees. It has resulted in improved efficiency, accountability and coordination of cash assistance activities by CCF members in Jordan. Bank transfer fees have reduced from 2.5-5% to 1.67%, and participating agencies report reduced human resource requirements to assist beneficiaries.

**Key finding 3:** A tiered fee structure negotiated with the financial service provider has led to predictable commission rates. The lower fee rate is achieved once additional CCF members pool resources through the facility. The rates are competitive, and agencies believe that further cost savings could be negotiated and achieved through increased coordination and planning on anticipated future use of the CCF. Further consideration is required to determine the extent to which the collective negotiating power of the main cash delivery agencies would further drive down costs across the full range of financial service providers in Jordan.

**Key finding 4:** The inter-agency payment system of the CCF functions well for a stable caseload and provides large-scale multiple or single cash payments. It can also accommodate one-off interventions, such as cash payments for winterization, urgent cash or cash for health. The CCF can also be used for Jordanian beneficiaries through ATM prepaid card services. The banking model is not currently transferable to camp settings due to security considerations, or to non-registered refugees in Jordan due to legal and subsequent compliance requirements. It could be expanded to other population groups in other contexts, provided that a reliable beneficiary database is set up and maintained by one or more of the participating organizations.

**Key finding 5:** UNHCR's ability to facilitate this private sector arrangement under an umbrella contract, which benefits organizations operating at different scales and project durations on an equal basis, means that agencies providing one-off payments or short-term projects enjoy the same advantages as the large UN programmes. Capitalizing on the pre-existing use of UNHCR registration biometrics, the approach is scalable with limited technological payment constraints, with direct account management through the bank. The key factors enabling and hindering humanitarian agency use of the CCF include the following:

Supporting factors	Hindering factors
<ul style="list-style-type: none"> <li>• Umbrella contract enabling non-binding use of pre-established FSP to make individual or multiple payments, benefitting from low fee rates.</li> <li>• Simplification of agency procurement process.</li> <li>• Established database of beneficiary population enabled time-efficient cash payment at scale</li> <li>• Predictability of tried and tested system.</li> <li>• Use of biometrics</li> </ul>	<ul style="list-style-type: none"> <li>• Persons without a valid asylum seeker certificate cannot not be included due to governmental regulations.</li> <li>• Continued separate agency assistance approaches.</li> <li>• Limited understanding among non-members of overall operational gains for agencies and beneficiaries.</li> </ul>

**Key finding 6:** The payment functionalities of the CCF could be transferrable to the government to make social payment transfers. Broader work has been undertaken by international humanitarian and development actors to generate learning in this area. The opportunities and limitations to work on a collaborative social payment system are outside the parameters of this review.

**Key finding 7:** The CCF has the potential to grow and could potentially be extended to all registered and unregistered persons, provided this is acceptable to the regulatory authorities and that source data for assistance is available. This would require an engagement strategy on how to adapt or expand the membership of the CCF, which would include promoting the CCF operational gains to non-members.

**Key finding 8:** Efficient use of the CCF requires integration with a system that provides population data and supports ‘Know Your Customer’ requirements. This would be a prerequisite for other contexts, including non-refugee operations.

**Key finding 9:** Whilst the CCF has facilitated collaboration among its members to provide cash payments under the umbrella contract, it is not necessarily (nor was it set up to be) a mechanism that contributes to coordination more broadly. Contribution to coordination is predominantly via the Basic Needs Working Group, with potential for other sectors to increase their engagement with the CCF.

**Key finding 10:** The principles of collaboration and coordination between agencies and with the private sector can be replicated elsewhere and adapted to other contexts and transfer mechanisms, provided there is sufficient lead-time and planning. Any agency or set of agencies with sufficient capacity to manage the contract relationship and payment delivery oversight could facilitate the CCF with limited financial or legal barriers. The factors enabling and hindering coordination and collaboration in Jordan, as identified in this review, include:

Supporting factors	Hindering factors
<ul style="list-style-type: none"> <li>• Establishment of a Steering Committee to maintain oversight of implementation.</li> <li>• Production of a manual to ensure common understanding of the system.</li> <li>• Ability of all members to transfer cash assistance on an equal and direct basis, regardless of size.</li> <li>• Facilitation of inter-agency input into tools and guidance procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• A need to strengthen the overarching strategy which outlines aims and targets to strengthen effective delivery amongst CCF members and contribute to sector working groups.</li> <li>• A need to strengthen knowledge about the CCF among non-members across operational agencies and different sectors.</li> <li>• Inability of the system to reach all humanitarian beneficiary caseloads (in Jordan).</li> </ul>

**Key finding 11:** Well-structured inter-agency governance, with clear mechanisms for engagement with humanitarian partners and the financial service provider, is essential. This arrangement should include oversight of member agency funding and payment volumes to the bank for coordination purposes, irrespective of the bank independently managing transaction reporting. A communication plan should ensure that member and non-member agencies are aware of the aims and parameters of the CCF coordination efforts, including how the Steering Committee feeds into other working groups.

# I REVIEW RATIONALE AND METHODOLOGY

A key focus of the Grand Bargain commitments is that humanitarian organizations work together efficiently, transparently and harmoniously. Commitment 3 of the Grand Bargain focuses on the increased use and coordination of cash-based interventions, and encourages investment in new cash transfer delivery models which can be increased in scale.

While there have been a number of studies focusing on the impact and efficiency of humanitarian cash transfers, little evidence exists on the effectiveness and efficiency of the coordination mechanisms that are used to deliver them, and the fundamental prerequisites that need to be in place to ensure such mechanisms are acceptable and used in a variety of contexts.

The aim of this review is to examine the effectiveness, efficiency, adaptability and replicability of the Common Cash Facility (CCF) and the principles by which it was developed by the UNHCR, through documenting the effectiveness and efficiency of the CCF pilot in Jordan. The review also considers the extent to which the CCF concept, including its standards and principles, could be applied in different humanitarian contexts. It is a joint review carried out by UNHCR and CaLP.

## I.1 REVIEW METHODOLOGY AND APPROACH, SCOPE AND LIMITATIONS

The review has been undertaken by a team with considerable experience in cash transfer programming and an understanding of the Jordanian context and inter-agency cash programmes in the Middle East.

The team used a mixed-methodological approach to collect data, including:

- Review of key documentation<sup>2</sup>
- Interviews with CCF stakeholders<sup>3</sup> including:
  - UNHCR staff in Jordan
  - FSP representatives: CAB and IrisGuard
  - Humanitarian CCF member and non-member organizations
  - Refugee families
  - UNHCR headquarters staff
  - Government of Jordan representatives
- Country visit to Jordan

The team developed interview tools, and made use of the CaLP inter-agency review of collaborative models<sup>4</sup> to inform key areas of review and data analysis. A draft of the review report was submitted to UNHCR and CaLP to provide the opportunity for feedback prior to finalization.

Limitations: The review team accessed the data on cost efficiency made available by UNHCR. As the system was launched in August 2016, and each of the CCF members independently manages its respective financial data directly with the bank, the review was not able to access all the data needed to undertake a full cost-efficiency analysis of the system beyond the actual contractually agreed FSP fees.

<sup>2</sup> See Annex 1 for list of key documents reviewed.

<sup>3</sup> See Annex 2 for list of interviewees.

<sup>4</sup> *A Review of Inter-Agency Collaboration for CTP Delivery*, CaLP, 2017.



## 2 KEY CHARACTERISTICS OF THE COMMON CASH FACILITY AND ITS ROLL-OUT IN JORDAN

The CCF was established to allow different agencies to identify and access a common payment facility, whilst retaining independent financial ownership and visibility, to collectively strengthen cash-based interventions in a given context. Jordan provided the operational context to test the CCF model, generate learning and feed into global discussions and negotiations on how best to work with financial service providers (FSPs) as a collective set of actors, drawing on common standards and principles.

The CCF in Jordan demonstrates UNHCR's approach to the collaborative delivery of cash-based assistance to registered refugees not living in camps.<sup>5</sup> The approach is being tested in Jordan, with the intention of identifying a set of universal requirements for procuring cash transfer arrangements which are predictable and accessible to all humanitarian agencies. The Jordan CCF is based on an innovative public-private partnership between the UN agencies, NGOs, the FSP – the Cairo Amman Bank – and the biometrics company, IrisGuard. The FSP acts as platform manager, with costs paid directly to it by member agencies in proportion to the services received. The CCF draws on UNHCR's registration database, which in Jordan involves the use of biometrics already in place before the CCF was established, and used by all agencies for caseload identification and management. The use of this technology forms a key aspect of the CCF in Jordan and allows agencies to authenticate cash beneficiaries prior to distribution of assistance.<sup>6</sup>

The main objectives of the CCF were to further develop a system that:

- a. Could be set up by any organization, but would be managed by a regulated FSP.
- b. Would operationalize an efficient system of common transfer of funds without giving up individual agency/ organization independence, visibility or compliance.
- c. Could have the built-in flexibility to be expanded to different population groups in a given geographical context for the purposes of assistance, social safety net inclusion and more.

The UNHCR CCF was launched in August 2016 as a partner platform for cash delivery that shares the benefits of innovative technology with ten agencies: two UN agencies and eight NGOs.<sup>7</sup> In 2016, a total of US\$118m was jointly transferred to some 40,000 non-camp-based refugee families, representing 90% of the total cash assistance delivered to refugees in Jordan. The UNHCR unrestricted cash transfer programme is one of the largest in Jordan in terms of coverage and number of payments.<sup>8</sup>

### 2.1 OVERVIEW OF HOW THE COMMON CASH FACILITY FUNCTIONS

The CCF provides a platform for multiple humanitarian agencies to deliver cash assistance via a single FSP, which is currently the Cairo Amman Bank (CAB) in Jordan. The CCF is managed by a Steering Committee which includes representatives of all participating organizations. All agencies participating in the CCF benefit from the same terms and conditions, including transaction costs and waiver of entry and exit charges. UNHCR manages the overall (umbrella) contract with the bank. Each humanitarian organization opens a separate bank account which sits under the umbrella contract. Beneficiaries receive cash through iris-enabled ATMs, requiring no card or pin, or through a pre-paid ATM card for those unable to use the biometric method (approximately 7-10% of the current caseload).

The CCF allows for the full, independent and traceable delivery of funds without the need for each participating agency to make individual procurement arrangements. Direct financial accountability is ensured by the provision that CCF member agencies join under their own independent account agreements with the bank. Under this

<sup>5</sup> Ministry of Interior decision based on security concerns of having cash-loaded ATM machines inside camps

<sup>6</sup> All registered asylum seekers and refugees in Jordan are entered into UNHCR's registration database, when an iris scan is performed for all family members above the age of three. This data is stored in UNHCR's EyeBank (iris database).

<sup>7</sup> As of June 2017, the organizations using the CCF are UNHCR; UNICEF; the German Red Cross; World Vision; World Relief Germany; Medair; Première Urgence Internationale; Action Contre la Faim; Nippon International Cooperation for Community Development and Mercy Corps.

<sup>8</sup> Source: *Cash transfers for refugees: the economic and social effects of a programme in Jordan*, ODI and Aya for Consultancy and Development, January 2017.

approach, resources are no longer channelled exclusively through a lead agency, more equitably distributing the administrative burden and any potential associated overhead costs. The platform is managed, maintained and operated by the bank on the basis of the CCF Agreement. It is underwritten and enhanced by a secure and encrypted network connection, known as the EyeCloud®, which enables biometric authentication at the point of receipt through a link to UNHCR's iris database.

Each beneficiary household selects one 'cash collector', who is placed on the master cash list as the monthly recipient. Payment is made via a virtual beneficiary bank account, which is generated using the beneficiary identification number from the UNHCR database of registered refugees. Beneficiaries are able to access their cash directly from one of 90-plus iris-enabled CAB ATMs that are located in every governorate throughout the country. The ATM screen informs beneficiaries which agency is providing funds by use of a 'wallet' with an agency logo. Beneficiaries may withdraw from one or more wallets, as indicated on the ATM screen. The CCF's standard operating procedures (SOPs) include a procedure for making changes to the nominated cash collector. Requests to make temporary or permanent changes to the named cash collector are managed by UNHCR to ensure authentication, and changes are made on the EyeCloud® platform.

The use of the EyeCloud® platform allows full authentication to be conducted by UNHCR during registration. The CCF Agreement stipulated the use of the EyeCloud® platform, whereby the ATM network is connected through a virtual, private network to UNHCR's biometric registration database. For CCF beneficiaries, initial registration at UNHCR and the provision of an asylum seeker certificate is sufficient to receive cash assistance. CCF beneficiaries no longer need to go through a separate authentication process at the bank.

The distribution and reconciliation process is as follows:

- Eligible refugees receive a text message informing them when their cash is available for withdrawal.
- Refugees scan their iris<sup>9</sup> at a CAB iris-enabled ATM,<sup>10</sup> and a digital wallet shows the amount allocated to them by each participating organization.
- The recipient withdraws funds from each organization's bank account in one go.
- A reconciliation report is sent from the bank to each organization, detailing each beneficiary account status.
- Refugees who do not withdraw funds by the end of the month are contacted by the humanitarian partners, and if they cannot be reached after several attempts they are removed from the list.

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<sup>9</sup> The use of biometrics in the form of iris scanning is carried out during UNHCR's refugee registration process

<sup>10</sup> Beneficiaries can access cash from one of the 90 iris-enabled Cairo Amman Bank ATMs.

## 3 ANALYSIS OF THE COMMON CASH FACILITY IN JORDAN

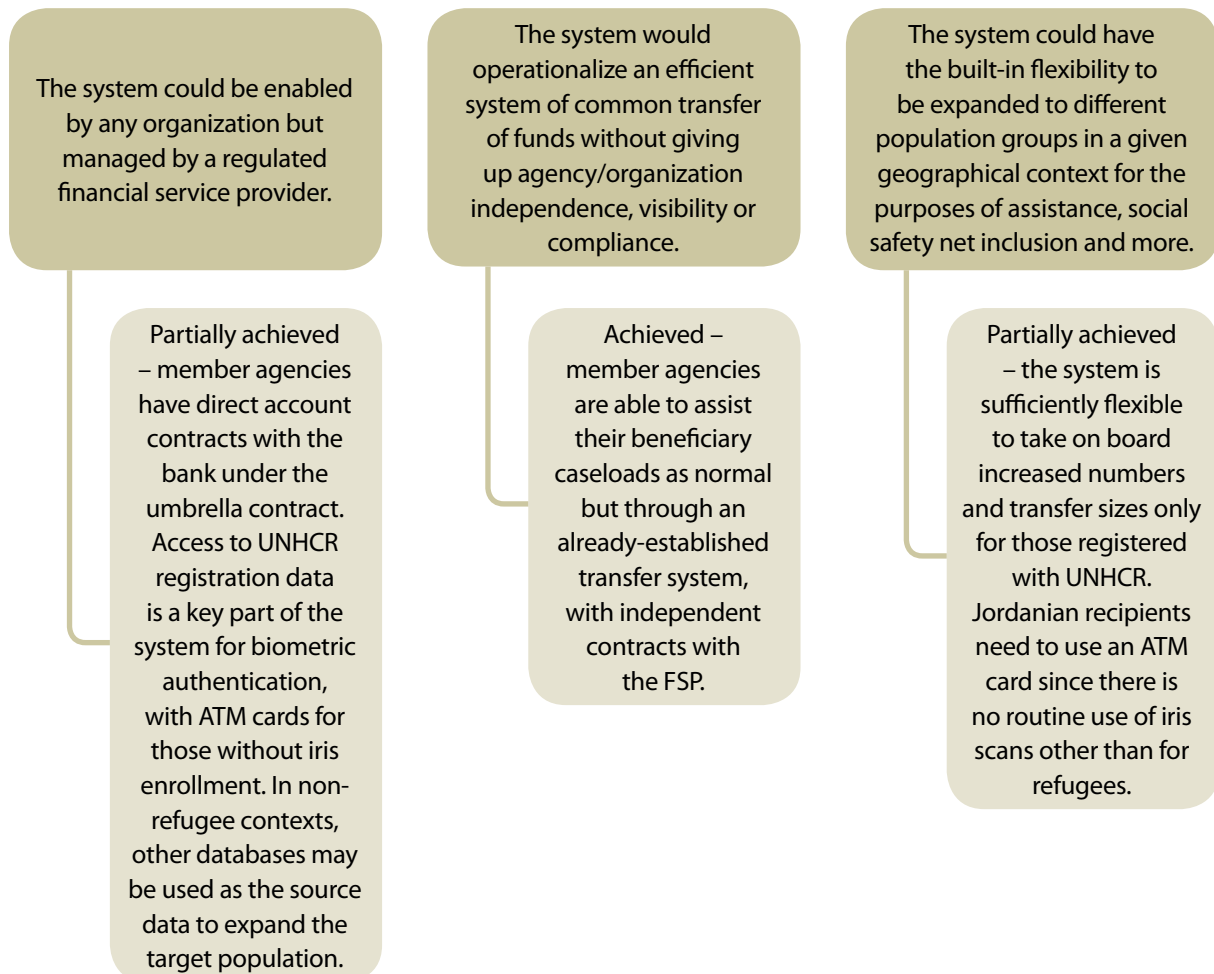
This section of the report presents analysis across the six thematic areas that have been considered in the review of the CCF in Jordan. The two primary areas of analysis focus on the effectiveness and efficiency of the CCF. In addition, the review considers the appropriateness and relevance of the CCF, its adaptability and potential for replication, and its use of coordination and collaboration.

### 3.1 EFFECTIVENESS

This section examines how the key components of the CCF contributed to its effectiveness as a platform for the common delivery of cash assistance to the targeted population. These key components include: the single FSP, governance structure, availability of UNHCR registration data, ease of use and relationship with the Government of Jordan. The review considers the performance of the CCF against its stated objectives, the effectiveness of the platform's governance and management arrangements in facilitating inter-agency participation and coordination, beneficiary satisfaction, and the CCF's added value for engaging with the FSP.

Figure 1 below provides a brief overview of the extent to which the CCF is currently meeting its stated objectives.

**Figure 1 Achievement of CCF objectives in Jordan**



## The Financial Service Provider in Jordan: Cairo Amman Bank (CAB)

Contracting arrangements led by the UNHCR Jordan Country Office were initiated in mid-2015, and finalized in April 2016 with involvement of finance and legal teams at UNHCR headquarters. The contract underwent a competitive tendering process that included two possible payment providers. Once CAB had been selected, the relatively long period taken to finalize the contract (five months) reflected the fact this was the first time UNHCR had entered such an arrangement in Jordan, even though the actual final contract did not change substantively. The lead-time would need to be taken into account in other contexts. The contract made arrangements for additional agencies to join the CCF during this initial planning and negotiation phase. The German Red Cross (GRC) was the first organization to join, in August 2016, and had previously been providing cash transfers in coordination with UNHCR.

To become a member/partner of the CCF, agencies must open a bank account with CAB; the agencies consulted saw this as a relatively straightforward process. The bank treats agencies as individual clients, and each has a direct relationship with CAB. Key CCF operational discussions are coordinated through weekly UNHCR/CAB project management meetings to review progress against agreed plans and any revisions requested in the system, including any withdrawal problems. CCF partners are represented by UNHCR.

CAB's relationship with humanitarian agencies via the CCF fits well with their corporate growth and payments expansion strategy, whereby the bank plans to continue to strengthen and roll out the payment system using biometrics. The review found CAB's payment approach to be a competitive component of the CCF, and that the use of biometrics results in higher levels of financial accountability. CAB expects to cover its overhead costs under the fee structure within two years, after which point it anticipates a greater profit margin.

The FSP sector in Jordan is familiar with the requirements of humanitarian agencies in moving to more cash-based assistance, including the global-level discussions which led to the Grand Bargain commitment to achieve harmonized payment systems together with FSPs. The review found that there is interest in further developing partnerships with humanitarian agencies. Whilst there is a level of competition between Jordanian banks tendering for separate large-scale UN agency contracts, it is unclear the extent to which more competition might be leveraged if agencies prepared joint bids, i.e. if agencies worked towards a CCF which enabled all forms of payments needed by cash actors, in Jordan or other contexts. Further review would help determine if this would be useful, on the basis that the main cash-providing agencies identify operational requirements to facilitate multi-point payment solutions (e.g. beneficiaries can use ATMs at different banks or at both ATMS and shops), leading to a clear inter-agency humanitarian ask to FSPs. This might require expanded levels of coverage and user access, as well as greater competition between FSPs.

## Governance and management of the CCF

Coordination with the first group of agencies interested in joining the CCF commenced several months prior to the start-up of the CCF. A Steering Committee chaired by UNHCR was formed in March 2016 to support the development of key SOPs and guidance documents. The CCF was launched in August 2016. There was an agreement to co-chair the Steering Committee with World Relief Germany (WRG) from October 2016. The predominant design and FSP negotiations were led by UNHCR, based on input and decisions by the Steering Committee.

Overall management remains largely driven by UNHCR; this is reflective of the fact that the agency makes the highest number of payments (followed by UNICEF), co-chairs the Steering Committee and is the contract-holder with the bank. Also, as the majority of agencies officially joined the CCF later in the process, the review found that UNHCR had led on earlier negotiations. Taking this into account alongside UNHCR's initial capacity investments, there is a perception that the CCF remains a largely UNHCR-managed programme.

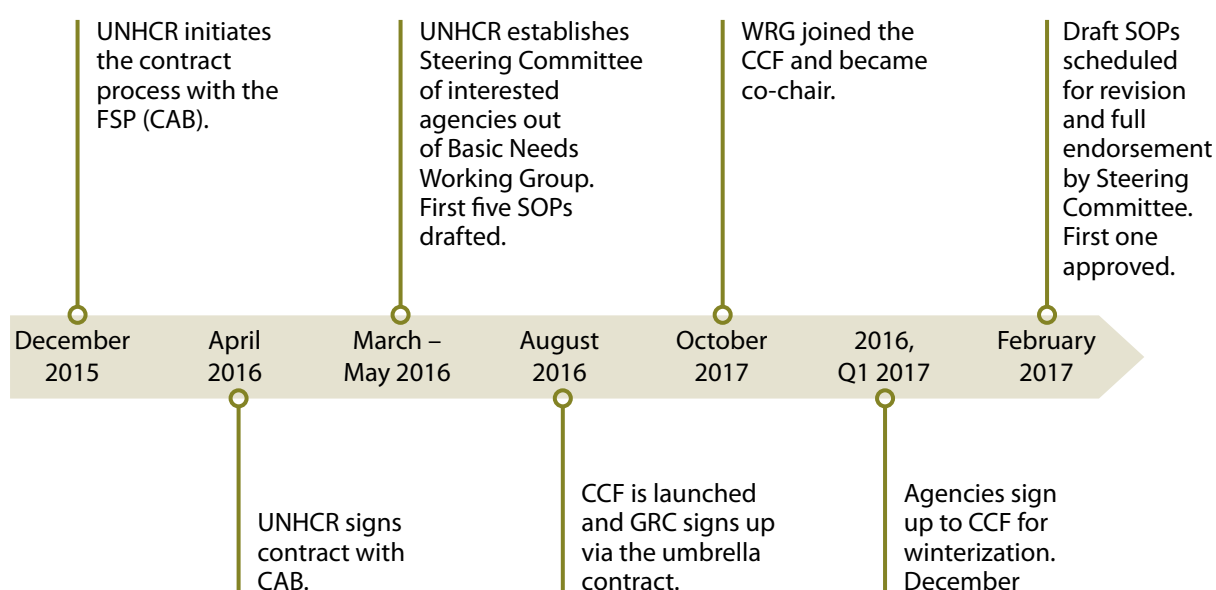
UNHCR has a cash-based intervention (CBI) team to ensure bulk management of week-to-week activities. The CBI team was responsible for troubleshooting as the system became operational. With the anticipated arrival of new staff, there will be an opportunity to take stock of capacity requirements to manage the relationship with CAB. This could include additional requirements of the delivery system based on learning to date, and decisions on how best to include other UN agencies.

Whilst the perception that UNHCR manages the CCF does not deter agencies from joining, it reduces the levels of ownership by its members. It also indirectly creates a degree of dependency on UNHCR and expectation that

it will be the key interlocutor with the bank, including responsibility for negotiating any significant changes to the umbrella agreement that might be requested over time. As the member of the CCF with the largest volume of cash flowing through the platform, as well as funding committed for several months, the review found that UNHCR is well-positioned by default to continue any renegotiation unless there is a change in composition of CCF members.

The initial start-up time of contract negotiations is an important factor to anticipate with any re-tendering process in the event that this would lead to a change of FSP. Whilst UNHCR has gained institutional knowledge on how best to approach this, changing the contract might require different levels of negotiation. The previous contract took five months to negotiate before the CCF started making cash payments with the first two agencies. Capturing inter-agency requirements early on and determining what expansion plans look like is an important step in preparing for re-tendering or extending the current contract (which finishes at the end of 2017).

**Figure 2 CCF timeline of key start-up activities**



### UNHCR registration data, biometrics and the EyeCloud®

The CCF approach pioneered by UNHCR makes use of available technological advances in-country to integrate biometrics into the CCF's payment system. The EyeCloud® platform links UNHCR's registration database to CAB's ATM network. Iris scans are quickly cross-checked and authenticated against the database, and the payment is released. UNHCR introduced the use of biometrics to its registration and targeting of Syrian refugees in 2012.<sup>11</sup> Since biometric data is collected at registration and updated during UNHCR's annual registration renewal process, CCF members bear no additional costs associated with the use of this technology.

Moreover, the use of the EyeCloud® platform eliminates the requirement for beneficiaries to enrol directly at the bank, greatly reducing the processing time for beneficiary enrolment. Prior to the CCF, regulations required refugees to provide full documentation verifying their identities directly at the bank in order to receive cash assistance from agencies. This was problematic for a number of reasons. Banking institutions often had different documentation requirements, which could include a passport or a Ministry of Interior (MoI) registration card. The degree of compliance varied with the political climate, between bank branches and even bank employees. After the Paris bombing in 2015, the requirements became more stringent. In many cases, the documentation requirements caused significant delays in beneficiary access to assistance. Many refugees do not own passports, and the waiting time for receiving an MoI registration card could take up to six months. Even with proper identification, enrolment at the bank could take up to three months due to the large numbers of people enrolling each month.

<sup>11</sup> UNHCR began iris scanning linked to the ability to access cash through the CAB in 2012 ([www.unhcr.org/innovation/labs\\_post/cash-assistance](http://www.unhcr.org/innovation/labs_post/cash-assistance)).

Interviews undertaken during this review show that the opportunity to capitalize on use of biometrics has been a significant motivating factor for other humanitarian agencies, as the risks of fraud are extremely limited. Interviews with donor governments highlight their support for the use of biometrics, given the associated increased accountability. Due to particular technological advances in the use of biometrics in Jordan, this component of the cash payment system is understood to be unique to this country.

### Benefits of CCF for refugees

The final UNHCR 2016 Post-Distribution Monitoring Report (PDM) reported that 95.5% of beneficiaries are satisfied with the method by which the money is disbursed.<sup>12</sup> Interviews with CCF member agencies, as well as direct communication with payment recipients, revealed that some users still experience withdrawal problems.

Real-time refugee withdrawal data can be generated by the bank, including when withdrawals generally happen following cash upload. Data also includes ATM locations used and a monthly summary of non-disbursed cash. Availability of this data is significant for two key reasons: it enables organizations to anticipate and respond to beneficiary problems as they arise, through data analysis on past withdrawals; and it enables organizations to analyse month-to-month changes. There is an opportunity to combine this data with other monitoring tools and inform agencies about a potential population change or prolonged absences. This would become clear through analysis rates of non-redemption, which in turn could be followed up to verify the level of assistance required. This transaction data provides an opportunity to strengthen targeted agency interventions and troubleshoot on potential changes at the outcome level.

### Government engagement with the CCF

The Government of Jordan (GoJ) has limited direct engagement with the CCF payment system. As cash assistance is agreed within the Jordan Response Plan, there has been less need to directly interact with the GoJ on design or implementation. In terms of assistance values, there has been coordination with the GoJ, predominantly with the National Aid Fund. The Ministry of Social Development (MoSD) provides Jordanian beneficiary lists and guidance to the Basic Needs Working Group, which informs the winterization activities.

Broader complementary discussions are underway, supported via a range of humanitarian and development stakeholders, on the benefits that different payment systems might bring for the GoJ. However, one perceived limitation in this area is the low level of financial accountability in place in GoJ systems; any bridge between humanitarian-funded activities would require robust accountable financial systems to attract international donor support. In terms of links to potential social safety net systems, the MoSD continues to use basic banking instruments to make its payments, using cheques through the Post Office. Broader studies are underway by the Overseas Development Institute (ODI), in coordination with UNHCR and key agencies providing cash assistance, to test viable complementary linkages with broader social protection aims.<sup>13</sup> As such, the review found that there are benefits from how the FSP manages disbursements accountably, which may further improve with the introduction of a portal (fund distribution) system. However, it is too early to understand whether the CCF concept would be taken on board by the GoJ for use in a social protection system.

#### KEY FINDING 1:

Coordination of beneficiary caseload payments helps to minimize potential duplication between participating agencies. The real-time transaction history from the ATM and bank enables agencies to monitor who is receiving cash and to identify changes at household level on a monthly basis, supporting real-time follow-up and trend analysis. There is room to strengthen integrated monitoring systems to improve analysis.

## 3.2 EFFICIENCY GAINS AND RESULTS

This section looks at the ways in which the CCF's design and terms of engagement have led to efficiency gains. This includes an analysis of efficiency gains linked to: economies of scale, agency accountability, and the use of technology for communicating with beneficiaries. It also includes details of fees and costs, implications for scaling up or down of the system, and recommendations on better tracking of the efficiency gains resulting from improved collaboration between members beyond the delivery mechanism itself.

<sup>12</sup> *Post-Distribution Monitoring, Cash-Based Interventions, Jordan*, UNHCR 2016

<sup>13</sup> *A mapping of social protection and humanitarian assistance programmes in Jordan. What support are refugees eligible for?* ODI, January 2017.



### **Economies of scale: incentives and gains for CCF participating agencies**

- Key aspects of the CCF in Jordan that have acted as incentives for agencies to join include:
- Access to pre-agreed low commission rates, irrespective of number of payments made. However, it is important to note that agencies reported that they believe lower commission rates are possible.
- Use of the agreed automated payment system saves the agency time in making cash transfers at scale, and beneficiaries can withdraw when they choose following the payment upload.
- The CCF contributes to one coherent payment approach for the beneficiary, whereby the iris scan enables them to access different wallets of unrestricted cash.
- Use of UNHCR registration data eliminates the need for beneficiaries to produce any additional documentation or to enrol at the bank.
- In Jordan, the use of biometric authentication to secure greater accountability is important for agencies and donors alike.

The review found that there are advantages to using the CCF for agencies which have time-bound funding envelopes or insufficient capacity to set up smaller-scale localized cash payments themselves. Through the CCF, they can tap into an established, functioning cash transfer system and benefit from reduced transfer costs, particularly as there are higher levels of confidence in making and reporting secure, accountable payments to the beneficiary.

There are agencies which haven't joined the CCF to date for a number of reasons. Interviews showed that this was due to these agencies' having a different targeting approach (i.e. some vulnerable groups targeted are not on the UNHCR registration database), working with smaller cash transfer caseloads so able to find local payment solutions at lower fee rates, and providing assistance in the camps – where the government does not allow ATMs.

### **Accountability and visibility as drivers of efficiency**

Individual agency visibility and independence were deemed to be key by participating agencies. The review found that this is possible through using individual agency logos that are visible on the ATM screens, and through independent contracts with the bank. Once the CCF/CAB umbrella contract had been signed in April 2016, it was relatively quick and easy for agencies to join. Some organizations experienced delays due to waiting for their headquarters to authorize a new or second bank account in Jordan. CCF partners note that it would be advisable to mitigate delays by identifying information requirements in advance and alerting agencies' headquarters. However, these delays are not inherent in the CCF.

The system allows multiple CCF partners to channel assistance to the same family, either as complementary assistance (such as child protection payments) or for top-up, time-bound assistance, such as winterization activities. Each agency can determine its own payment cycle, including both start and end date for cash withdrawal. In practice, agencies coordinate with one another to avoid overcrowding at the ATMs.

Beneficiaries can withdraw amounts from different wallets at different times; although they have to take the total amount available within a given wallet in one go. An alternative to this would be to give smaller values at different times during the month. The payment system allows for reconciliation and compliance of the humanitarian agencies, predominantly so they can close any remaining balances with the bank at the end of each payment cycle. This is a workable solution, which is adaptable over time in line with the withdrawal features required and the changing preferences of the recipients.

### **Technology as a driver of operational efficiency and timeliness of service provision**

Agencies report that efficiency gains have increased over time. Initial challenges included: recipients' understanding of how to use the system and low bank capacity to consistently manage demand, e.g. running out of cash at ATMs and not always correctly identifying the specific problems preventing withdrawals. The 2016 PDM reported that some of the initial withdrawal difficulties faced in Q1 and Q4 might also be linked to the additional winterization payments and the inclusion of more first-time users in cash lists. The peak of payments during the winterization assistance between late 2016 and early 2017 revealed capacity constraints and pressure

points between the uploading of agency lists and functioning cash withdrawals. This was the first time that the bank had worked on this type of delivery, so it was also in the learning phase.

The extent of initial problems beneficiaries faced in accessing cash outstripped branch staff capacity to resolve issues on-site, which highlighted the need for more agency staff to be present on disbursement days. CCF partners have made changes to helpline procedures to help manage real-time queries. By mid-2017, the CCF had enrolled ten full members and the Steering Committee had begun a review and endorsement of all its SOPs. Based on the scale of payments to date, surge demand at ATM points for future one-off payments can be anticipated and planned in advance. Planning surge capacity and oversight is a key factor to build into operational delivery plans, on the working premise that more members might join the CCF. This includes clear, time-sensitive response plans that the bank should have in place and be accountable to deliver. The introduction of the External Agencies Portal (fund distribution system) has been piloted (by the end of August); this will automate the process of uploading files to the bank and provide greater CCF user access.

### **Beneficiary communication: opportunities and challenges for efficiency**

Agencies report that beneficiaries have become more familiar with using ATMs. The introduction of the iris scan at the banks was unfamiliar in 2012, and involved a learning curve. Beneficiary families new to cash assistance and the CCF continue to need assistance with their first and sometimes second withdrawal. This assistance is provided by bank staff, agency field staff and more experienced beneficiaries who are waiting to access their accounts.

There continue to be technological issues which occasionally prevent beneficiaries from accessing their cash smoothly, including: over-sensitivity of cameras at the ATMs which cannot read all iris scans; interference due to direct sunlight; and maintenance issues. The introduction of error messages on ATM screens, which direct users to agency helplines, is helping to remedy these problems more quickly. As these examples highlight, there continues to be a need for agency oversight and for working closely with the bank to capture and troubleshoot access issues as they arise.

One limitation of the banking payment systems in Jordan, from the beneficiary perspective, is that beneficiaries must withdraw their cash from a CAB ATM in order to avoid charges from using other bank machines. As this is a design feature, and openly acknowledged, it is not clear from monitoring reports the extent to which this limitation inconveniences refugees. CAB is mitigating potential inconvenience by increasing the number of iris-enabled ATMs in its branches, and is also planning to put ATM machines in additional locations. If the CCF expands in scale, negotiating no withdrawal fee across FSPs could be useful in future re-tendering processes.

### **Fees and FSP costs: overview of the process and opportunities to scale up or down**

The fee for cash assistance delivery is fixed as the 'Base Fee plus Authentication Charge'. The Base Fee is charged once on the amount of the transfer or upload, and there are no transaction fees 'per recipient'. The biometric Authentication Charge is an additional 15% of the base fee paid to the bank. The bank directly pays IrisGuard, the company that provides iris authentication services. The fees are adjusted throughout the calendar year, in line with the 'Total Amount Committed' by CCF members. The Total Amount Committed is the aggregate amount of cash assistance that CCF partners pool throughout the year, beginning 1 January and ending 31 December. As the pooled amount grows, the fees are reduced, as shown in Table 1 below. CCF partners receive credits and refunds from the bank as the rates reduce throughout the year. Each time the rate is lowered, the lower rate is applied to all transactions dating back to 1 January.



**Table 1: Bank fees and authentication costs, showing implications of scaling up/down (US\$)**

Net assistance delivered	Cost per upload	Reduction by tier
=< \$45m	2.2% (+15% base = 2.53%)	Base rate
> \$45m and =< \$55m	2% (+15% base = 2.3%)	Reduced by 10%
> \$55m and =< \$70m	1.65% (+15% base = 1.9%)	Reduced by 25%
> \$70m	1.45% (+15% base = 1.67%)	Reduced by 34%

The tiered fee schedule was designed to provide proof of concept for the bank and CCF partners. However, it creates some challenges for planning and donor reporting. Agencies are required to report accurate banking rates to donors; however, these may be reduced as the Total Amount Committed by CCF members increases. Because any fee reduction is applied retrospectively, agencies may find they have over-reported transaction fees to donors, particularly for short-term projects or one-off payments. Based on this learning, and the principle of flexibility that agencies can join the CCF for time-bound assistance objectives, Steering Committee members have stated a preference for, and voted to negotiate, a flat rate of commission to pay the bank, allowing for greater predictability. Negotiations for a low, flat fee are planned during the next round of contracting (the current contract is valid until December 2017).

Prior to joining the CCF, agencies reported paying variable bank transfer fees and administrative costs ranging from 2.5% to 5%. The lowest report transfer fee amount is roughly on par with the CCF's base rate plus the authentication charge (2.53%). Therefore even before the cost savings associated with economies of scale came into effect, the CCF's fee structure was highly competitive. In 2016, a total of US\$118m was transferred through the facility and as a result participating agencies all qualified for the lowest transfer rate of 1.67% including the authentication fee.

UNHCR in Jordan has developed a costing model that includes all aspects of CBI implementation, including: assessment, appeals, PDMs, helplines and staffing needs. However, it is not clear if there are plans to roll out the use of this model to all CCF members. Currently, each agency maintains its cost data separately, and there is no arrangement to allow access centrally. It would be mutually beneficial to share cost data as it would better enable agencies and donors to analyse efficiency gains across CCF members, over time, tracking both individual and collective efficiency gains. This could contribute to an overall evidence base on what forms of collaboration drive efficiency and effectiveness gains, and in which contexts, e.g. capturing data such as UNICEF's report that it has significantly reduced human resource (HR) requirements to provide assistance to 15,000 families since using the CCF. Agreeing and sharing such information would mean it could also act as a key incentive for new potential CCF members.

CaLP is developing an analytical framework for assessing the efficiency, effectiveness and accountability of different collaborative models for cash transfer programming, which will be applied to different contexts in order to build an aggregated evidence base. In future, this could be applied to the CCF on an ongoing basis. This would involve determining comparable data requirements, e.g. which costs should be included as part of the CCF or excluded if servicing other programmes. It would also require an analysis of the true cost of the investment UNHCR has made in starting up the CCF, in terms of HR.

**KEY FINDING 2:**

The CCF in Jordan provides a secure, efficient and innovative cash transfer approach that has enabled cash payments at scale to registered refugees. It has resulted in improved efficiency, accountability and coordination of cash assistance activities by CCF members in Jordan. Bank transfer fees have reduced from 2.5-5% to 1.67%, and participating agencies report reduced human resource requirements to assist beneficiaries.

**KEY FINDING 3:**

A tiered fee structure negotiated with the financial service provider has led to predictable commission rates. The lower fee rate is achieved once additional CCF members pool resources through the facility. The rates are competitive, and agencies believe that further cost savings could be negotiated and achieved through increased coordination and planning on anticipated future use of the CCF. Further consideration is required to determine the extent to which the collective negotiating power of the main cash delivery agencies would further drive down costs across the full range of financial service providers in Jordan.

### 3.3 APPROPRIATENESS AND RELEVANCE

This section looks at the ways in which the approach and design of the CCF has enabled agencies to provide assistance to a breadth of beneficiaries, and assesses the effectiveness of the processes for data management and privacy.

#### Breadth of beneficiary reach

The review found that the CCF provides predictable cash assistance at scale to a stable, registered refugee caseload. Targeted beneficiaries are withdrawing their cash transfers monthly, with fewer access problems than they experienced initially, and beneficiary communication and accountability systems are being improved through the use of helplines. The key CCF benefits identified by the member agencies themselves were ease of access and use. Overall, agencies felt that the benefits of a system that provided increased accountability and predictable payments alongside minimizing overall compliance requirements outweighed the disadvantages, e.g. confusion regarding changes to the system and users' lack of familiarity.

In Jordan, the CCF has been designed to target registered refugees. In terms of expanding assistance to additional vulnerable groups in Jordan, the CCF is not currently a relevant system for agencies working with different caseloads, i.e. with non-registered refugees. Beneficiary targeting is not determined within the framework of the CCF however, there are agreed CCF beneficiary eligibility criteria, as follows:

- Active cases;
- Urban, and not living in camps;
- Beneficiaries have a current active asylum seeker certificate, or one that expired less than six months ago.<sup>14</sup>

For Jordanian beneficiaries and refugees who are unable to use iris scanning (e.g. those with cataracts or diabetes), UNHCR provides ATM cards that are loaded through virtual accounts (this applies to approximately 7% of the current caseload of 32,000 families). UNHCR distributes cards once per year, at no cost. Replacements for lost or damaged cards cost 1 Jordanian Dinar (approx. US\$1.41). CCF partner agencies often use case management to determine whether alternative cash assistance modalities are needed for protection or other types of cases.

#### Data management and privacy

UNHCR is responsible for brokering the links between assistance eligibility and biometric identity, and there are several components of data management associated with the monthly cycle of distribution:

- Monthly cross-checking of CCF beneficiaries to avoid duplication.
- Linking UNHCR case number to the individual iris ID.
- Updating the EyeCloud® with new enrolments or changes in enrolments.
- Updating the EyeCloud® to reflect changes to the authorized cash collector within the family.

UNHCR secure access to the biometric (iris) database eliminates the need for other organizations to collect refugee data. UNHCR's system draws on state-of-the-art cryptography which is suitable for low bandwidth environments. This also uses portable technology, as iris scanning has reached a point where scanning equipment can be reliably used by mobile teams; this is particularly appropriate for remote locations such as Azraq or Ruwashed. There have been no 'false positives' [instances where cash was dispensed to non-eligible individuals as a result of iris scan malfunction] for UNHCR and CAB since the beginning of the refugee response operation in 2012.

### 3.4 ADAPTABILITY AND POTENTIAL FOR REPLICATION

This review has considered the adaptability of the CCF in terms of its ability to predictably manage payments, accommodate changes in caseload over time and accommodate new payment types; and the potential for the approach to be replicated in other countries and contexts.

<sup>14</sup> UNHCR has agreed a working system to ensure that refugees with lapsed asylum seeker certificates are not automatically removed, by arranging a two-month cut-off window, after which point refugees need to ensure they have renewed their certificates to continue accessing monthly assistance.

## Adaptability of the CCF

The approach is positive in terms of ensuring predictability of payments against an agreed schedule, and the design components of having one overarching contract with an FSP could be replicated. This is a key contributing factor to the CCF being able to meet its objective of delivering timely cash assistance to Jordan's most vulnerable refugees. The system allows coordination of agency requirements to avoid system overload and crowding of ATMs when bulk uploads are made (UNHCR makes payments to more than 30,000 families, so CCF partner agencies tend to upload their assistance before UNHCR uploads). In addition, messaging by agencies to beneficiaries enables recipients to plan, because they know when and how much cash assistance they will receive. The system enables multiple payments to be made by different agencies to the same beneficiary, with individual agency reconciliation.

As humanitarian agencies manage the uploading of payee lists in coordination with the bank, CCF agencies keep control over who is paid, and for how long. With the anticipated introduction of the payment portal system that will enable direct (humanitarian) user access to upload data and make modifications, there will be additional system management features allowing the user to make changes. The review found it is important that this component is put in place as early as possible to drive greater organizational efficiency.

Currently the CCF is only able to benefit refugees not living in camps who are registered with UNCHR, those who have legal status in Jordan, and Jordanian citizens. This accounts for nearly 170,000 people (against a total of 655,000 registered refugees). However, given government regulation, the approach was not designed to support unregistered refugees. This is a limitation for a few smaller agencies working with this population (which is reported as highly vulnerable). It is not clear the extent to which these groups would benefit from joining the CCF, as separate cash payment systems will continue to be used for this beneficiary group. The World Food Programme (WFP), the other main UN agency providing assistance outside of the CCF, has until now been restricted to food voucher assistance. In Jordan, the CCF does not currently encompass the possibility to deliver cash or commodity vouchers; however, it may be expanded to include other CBI modalities and associated payment types through expanded requirements during the re-tendering phase.

UNHCR is currently piloting an 'unplanned cash cycle' for the CCF for emergency and protection cases, outside of the ongoing monthly payment schedule. The CCF has been testing payments for health services (cash for health) and urgent cash assistance. Beneficiaries should be able to receive cash assistance within 24-48 hours of being selected to receive this assistance, because their 'enrolment' has already taken place at initial registration (biometric data collection). Unplanned cash lists can be uploaded three times a week to support these types of programmes. Interviews with some agencies queried the reliability of this system because there have been cases of delays leading to payments outside the agreed timeframe. In the interim, CCF agencies have agreed to ensure alternative options to deliver unplanned cash through other means until the testing period is over and a longer-term decision can be taken.

Beneficiary access to cash assistance is dependent on the beneficiary collecting the cash when it is made available. This is extremely positive in relation to reducing fraud. In cases when the registered recipient is unable to collect his/her transfer (e.g. due to illness or detention), the family is required to change the named cash collector, even if only for one month, in order to withdraw the funds. It is not known how widely this is understood by beneficiaries, nor the extent to which this goes towards explaining monthly non-redemption statistics, though the non-withdrawal rate is reported to be low. This information is available in the CCF SOP and consent forms, and at UNHCR filtering and helpdesks; it is also disseminated by UNHCR's HelpLine and CCF partner communication methods.

### KEY FINDING 4:

The inter-agency payment system of the CCF functions well for a stable caseload and provides large-scale multiple or single cash payments. It can also accommodate one-off interventions, such as cash payments for winterization, urgent cash or cash for health. The CCF can also be used for Jordanian beneficiaries through ATM prepaid card services. The banking model is not currently transferable to camp settings due to security considerations, or to non-registered refugees in Jordan due to legal and subsequent compliance requirements. It could be expanded to other population groups in other contexts, provided that a reliable beneficiary database is set up and maintained by one or more of the participating organizations.

**KEY FINDING 5:**

UNHCR’s ability to facilitate this private sector arrangement under an umbrella contract, which benefits organizations operating at different scales and project durations on an equal basis, means that agencies providing one-off payments or short-term projects enjoy the same advantages as the large UN programmes. Capitalizing on the pre-existing use of UNHCR registration biometrics, the approach is scalable with limited technological payment constraints, with direct account management through the bank. The key factors enabling and hindering humanitarian agency use of the CCF include the following:

**Figure 3 Factors enabling and hindering use of the CCF**

<b>Factors supporting use of CCF</b>	<ul style="list-style-type: none"> <li>• Umbrella contract enables agencies to make non-binding use of pre-established FSP to make individual or multiple payments, benefitting from low fee rates and minimizing procurement.</li> <li>• Established database of beneficiary population enabled time-efficient cash payment at scale</li> <li>• Predictability of system, tried and tested.</li> <li>• Access to use of biometrics.</li> </ul>
<b>Factors hindering use or expansion of CCF</b>	<ul style="list-style-type: none"> <li>• Platform is only open to agencies targeting registered refugees not living in camps. Agencies providing cash assistance to other vulnerable groups cannot use the platform.</li> <li>• Continued separate agency assistance approaches.</li> <li>• Limited knowledge of overall gains for organization and beneficiary.</li> </ul>

**KEY FINDING 6:**

The payment functionalities of the CCF could be transferrable to the government to make social payment transfers. Broader work has been undertaken by international humanitarian and development actors to generate learning in this area. The opportunities and limitations to work on a collaborative social payment system are outside the parameters of this review.

**Potential for replication**

The approach of the CCF in establishing a membership-based scheme to coordinate the delivery of cash-based assistance through a single FSP, to which a number of organizations sign up and contribute (in terms of design, monitoring and development), with the aim of driving down transfer costs and ensuring ease of access for beneficiaries, is without doubt worth replicating elsewhere. This is not least because the system has contributed to predictable payments for the user, and it allows coordination between different payments to the same beneficiary. The CCF Agreement template, using the principle of aggregate committed funds to be provided via cash transfers, can be used in other contexts to negotiate reduced fees with the FSP in advance of starting large-scale assistance activities.

Specific to the CCF in Jordan, cash assistance using biometrics is close to being completely fraud-proof. While iris scanning has been used in Jordan for the last decade, it is unlikely that it is commonly available elsewhere, particularly in the operating environments where humanitarian agencies are implementing cash transfer activities. However, biometric authentication is not a required element of the CCF, and beneficiary authentication can be organized through other, more traditional means.

The particular strength of the CCF programme design in Jordan is that it capitalizes on both the UNHCR’s established registration database and the country’s technological advancements; it is likely that other contexts would require greater upfront investment to bring the system on a par with that of Jordan. A further design feature that has encouraged agencies to collaborate is the link with the RAIS (Refugee Assistance Information System) reporting system. In other contexts, linkages with reporting systems would be a prerequisite, although it is dependent on a lead agency (or an agreed composition of agencies) having sufficient capacity to invest in and maintain such linkages. This might have implications on the overall cost-efficiency of the approach, depending on the duration of the response. This requires further discussion at a global level between the main cash-providing agencies, to determine who has the capacity to manage an accessible database in different humanitarian contexts.

Based on the learning of the CCF in Jordan, the review identified several important prerequisites of a CCF (see Figure 4).

**Figure 4 Prerequisites for replication**

- Open inter-agency access to a central database of identified vulnerable people that is sufficiently robust to adapt to reach multiple groups of beneficiaries.
- A CCF system linked to a population database and a secure server to transfer beneficiary data that fulfils Know Your Customer (KYC<sup>15</sup>) requirements.
- Customer service provision by an FSP with real-time response capacity to plan and troubleshoot the functioning of the system, in coordination with a representative body of CCF member agencies.
- A collective humanitarian financial commitment, or likely aggregate of transaction volume, to facilitate contract arrangements and negotiate low transaction rates with the FSP.
- An umbrella contract with the FSP which guarantees open access to payment services by all organizations at pre-negotiated, low commission rates, on an equal and direct basis (irrespective of project timeframes).
- Collaboration with an FSP that has capacity and provides full oversight of the respective resources and financial reporting.
- A contracting organization acting as the facilitator, and no management costs additional to the direct costs paid to the FSP.
- A collective governance forum which facilitates coordinated standards, external and internal communication, and ways of working, including with sector working groups or clusters.
- Integrated and complementary software, which enables tracking of payments and transaction accounting.

**KEY FINDING 7:**

The CCF has the potential to grow and could potentially be extended to all registered and unregistered persons, provided this is acceptable to the regulatory authorities and that source data for assistance is available. This would require an engagement strategy on how to adapt or expand the membership of the CCF, which would include promoting the CCF operational gains to non-members.

**KEY FINDING 8:**

Efficient use of the CCF requires integration with a system that provides population data and supports 'Know Your Customer' requirements. This would be a prerequisite for other contexts, including non-refugee operations.

### 3.5 COORDINATION AND COLLABORATION

This section looks at levels of collaboration between CCF and non-CCF members, and the extent to which arrangements have led to positive outcomes and collective gains within the CCF and more broadly within the UN cluster coordination. Additionally, it analyses some of the factors which have enabled or hindered operational coordination, including engagement and working with FSPs.

A central element of the CCF is to ensure collaborative and coordinated approaches between humanitarian agencies delivering cash assistance to refugees. This is amongst CCF member agencies as well as other cash-delivering agencies which might wish to benefit from the UNHCR-agreed contract with the FSP. Since the inception of the CCF in Jordan, UNHCR has put in place a number of steps to try to facilitate coordination amongst the CCF agencies. These include a set of SOPs which were drafted prior to any cash payments and revised in early 2017 based on operational roll-out. Key factors underpinning the conducive planning environment for the CCF in Jordan included: improvements in coordination; a strong registration system already used by agencies; availability of refugee data; and systems which could be used to support FSPs' essential Know Your Customer needs that comply with banking financial regulations. As such, UNHCR was able to test the CCF approach in Jordan, taking account of the status of the refugee response, and to facilitate greater collaboration between actors planning to use cash transfers.

<sup>15</sup> Know Your Customer (KYC) is the process of a business identifying and verifying the identity of its clients. The term is also used to refer to the bank and anti-money laundering regulations which govern these activities.

UNHCR has dedicated CBI capacity to oversee the implementation of its cash payments; this benefits CCF members more broadly, since UNHCR continues to project manage the contract with the bank. This direct relationship management and line of communication with the FSP to represent and address the main operational priorities has placed UNHCR as the main interlocutor with the bank.

### Steering Committee and collaborative approaches

The establishment of a Steering Committee, which meets on a regular basis, provides an oversight mechanism and has been important to ensure coordination. The committee is co-chaired by UNHCR and WRG, and this shared responsibility is considered to be positive in contributing to collaborative working. Members are asked to work together in a number of areas, including needs identification for the partnership with the FSP, developing technical guidelines and planning for the development of the CCF. In addition, members are expected to share ideas, best practice and findings from monitoring and evaluation.

In terms of coordination linkages with UN sector working groups, information sharing takes place mostly within the Basic Needs Working Group (BNWG), reflecting the assistance objectives of the unconditional cash transfers. Since UNHCR co-chairs the BNWG, there is the opportunity to directly disseminate information flows from the CCF and to ensure accurate data management. Levels of coordination have also taken place with the Protection and Shelter working groups, which are at different stages of discussion regarding the options of using cash transfers for different sector objectives. In terms of maximizing communication to other sector working groups on the CCF and potential opportunities to join, a communication strategy pitched to different audiences would help disseminate information on CCF aims and current status, and might result in a wider membership base. UNHCR has produced useful information products on the CCF design. The forthcoming period of implementation could be supported by a strategy to determine collective accountability mechanisms, monitor efficiency gains, and help define linkages (and parameters) with other sector working groups to inform decisions on the CCF's future use and funding.

The Steering Committee has yet to develop a mid-term strategy for advancing the CCF, including ways in which further coordination gains might be made more broadly, such as focused opportunities for donor engagement. Whilst the CCF has understandably not been designed as a means to support inter-agency access to funds, some of the elements of predictability of payments and harmonization of approaches are dependent on greater anticipation of CCF use, which could be a means to encourage deliberate planning together with donors.

The factors enabling and hindering coordination and collaboration in Jordan, as identified in this review, are shown in Figure 5 below.

**Figure 5 Factors enabling and hindering coordination and collaboration**

<b>Factors enabling coordination and collaboration</b>	<ul style="list-style-type: none"> <li>• Establishment of a Steering Committee to maintain oversight of implementation.</li> <li>• Production of a manual to ensure common understanding of the system.</li> <li>• Ability of all members to transfer cash assistance on an equal and direct basis, regardless of size.</li> <li>• Facilitation of inter-agency input into tools and guidance procedures.</li> </ul>
<b>Factors hindering coordination and collaboration</b>	<ul style="list-style-type: none"> <li>• Lack of overarching strategy which outlines aims and targets to strengthen effective delivery amongst CCF members and contributes to sector working groups.</li> <li>• Lack of knowledge about the CCF across operational agencies and different sectors.</li> <li>• Inability of the system to reach all humanitarian beneficiary caseloads.</li> </ul>



## Inclusivity and equality

An important CCF aim is the principle of inclusivity and equity. The review found that agencies look to UNHCR to proactively facilitate and lead various levels of stakeholder engagement and guidance. This is in part due to UNHCR managing the relationship with CAB and being the key interlocutor, but it is not clear to what extent this results in dependence on UNHCR. Options to encourage a proactive approach and increased organizational and technical capacity within the member agencies could include agreeing thematic leads, or delegating the revision of tools and procedures to members. Since the CCF aims to ensure collective ownership, agreeing systematic and simple ways by which member agencies themselves can capture learning, as well as priorities for any future re-agreement, will be important for sustainability and continuity.

### **KEY FINDING 9:**

Whilst the CCF has facilitated collaboration among its members to provide cash payments under the umbrella contract, it is not necessarily (nor was it set up to be) a mechanism that contributes to coordination more broadly. Contribution to coordination is predominantly via the Basic Needs Working Group, with potential for other sectors to increase their engagement with the CCF.

### **KEY FINDING 10:**

The principles of collaboration and coordination between agencies and with the private sector can be replicated elsewhere and adapted to other contexts and transfer mechanisms, provided there is sufficient lead-time and planning. Any agency or set of agencies with sufficient capacity to manage the contract relationship and payment delivery oversight could facilitate the CCF, with limited financial or legal barriers.

### **KEY FINDING 11:**

Well-structured inter-agency governance with clear mechanisms for engagement with humanitarian partners and the financial service provider is essential. This arrangement should include oversight of member agency funding and payment volumes to the bank for coordination purposes, irrespective of the bank independently managing transaction reporting. A communication plan should ensure that member and non-member agencies are aware of the aims and parameters of the CCF coordination efforts, including how the Steering Committee feeds into other working groups.

## 4 CONCLUSIONS

**The CCF has been in operation for a relatively short period, yet agencies find it is bringing efficiency gains and is helping with real-time financial accounting.** Inter-agency agreement to monitor ways in which gains are being made will help CCF members to communicate this more broadly. As the UNHCR continues to manage the contract and relationship with the FSP, agencies still perceive that this is largely a UN-led initiative. There may be opportunities for other agencies to step into this management function. In the case of Jordan, this might be considered less relevant unless there is agreement on how linkages between other UNHCR-led supporting systems essential to the accuracy of the CCF (such as the registration database and verification exercises) could be maintained.

**UNHCR PDMs report high levels of user satisfaction regarding access to cash transfers via biometric authentication, although the interviews found that there is an ongoing need to address access constraints.** This area requires ongoing monitoring. It is critical to have a representative management group that prioritizes and ensures follow-up by the FSP on time-sensitive access problems, to reduce confusion and access problems among the beneficiaries.

**In the Jordan context, leveraging the pre-existing use of biometric authentication has helped ensure greater access to safe and accountable assistance delivered through FSPs to registered refugees.** This has been a key component in motivating humanitarian agencies and donors to join or support the CCF. This is particularly the case because the technological advancements help drive accurate and accountable payments through a time-efficient system, once established and tested. Inter-agency access to and use of a strong registration system has also played a critical role. The system can flex to one-time or multiple payments. It is open to all agencies through a non-binding agreement on the basis that they register with the bank to use an accountable and safe system using iris authentication. Use of biometrics is not a prerequisite for the use of CCF elsewhere.

**In the case of Jordan as a refugee response, the legal framework of the host country presents a key limitation to expanding the CCF membership to assist non-certified beneficiaries.** This is a complex legal issue, and one requiring further discussion by agencies to determine whether there is any possibility to work more broadly as part of the CCF, or any advantage in doing so. If other agencies do not feel that the system is appropriate in places where there is a high likelihood of similar targeting limitations, this will have implications for the extent to which the CCF could be replicated in other refugee contexts.

**Two of the three main UN agencies providing cash transfers are part of the CCF.** WFP, the non-participating agency, currently delivers its assistance using vouchers and has opted not to join the CCF. The initial procurement requirements for the CCF in Jordan were for cash as the only modality. WFP found it difficult in 2015 to use the procured service provision for its electronic vouchers. However, additional modalities have been offered by the FSP to be incorporated into the CCF. This was done in mid-2016 in response to an RFP issued by WFP. This analysis confirms that for the CCF to work for all, it is important to systematically map and include all service and population requirements of interested partners from the start to ensure resulting procurement works for all.

**There is an opportunity to increase the linkages between the CCF and the GoJ's social protection programmes.** To date, the GoJ engagement with the CCF has been limited to the use of the payment system, but it could be extended to coordination of targeting approaches. All CCF members are working closely with related ministries, including on social protection and this could be extended to targeting approaches. A wide range of work has been undertaken in this area with all large agencies engaged in cash transfers in Jordan. Additional studies are also currently underway. The key opportunity for all agencies is to determine the extent to which the GoJ and agencies can agree on and access the best accountable components of the CCF payment system to absorb vulnerable caseloads (beyond the registered refugees).

CCF agencies should also **improve outcome reporting to measure effectiveness, and track collective organizational cost-efficiency gains.**

**The following characteristics of the CCF, driven by good practice and coordination efforts, are replicable in other contexts:**



- The development of a common cash payment system which has open and non-binding access, reducing individual agency procurement processes.
- The agreement of reduced fees for using an FSP which benefits all agencies on the principle of increased gains with more pooled funding.
- Greater accountability and real-time monitoring made possible through the use of technological innovations.
- Management of the FSP relationship.
- Negotiation of KYC compliance and project management tools, including inter-agency access to the portal, once tested.

## ANNEX I: KEY DOCUMENTS REVIEWED

Documents	
1	Eyecloud® and the Common Cash Facility – Leveraging biometric technology and partnering for better cash assistance to Jordan refugees: UNHCR Jordan
2	Final Draft MEB Matrix, October 2016
3	Vulnerability Assessment Baseline Survey, 2015
4	Common Cash Facility Manual, December 2016
5	CCF Standard Operating Procedures Version 1 and 2
6	CCF Terms of Reference, March 2017
7	A Review of Inter-Agency Collaboration for CTP Delivery, CaLP, April 2017
8	EyeCloud® Implementation and the Common Cash Facility, 13 April 2016
9	Post-distribution monitoring reports (various)
10	Post-distribution monitoring guidance, October 2016
11	Consolidated Post-Distribution Monitoring, April 2016
12	Unplanned cash assistance instructions, January 2017
13	CCF Steering Committee Meeting Minutes, January and March 2017
14	Cost-Efficiency Analysis: Unconditional cash transfer programmes, IRC, 2016
15	Cost Analysis, Methodology at the IRC, 2016
16	Cost-Efficiency Analysis, Non-food item distribution, IRC, 2016
17	ODI: A mapping of social protection and humanitarian assistance programmes in Jordan, January 2017
18	ODI: Cash Transfers for Refugees – The economic and social effects of a programme in Jordan, January 2017
19	ODI: Cash Transfer Programming for Syrian Refugees in Jordan – A review of the literature, February 2017
20	UNHCR Jordan Cash Assistance Brochure
21	UNHCR Jordan Cash Assistance Dashboard, February 2017
22	UNHCR Operational Updates (various)
23	UNHCR Home Visit Data Findings (2013)

## ANNEX 2: LIST OF CCF REVIEW PARTICIPANTS

1	Nizar T. Mohammed	Cairo Amman Bank, Deputy General Manager
2	Karim Abu Shakra	Cairo Amman Bank, Head of Strategy and Business
3	Awan Habahbeh	Cairo Amman Bank, Product Development Department
4	Imad K. Malhas	IrisGuard Inc., CEO
5	Caroline Holt	CaLP, Interim Advocacy Coordinator
6	Isabelle Pelly	CaLP, Technical Coordinator
7	Kristin Smart	Independent
8	Andrew Merat	Danish Refugee Council, Head of Program
9	Barry Armstrong	DFID Jordan, Humanitarian Advisor
10	Matteo Paoltroni	ECHO, Technical Assistant, Jordan
11	Vitor Serrano	ECHO, Surge Response
12	Cecilia Pietrobono	ECHO, Regional Food Security/ Cash-Based Assistance
13	Dalia Barhoum	Medair
14	Melanie Ploeger	German Red Cross
15	Katharina Braun	GIZ, Head of Projects, Digital Finance
16	Carlo Gherardi	Norwegian Refugee Council, Country Director
17	Fanny Marchard	Première Urgence – Aide Médicale Internationale (PU-AMI)
18	Timothy Swett	BPRM, Regional Refugee Coordinator
19	Joe Berg	World Relief Germany
20	Ayat Al Tawil	World Vision International
21	Waheed Lor Mehdiabadi	UNHCR, Head of Cash Unit
22	Annika Sjoberg	UNHCR, Cash Unit
23	Catherine Barnhart	UNHCR, CBI Coordinator, Jordan
24	Volker Schimmel	UNHCR, Senior Regional CBI Coordinator
25	Harry Brown	UNHCR, Vulnerability Assessment Framework / RAIS Coordinator
26	Blaise Bokundi	UNHCR, Project Control Officer
27	Yukiko Koyama	UNHCR, Inter-Agency Coordination
28	Robert Jenkins	UNICEF, Representative
29	Jawad Aslam	UNICEF, Social Policy Specialist
30	Mageed Yahia	WFP, Country Director
31	Erin Carey	WFP, VAM
32	Sherif Georges	WFP, Head Supply Chain Unit
33	Houman Haddad	WFP, Finance Officer Block Chain

## ANNEX 3: KEY INFORMANT CCF REVIEW INTERVIEW GUIDE

Review Areas	
<p>To what extent has the approach, and supporting principles and procedures, led to the effective common delivery of cash transfers for the targeted population?</p>	<p><b>Effectiveness and results achieved</b></p> <ol style="list-style-type: none"> <li>1. Model: What are the opportunities, strengths and limitations of the approach in delivering effective assistance? To what extent has this contributed to achieve the CCF's stated objectives?</li> <li>2. Approach: In which ways have the governance and management arrangements been conducive to facilitating inter-agency participation, common alignment, timely reporting and delivery of accountable programme activities? Have processes captured and addressed limitations or barriers?</li> <li>3. FSP: In which ways is it more effective to work with FSP? Are there alternative ways to work with the FSP?</li> <li>4. What pre-conditions are required for the concept of the CCF to work? In which contexts would a CCF approach not be possible?</li> </ol>
<p>In which ways has the design, and terms of engagement, led to efficiency gains? To what extent could this be replicated in different operating contexts at scale?</p>	<p><b>Efficiency gains and results achieved</b></p> <ol style="list-style-type: none"> <li>5. To what extent have procedures and contractual arrangements enabled a predictable delivery of cash assistance? And to what extent might these have been context-specific?</li> <li>6. To what extent has collaboration been facilitated through the CCF? Have there been additional, unplanned results through the CCF?</li> <li>7. In which ways could further efficiency gains be maximized through a CCF approach, without decreasing individual agency / organization's independence, visibility or compliance requirements?</li> </ol>
<p>To what extent has the CCF approach and design enabled appropriate assistance to the intended affected population?</p>	<p><b>Appropriateness and relevance</b></p> <ol style="list-style-type: none"> <li>8. What are the prerequisites and / or preconditions (if any) needed for this concept to work?</li> <li>9. To what extent has the CCF management approach – by a lead or group of organizations – facilitated open access on a direct and equal basis?</li> <li>10. To what extent is there sufficient competition in using one main FSP? (i.e. quality control and financial)</li> </ol>
<p>To what extent have CCF arrangements been country specific, or could be transferable to other contexts?</p>	<p><b>Adaptability and replicability</b></p> <ol style="list-style-type: none"> <li>11. Which conditions, and factors of engagement, are considered critical should CCF be replicated in other contexts?</li> <li>12. To what extent could the model adapt or flex to changing assistance (vertical or horizontal expansion) if needed?</li> <li>13. Are there different ways of approaching or managing the CCF with humanitarian agencies, donors and FSPs?</li> </ol>
<p>What degree of collaboration is there among the different partners and stakeholders, and to what extent have arrangements led to positive outcomes?</p>	<p><b>Coordination and collaboration</b></p> <ol style="list-style-type: none"> <li>14. To what extent have the management arrangements, principles and operating procedures promoted trust, collaboration and effective coordination in assistance delivery?</li> </ol>



The Cash Learning Partnership

The United Nations High Commissioner for Refugees (UNHCR) in Jordan has pioneered a collaborative, multi-stakeholder approach to the delivery of cash, known as the Common Cash Facility (CCF). The aim of the CCF is to provide humanitarian actors with direct and equal access to a common financial service provider. UNHCR started the first full scale-use of the CCF in Jordan in 2016. This review was commissioned by UNHCR and the Cash Learning Partnership (CaLP) to examine whether the CCF delivers against its objectives as well as whether the concept of collaboration and open access to a single financial service provider could be applied more broadly to cash-based assistance across different contexts.

This review concluded that the CCF provides a secure, efficient and innovative cash transfer approach that has enabled predictable cash payments at scale to refugees, while accommodating multiple organizations' cash transfer programmes. It has reduced costs and duplication, and has resulted in improved efficiency, accountability and coordination of cash assistance activities. The model can be replicated in various contexts and for other transfer mechanisms.

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