



‘The Vendor Effect’: Hurricane Matthew Response

A CASH TRANSFER PROGRAMING LEARNING STUDY, CRS HAITI

Abstract

Early learning on the appropriateness and effectiveness of Cash Based Initiatives in Haiti and how they can improve, affect and support vendors and the market systems they work within

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faith. action. results.

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Executive Summary

On October 4th, 2016 Hurricane Matthew, the third largest storm to ever hit Haiti, tore into the southern region and decimated coastal and hill towns. The disaster affected over 2 million people, about 20 percent of Haiti's population, primarily in the poorest regions of the country. The hurricane resulted in flooding, landslides, and extensive destruction of infrastructure and livelihoods. The agriculture and housing sectors were the hardest hit, with up to 90 percent of crops and livestock lost in some areas.¹



UCT beneficiary in Coteaux (Sud Department)

CRS Haiti, along with its partners and government officials, responded to the disaster in over 22 communes in the hardest hit areas of the Grand'Anse and Sud. Based on early market data analysis, CRS Haiti's response included many Cash Based Initiatives (CBIs) and focused on market-aware emergency programming. After the immediacy of the response, CRS Haiti wanted to understand the appropriateness and effectiveness of cash programming in their

context, its effects on the markets and vendors they worked with, and the challenges and successes in their implementation. While there had been CBIs in prior emergency work,² they happened on a larger scale and with higher frequency in the Matthew response.

Using desk research, qualitative and quantitative data collection, this learning study looks specifically at the appropriateness and effectiveness of the CTs, the vendor's experiences, the beneficiary's perspective, and CRS's implementation learning. There was a review of existing data collected over multiple studies by different agencies at various points in the response cycle (including EMMAs,³ PDMs⁴ and others) and new data collected via Key Informant Interviews (KIIs), Focus Group Discussions (FDGs) and a new quantitative study in four southern market-sheds in the Sud and Grande'Anse.

KEY FINDINGS

- Overall, CBIs worked, were appropriate and effective.⁵ The beneficiary experiences were positive and basic needs were met. Data showed an overwhelming 93% of beneficiaries preferred cash to any other assistance, markets responded to needs and there were no significant price changes or shortages.
- The diversity of cash delivery modalities offered a lot of learning. However, they also created a significant challenge for implementation,

¹ <http://www.worldbank.org/en/results/2017/10/20/rapidly-assessing-the-impact-of-hurricane-matthew-in-haiti>

² The 2010 Earthquake response had early CBI programming.

³ [Emergency Market Mapping and Analysis](#)

⁴ Post Distribution Monitoring

⁵ Appropriateness defined as: suitable for the market circumstances and able to meet identified need.

reducing the response speed and increasing the complexity.

- The right market information was collected prior the CBIs selection. Projects were designed based on market information. The Salvage to Shelter project was a good example of a market-based project. Based on learning from the early market studies and engagement with the private sector, it used cash programming outside of the Food Security and Livelihoods (FSL) sector to meet the needs of disaster-affected communities.
- There were measurable positive effects on vendors, both those directly involved with the CBIs and those working within markets where unconditional cash transfers (UTCs) were spent. Evidence showed:
 - Markets and vendors re-bounded more quickly
 - Vendors had increased confidence in investing in stock and restarting
 - There was increased market integration with vendors who participated in CBI emergency response programming.
- While there was improvement in response times, there remain challenges with preparedness at the local level. While there were systems in place to engage locally in an emergency, namely the CPCs or Comité de Protection Civile, they did not work as expected. The system to identify the most affected population by engaging with local leaders was flawed and needed adjustment. There were also significant challenges with communication with local and government officials around CBI messages and systems. This should be a focus for preparedness work going forward. This can include training on cash-based programming, as well as developing a

local primary focal-point for emergency response.⁶

- There was a lack of familiarity with CBI systems and implementation within CRS Haiti and the local emergency team. CRS should invest in training and learning around best practice for cash and market-based emergency response for the Haiti team.
- The lack of deep and wide penetration of Digital Financial Services (DFS) in Haiti will present a challenge. There are limited levels of financial inclusion, a lack of liquidity and coverage with cash-out agents, and even phone ownership and SIM-card reliability presented challenges for quick and effective delivery of cash transfers. Preparedness programs should work with digital financial inclusion efforts. As a part of preparedness, they should begin the process of framework agreements, and coverage/service mapping to allow for better planning as to where and when mobile options are viable. This will help better prepare for future responses. It will also build relationships and a clearer understanding between the service providers and humanitarians. This will be necessary for faster and better designed responses with electronic transfers and a clearer picture of when other modalities or delivery mechanisms are more appropriate.⁷

⁶ The focal point should not be an elected official, to ensure continuity and separation from political interests.

⁷ [The Electronic Cash Transfer Action Learning Network](#) (ELAN) has many resources available, as does [CaLP](#) and others

Introduction

CONCEPTUAL FRAMING AND METHODOLOGY

This study will support learning for both those in Haiti responding to emergencies and CRS as an implementer. After Hurricane Matthew hit the island on October 4th, 2016, CRS Haiti began a number of response and recovery efforts, both as a lead and in partnership with other organizations and government structures. These programs spanned the spectrum from Cash-for-Work (CFW), to large-scale Unconditional Cash Transfers (UTCs) to Agricultural Input Vouchers, to complex Shelter support projects that combined the skills of architects, engineers, construction material vendors, and electronic vouchers.

CRS Haiti wanted to understand the appropriateness and effectiveness of Cash Based Initiatives (CBIs) in their context, its effects on markets and vendors, and the challenges and successes with its implementation. Using desk research, qualitative and quantitative data collection, this learning study also looked specifically at the vendor's experiences, the beneficiary's perspective, CRS's lessons around implementation, and others' reports on lessons learned/response results. There was a review of existing data collected over multiple studies by different agencies at different points in the response cycle (including PCMA's,⁸ EMMAs,⁹ PDMs¹⁰ and others) and new data collected via Key Informant Interviews (KIIs), Focus Group Discussions (FDGs) and a quantitative study in

four market-sheds covering the Sud and Grand'Anse.

A key issue CRS Haiti wanted to learn about was the effect on markets and enterprises engaged with CRS in recovery efforts. Across the projects outlined above, there were construction material vendors, seed and agricultural input vendors and those selling in local markets in high-coverage UCT areas,¹¹ all with various levels of engagement with cash-based programs. Beyond just understanding if and how cash programs were meeting the basic needs of those affected by the hurricane, CRS wanted to understand if and how vendors and the market-systems they work within were affected.

One of the hopes of market-based projects is that, not only does working within a market *not* undermine existing economic relationships but supports and strengthens them - helping businesses be more resilient and perhaps even recover faster after a crisis. However, there has been far less data and exploration of this than beneficiary response, price fluctuations or even strategies for quality implementation. With commitments to cash-based responses increasing and moving from the FSL sector outward into other sectors (e.g. Shelter and WASH), looking at the vendor and market-system effect, in the mid-to-longer term, will help us unpack if our assumptions are based in

⁸ [Pre-Crisis Market Mapping](#)

⁹ [Emergency Market Mapping and Analysis](#)

¹⁰ Post Distribution Monitoring

¹¹ 70%-80% of households receiving cash transfers. PDM data showed that 61% reported spending all their money at markets within their communal section and 71% reported spending all their money within their commune.

fact, and what level of effect we might be talking about. While this is, of course, a critical piece of the puzzle, this study did not address the macroeconomic situation of Haiti before or after Matthew.¹² The complexity and wide-scope of regional and national markets must be acknowledged, and there are broader and stronger forces at work within the market system of which these traders are a part. We cannot yet draw a direct line of causality between response decisions and market effects, beyond the vendors' own reported perceptions and decisions.

STUDY OBJECTIVES, PARAMETERS, AND LIMITATIONS

Study Objectives

There are two key research questions and four supporting operational learning areas.

1. The appropriateness and effectiveness of the cash-based response to Hurricane Matthew: How appropriate was CRS's cash-based response in Haiti, which used a wide variety of cash-based delivery mechanisms and cash in various sectors (basic needs, Shelter, agricultural inputs and livelihoods restart)?

Hypotheses: Cash Based Initiatives (CBIs) were appropriate for the emergency response and markets were able meet the affected populations needs. Learning from the Hurricane Matthew response, analysis of key beneficiary metrics, and clear documentation of operational challenges can lead to a way forward and improve preparedness and resilience.

2. Effects of cash transfers on targeted vendors and market systems: What are some perceived effects CT modalities had on the various categories of vendors and the market systems they work within?

Hypotheses: Cash Transfers (all modalities) will positively affect the vendors and market systems in which they are spent; 1) improving vendors integration with their supply chains, 2) allowing them to more rapidly rebuild and recover after the disaster, and 3) expanding their market share after the emergency.

As these reported and perceived effects are directly affected by the quality of the operations, we also gathered information on implementation lessons-learned around:

Four Key Operational Learning Areas:

1. Targeting and selection criteria (beneficiary)
2. The operational value of prior pre-positioning
3. The bottlenecks and pain-points of cash-based programming implementation
4. Recommendations for improvement

Research Parameters

This study used team-based, collaborative qualitative research methods, combining structured Key Informant Interviews (KIIs), and FDG (Focus Group Discussions),¹³ existing quantitative data from larger PDM data sets, and qualitative data from exit interviews and accountability studies.

¹² For more details see <https://www.acaps.org/special-report/haiti-market-environment-analysis>

¹³ For more information on qualitative research methods in practice, see Qualitative Research Methods: A Data Collector's Field Guide; ACAPS: Qualitative and Quantitative Research Techniques for Humanitarian Needs Assessment, An Introductory Brief, May 2012

The qualitative sampling method was purposive, with two main participant groups: 1) vendors working with CTs and 2) implementation/provider staff. Quantitative

information is from existing PDM data sets, and a new quantitative study done for market-shed vendors in high-coverage UCT areas, where at least 80% of the population received a transfer.

Table 1: Study Participant Categories

Category 1	Category 2	Category 3
Vendor 1	Vendor 2	Implementers/Service Providers
Selected as 'CRS vendor' via bid or other structured process to accept vouchers	Selling in a communal market in an area of between 70%-80% UCT coverage	Working on implementation during the active phases
Still in business in a similar sector	Still in business in a similar sector and area	Played a key role in activities and decisions that affected the learning questions.
Shelter Vendors, Ag Input Vendors	Selling goods within the Food Basket/ basic needs	

The sample size for the qualitative research was not pre-determined but based on the situation and availability of participants. The sample was complete when no new significant insights or key informant groups were found, so data analysis and review was concurrent with data collection.

As needed, the research team also used a snowball sampling method – with KIIs leading to other KIIs - most usually with seed vendors in the first category. This allowed us to access vendors CRS did not maintain connections to after the project and capture narratives and experiences from vendors of different business sizes and from diverse populations.

Participants:

- Full coverage with KIIs for all shelter vendors from **Category 1**
- 14 KIIs with Ag input vendors **Category 1** (representation from all geographic areas¹⁴)
- 9 KIIs and one FGD (4) with **Category 3**
- Quantitative study with randomly selected 79 vendor participants from **Category 2**

¹⁴ Grand'Anse: Bonbon, Roseaux, Jérémie, Beaumont, et Pestel. Sud: Roche à Bateaux, Coteaux

Map of Emergency Response Activities



Figure 1: Map of CRS Intervention Areas

Key Informant Interviews: KIIs

- For each KII a set of guiding questions was used (see tools in Annex). The team had two note takers for transcription and documentation purposes.
- The questions were defined, but open-ended, with follow-up questions (probes) to better understand responses and get more details.
- Each KII was held in the language most appropriate, with translation happening during the interview as necessary (Creole/French). KIIs were primarily with Category 1 and 3, as business discussions are best held one-on-one.
- Held KIIs with key staff on the implementation side on specifics around the three key operational questions (see Key Operational Learning Areas).

Focus Group Discussions: FGDs

- FGDs were primarily held with implementation staff, to maximize the number of perspectives heard and to spark memory of past events. FGDs had a set guiding discussion questions based on the 4 Key Operational Learning Areas. The demographics of each group was recorded, and responses categorized and analyzed. Follow-up interviews were done for clarification.

Data documentation and management

- Most KIIs and FDG were held in-person in the local villages and towns in Haiti in the language most appropriate, with translators. The lead researcher held all the KIIs and FGDs. Some KIIs happened remotely (over the phone or skype) with CRS staff who are no longer with completed programs or with vendors who were not available in person.

- Two-person teams led both KIIs and FDG, with one team member as the note taker/recorded and one as the primary interview or facilitator (along with a translator). At the end of each interview the team members reviewed, completed gaps, revised any strategies that did not work well, noted any new or relevant information that came up outside of the questions or any new key informants, and flagged any information that was different or contradictory from other FDGs and data.
- For both methods, notes were completed during the field research phase in Haiti and a preliminary results presentation was held with CRS team members and the Haiti Cash Working Group in Port-au-Prince.

Limitations

- As this study was done 17 months after Hurricane Matthew hit Haiti and is based primarily on interviews and perception. There is a lot that can be misremembered, forgotten or ignored. However, as qualitative data was collected after business put time and money into their recovery, and after many had ended their relationship with any project efforts, it allowed both perspective on how the project may have affected their business while it was on-going and what changed after it ended.
- Outside of the construction material vendors, most did not keep detailed records of sales, profits, or losses – and business records were not consulted to confirm stated perceptions. While most vendors in the shelter project have records and work with more formal financial institutions, the questions asked were not

double checked against bank or Micro-Finance Institution (MFI) records. As this was about how their decision-making process and their business priorities changed, their impressions and self-reporting was seen as the most effective metric. However, a more detailed and complete study including financials could give a better perspective on specific business shifts.

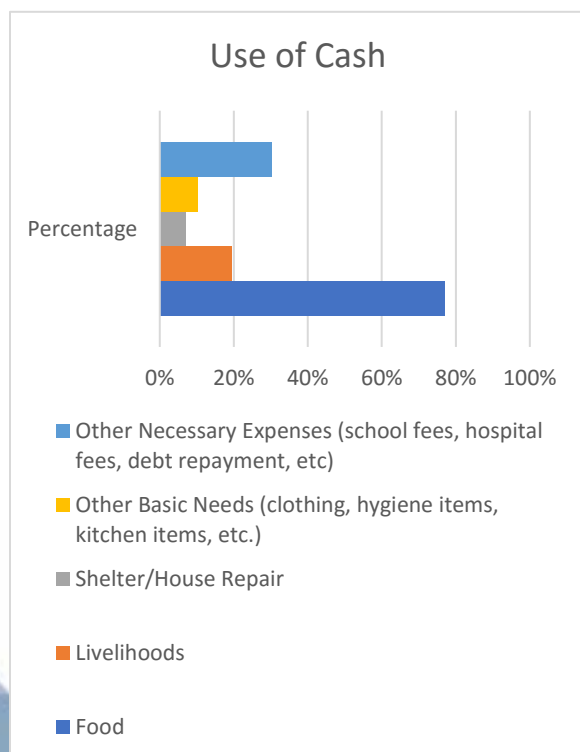
- While PDM data was collected from as many projects as possible, we were not able to collect all the data from every agency that engaged with CTPs. However, there as a strong enough sample to make statements about the response as whole.
- The lead researcher was well supported by CRS Haiti, but still had limited time to complete field work and desk research. While CRS as an organization was supportive, it was the in-country program team that was primarily engaged. This meant that meta-level research was limited to what in-country staff could access and review within the timeframe. There are inevitably relevant reports and key stakeholders that were not included, so we hope that this will be a continuing conversation.
- While Haiti's emergency response depends heavily on the support and collaboration with local and national authorities, this study did not engage with local or national government structures. This perspective should be added as and when possible. However, as the focus was on beneficiary, market systems and vendor experiences, the focus on those interviews was appropriate.

Findings

THE APPROPRIATENESS AND EFFECTIVENESS OF THE CASH-BASED RESPONSE

The appropriateness and effectiveness of the cash-based response to Hurricane Matthew: How appropriate was CRS's cash-based response in Haiti, which used a wide variety of cash-based delivery mechanisms and cash in various sectors (basic needs, Shelter, agricultural inputs and livelihoods restart)?

Hypotheses: Cash Based Initiatives (CBIs) were appropriate for the emergency response and markets were able to meet the affected populations needs. Learning from the Hurricane Matthew response, analysis of key beneficiary metrics, and clear documentation of operational challenges can lead to a way forward and improve preparedness and resilience.



APPROPRIATENESS¹⁵ AND EFFECTIVENESS

Overall, CRS and its partner's cash-based response to Hurricane Matthew was appropriate and effective. The data from large scale PDM shows that for those affected by Matthew, the cash transfers and cash-based programs used to meet basic needs were preferred by 93%. Other key metrics are below.

Table 2: Consolidated PDM Data 2016-2017¹⁶

Targeted UCT Beneficiaries	
Total HH	53,378
Estimated direct beneficiaries ¹⁷	266,890
Age range	18-96
Sex of Cash Recipient	54% Female; 46% Male

Figure 2: Usage of UCTs¹⁸

¹⁵ Appropriateness is defined as: suitable for the market circumstances and able to meet identified need.

¹⁶ This data was aggregated over multiple projects, donors and lead agencies. It represents thousands of respondents. For more details on the data sets, please contact CRS Haiti.

¹⁷ Based on a 5-person HH consistent with the calculation of the transfer amount.

¹⁸ This is specifically based on PDM data with 2082 responses. It records category of expenses (a single person can make multiple categories of expenses)

Table 3: Beneficiary response to CTPs

Suitability of Cash and it's Appropriateness	
% reporting CBA as "preferred or most appropriate" ¹⁹	93%
% reporting feeling safe and secure at disbursements	97%
% reporting being able to buy the products they needed in their local markets	99%
% reporting being satisfied or very satisfied with their experiences with the CBIs	94%

OPERATIONAL CHALLENGES

While the appropriateness of the CTs is clear, there was inconsistency in the quality of the delivery, difficulty in coordination early in the response around CT amounts, and most critically, challenges around systems for beneficiary criteria and selection. These operational issues are further explored in the findings for the Key Operational Learning Areas.

However, these challenges did not affect the appropriateness of the CTs. Price monitoring data showed no significant indications of prices rising on key goods.²⁰ While there were some reports of price and availability fluctuations, there was nothing to indicate that the CT programming was adversely affecting the market, nor unable to hold appropriate value to meet households' targeted needs.

¹⁹ This includes preference for cash or vouchers. 88% reported preference for cash. 5% reported preference for vouchers.

²⁰ The [MARKit](#) system was used for all Price Monitoring (PM). FEWS NET and CNSA collected data was also used.

MARKET ANALYSIS

CRS Haiti and its partners followed the general best practice outlined by industry standards, (e.g. MisMA, CaLP and the CGWG²¹) in determining if cash-based programming was appropriate in response to Hurricane Matthew. As a part of these efforts, CRS had a cash pre-positioning pilot that started in 2014 with a RMA, did a PCMA in 2015 (specifically across the Sud and Grande'Anse)²² that showed vendors and markets had the capacity and elasticity to meet the response needs. There was also a review of the modalities available and the choice of the MFI Fonkoze as the pre-positioning partner. However, over the course of the response, CRS and other implementers used many delivery channels. There was not a clear "winner" and each had its challenges and strong points.²³ This will be discussed further in the findings for the Key Operational Learning Areas.

An EMMA²⁴ done by CRS on CGI²⁵ and shelter materials in the weeks after the hurricane also showed the market's capacity to support a cash-based programing for shelter in the areas hit hardest by the hurricane. Other market studies²⁶ confirmed the market's ability to meet basic needs and that cash-based responses were "feasible" and recommended. These include those done by CNSA²⁷ and its partners (WFP, FEWS NET, CARE, MoA), and the Multi-Sector Market Environment Analysis HAITI²⁸ done by ACAPS in October 2016. All contributed to the decision to use cash in the main response. This is

²¹ Geneva Cash Working Group

²² CRS EMERGENCY CASH TRANSFER HURRICANE MATTHEW FINAL REPORT, December 2016

²³ CRS worked with 4 key modalities, RedRose (scannable voucher/POS machine), Digicel/MonCash (mobile transfer), Fonkoze (cash in envelope) and UniTransfer (cash in envelopes)

²⁴ [EMMA CGI Hurricane Matthew Haiti November 2016](#)

²⁵ Corrugated Galvanized Iron sheeting, used primarily as a roofing material.

²⁶ [Market Analysis Post Hurricane Matthew –key findings-October-November 2016](#).

²⁷ Coordination Nationale de la Sécurité Alimentaire en Haiti

²⁸ [Multi-Sector Market Environment Analyses Haiti – to what extent can markets meet the basic needs of the population affected by Hurricane Mathew, ACAPS, October 2016](#)

not to say that there was not discussion and some resistance,²⁹ as Haiti has not mounted a significant cash response previously, with the 2010 earthquake being the last significant disaster, where cash was nascent and not used as widely. In fact, there was considerable food distribution done, even in the face of the evidence that markets could support the needs. This had more to do with established food distribution systems and a lack of familiarity with or systems for Cash Based Initiatives (CBIs) by government leaders and development actors.

LEARNING AND RECOMMENDATIONS

Learning about Cash

A key gap that effected both the implementation and the coordination with other actors was the need to inform local and international partners based in Haiti about the current best practice and research on market-aware crisis response and cash-based interventions. Within the government and other traditional actors there are *still several persistent misconceptions, such as “cash creates dependency and reduces participation in productive work” and “cash causes higher spending on alcohol and tobacco” which have been fully disproven by existing evidence.*³⁰ There should be focused efforts to share resources and leaning at the local and national levels, both with those to work in humanitarian response and those who work in development and food security.

Learning from the Minimum Economic Recovery Standards (MERS),³¹ the State of the World's Cash 2018,³² and the Transfer Project's³³ “Myth-

Busting? How Research is Refuting Common Perceptions about Unconditional Cash Transfers” would allow a better coordination with government leaders and partners. This would also promote a collective understanding about best practice internationally. More specifics on operational challenges and recommendations are in the section on Key Operational Learning Areas.

Coordinating around Cash

As the cluster system was not activated by the Haitian Government during Hurricane Matthew response, coordination was done in the Cash

CRS AND OTHERS MET CHALLENGES WITH:

beneficiaries not having access to phones, not being comfortable with the system, or not having SIM cards that would work with mobile money (Digicel/MonCash), not having coverage at disbursement sites

provider agents not ‘seeing’ transfer amounts on beneficiary phones and not finding answers with their Digicel HQ representatives

While the majority of difficulties were resolved with feedback/help lines -such as the 227 line for complaints and help the in-person helpdesks at SIM card and cash-out distributions - it was not a smooth process and there remain unresolved questions.

²⁹ <https://transfer.cpc.unc.edu/wp-content/uploads/2015/09/Mythbusters.pdf>

³⁰ [Myth-Busting? How Research is Refuting Common Perceptions about Unconditional Cash Transfers, WP-2017-11 June 2017. Cash Transfers and Temptation Goods – A Review of Global Evidence, World Bank](#)

³¹ <http://mershandbook.org/>

³² <http://www.cashlearning.org/what-we-do/the-state-of-the-worlds-cash-2018>

³³ The Transfer Project is a multi-organizational initiative of the United Nations Children's Fund (UNICEF) the UN Food and Agriculture Organization (FAO), Save the Children UK and the University of North Carolina at Chapel Hill (UNC-CH), in collaboration with national governments, and other national and international researchers

Working Group.³⁴ While there was strong participation and government engagement with the working group, there was not an existing system of technical leadership. Discussions across sectors and with the GoH on the system to set food-basket values or MEB values³⁵ and the system to set standard UCT transfer amounts was centralized in the capital and removed from the specific emergency context in the south. This meant the coordination around setting the transfer amounts was very challenging and there were delays. Working groups that were regionally located were not linked-in with each other, nor with the national level discussions, and there were many actors who were not coordinating efforts.



Beneficiary receiving UCT at distribution site.

While the clusters do present their own challenges when activated, they have also proven to be an effective forum and structure to deal with these specific challenges. If they had been working and technically led, these challenges would be minimized. If multi-purpose grants (MPGs) and multi-modality cash response systems are going to work better and faster in Haiti, coordination via working groups will not be supportive enough in an emergency. A more structured system will be needed. If not the clusters, then something that will perform the same function and that all actors can agree to, should be in place. However, as the social safety net programming efforts strengthen,³⁶ this may create enough buy-in and technical know-how on the ground to allow a more locally-led effort for emergency response coordination of CBIs. This could also allow exploration of other mechanisms to set transfer amounts beyond the MEB, including poverty metrics.

Delivering Cash

While the multi-modality response was appropriate and effective, and each modality was selected based on its use, the beneficiary profile, and its cost structure, there was a desire to know if one was better or more suited than another. This response used cash-based modalities for a variety of impacts and to reach different affected populations. There were CBIs for 1) meeting basic needs immediately after the hurricane 2) accessing agricultural inputs to restart planting in the months after the hurricane 3) accessing safer building materials for those who lost their homes. It made sense to use diverse delivery modalities for these different objectives and communities. There was not data available, nor were programs comparable, to make a statement about one modality's value over another, or if one was inherently better to deliver cash. For each

³⁴

<https://www.humanitarianresponse.info/en/operations/haiti/ca-sh-working-group>

³⁵ Minimum Expenditure Basket (MEB) is the multi-sector effort to define basic needs that can be met via markets

³⁶ *Kore Lavi* is the GoH and INGO collaborative effort, led by CARE and funded by USAID, to develop a national social safety net (SSN) program for Haiti. <https://stories.usaid.gov/kore-lavi/#page-1>

objective and population, each modality was best suited. Providers also had different reach and geographic scope, and a combination was often needed to cover the affected population. While there were significant implementation challenges, that was consistently true across all the modalities. No one modality was “challenge free”, or even indicated as most appropriate for all applications. There was no “one-size-fits all” choice.

However, for the larger cash transfer programming reaching over 100,000 households³⁷ with UCTs, and WFP efforts reaching 96,000 households with UCTs,³⁸ there was an obvious choice in electronic transfers. However, this is still a significant challenge. There is not deep penetration of mobile money and there is limited community trust and familiarity with mobile money providers.³⁹ In implementation in many sites using mobile transfers, there were challenges around network coverage, agent liquidity, and the ease of use of the mobile money platform by beneficiaries. Even with training from the provider before the disbursements, many beneficiaries did not feel confident using the system.

Most of the challenges were found and addressed during implementation, but they created delays and required various “workarounds.” This diluted the “efficiency and scale” that this modality was supposed to offer.

While solutions were found, there were also contexts where the mobile option was not the most suited.⁴⁰ If there is to be a possibility for larger and deeper response with cash, supporting financial inclusion with appropriate digital financial services will be necessary. As a part of that, emergency staff will need to discuss with those companies’ real abilities and interest in connecting to large scale response efforts. When the liquidity of agent networks or FSPs is challenging, a more closed-loop system can be pre-positioned, such as e-vouchers or e-cards. This could happen as a part pre-positioning, part of a DRR project, in the development of Social Safety Net (SSN), or as part of financial inclusion efforts. It will also be necessary to acknowledge that in the near term, we will still need multiple modalities to deliver cash-based assistance. Emergency response actors should collaborate with those in the mobile money space in Haiti. Further recommendations are in the Key Operational Learning Areas.

³⁷ [The ANKAD Consortium](#) targeted 102K households with UCTs to meet basic needs post hurricane. While there was an encouragement to take part in community work days prior to the first cash distribution, participation was not monitored and did not affect whether or not people received cash transfers. Therefore, they are considered UCTs for the purposes of this study.

³⁸ [USAID Hurricane Matthew Response and Recovery Fact Sheet October 2017](#)

consortium of nongovernmental organizations provided cash transfers to 425,000 individuals. WFP reached an additional 96,000 people with cash transfers.

³⁹ [Frontier Insights: Mobile Money and Financial Inclusion in Haiti, July 2017, DAI](#)

⁴⁰ [Digital Financial Service Systems Market Mapping: Sector Analysis and Recommendations](#), Finance Inclusive Haiti, 2017

Effects of Cash Transfers on Targeted Vendors and Markets Systems

WHAT ARE SOME PERCEIVED EFFECTS CT MODALITIES HAD ON THE VARIOUS CATEGORIES OF VENDORS AND THE MARKET SYSTEMS THEY WORK WITHIN?

Hypotheses 2: Cash Transfers (all modalities) will positively affect the vendors and market systems in which they are spent; 1) improving vendors integration with their supply chains, 2) allowing them to more rapidly rebuild and recover after the disaster, and 3) expanding their market share after the emergency.

This question is one in which many projects are interested. Market-aware response and recovery programs work with market actors and market system hoping not only to *not* undermine them, but to strengthen them. However, very little information usually comes out of CBIs' assessments around their implications for the vendors they touch. CRS Haiti had three projects that engaged directly with vendors at various levels through voucher schemes and four projects that utilized UCT. By asking similar questions about how the project affected their businesses, their decision making, their use of financial services and their planning for the future, CRS wanted to understand some of the wider effects of their Shelter and Agricultural Input projects, beyond the beneficiaries receiving the funds. Another aspect was the UCTs, which PDMs showed people spent primarily in the local markets near their homes. These are small markets in areas in which almost 80% of the households received UCTs. Asking about any effects that vendors of basic goods felt after the transfer would dig a little deeper than typical price monitoring data



Outside a construction material vendor in Coteaux.

in understanding how market actors interact with cash programming.

There were more measurable implications for voucher vendor participants with high-value goods (construction materials, agricultural inputs) than in commune-level market. Looking at both gives a broader picture of different possible effects.

With participating voucher vendors, there were some similarities in experiences and effects

worth mentioning for vendors engaged in both sectors:

- **Better integration in their market chains:** new and improved supplier relationships, new services offered by suppliers, new products and services offered by vendors
- **Increase in reach and number of clients:** new segments of clients not previously served, clients buying larger variety of products
- **Increased access to financial services:** new and progressively larger business loans, new access to supplier-credit services and/or better terms, new access to more formal financial systems, establishment of credit histories
- **Consideration and planning for risk management:** investment in businesses infrastructure, investment in supply chain development

If I am open and able to sell goods right away, that is better for me, and better for my clients. I can be there to provide the food, the water and the building materials. We have a cement building now, with a cement roof, so losses will not be the same next time.

-CRS construction materials vendor, Roche a Bateaux

CONSTRUCTION MATERIAL VENDORS: SALVAGE TO SHELTER PROJECT

The Salvage to Shelter project was a voucher-based project to provide Build Back Safer (BBS) options for communities in the South who lost their homes in the hurricane. It was based on the EMMA for CGI and built out with many supporting technical activities, such as the support from engineers and architects, proformas for the BBS⁴¹ approach, technical training in the BBS techniques, model homes, local and regional procurement options, cash-for-rent, and over 7 packages of vouchers and technical assistance. Four vendors were identified who could meet both the administrative and technical/ business criteria. This represented all of the possible vendors in the intervention area. Criteria and identification was initially based on the EMMA results.



Construction material vendor engaged in the Salvage to Shelter project in front of his store.

⁴¹ Build Back Safer – for more information on the Salvage to Shelter Project, see CRS Haiti

KEY FINDINGS

Talking to the vendors, there were some strong points of commonality, and some surprises.

There was a lot of variety in the business losses suffered, and this was mostly due to the different businesses vendors were engaged in. Most had more than one, and most had stocks of food (flour, sugar, rice, oil) lost when the roofs were torn off their storage or when sea water flooded their businesses. Self-reported business losses ranged from 100,000 USD to 4,000 USD.

All shelter vendors reported increased clients (hardly surprising with the voucher program reaching 2,000 households) of between 2-4 times the amount they had before the hurricane. They reported that many are new clients, and they have also seen some referrals from voucher clients. They have new 'customer services', providing a drink or a chair, as there is often a rush in the morning hours, and say they have more "respect" for their clients, who seem to be more knowledgeable and "demanding" of specific products and quality. They attributed this the BBS system and pro-formas developed by project engineers, and think it's a positive thing, as the more the clients know, the more likely they are to invest in their houses and building materials.

While the increase in clients was significant, all said the most positive thing was not just the profits they got from the sales of materials via

vouchers. It was more the movement of cash, the liquidity, that they could count on in the early months after the hurricane. This purchasing power allowed them to get supplier credit again from suppliers, which usually needed to be paid off in a 10-15-day cycle,⁴² and to restock and begin sales to non-voucher clients as well, such as contracts with rebuilding projects or other businesses. They all reported that being a voucher vendor was critical for the restart of their business, and without it restarting would have been much slower and more difficult.

With the supplier credit and stable client base, all but one vendor also decided to access credit with formal institutions, some with new relationships, some with expanded relationships. Of those who did use formal credit, all used either commercial bank or microfinance widows of commercial banks. One chose to remain only with credit lines from his suppliers, which while short-term, have no interest or fees attached.

⁴² CRS redeems vouchers on a two-week cycle with vendors – and electronically verified via the CAT POS machine operating on RedRose, connected to the CRS staff's project monitoring dashboard. This also allows them to adjust the voucher values based on real-time materials pricing.

KEY STRENGTHS IN SALVAGE TO SHELTER: FLEXIBILITY AND RESPONSIVENESS.

Staff lived in the field with beneficiaries. There was a direct connection from field staff to project leadership to the donor's grant management

When adjustments needed to be made, activities added (such as new categories for voucher packages or cash-for-rent for those unable to find safe and suitable land to build on) or time needed for new systems to take hold (CAT/RedRose POS machines with scannable vouchers, rolling house-by-house assessments for beneficiaries) there was adaptability in the project design, in the staff structure, and in with donor.

To make the changes, short, small studies were done to define the need and they were quickly adopted. Also, core project leadership in the emergency response had strong ties to the development community and Haiti's government and information systems - and could access these relationships and information built up over time for a faster response.

All vendors reported new suppliers or increased businesses with existing suppliers. This shows their continued integration in their market chain, and while all are diversifying their products and businesses, as they did prior to Matthew,⁴³ they are also investing in the construction material industry in the South. All have rebuilt using profits and loans and have repaired and expanded their business. All have rebuilt with cement roofs and some with second stories, or new locations outside of "red zones" declared unsafe. These were investment decisions they made in response to their experiences with Matthew and with the voucher project. All but one has added new services (materials delivery) due to project demand, and all will continue the service for those who are not voucher clients. Most have plans to add specific new inventory, based on customer demand for toilets and ceramics.

One of the more unexpected results was entrepreneurs' reactions to working with CRS's Cash and Assets Transfer (CAT) Platform voucher system.⁴⁴ This was how vouchers were tracked

and redeemed, and was totally new system to all the vendors, none of whom used cards or any other systems beyond cash and notebooks for sales or record keeping prior to their relationship with this project. All the vendors, when asked an open-ended question about "what they learned that they are using in their business now," mentioned the use of the scannable vouchers, the POS machines and the internet hotspot that allows connectivity. They liked the "transparency and discipline"⁴⁵ of the computerized tracking system. It was what they most appreciated and wanted to try to replicate for themselves. All are planning on investing in computerization at some level (from QuickBooks to a digital money accounts) and one vendor has already started to computerize inventory.

As the voucher programs end, all the vendors are anticipating changes in client levels. Most are now investing in their other businesses to diversify their incomes. However, they are confident that their recovery and growth will find demand for construction materials in the South, which they can now supply faster, at greater levels, and with more diversity.

⁴³Business include a bakery, an ironworks, food wholesale, soap wholesale, cement brick making machine

⁴⁴ A POS voucher system operating on RedRose

⁴⁵ Quoted from Claude-Paul Verett, construction materials vendor, Coteaux Haiti

When asked an open-ended question about what they learned that they are using in their business now, said the “transparency and discipline” of the computerized tracking system was what they most appreciated – will miss - and wanted to try to replicate for themselves.

None are planning on moving away from construction materials and all reported thinking about how they can “hurricane-proof” their business. Beyond secure storage, they are investigating insurance offerings, de-stocking perishable goods during hurricane season, setting up delivery systems with suppliers to get materials faster (some used motorcycles, donkeys, and manpower when roads were impassable for vehicles). While not all will be viable, they are all looking at this experience as a learning one. They are assessing the risks they face and trying to mitigate them and weighing this against the profits they could gain by providing services and goods quickly after an emergency.

AGRICULTURAL INPUT VENDORS (SEED AND TOOLS)

CRS implemented multiple agricultural input voucher activities following Hurricane Matthew that included vouchers in different forms. An early recovery project beginning in November 2016 employed paper vouchers, while the USAID OFDA/FFP-funded Emergency Food Security (EFS) project beginning in February 2017 employed scannable paper vouchers for the spring (March 2017) planting season and used e-vouchers for a smaller seed fair activity during the summer planting (June and July 2017) season. The findings below draw on interviews with vendors that participated in the USAID-

funded food security project. Given that the scale was much larger for EFS, with more than 19,000 households receiving seed vouchers across eight communes,⁴⁶ and the ratio of beneficiaries to vendors was much higher, the decision was made to focus on those vendors as their potential risk and benefit from participation was also much higher and they would likely have more to say than those engaged in the smaller Agriculture Recovery project.

Within the emergency food security project, the agricultural input vouchers were complemented by UCTs to support basic needs pre-harvest. Beneficiaries were selected across the Sud and Grande’Anse. Most voucher redemption happened within the normal market systems for the seed vendors during the Spring planting season, however, seed fairs were organized for the summer planting season to mitigate access issues for some rural communities and to facilitate seed quality inspection and controls.



Agricultural voucher beneficiary

⁴⁶ Over \$2,000,000 of assistance in the form of vouchers for agricultural tools and seeds was provided through EFS, of which \$1.76 million was distributed in March 2017 and about \$260,000 in June and July of the same year. Most, but not all, of the vendors that participated in the seed fairs in June and July also participated as vendors during the March intervention.

Vendors were identified through a seed market and vendor capacity assessment led by CRS staff and trained data collectors. Capacity assessments included indicators for key selection criteria and vendors were asked on-site if they would be interested in potentially participating in a voucher project. Based on conformity with the selection criteria (including types and quantities of seeds currently available, time needed to restock, etc.), eligible vendors were selected by a committee of CRS staff.⁴⁷ Following the selection, CRS agricultural technical staff conducted visits to ensure the accuracy of reported information. There were also ongoing tests of seed quality in both of the voucher activities using the normal market system and during the seed fairs. Due to the



Authorized seed vendor in Dame Marie.

fragmented market, small communities, and low individual capacity of the typical seed vendor, more than 200 vendors had to be selected to meet the needs of the communities over the life of the project. This presented significant logistical challenges. However, this research focused on the effects and business decisions the vendors made as they sold their seed and after the vouchers ended.⁴⁸

Interviews with 14 vendors, selected to represent the different geographical regions and diversity of business size, showed commonalities in experience across all the regions.⁴⁹

It generally took between 3-5 months for the seed vendors to feel they had returned to their normal business activities, but most were trading in food stuff at the retail level within one month of the Hurricane.⁵⁰ One vendor, who works out of the main market in Jeremie, had secure storage and did not suffer any business losses in the Hurricane. Their experience was unique in the group, and their ability to reopen within five days of the disaster with food and seed stock was a huge benefit to their business, which has grown considerably.

During the voucher program, seed vendors all increased their access to financial services, using both formal and informal banks to access credit. Mutuelles (credit unions), Solidarities (ROSCAs), MFI's, Commercial bank's MFI windows, Associations (cooperatives) and supplier credit were all used by vendors. They all reported accessing new forms of credit. Most took larger progressive amounts.

⁴⁸ For more information on the Emergency Food Security Program, contact CRS Haiti

⁴⁹ Grand'Anse: Bonbon, Roseaux, Jérémie, Beaumont, et Pestel ; Sud: Roche-à-Bateaux, Coteaux

⁵⁰ The EFS project began five months after the hurricane.

⁴⁷ The selection and contracting procedures followed standard CRS procurement processes.

What were the seed vendors saying?

“Higher sales and larger amounts allowed me to get a better price from my suppliers, especially when I could buy in bulk. Some even started delivering to me!”

“When we had to collect seeds from multiple sources (saved- seed adapted to Haiti’s micro-climates), having the voucher redeemed for cash regularly helped us with our cash flow. We could pay the smaller suppliers and get the needed amounts. All at prices that allowed a profit.”

“With profits from the business, I was able to cover family expenses, like school fees, that I would not have been able to pay otherwise”.

This was primarily reported by women business owners.

Composite First Person Narratives

What was most striking was that, due to the project, all reported that they had been able to open new lines much faster. Many took the contract that showed they had been selected to accept vouchers to show to suppliers. They explained how the vouchers worked and that they would have a larger client base. With this, they had access to larger credit lines than before, and this continued after the voucher project ended.

Some indicative percentages of those accessing different or expanded forms of credit and financial services:

- *Percentages of vendors who accessed Financial Services while meeting client’s needs: MFIs (71%); Bank (36%); Mutuelle (57%); Solidarité (36%); Association (21%), Supplier Credit (86%)*
- *57% are now accessing formal financial services via a Bank or MFI*
- *Most reported that a key learning for them, and a benefit of being a supplier for this type of project, is **they are now able to scale up and down more rapidly and in larger quantity than they were before.** They see this as a plus, both to participate in a project like this again, respond to government and NGO contracts, and to meet the fluctuating needs of their clients.*

While seed vendor's sales have significantly decreased after the voucher program ended – as expected – they still report clients who came to them as voucher shoppers are buying both inputs and goods for basic needs (mostly dry goods). This shows that participation as a vendor has expanded their client base. They have also diversified, with many re-purchasing livestock and small ruminants they lost in the hurricane, re-starting gardens (both for their businesses and consumption). Most also have reinvested in their food/other goods businesses.

VENDOR SURVEY IN HIGH-COVERAGE UCT AREAS

To widen the perspective of how cash-based programing can affect vendors, beyond just monitoring prices, we also gathered information on the experiences and perceptions of market sellers who were *not* selected as voucher vendors nor directly engaged with a project.

Eight months after the final UCTs were distributed as part of EFS, CRS sent out trained enumerators to the relevant marketsheds where there was high UCT coverage.⁵¹ They interviewed a target of 20 vendors in each selected market,⁵² with complete survey responses from 79 of them.⁵³ To select the vendors, the enumerators broke the market into quadrants and spoke with 5 vendors in each quadrant. Within each quadrant they ensured they spoke to different size vendors by completing a direct observation form.⁵⁴

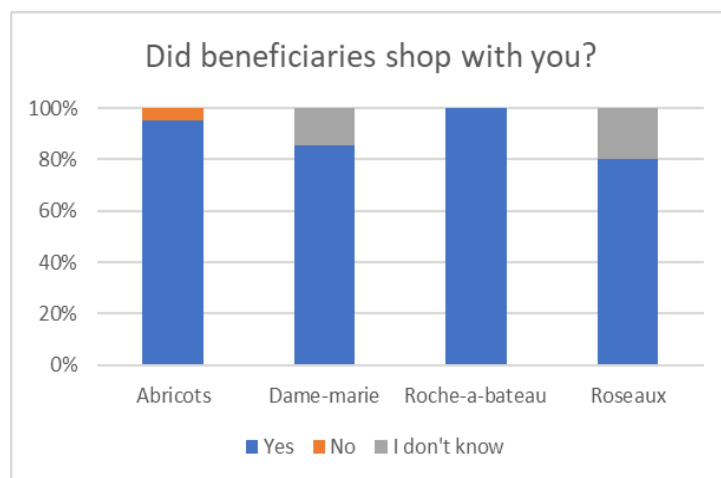


Figure 3: Beneficiary Purchasing Choice

⁵¹ High coverage refers to 70%-80% of the households receiving a UCT as part of the USAID FFP/OFDA-funded Emergency Food Security Project (EFSP). Four markets were selected from the eight markets in which CRS collected price data over the period leading up to, during, and after the cash distributions. The four markets included one market in each of the four marketsheds covered by the project.

⁵² Represents oversampling in the smaller markets

⁵³ The data collectors identified 82 vendors for interview, but they did not complete the entire survey if vendors stated being unaware of the cash distributions. Only 3 of the identified 82 vendors were unaware of the cash distributions.

⁵⁴ The form ensured those who were interviewed represented a snapshot of who was in the market. For more details on the study and its parameters, see the Annex

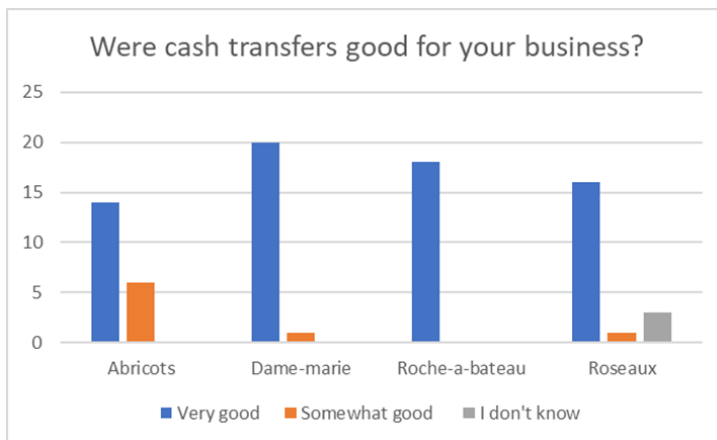


Figure 42: Vendor's Perception of UCTs' Effects on Business

One of the indications that this might be a feasible line of inquiry came from where beneficiaries reported spending their money. The analysis of PDM surveys revealed that 61% of beneficiaries spent their cash transfers exclusively within their communal section and 77% reported spending at least some of it at the same level. Overall, 71% of beneficiaries reported spending all of their cash within their commune. This meant that not only were these local markets well integrated into the supply chains for basic needs, allowing shoppers to get what they needed, but also that the cash was circulating at a very local level. With CRS providing UCTs totaling \$4,085,394 over the course of two months,⁵⁵ there was an assumption that vendors might have noticed this, associated a connection with the injection of cash and their businesses, and made plans or provisions accordingly. There were a simple set of eight questions asked, with either a yes/no option or a four-point Likert scale.⁵⁶

⁵⁵ While there were also continuing cash for work payments through the ANKAD project after the initial UCTs through EFSP, the beneficiary numbers were reduced to cover only 15% of the population for the two CFW cycles. While there is a cumulative effect, and we in no way are drawing a straight causality line, there is an assumption that any effect at all might be most keenly felt after the UCTs.

⁵⁶ For more details, see the data set and results in the Annex.

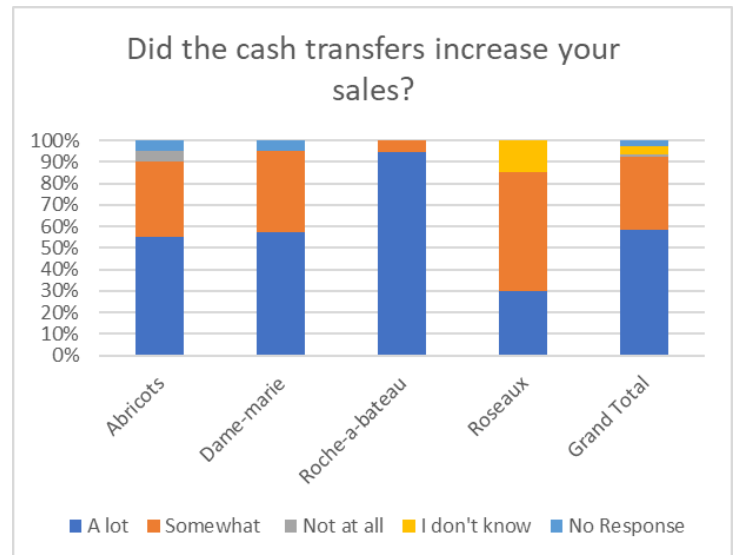


Figure 5: UTCs Effects on sales

ANALYSIS OF RESULTS

- Did they notice the UTCs in the markets? (higher sales, new goods sold)
- Did they restock or restart more quickly after the Hurricane?
- Did CTs have a positive effect on their business?

Overwhelmingly, vendors noticed that UCT beneficiaries were shopping with them. They purchased more stock to sell and sold different goods to meet increased demand. They all found the CTs to be positive for their business, except for two vendors who indicated that they did not know if there was an effect. In general, vendors associated the injection of cash in the markets and customers with more purchasing power with allowing them to restart faster than they anticipated and to restore their livelihoods post-hurricane.

While this was based on recall and perception, the results show clear trends linking the UCTs with market traders, their sales, their recovery and their business decisions around stocking and the goods they sold. The results were overwhelmingly positive, showing that not only were CTs the most appropriate and effective response for beneficiaries, but they had a significant knock-on effect on local markets and businesses, supporting livelihoods and trade.

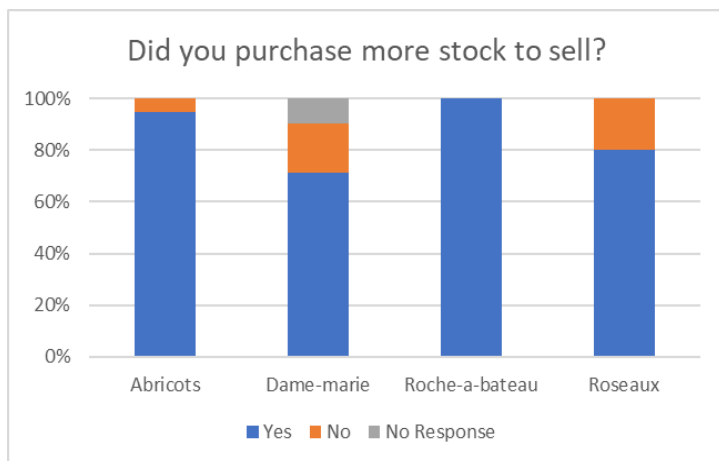


Figure 7: UCTs Effects on restocking

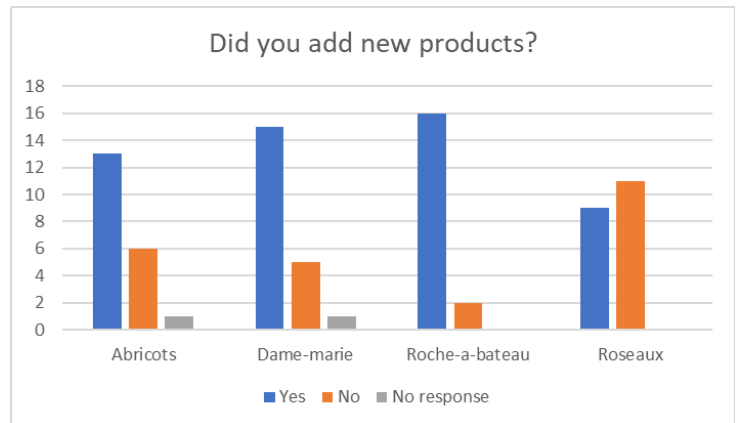


Figure 63: UCTs effect on product diversification

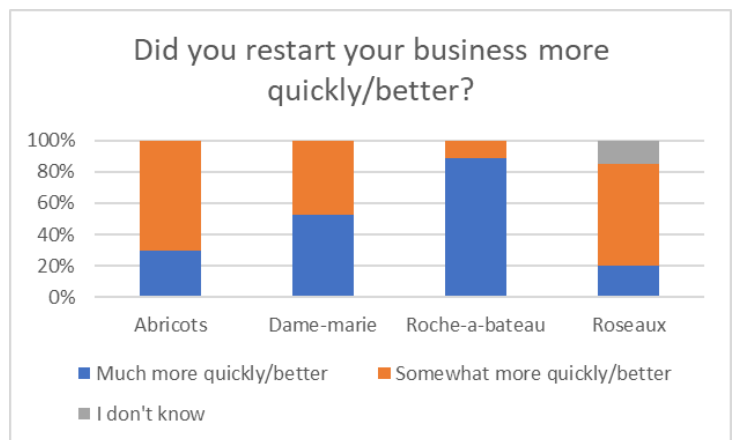


Figure 8: UCTs effect on business restart

Key Operational Learning Areas

In reviewing CRS's preparedness, implementation and effectiveness with cash-based programming in their Hurricane Matthew response, there were 12 in-depth interviews, stakeholder meetings, KIIs with service providers, and reviews of internal and external programs documents. Conversations focused on

performance, quality of implementation, and implementation challenges. This exercise drew out as much learning as possible from the staff who faced and overcame these operational challenges.

Table 4: Operational and Service Provider Staff Interviewed

Position	Location	Organization
1. Emergency MEAL and Markets Program Manager	Cayes	CRS
2. Cash and Markets Program Manager	Cayes	CRS
3. Emergency MEAL Coordinator	Cayes	CRS
4. Shelter Program Coordinator	Cayes	CRS
5. Shelter Program Manager	Cayes	CRS
6. Cash Transfer Project Manager (Consortium with WFP)	Cayes	CRS
7. Community Liaison Officer	Cayes	CRS
8. Project Officer – Emergency Food Security	Cayes	CRS
9. MEAL Officer – Cash Transfer Program with WFP	Jeremie	CRS
10. Emergency Response Program Manager	Jeremie	CRS
11. Business Development Manager	Ireland	RedRose
12. Business Service Manager	Port-au-Prince	Digicel-MonCash

All the interviews focused on three key areas and questions centered around:

- Targeting and selection criteria
- Operational value of pre-positioning
- Bottlenecks and pain-points on cash-based programming implementation
- Recommendations for improvement.

While there have been various learning documents and after-action reports⁵⁷ from the Hurricane Matthew response, this process focused on CRS programs and learning from key implementation staff. It asked for their honest

⁵⁷E.g. <https://reliefweb.int/report/haiti/early-lessons-learned-cash-transfer-interventions-post-matthew-haiti>, http://fscluster.org/sites/default/files/documents/wfp_rapport_atelier_lecons_apprises_transferts_monetaires_17fev_v2_20170412.pdf

opinions about and solutions to the challenges they faced. This is from CRS staff's perspective and is not meant to be generalized across all response partner's experiences.

KEY CHALLENGES AND RECOMMENDATIONS

In the interviews, across all the position categories, four key areas emerged as central to the challenges faced.

1. Coordination with local actors
2. Beneficiary Selection process
3. Selection Criteria
4. Unfamiliarity with delivery modalities and standard operating procedures for Cash-Based Programs

COORDINATION WITH LOCAL ACTORS AND BENEFICIARY SELECTION PROCESS

The key challenges expressed around this process began with the development of the beneficiary lists - which stemmed from a challenge with coordination with locally based actors.

Overall, the national GoH emergency response capacity has improved, and the government mobilized resources quickly,⁵⁸ identified victims and restored access to market hubs within seventy-two hours. At the commune and village level, in the interest of ensuring *local ownership and leadership* in the response, CRS and others made their first point of contact the CPCs,⁵⁹ designed to be the local coordination bodies. They are led by local elected local officials and include other representatives from the community. However, these bodies did not have

a strong understanding of their role during the emergency, did not have a clear focal point who was trained in emergency response, did not coordinate effectively with the cash working groups locally (or at the national level), and were challenged to provide initial lists of affected families that met the criteria established for UCT and other distributions.

After these challenges had been identified, CRS and others began to form expanded CCC's⁶⁰ made up of a similar membership, but not as dominated by members of elected political parties. The CCC's also included a non-political set of community leaders such as church elders, leaders of women's groups and other community committees.

While this did provide a clearer list of households, the delays created by having to have lists verified often three times. In fact, verification required household visits across large geographic areas, which resulted in delays in distributions, created discord in the communities and strained relationship with local leaders. This situation also hampered the delivery modalities, as there were multiple corrections to beneficiary lists, on-site



Cash in envelope distribution with Fonkoze agents.

⁵⁸ It accesses the parametric insurance with World Bank within a few days

⁵⁹ Comité de Protection Civile: run by the elected mayor and formed as part of DRR efforts.

⁶⁰ Commune Coordination Committee: created for the Mathew Response with expanded members from the CPC

adjustments needed, and revisions (for errors of inclusion and exclusion) at each distribution. This made the modalities work less optimally and really tested their flexibility. It also caused frustration from staff, who saw this as a failure of the modality, and frustration from the delivery service providers, who saw it as poor data provision, and frustration from the beneficiaries who had delays in receiving the CTs. This will be addressed again when looking at challenges around the actors' unfamiliarity with delivery modalities and standard operating procedures for cash transfers programming.

Recommendations

- In new DRR and preparedness planning, create a focal point for emergency response. This position should be local and connected to the government, but not an elected official. The turn-over in elected officials did not allow the system to effectively respond when necessary.⁶¹
- When developing a TOR and SOPs for these community response committees and the focal point for emergency response, ensure there is clear community and local representation and not it is overwhelmed by specific political interests.
- Create an “on-time” function for the community response committee. Expecting them to be ‘standing’ and working together - even when there is not a response - was not effective. Create a SOP for emergencies that is brief and based on existing local systems, without overreliance on elected posts. Revisit and hold briefings on this bi-annually or when there are changes in local governments. This

responsibility could be held by a member of the CTD⁶² at a departmental level.

- Create a collective understanding of the value of verifiable beneficiary lists and the systems of CBIs for emergency response. These trainings or awareness raising sessions can be in held conjunction with the SOP briefings. Local leaders and humanitarian response staff should attend them.

SELECTION CRITERIA AND UNFAMILIARITY WITH CASH-BASED INITIATIVES AND DELIVERY MODALITIES

Selection criteria for different programs had different results. When they were clearly defined, objectively verifiable and based on direct observation from CRS staff (as was the case for the Salvage to Shelter project) they worked well. This process resulted in communities better understanding why certain households were chosen and others were not, as well as ensuring the right households were selected as beneficiaries.

However, for UCTs there was considerable confusion as to why social vulnerability were the main criteria for many programs (as opposed to criteria that relate to the economic nature of



UCT beneficiaries wait in line to redeem their cash in Coteaux.

⁶¹ In some cases, there were elections and changes in elected officials in the midst of UCT programming, which delayed procedures as the elected officials saw themselves as fully “in-charge” of the process at the local level and made revisions to agreed lists, procedures and plans.

⁶² Comité Technique de Département

cash and economic insecurity)⁶³. It was also unclear why in some programs there was an assumption that a certain percentage of the population would necessarily fall outside of that criteria (20%), regardless of economic insecurity. The selection criteria were difficult to apply, as they were primarily based on family size and the social vulnerability of family members.⁶⁴ With lists that did not clearly represent the most affected, there was a breakdown in the confidence in local leaders providing the lists. There was confusion in the communities as to which households met the criteria and which did not, and why.

As is often the case, there were also problems with missing identification documents and families relying on confirmation from local leaders for identification. This is a reasonable system when there is confidence and trust and a strong understanding of the selection criteria, but as this was not the case, there was mistrust and errors of both inclusion and exclusion reported. While these were, for the most part, addressed through CRS's Accountability system, they held up and complicated the process more than was necessary.

The local actors' (both government and other local development partners) unfamiliarity with Cash Based Programming systems did not ease the process, and the recommendations above address some of this. However, even within the national systems, the leadership and technical planning required to set transfer amounts, establish payment frequencies, develop selection criteria and understand coverage needs (blanket coverage, community vulnerability ranking, food security criteria) were slow and uncoordinated. As the clusters were not active and coordination done via working groups, the time it took to set and agree on all

of the above was too long (over many weeks). This weakened a main strong point of UCTs - *their ability to meet large-scale divers needs quickly*.

Recommendations

- Staff from humanitarian responders need to support and work alongside local leaders when developing lists. There is not the capacity in the local government to respond with clear and verifiable beneficiary lists, nor is there a clear understanding of vulnerability analysis from a crisis-specific socio-economic perspective. While work on SSN development and beneficiary identification systems may improve this in the long-term, in the near-term and for any emergency response, lists must be co-generated and co-verified, and criteria co-developed. For ID related challenges, as humanitarian ID card could be considered for emergency use.
- With a stronger understanding of the systems, strengths and challenges of CBIs, there will be a less tentative use of CTs to meet immediate needs. They can ensure blanket coverage for basic needs. Then, after there is a real segmentation of the population – those who need continued immediate help and those who does not - criteria setting will be more rational and seem less arbitrary.
- A clearer structure is needed as to when to activate clusters and what benefit they bring to CBI management. If there is not a cluster system with professional leadership in place, there needs to be a strong training plan for those local authorities (be they government, donor reps or local leaders) who will be involved in the setting of transfer amounts. Multi-Purpose Grants (MPGs) are becoming a part of the international humanitarian response. They are more complex and require

⁶³ For guidance on Vulnerability Analysis from a crisis-specific socio-economic perspective and selection criteria development, see <http://www.cashlearning.org/downloads/mpg-toolkit-pdfs/mpg-part1.1.pdf>

⁶⁴ Elderly, handicap, lactating or pregnant women, etc.

many sectors⁶⁵ to coordinate, agree and weigh in. Coordination mechanisms and a common understanding of best practice will become more and more important.

THE VALUE OF PRE-POSITIONING

CRS, working with OFDA, had a cash pre-positioning pilot project active before Hurricane Matthew struck. This was primarily focused on a PCMA and an agreement with the MFI Fonkoze on the basics for a distribution contract. There was one aspect that was to be a test of the appropriateness of CTs over NFIs, but early market studies showed clearly the ability of cash to meet needs, so when the Hurricane hit, CRS and the donor jointly decided to put all the efforts toward immediate cash disbursements. Proving the value of the prepositioning, within 10 days of Hurricane Matthew, families in shelters in Les Cayes were receiving UCTs. This is not to say there were not challenges and there could have been faster responses. There were many challenges with the delivery of the transfers, including list verification, IDs, security on the disbursement day and others. There were adjustments mid-steam, but the transfer reached the beneficiaries somewhat quickly (within the Haiti context) and all PDMs were positive on the cash modality.

However, after considerable investment in pre-positioning, the relationship with Fonkoze as a delivery partner was not smooth. There were many miscommunications and misunderstandings around the operational procedures. The systems worked out in the pre-positioning deal were not maintained for the rest of the response. So, while there was value there, it was not as well utilized as it could have been. Many CRS response staff were unaware, as the response progressed, that there was a PCMA or a system in place with Fonkoze. Little

work had been done at the community level to address the lack of local knowledge of CBIs, the systems and points of contact for emergency responses, and technical training of humanitarian staff on cash-based interventions, which proved to be the major pain-points encountered in CTP implementation.



The market in Les Carpentiers, Roche-à-Bateaux (Sud Department)

⁶⁵ Multi-Purpose Grants (MPGs) cover identified and quantified needs from multiple sectors (WASH, Food Security, Shelter) within one transfer amount

Recommendations

As CRS and donors are committed to ensuring that CBIs are quick, responsive to need, and well-run in Haiti going forward, priorities for pre-positioning efforts should include:

- Building knowledge and familiarity with CBIs and their systems. Targeting both development actors, government staff, elected officials, and local leaders. There are well developed training materials available in the industry to begin the process.
- Ensure the capacity of humanitarian response in country – with training for emergency response team working in Haiti on the fundamentals of cash-based programming (both with distance learning and in-person training) and newer work on MPGs and MSMA⁶⁶
- Community engagement with ‘single-point of contact’. Develop a process with the GoH to identify local leaders. Ensure they are briefed on their roles and aware of the resources available in an emergency response. While elected officials should be included, they are often short term and very focused on their political needs and may not make appropriate focal points.
- Develop and agree to a clear set of triggers for the activation of clusters or other coordination bodies.⁶⁷ Ensure they have the right participation and technical leadership to make quick decisions that will be widely respected.
- Continue to support and link with the digital financial inclusion work. This will include developing stronger relationships and better understanding of the service providers abilities and business models and supporting the expansion of financial inclusion options.
- Design general Framework Agreements with DFS providers around their services in emergencies – and a strong system for handover of that knowledge within the rapidly changing humanitarian staffing for INGOs.⁶⁸
- Support to the Social Safety Net (SSN) beneficiary identification system and develop links to the SSN programming for CBI in emergency response.
- Ensure that key market development actors are consulted and involved in the CTP/humanitarian response system in Haiti. Market Development programming, the IHSI,⁶⁹ and others had a lot to contribute, but were not systematically consulted and their data was not universally shared. This was partly due to a lack of central information sharing, and partly an omission on the part of humanitarian responders.

⁶⁶ Multi-Sector Market Analysis - designed to help develop better data for MPG values and applicability

⁶⁷ While there was a politicization of the cluster system after the earthquake, it has been shown to be essential to coordinated cash response. A professionally-led coordination system will be key to ensuring CBIs can work in Haiti

⁶⁸ As a part of this analysis, conversations were had with service delivery providers (Digicel and RedRose). There was a consensus that there needs to be a better understanding of the products offered and the business models of cash delivery service providers. This can build on CRS’s Global Agreement with RedRose and the work with DAI and WFP with Digicel/MonCash in Haiti.

⁶⁹ <http://www.ihsi.ht/> Institut Haïtien de Statistique et d’Informatique

Annex: Assessment Tools

Learning Study Interview Guide: Key Informant Interview Tool for Vendor type 1- Selected as CRS vendor via bid or other structured process

5 QUESTIONS TOTAL

Location:

Interviewer:

Date:

Time:

Start:

End:

(Question 1)

In what ways did Hurricane Matthew affect your business?

Probe: What was the most critical/strongest effect?

Prompts: *Lost stock? Damage to your store or warehouse? Roads cut, so you can't get supplies? Transport more expensive?*

Probe: Were their positive and negative effects? What were they?

(Question 2)

Has being a vendor with CRS changed the way you do your business?

Probe: in what ways?

Possible prompts: *Do you have new suppliers? Do you work differently with your usual suppliers? Do you have any new customers? Do you sell things you did not before? Do your customers come from places they did not before?*

Probe: What were some challenges with the process of working with CRS?

(Question 3)

Do you think that you were able to restart business faster?

Probe: Did you feel better making investments of time and money in the businesses sooner?

Probe: Did you make or make bigger investments?

Prompts: *did you have any specific challenges to restarting?*

(Question 4)

Are you using any new financial services now, different from before the emergency?

Probe: What are they?

Probe: Why are they useful?

Probe: How did you find out about them?

Probe: Why did they seem like a good idea?

(Question 5)

Have you made any business plans based on your experiences with Matthew?

Probe: Did you make any changes to your business after you were a vendor in these programs?

Probe: What changes or plans did you make?

Probe: What was it about being a vendor that led to this change?

Key Informant Interview Steps

Preparing for the Interview

Getting familiar with the instruments:

- Study the interview guide.
- Practice with a partner.

Day of the interview:

- Using a checklist, verify that you have all the equipment and paperwork.
- Label all data documentation materials with the date, including tapes, notes, and question guides
- Arrive early for the interview to find a quiet place and set up.
- Test your recording equipment (if using)

Conducting the Interview

- Greet the participant in a friendly manner. Thank them for their valuable time. Begin establishing positive rapport.
- Briefly describe the steps of the interview process and how long you think it will take (explanation of the study and how it will be used, question and answer, their questions).
- Turn on the tape recorder and verify that it is working.
- Conduct the interview according to the interview guide.

- End the question-asking phase of the interview.
- Give the participant the opportunity to ask questions.
- Turn off the tape recorder and thank the participant.
- Clarify any factual errors or misheard responses expressed by participants during the interview.

After the Interview

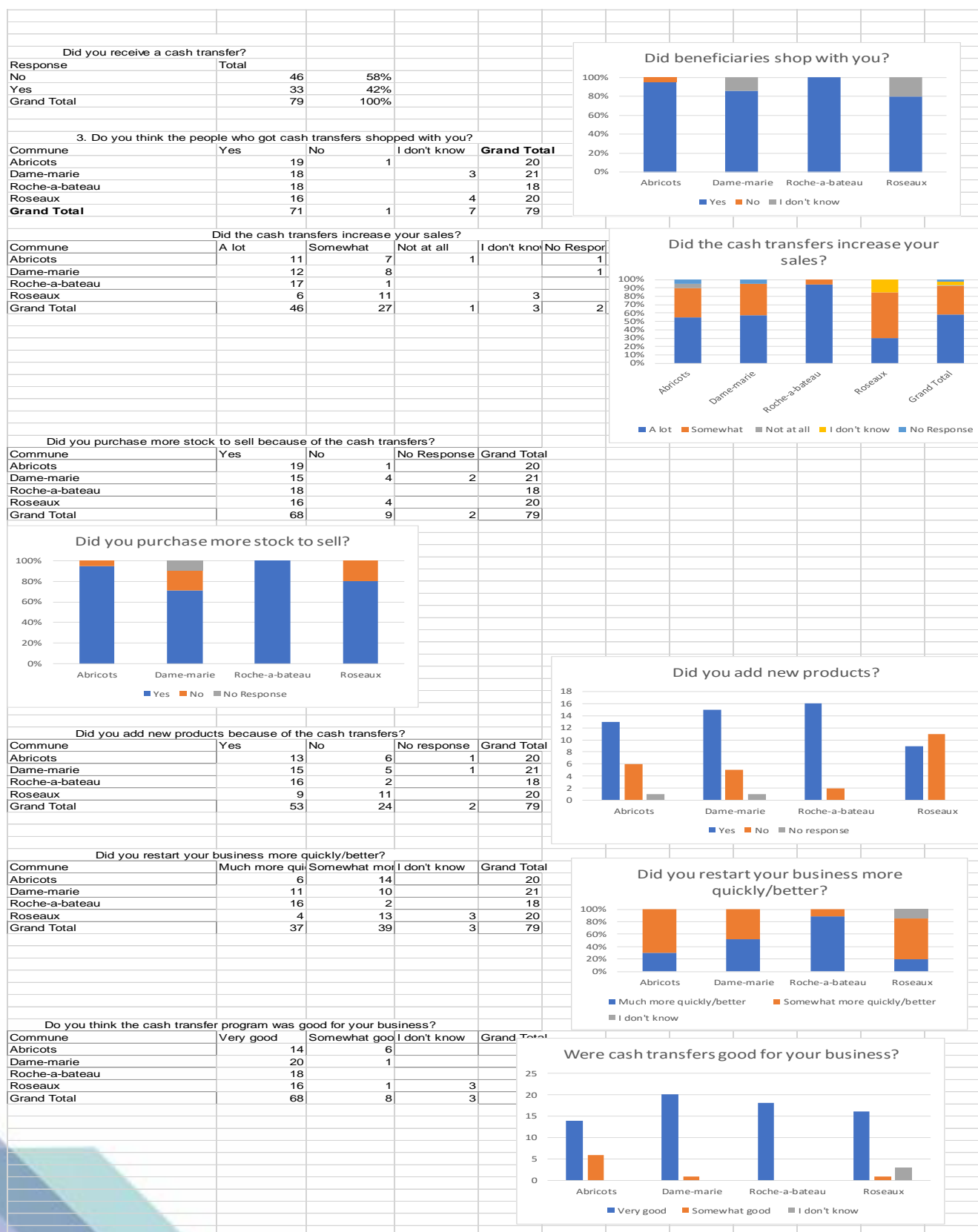
- Check the tape to see if the interview was recorded. (If it was not, expand your notes immediately!)
- Make sure all materials are labeled.
- Debrief with other field staff, translator and notetakers.
- Assemble all materials into one envelope/packet. Double-check that you have completed all forms and that all materials are appropriately labeled.
- Review and expand your notes within 24 hours if possible.

Adapted from Qualitative Research Methods: A Data Collector's Field Guide, FHI360



Quantitative Vendor Data, English Analysis

Quant Vendor
Data_English_Analy



Quantitative PDM and Final Aggregated Data, English Analysis

Beneficiary Satisfaction				
	EFS	ANKAD*	NFI Pilot	Total
Very satisfied	433	298		731
Satisfied	994	206	287	1487
Somewhat satisfied	69	31		100
Not at all satisfied	21	4	6	31
Total	1517	539	293	2349
*ANKAD responses are from end of project survey. They include responses from beneficiaries in CRS, ACTED, Mercy Corps and Food for the Hungry covered communes.				

Did you feel safe/secure?				
	EFS	ANKAD	NFI Pilot	Total
Yes	1520	195	246	1961
No	3	35	14	52
*ANKAD responses are from the PDM following a cash disbursement. They include only CRS communes.				

Were product you wanted available in the local market?			
	EFS	NFI Pilot	Total
Yes	1517	282	1799
No	16	11	27
*NFI used lichert scale to describe availability of products. Responses recoded so that positive responses are "Yes" and negative responses are "No"			

Preferred Assistance			
Modality	EFS	NFI	Total
Cash	1247	292	1539
Vouchers	79	2	81
In-Kind	122		122
The question for EFS was framed as most appropriate/best way to support food security. For the NFI pilot, when asked to choose only one modality, almost all beneficiaries indicated a preference for cash (with 2 indicating a preference for vouchers). However, another question allowed beneficiaries to indicate if they would prefer a combination of cash and in-kind rather than only cash. 25% of respondents reported favoring a combination of cash and in-kind assistance. It should also be noted that in the PDM for agricultural vouchers through the EFS project, of the 1221 respondents to the question about most appropriate modality for agricultural recovery, 74% of respondents reported cash being the most appropriate, 18% indicated preference for vouchers, and only 8% indicated their preference for direct distribution of agricultural inputs.			

Beneficiary Satisfaction (Combined)		
ANKAD; EFS (II); NFI	Total	Percentage
Very satisfied	731	31%
Satisfied	1487	63%
Somewhat satisfied	100	4%
Not at all satisfied	37	2%
Total Respondents	2349	

Did you feel safe/secure?		
ANKAD; EFS; NFI	Total	Percentage
Yes	1961	97%
No	52	3%
Grand Total	2013	

Products available?		
	Total	Percentage
Yes	1799	99%
No	27	1%
Grand Total	1826	

Preferred Assistance		
Modality	Total	Percentage
Cash	1539	88%
Vouchers	81	5%
In-Kind	122	7%
Grand total	1742	

Purchases made with Cash					
Category	ANKAD	EFS	Total	Total Respondents	Percentage
Food	231	1374	1605	2082	77%
Livelihoods	68	336	404	2082	19%
Shelter/House Repair	40	105	145	2082	7%
Other Basic Needs (Clothing)	57	154	211	2082	10%
Other Necessary Expenses (e.g. transport, health, education)	142	489	631	2082	30%