

## Mapping of Restricted/Unrestricted Cash - Meeting 19 November 2015

	Jordan	Lebanon	Turkey	Iraq	Syria
<b>Current status (plan/progress to date)</b>	<ul style="list-style-type: none"> <li>• CBT/e-cards.</li> </ul>	<ul style="list-style-type: none"> <li>• CBT/e-cards.</li> <li>• Cash assistance to Palestinian refugees from Syria through UNWRA's platform.</li> </ul>	<ul style="list-style-type: none"> <li>• CBT/e-cards</li> </ul>	<ul style="list-style-type: none"> <li>• Paper vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• General food distribution</li> <li>• Paper CBT for Pregnant and Lactating Women (PLW) to buy fresh produce, meat and dairy</li> </ul>
<b>Current targeting (caseload and value by modality)</b>	<ul style="list-style-type: none"> <li>• E-cards in communities: 438,092 <ul style="list-style-type: none"> <li>○ Ext. Vulnerable: USD 21</li> <li>○ Vulnerable: USD 14</li> </ul> </li> <li>• E-cards in camps: 90,476 (USD 28.3)</li> </ul>	<ul style="list-style-type: none"> <li>• E-cards for Syrian refugees: 616,950</li> <li>• E-cards for vulnerable Lebanese: 27,208</li> <li>• Cash-Palestinian Refugees from Syria (PRS): 20,517 U (USD 21.6)</li> </ul>	<ul style="list-style-type: none"> <li>• E-cards in communities: 20,000 (USD 23.2)</li> <li>• E-cards in camps: 147,707 (USD 23.2)</li> </ul>	<ul style="list-style-type: none"> <li>• Paper CBT in camps: 49,914 <ul style="list-style-type: none"> <li>○ Ext. Vulnerable: USD 16</li> <li>○ Vulnerable: USD 10</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Paper CBT – PLW: 5,695 at SYP 7,300</li> <li>• GFD: over 4m per month</li> </ul>
<b>Planned targeting (caseload and value by modality) / Future plans for cash</b>	<ul style="list-style-type: none"> <li>• <b>Camps:</b> half CBT USD 14 (restricted)/half digital cash – USD 14</li> <li>• <b>Extremely vulnerable:</b> half CBT – USD 14 (restricted)/half cash USD 14 (Confirming that the cash could also be used as digital cash/voucher in the supermarkets.)</li> <li>• <b>Vulnerable:</b> cash – USD 14</li> </ul> <p>Depending on donor interest, some variant of the above would be considered.</p>	<ul style="list-style-type: none"> <li>• Currently 603,423 beneficiaries receive 80% of the CBT value.</li> <li>• <b>Option A:</b> a combination of restricted cash transfers and unrestricted cash transfers. The proposal would provide the intended CBT value (27USD) through the combination of transfers- 70% of through restricted cash transfer (19 USD) and 30% through unrestricted cash transfers (8USD)</li> <li>• <b>Option B:</b> conditional CBT (e-voucher) or</li> <li>• <b>Option C:</b> full move to unconditional CBT (bearing in mind need for full donor support/sustainability etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Pilot e-CBT + unrestricted cash in off-camp settings: through a mixed modality utilizing both envelopes.</li> <li>• Transfer values to be considered; 50TL as per current programme or 50TL + 12 TL = 62TL, which is the cost of the referential food basket.</li> <li>• UNICEF and IOM have approached WFP and TRC to provide winterization support on the 2<sup>nd</sup> envelope.</li> </ul>	<p><b>Options:</b></p> <ol style="list-style-type: none"> <li>1. Direct Cash, in Akre (KRI) and where applicable. <ul style="list-style-type: none"> <li>• Most rapid to be implemented.</li> <li>• Akre selected for pilot (functioning markets, average prices.)</li> <li>• 15,000 beneficiaries</li> </ul> </li> <li>2. Hawala system (all of Iraq) <ul style="list-style-type: none"> <li>• Money transfer system.</li> <li>• 16 existing Halawa companies, network covering most of country.</li> <li>• Would be most appropriate for transferring money in urban settlements (to minimize transaction between agents and maximize traceability)</li> </ul> </li> <li>3. QI Smart Card (all of Iraq) <ul style="list-style-type: none"> <li>• WFP seeking partnership to transfer cash to beneficiaries through QI in future.</li> </ul> </li> <li>4. Mobile money by KOREK (KRI) <ul style="list-style-type: none"> <li>• Mobile transfers haven't been implemented</li> </ul> </li> </ol>	<p><b>Options:</b></p> <ol style="list-style-type: none"> <li>1. CBT top-up plus GFD In Kind</li> <li>2. Unrestricted CBT for livelihood activities participants</li> </ol> <p>Possible alternative delivery mechanisms are currently explored</p>

				<ul style="list-style-type: none"> <li>KOREK mobile most viable partner as already WFP partner for m-VAM</li> <li>Would enable WFP to independently control transfers to beneficiaries, and have complete access to reports (which could also be integrated into SCOPE database)</li> </ul>	
<b>Government positions</b>	<b>Split –</b> <ul style="list-style-type: none"> <li>Government has recently softened their position on unrestricted cash, but still have a preference for the voucher modality and traceable assistance, especially because if the money goes to supermarkets and shops there is a multiplier effect in creating jobs etc., contributing to the Jordanian economy in a more tangible way.</li> <li>Different opinions among different government ministers. Director of International Organizations (within MoFA) against unrestricted cash.</li> </ul>	<b>Contradictory –</b> <ul style="list-style-type: none"> <li>In the past, GoL has expressed opposition to use of unrestricted cash. However, the Ministry of Social Affairs, (WFP's main interlocutor and partner on food assistance) clearly supports the basic assistance and livelihood sectors during the LCRP2016 preparation work. These sectors do mainly unconditional cash. As such, the reservation against unconditional cash may become redundant.</li> </ul>	<b>Unclear –</b> <ul style="list-style-type: none"> <li>AFAD has raised possibility of activating 1 wallet on e-card with unrestricted cash</li> <li>Government shown some willingness to explore unrestricted cash.</li> </ul>	<b>Open –</b> <ul style="list-style-type: none"> <li>KRI authorities are generally welcoming the use of cash in the 3 governorates.</li> <li>Central Government of Iraq is using cash transfers to pay salaries and to support IDP families. So far no information confirming their contrariety to cash.</li> </ul>	<b>Opposed –</b> <ul style="list-style-type: none"> <li>Government opposed to cash-based assistance.</li> <li>Government has stated they would require names, addresses and contact information of all beneficiaries receiving cash.</li> </ul>
<b>Delivery systems</b>	OneCard platform	OneCard platform	Kizilay	Direct cash, Hawala system, QI smart card, mobile money by KOREK	Paper voucher and GFD
<b>Assessments/ studies on cash (completed/in process/planned)</b>	<ul style="list-style-type: none"> <li>Columbia School of International and Public Affairs (SIPA) study conducted in March 2015</li> <li>Cash comparative study has resumed under Boston Consulting Group.</li> </ul>	<ul style="list-style-type: none"> <li>Helene Juliard (August 2015): Cash Coordination Review, Evaluation Report, Lebanon</li> <li>WFP Market Assessment (October 2015)</li> <li>Avenir Analytics (April 2014): Research to Identify the Optimal operational set up for Multi-provision of unconditional cash grants to Syrian refugees in Lebanon</li> </ul>	<ul style="list-style-type: none"> <li>ECHO-funded multi-purpose cash assistance study (which resulted in very little new information or recommendations on the legalities, possibilities, challenges or way forward for cash assistance). Awaiting final report from the July '15 mission</li> </ul>		

<p><b>Pros – unrestricted cash</b></p>	<p><b>Market capacity and accessibility</b></p> <p><b>Donor preference</b> – thus would allow us to mobilise contributions from some donors who have stopped funding WFP (such as DFID and ECHO) due to clearly articulated preference for unrestricted cash.</p> <p><b>Value for money</b> - local and informal markets undisputedly offer lower prices.</p> <p><b>Flexibility</b> - beneficiaries not restricted to WFP partner shops.</p> <p><b>Dignity</b> - beneficiaries would have complete control over how to spend their entitlement.</p>	<p><b>Market conditions</b> - the banking system is favorable for the implementation of any cash-based transfer (voucher, cash – either restricted or not).</p> <p><b>Donor preference</b> – thus would allow us to mobilise contributions from some donors who have stopped funding WFP (such as DFID and ECHO) due to clearly articulated preference for unrestricted cash.</p> <p><b>Flexibility</b> - beneficiaries not restricted to WFP partner shops.</p> <p><b>Dignity</b> - beneficiaries would have complete control over how to spend their entitlement.</p>	<p><b>Better prices</b> - beneficiaries in camps often remark that informal bazaar/markets' fresh produce is cheaper and higher quality than some e-card programme participating shops.</p> <p><b>Value for money</b> - for off-camp beneficiaries who have living expenses (such as rent and utilities), unrestricted cash may ultimately result in greater value for money and therefore greater food security as the non-cost effective practice of on-selling purchased food, to pay back debts or bills, would not be necessary.</p> <p><b>Flexibility</b> - beneficiaries not restricted to WFP partner shops.</p> <p><b>Dignity</b> - beneficiaries would have complete control over how to spend their entitlement.</p>	<p><b>Direct cash (Akre/KRI)–</b></p> <ul style="list-style-type: none"> <li>- rapid implementation</li> <li>- rapid CP identification, and FLA signature.</li> </ul> <p><b>Hawala system (all Iraq)–</b></p> <ul style="list-style-type: none"> <li>- good network of agents across Iraq</li> <li>- 16 companies registered with central bank of Iraq (thus existing legal framework)</li> <li>- unlimited availability of cash both in USD and IRQ Dinar</li> <li>- WFP could transfer money to Hawalas companies to bank accounts outside Iraq (e.g. Jordan)</li> <li>- implementation possible by March/April 2016</li> <li>- Hawala system is the most used by Iraqis → high acceptance by beneficiaries</li> </ul> <p><b>QI Smart Card (all Iraq) –</b></p> <ul style="list-style-type: none"> <li>- good network of affiliates accepting QI smart cards</li> <li>- QI smart card will enter international network system (Visa/MasterCard)</li> <li>- used by GoI for payment of salaries (thus existing legal framework)</li> <li>- electronic transfer ensures transparency</li> </ul> <p><b>Mobile money by KOREK (KRI)</b></p> <ul style="list-style-type: none"> <li>- Good mobile coverage</li> <li>- Good commercial network</li> <li>- Electronic transfer – transparency and real time reporting</li> <li>- Service fee max USD 0.10 x transaction</li> <li>- Potential to expand service to shops.</li> <li>- Possibility of installing KOREK booths in KRI camps</li> <li>- Support from KOREK technical team</li> </ul>	<p><b>Increased operational access for WFP</b> – unrestricted cash would enable WFP to expand their scope of operations within Syria (accessing hard-to-reach areas, besieged areas, etc.)</p>
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<b>Cons – unrestricted cash</b>	<p><b>Lack of accountability</b> - WFP would be unable to track beneficiary spending, and some money would undoubtedly be used for expenses not under WFP's mandate, such as transportation, or cigarettes.</p> <p><b>Inter-agency conflict</b> - UNHCR has made it clear that if WFP were to start providing unconditional cash, they would actively argue that it falls under their own mandate of general assistance. UNHCR will be seen as more competitive in unrestrictive cash, given they are only charging 2% bank fees, whereas WFP which is applying full cost recovery.</p> <p><b>Donor reluctance</b> - some donors (esp. USAID/Food For Peace) have explicitly stated their position against WFP providing unrestricted cash.</p> <p><b>Camps</b> – lack of infrastructure to support unrestricted cash as no ATMs are available.</p> <p><b>Lack of control over quality</b> – WFP would lose the ability to ensure strict hygiene standards (shop cleanliness, proper storage, cold chain) and quality (no expired products) which in</p>	<p><b>Lack of accountability</b> - WFP would be unable to track beneficiary spending, and some money would undoubtedly be used for expenses not under WFP's mandate, such as transportation, or cigarettes.</p> <p><b>Government opposition</b></p> <p><b>Poor access to ATMs</b> - whilst ATMs are widely available in Lebanon, there are areas where accessibility is limited. In order to mitigate the risk of beneficiaries' inaccessibility to ATMs, WFP will provide digital cash as an alternative. Digital cash allows beneficiaries with ATM access challenges to redeem their cash transfer in WFP-contracted shops.</p> <p><b>Donor reluctance</b> - some major donors stated it clearly during the ECHO mission in October 2014, they are not ready to go for unrestricted cash.</p> <p><b>Security concerns related to monitoring</b> - according to the Cash Coordination Review Report<sup>1</sup>, one of the main risks in terms of impact of unrestricted cash at agency level is the lack of common Monitoring and Evaluation tools and analysis,</p>	<p><b>No functioning modality</b> - at the moment, no functioning and tested modality exists to deliver unrestricted cash in Turkey.</p> <p><b>Lack of information</b> - a thorough risk / SWOT assessment is required. The scarcity of general information on the Syrian crisis in Turkey, as a result of assessment and research restrictions imposed by the government, delays informed discussions and proposals on cash programming. Almost no M&amp;E findings to support cash assistance in off-camp settings (from a WFP Food Security perspective) so research and impact assessment of current modalities is required to substantiate many cash arguments.</p> <p><b>Camp vs. communities</b> - camp populations receive shelter, utilities, access to education and health care, therefore, the need for cash is not as great as in non-camp settings. Accessing ATM machines from camp settings would involve travel at beneficiaries' expense.</p>	<p><b>Direct Cash, Akre (KRI)</b></p> <ul style="list-style-type: none"> <li>- not replicable on large scale</li> <li>- heavy involvement of CP for cash distribution and CP associate</li> <li>- cash transport may source of insecurity</li> <li>- cash diversion</li> </ul> <p><b>Hawala system (all of Iraq)</b></p> <ul style="list-style-type: none"> <li>- lack of traceability</li> <li>- (each company has multiple agents with different contracts)</li> <li>- agents may cheat beneficiaries by providing small cut notes (less money disbursed, fake notes)</li> <li>- WFP requirements for contracting/procurement are time consuming</li> <li>- not all beneficiaries entitled to cash can be reached</li> <li>- possible corruption of CP staff</li> </ul> <p><b>QI Smart Card (all of Iraq)</b></p> <ul style="list-style-type: none"> <li>- not implemented at scale in Iraq – hence could present unforeseen difficulties</li> <li>- Not possible for implementation until second half of 2016 because QI doesn't yet have the capacity to satisfy WFP requirements.</li> </ul> <p><b>Mobile money by KOREK (KRI)</b></p>	<p><b>Value for money</b> It costs WFP USD 12.80 per month to provide beneficiaries with 1800kcal per day. Providing the equivalent in cash each month would not nearly cover the same amount of food.</p> <p><b>Lack of functioning markets</b> - Soaring inflation (especially in areas most in need of WFP assistance, such as hard-to-reach and besieged areas) - Lack of commodities available – so cash would be useless in many areas.</p> <p><b>Lack of functioning banks</b> Foreign exchange rates constantly changing (black market vs. bank currency value)</p> <p><b>Security Concerns</b> - Spending of unrestricted cash may inadvertently support smuggled/illegally trafficked goods (esp. in ISIS controlled areas) - Cash diversion risk</p> <p><b>Lack of traceability</b></p>

<sup>1</sup> Helene Juliard (August 2015): Cash Coordination Review, Evaluation Report, Lebanon.

	<p>turn could lead to major health concerns. This is particularly relevant in Za'atari where many shops operate in the informal market without JFDA approval and rely on an unstable electricity connection to store food that requires refrigeration.</p> <p><b>Protection</b> - beneficiaries are concerned unrestricted cash would force them to repay their high debts.</p> <p><b>Access to ATMs</b> - while our shops are selected based on a mapping of beneficiary concentrations, minimizing travel time and expense for refugees, bank ATMs are mostly located in places where not many refugees live, meaning beneficiaries would have the added cost of traveling to and from ATMs. Initial assessments of WFP's partner bank ATM network have identified some gaps that would need to be resolved.</p> <p><b>More expensive</b> - on top of existing associated costs, WFP would have to pay a flat fee for each ATM withdrawal (see section H below).</p>	<p>especially in a context of fund diversion suspicion and use of cash transfer programmes (CTP) for funding of illegal activities.</p> <p><b>Beneficiary security and protection</b> - in hard to reach areas or with limited ATMs, beneficiaries may have to travel further. Security and protection considerations—especially for women and children—will be addressed in collaboration with UNCHR.</p> <p><b>Monitoring</b> - the nature of unrestricted cash means WFP has limited ability to know exactly what items are purchased. Monitoring systems are being adapted, accordingly.</p> <p><b>Reporting</b> - just as WFP is able to upload both unrestricted and restricted cash on the same e-card, WFP can also separately generate reports on both wallets, enhancing WFP's accountability mechanism for donors.</p> <p><b>Sustainability</b> - securing sufficient funding is paramount for the continuation of unrestricted cash. Solid funding forecasts are necessary to reassure beneficiaries of a long term investment in their right to purchase the food that they need.</p>	<p><b>Ration amount</b> - A review of the ration for value of unrestricted cash assistance would be necessary. Rations based on minimum expenditure baskets (MEB) would demonstrate WFP overstepping its mandate.</p> <p><b>Inter-agency conflict</b> – UNHCR.</p>	<ul style="list-style-type: none"> <li>- not operational yet, due to lack of demand</li> <li>- Not tested at scale yet, but operational within 20 weeks from confirmation of partnership. Including commercial expansion</li> </ul>	
<b>What are other UN agencies doing regarding cash</b>	<p>UNHCR monthly unrestricted cash in communities</p> <ul style="list-style-type: none"> <li>• + Winterization: full and half cash assistance, one off assistance, USD 420 for full / USD 210 for half <ul style="list-style-type: none"> <li>○ Full: 19,000 households – those who didn't receive any winterization assistance</li> <li>○ Half: 11,000 households</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Cash is being implemented year-round at small scale (less than 10% of the registered Syrian refugees) by several agencies. Some of them operate through the WFP One Card Platform</li> <li>• UNHCR provides unrestricted cash for some 20,000 households.</li> </ul>	<ul style="list-style-type: none"> <li>• UNICEF one-off winterization transfer for children's clothes via the OneCard platform.</li> <li>• UNHCR monthly unrestricted cash in communities + winterization cash assistance:</li> </ul>	<ul style="list-style-type: none"> <li>• UNHCR winterization cash assistance (one-off) USD 300 for 60,000 people, (outside camps)</li> <li>• UNICEF one-off winterization transfer</li> </ul>	<ul style="list-style-type: none"> <li>• UNRWA unrestricted cash for Palestinian refugees.</li> <li>• UNHCR attempted (unsuccessfully) unrestricted cash in 2014</li> </ul>

	<p>UNICEF one-off winterization transfer for children's clothes via OneCard.</p> <p>UNICEF Child Cash Grant (CCG) programme assisting roughly 56,000 girls and boys from 15,000 of the most vulnerable families with USD 28 per child per month. (Provided through the UNHCR cash assistance system.)</p>	<p>However the bulk of unrestricted cash is generally provided during winter interventions mainly by UNHCR (75,000 households in 2014 with a plan to expand to 165,000 households in 2015) for 4-5 months (late November-March).</p> <ul style="list-style-type: none"> <li>UNICEF is also considering a one off unrestricted cash transfer to about 32,000 families during the upcoming winter via OneCard platform.</li> </ul>	<ul style="list-style-type: none"> <li>Voucher programme: 6,000 families, USD 200 per family, one off</li> <li>Redeem to pick-up items such as heaters, warm clothes in southern Turkey</li> </ul>		
<b>Which INGOs are working in cash, and what are they doing</b>	NRC, SCI, Caritas, ACF, IRC, MEDAIR, HI, LWF, ICMC, CARE, PU-AMI, WVI, AVSI, ActionAid, NICCOD	Lebanese Cash Consortium: Save the Children, IRC, CARE, ACTED, Solidarities International and World Vision International, NRC, DRC	DRC, Save the Children, Mercy Corps, GOAL	NRC, DRC, Mercy Corps, SC-I, CRS, WVI, ICRC	GOAL, Save the Children

**Cross cutting issues:**

WFP corporate guidance; Advocacy / messaging; Position vis-à-vis other UN agencies; Monitoring