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The DFID/ECHO approach to cash assistance for refugees in Lebanon

Documenting the process

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Key messages

- In December 2016, ECHO and DFID jointly launched a call for proposals for cash transfers and independent monitoring and evaluation in Lebanon worth $85 million. The process sparked intense discussion amongst donors and aid agencies about how best to promote a more efficient, effective and accountable approach to cash transfers in Lebanon.
- There were divergent views on separating operational functions among multiple agencies, the right level of budget transparency, the suitability of independent monitoring and the appropriateness of a single cash transfer delivered by one agency as opposed to multiple agencies delivering transfers through the same platform.
- While much time was spent and no joint award was made, the initiative led to more in-depth engagement on cash among a wider range of donor governments. The simple fact of ECHO and DFID agreeing to pool funding and jointly issue a call for proposals was a major achievement.
- At the heart of this difficult process are questions on how positive change within humanitarian action should be driven. Some viewed the initiative as a logical way to take forward Grand Bargain commitments and adapt to the protracted nature of the refugee crisis in Lebanon, while others saw it as an attempt by donors to try to force change in ways that undermined the spirit of partnership.

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1. Introduction

The war in Syria has had catastrophic consequences for civilians, and caused the flight of over five million Syrians to neighbouring countries. Since 2012, the humanitarian response to the crisis has been the largest globally. In Lebanon, which has received the most refugees, international humanitarian funding has grown 30-fold, from $43 million in 2011 to $1.3 billion in 2016.[1] In 2016, $400–$500 million (30–38%) of this assistance was in the form of cash or vouchers (paper coupons and electronic cards that can be redeemed for goods at pre-selected shops). Cash and voucher programmes began relatively small, increasing in size and number as the number of refugees grew. Some programmes target particular sectors and needs – notably food vouchers and 'winterisation' cash transfers – while 'multipurpose' cash transfers are intended to enable refugees to meet priority non-food needs that span humanitarian sectors. Over time, the coordination of cash and voucher programmes has improved, including multiple aid agencies loading their transfers onto the same payment cards.

In December 2016, the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) and the UK Department for International Development (DFID) jointly launched a call for proposals worth $85 million.[2] The intention of the 'Joint Approach to Re-frame Multi-Purpose Cash Assistance for Lebanon's Protracted Refugee Crisis' was to promote a more accountable, efficient and cost-effective approach to cash transfers that could form the basis of a longer-term safety net, which other donors (particularly development donors) could also fund in the future. The call outlined ten principles, including that refugees receive a single transfer from one agency, rather than the existing approach of multiple transfers from multiple agencies onto the same delivery card. Several aid agencies with the largest cash and voucher programmes in Lebanon – the UN High Commissioner for Refugees (UNHCR), the World Food Programme (WFP) and two non-governmental organisations (NGOs) from the Lebanon Cash Consortium (LCC) – submitted a joint proposal. After three rounds of negotiations between the donors and the lead aid agency, UNHCR, no agreement was reached and no award was made. The process sparked intense discussion and generated strong views amongst those involved in cash and voucher assistance in Lebanon and globally.

This paper, based largely on interviews with 31 individuals from donor organisations, UN agencies and NGOs in Lebanon and headquarters, impartially documents the process and the positions and perspectives of key actors involved in developing and responding to the joint ECHO/DFID cash initiative. It is intended as a positive contribution to learning lessons from the process, and to inform discussion on how cash can be part of a more effective humanitarian response in Lebanon and elsewhere.

1. Based on the OCHA Financial Tracking Service, accessed July 2017.

2. This paper focuses exclusively on the 2016/17 DFID/ECHO joint initiative.

2. The global picture

In 2015 and 2016, several initiatives raised the profile of cash-based responses in humanitarian assistance:

- The High Level Panel on Cash Transfers called for an increase in cash transfers and emphasised their transformative potential.
- The Council of the European Union adopted '10 Common Principles for Multipurpose Cash-Based Assistance to Respond to Humanitarian Needs'.
- Then UN Secretary-General Ban Ki-moon's report ahead of the WHS called for cash-based programming to be the 'preferred and default method of support where markets and operational contexts permit'.
- The Inter-Agency Standing Committee (IASC) Principals had the World Bank Group review key issues and options for significantly scaling up the use of cash transfers in humanitarian assistance.
- More than 30 donors and agencies signed up to the Grand Bargain, which included commitments on increasing the use of cash-based responses, monitoring and evaluation, reducing duplication, and investing in new delivery models.

These attest to the growing policy importance of humanitarian cash transfers. Discussions on humanitarian cash transfers in the 2000s were mainly technical conversations on evidence and good practice, when to use cash and how agencies could best adapt implementation capacity and systems. That cash transfers can be an appropriate response is now accepted. The discussion has evolved to also consider how cash transfers might contribute to better responses and more strategic use of finite humanitarian resources, as well as the opportunities and challenges of scaling up cash transfers given sectoral divisions within the humanitarian system.

3. Cash and vouchers in Lebanon

Cash transfers and vouchers have been a critical part of the humanitarian response in Lebanon. Painting a detailed picture of the evolution of cash and vouchers is challenging. Global financial tracking systems do not yet track assistance flows by modality, and so data perforce comes from in-country agencies and coordination bodies. In Lebanon, an assortment of organisations have been involved in cash and voucher programmes to Syrian refugees and other vulnerable families:

- In 2012, WFP began providing paper vouchers for food, introducing electronic vouchers in late 2013, using a card system established with the Banque Libano-Francaise (BLF). There were 578,622 refugees receiving food vouchers from WFP in 2013 (Drummond et al., 2014), increasing to 674,189 in January 2017 (Food Assistance Working Group, pers. comm.).
- In November 2013, UNHCR began cash assistance to 66,000 Syrian refugee families as part of an inter-agency winterisation programme, using pre-paid cards issued by CSC Bank SAL (Creti, 2015); in late 2016, winterisation grants reached approximately 700,000 people.
- In August 2014, UNHCR began a multipurpose cash assistance programme to 7,000 households. The number of recipients increased to 12,807 in May 2015 (Creti, 2015), and approximately 30,000 by the end of 2016.
- The Lebanon Cash Consortium (LCC), comprising six international NGOs, was created in 2014 to provide multipurpose cash assistance; in 2016, the consortium was reaching about 14,000 households.
- In 2014, 30 organisations were involved in providing cash and vouchers for at least 14 different objectives, resulting in many households receiving different transfers from different organisations (Pongracz, 2014).
- In 2014–15, UNICEF worked with the Ministry of Social Protection to provide winter cash grants to 26,052 Lebanese households; in early 2017, UNICEF reached 20,600 Syrian households with education grants.

When ECHO and DFID launched their call for proposals in December 2016, annual cash and voucher assistance totalled about $400m–$500m. The main cash and voucher programmes were WFP's electronic vouchers (reaching approximately 67% of the refugee caseload), UNHCR's winterisation cash transfers (70% of the caseload) and the multipurpose cash transfers provided through UNHCR and the LCC (see Table 1).

Table 1: Main Lebanon cash and voucher interventions (Dec 2016/Jan 2017)

Assistance	Agencies	Monthly $ (family of 5)	HH reached	People reached	% of refugees
Winterisation/seasonal grant (winter only)	UNHCR	$120	140,000	700,000	70%
Food voucher (electronic)	WFP	$135	127,205	674,189	67%
Multipurpose cash transfer (not including food)	UNHCR LCC	$175 $175	30,000 14,000	159,000 74,200	16% 7%
Education grant	UNICEF	$20-$64	20,600		11%
Food voucher (paper)	MCC, CLMC, ACF LSESD	$135	1,815	9,622	1%

Data sources: Interviews, Food Assistance Working Group (pers. comm.), Basic Assistance Working Group (2017a). 'Percentage of refugees' based on approximate registered caseload of one million refugees.

4. Fragmentation and efforts towards more harmonised approaches

As cash and voucher programmes grew, so did concerns among some donors about fragmentation and duplication. Seeing opportunities for a more joined-up approach to cash transfers, ECHO and DFID started driving efforts to promote better coordination and coherence. ECHO began a push in late 2013 for common payment delivery, given that most organisations were establishing payment mechanisms (a 2014 DFID study, for example, reported estimates of 100,000 duplicate payment cards) (Pongracz, 2014).

In 2016, efforts were stepped up to develop more joined-up approaches to payments, information management, vulnerability analysis, targeting, monitoring and accountability, with varying views about the amount and speed of progress being made. These efforts led to a joint WFP, UNHCR, UNICEF and LCC tender for a financial services provider and a common 'platform' for cash transfers, and the launch of the Lebanon One Unified Inter-Organisation System for E-Cards (LOUISE) in December 2016. These initiatives are summarised below.

4.1. 'OneCard' and LOUISE

Discussions around a common delivery approach began in earnest in December 2013, with ECHO leading the development of a roadmap document aimed at better harmonising cash programmes. The following month ECHO organised a meeting with WFP, UNHCR and NGOs in Brussels to discuss moving to a common delivery channel (Creti, 2015). In April 2014, a DFID-commissioned study on the potential for a common delivery mechanism recommended using the WFP/BLF card (Avenir Analytics, 2014). Discussions between UNHCR and WFP on a shared payment mechanism (often referred to as the 'OneCard', 'common card' or 'red card') began in June 2014. In September 2014, their respective headquarters began negotiations on issues such as UNHCR granting power of attorney to the platform manager (WFP), platform management fees that UNHCR would pay WFP, traceability of funds and direct access to the service provider by UNHCR (Creti, 2015). Although no agreement had been reached by December 2014, when UNHCR's winter assistance began, the LCC NGOs began using the OneCard, managed by WFP. In June 2015, an agreement was signed between UNHCR and WFP on the OneCard, which they piloted together in July/August 2015 (*ibid*.). The roll-out of the OneCard started in October 2016, with cards distributed to 185,000 Syrian and 25,000 Lebanese households.

OneCard is a common payment mechanism managed by WFP. There is a single contract between a bank (BLF) and WFP, and refugees receive one card onto which payments can be made by different aid agencies. A refugee takes the card to authorised WFP shops to spend on food vouchers, and uses the same card to withdraw multi-purpose cash provided by UNHCR or others from ATMs. The money flows from the donor to the aid agency through the bank to the beneficiary, with WFP managing the payment system (card issuance, ensuring cards no longer used by one organisation are not cancelled if another is using it, etc.). This eliminates the need for multiple cards and organisations each holding separate contracts with banks. The LCC paid a 1% fee to WFP as an 'indirect user' of the platform with a sub-account; the consortium's access to the platform (e.g. issuing cards, PIN requests, upload requests, reporting) was intermediated by WFP, while the LCC organisations were responsible for delivering the cards to their beneficiaries (Creti, 2015). In the 2015 pilot phase, UNHCR was a 'direct platform user' with its own dedicated account, at least in part because UNHCR could not authorise WFP to manage its funds. The evaluation of the pilot found that the common card reduced costs owing to pre-negotiated agreements, reduced aggregate card numbers and shared costs; the evaluation also found that the WFP/UNHCR arrangement created 'inefficiencies in communication and implementation, as well as lack of clarity about roles and responsibilities' (Creti, 2015). In June 2016, a tender was launched to identify a single financial service provider for UNHCR, WFP, UNICEF and the LCC.

After an agreement on a financial service provider was finalised on 1 December 2016, UNHCR, WFP, UNICEF and LCC officially launched LOUISE. LOUISE, which is the platform for managing the common card, has evolved as way of bringing together other efforts towards common approaches that were already underway, such as one card and common targeting approaches, combined with a move to make the payment system a genuinely common platform not owned by or attributed to any agency. More recently, LOUISE has also included initiatives such as efforts to develop a common hotline and referral protocol as part of a joint approach to improving accountability. Some of the elements of LOUISE are already in place – notably the common payments system – while others, such as joint accountability efforts, remain works in progress. Work on a common vulnerability assessment (which is not confined solely to cash and voucher responses but includes the whole humanitarian response), targeting and monitoring were previously not described as being part of LOUISE, which has resulted in some confusion on its precise scope.

The OneCard and LOUISE are held up by some as strong examples of collaboration and of agencies overcoming institutional barriers and working together. Others see progress as slow, with a lack of clarity around what LOUISE includes, the extent to which it has replaced existing agency platforms and the actual costs involved in payments when one organisation manages the platform for others.

4.2. Targeting

Efforts have been made in recent years to harmonise approaches to targeting assistance, including cash and vouchers. All refugees on the UNHCR ProGres database can now be wealth ranked, and a proxy means test is used to determine the most vulnerable, with cut-offs to decide who is eligible for assistance. However, there are still differences in caseloads amongst the largest programmes, as well as concerns that vulnerable refugees might be eligible for one type of assistance but not another. Most people receiving UNHCR or LCC multi-purpose cash assistance also receive WFP support – but not all of them. There are different views on the state of play regarding targeting, with some people describing the common targeting as being largely in place, and others stating that it remains a work in progress.

4.3. Vouchers versus cash transfers

The largest cash or voucher programme in Lebanon is WFP's food voucher assistance programme. While an evaluation of WFP's response to the Syrian crisis found that cash transfers should have been more strongly considered from the outset (Drummond et al., 2014), the presence of refugees and distributing money to them are sensitive issues, and WFP has pointed to initial resistance to cash transfers from the Lebanese government as a major reason why vouchers were chosen in 2012. By 2015, cash transfers were being increasingly used by UNHCR and NGOs, and WFP commissioned research from the Boston Consulting Group (BCG) comparing the costs and impacts of vouchers and cash in order to inform its programming.

In Lebanon, the BCG study found that more than 75% of refugees preferred cash. For those who had received cash transfers, the preference was greater than 90%. In addition, people receiving cash have better food security and food consumption outcomes compared to voucher receiving households, meaning that cash transfers were more effective at meeting food-related objectives (BCG, 2017). Cash also made households' food budgets go further, increasing refugees' purchasing power by 15% to 20% over vouchers, owing to higher prices in voucher stores (*ibid*.). ECHO and DFID have seen this study as a strong justification to switch from vouchers to cash in order to meet food needs. The US government is very supportive of providing vouchers to meet food needs in Lebanon, and sees particular advantages to electronic vouchers, which can provide detailed reports on what recipients buy and can be incorporated in a single card payment system.

5. The ECHO/DFID initiative

The ECHO/DFID initiative arose out of a desire to accelerate the process of moving towards more efficient, effective and accountable ways of delivering cash to people in Lebanon, based on analysis of the context in Lebanon and the potential for evolution, and in line with commitments made in the Grand Bargain and at the World Humanitarian Summit. The two donors felt that, although progress had been made towards a one-card system, more was possible. Given that the situation in Lebanon had become a protracted crisis, and was likely to remain one for some time, they believed that more medium-term thinking was needed given likely donor fatigue, and that a move towards more streamlined, safety net-type approaches could attract new financing from development donors. In particular, longer-term EU funding instruments, such as the Madad fund (a €1 billion EU regional trust fund for the Syria crisis), were more likely to provide additional resources if there was a clear move to a more streamlined, single programme approach.

Despite the progress already made, DFID and ECHO were concerned that duplication and fragmentation in the ways that cash and vouchers were programmed made it difficult to prioritise donor resources to the most vulnerable, to ensure that refugees did not fall through the cracks between programmes, and to promote greater accountability to refugees. They noted that multiple agencies serving the same beneficiaries via the same cards created duplicative functions and unnecessary costs. DFID and ECHO wanted to act on the strong evidence from the BCG study that cash is more cost-effective for refugees than vouchers in meeting food needs. Once it was clear to them that all basic needs (food and non-food) that were being met through cash and voucher programmes could be met with cash alone, they saw much less justification for funding several transfers delivered by different actors, even via one card or platform.

The call for proposals also included a contract for independent monitoring and evaluation (M&E), due to a perceived need to improve multi-sector monitoring and evaluation at the outcome level, and to increase transparency by moving away from a system where the same agencies assess needs, implement programmes, monitor and evaluate their own programmes and coordinate the international response. This was not intended to replace the M&E conducted by agencies, but rather to fill an evidence gap in the response.

The ECHO/DFID call for proposals was intended to contribute to meeting the basic needs of the most vulnerable, including food, in a more streamlined way. The call was for $85 million over one year, representing about 20% of annual cash and voucher assistance in Lebanon. DFID and ECHO argued that:

> *The current approach is not fit for a protracted crisis. Lebanon's refugee crisis is going into year seven. Given the continued underfunding of the LCRP, additional funding will need to be attracted from development actors to provide a minimum social safety net-type of programme for refugees and the poorest Lebanese in the coming years. The sooner humanitarian actors in Lebanon can provide a system that can be co-funded by development actors, the better. Streamlining of systems and rationalisation of actors involved is critical for that aim.*[3]

ECHO and DFID also saw the cash response in Lebanon as a context in which the recommendations of the High Level Panel on Humanitarian Cash Transfers and commitments made in the Grand Bargain (around cash, transparency, participation, joint donor approaches and efficiency) could be put into practice. As well as representing an opportunity to deliver on international commitments, they argued that there was a need to act on robust evidence of the benefits of multi-purpose cash, and to put the needs of beneficiaries at the front and centre of the response.

At a meeting in December 2016, DFID and ECHO presented ten principles that they wanted agencies to respond to in a call for proposals. They were:

1. One nationwide programme to address basic needs, with proven efficiency gains over current approaches.
2. The delivery of one single, unrestricted monthly cash transfer to cover the basic needs (including food) of targeted refugee households.
3. Targeting needs to be based on one common system capturing socio-economic vulnerability.
4. Flexibility for top-ups for specific humanitarian

3. DFID response to a blog on the Cash Learning Partnership discussion group.

outcomes being sought that can be addressed through increasing the cash transfer value.
5. Increased beneficiary participation in programming to make aid more effective.
6. One strong referral mechanism ensuring that nobody falls through the cracks and all refugees have access to the services they require.
7. One strong appeals system to ensure nobody is excluded who needs support, and nobody is included who could do without.
8. One representative and consistent governance structure which will report back and be linked to relevant existing coordination bodies.
9. Independent M&E focused on capturing outcomes and generating evidence for programme adaptation.
10. Coherent financing for one collective outcome.

DFID and ECHO outlined these principles based on the Grand Bargain commitments, in an effort to enable further efficiency, cost-effectiveness, and accountability gains in Lebanon. The intent was to build on the progress that was already being made towards greater harmonisation, and push it further. DFID and ECHO called for agencies to combine food and multi-purpose cash into one transfer. In other words, rather than receiving approximately $135 in vouchers for food and $175 in cash from different organisations (albeit via one card), refugees funded by DFID and ECHO would receive one monthly payment of $310 from one organisation to support both food and other basic needs.

The $85 million available would not have enabled all of the refugee caseload to be covered. The intent was to provide the one-transfer payment to as many households as could be reached with $85 million, and then to gradually expand the programme if other donors supported it and more funding became available. In the meantime, the existing structure of cash and voucher payments would remain in place, meaning a separation of payments for food and basic needs. During the process, DFID and ECHO encouraged other donors, including Germany, Norway, the US and Sweden, to contribute funding to the new approach.

5.1. The proposal process

The call for proposals was launched in Beirut on 6 December 2016, with a deadline of 31 January 2017. It was intended to generate discussion and attract multiple bids proposing approaches to multi-purpose cash transfers in Lebanon, in line with the ten principles. Calls for proposals are a regular part of the annual HIP process through which ECHO appraises, selects and funds its programmes. This was not a tender or a commercial procurement process, and was only open to existing ECHO partners.

Only one proposal was received – a joint proposal from UNHCR, WFP and two of the original six LCC agencies. Between January and June 2017, three variations of the proposal were submitted and rejected by ECHO and DFID on the grounds that they did not meet the criteria set out in the ten principles. The first submission consisted of three individual proposals from UNHCR, WFP and LCC with a consolidated budget, whereas subsequent proposals were from UNHCR (as the lead agency), with a single budget. ECHO and DFID finally rejected the third proposal because they determined that it had not met the criteria for a single transfer by one agency (or justified the need for payments from multiple agencies); the budget was insufficiently transparent; and the roles and responsibilities of the organisations involved in the proposal had not been explained clearly enough. From the point of view of DFID/ECHO, the process foundered on the reluctance of the agencies to demonstrate greater budget transparency and accept the principle of a single cash transfer by a single agency (noting that this does not preclude more than one agency being involved in implementing the programme, although participation should be based on a segregation of functions).

The bidding agencies believed that they had made substantial compromises through the process and had met most of the ECHO/DFID principles. They argued that having multiple agencies providing payments through LOUISE would be efficient and avoid the need to set up parallel programming infrastructure solely for ECHO/DFID funding, while also capitalising on their respective expertise in particular sectors (e.g. food security and protection) and geographic presence.

ECHO and DFID had also solicited proposals for the independent monitoring and evaluation component, and four were received in January 2017. However, when the process of awarding the single cash transfer delivery component stalled, so too did progress on this component.

5.2. Issues raised

The donors and aid agencies directly and indirectly involved in the process had a wide range of views on the call for proposals and the principles underpinning it. These can be grouped as:

- Consultation and communication.
- One agency providing a single transfer.
- Independent monitoring and evaluation.
- Efficiency and transparency.
- Relationships and side-effects.
- How change happens.

5.2.1. Consultation and communication

DFID and ECHO undertook a joint mission in September 2016 to review their funding of cash transfers and vouchers, as each sought to determine how best to support the humanitarian response. They met the various actors they funded and relevant cash stakeholders and analysed documents related to programmes and strategies.

The UN agencies involved in developing the submitted proposals, as well as some organisations not directly involved, felt that the call for proposals had been launched without sufficient consultation. The Resident Coordinator/Humanitarian Coordinator described feeling 'undermined'. Several interviewees felt that organisations involved in cash-based responses had been taken by surprise. The UN agencies felt that the DFID and ECHO mission had been portrayed as a review of cash assistance, not as an effort to redesign it.

ECHO and DFID noted that the mission had been described as being concerned with how ECHO and DFID would direct their future funding, and that there was no predetermined outcome. Rather, the decision to launch the joint request for proposals (RFP) was based on the mission's analysis, which also built on these donors' previous efforts to promote a more strategic approach to the provision of cash transfers. Moreover, they saw the RFP as the culmination of three years of engagement and discussions on cash between ECHO, DFID and the agencies they funded. Throughout these discussions, the two donors had consistently emphasised the importance of moving to a more harmonised response given the number of cash transfer and voucher programmes. There was 'surprise that people were surprised' given that DFID and ECHO believed that they had made clear their intended direction of travel. They also felt that what they were asking for was in line with the commitments the agencies themselves had signed up to in the Grand Bargain process.

Some, within UN agencies in particular, felt that the way in which the call for proposals was presented was overly prescriptive, without sufficient room for compromise. They believed that the RFP presentation did not accurately convey the current state of the response, and did not take into account important progress that had been made in recent years in harmonising approaches. Some interviewees, again within UN agencies in particular, felt that the RFP, and the process surrounding it, included an unfair assumption that UN agencies were protecting their vested interests.

DFID and ECHO believe that they were not being overly prescriptive because they did not predesign a programme to be implemented, but rather set out principles on how their funding was to be used, based on the challenges and opportunities in the Lebanon response and in line with the Grand Bargain. In their presentations and communications, they indicated their openness to discussion and dialogue. Their perception was that there was limited appetite for dialogue, and that agencies remained wedded to their existing approaches. One donor representative described the fact that dialogue was limited as odd given that potential partners usually discuss ideas in order to avoid lengthy revisions.

DFID and ECHO also felt that many of the concerns raised by agencies, and the ways in which those concerns were communicated, either misunderstood or misrepresented what was being asked for, or could have been resolved through further discussion and compromise. They believed that, while progress had been made, this was being used as an argument for not making further progress towards an even more effective and accountable way of providing cash transfers.

Regarding other donors inclined to consider or support the initiative, several thought that they would have benefited from more consultation ahead of the RFP launch, both to gauge the options for potential approaches and the evidence behind them, and to explore some of the constraints donors might face. Some felt that, while discussions had taken place at country level, it would have been useful to involve headquarters earlier. One interviewee who supported the UN agencies' suggested approach felt that donors should focus on ensuring adequate resources rather than pushing for specific cash response models. There was also some concern that potential risks in switching from vouchers to cash, including making refugees more vulnerable to rent increases, were not being sufficiently considered.

Several donors outside the RFP process found it difficult to judge the validity of the arguments for and against it because the positions of ECHO/DFID and the proposing agencies were very different. There was confusion regarding what was being compared with what. Other donors were told by the proposing agencies that LOUISE was being compared to the single transfer by one agency approach. DFID and ECHO said, however, that the comparison was between the UNHCR-led consortium and the single transfer by one agency approach, as the LOUISE common payment system and other existing harmonised approaches would be used in either case. So, which option would result in greater efficiency gains, by how much and based on what data? Could UNHCR's ability to provide protection be compromised?

This confusion made it hard for some donors to weigh the facts and justify their positions internally. Even the characterisations of current structures and programming around cash transfers and what the RFP called for were presented to outside donors very differently by the bidding agencies and ECHO/DFID. One donor referred to the BCG study as clear evidence that cash outperforms vouchers in Lebanon, and suggested that an independent analysis of the issues in the RFP process would have been useful.

Some NGO staff interviewed felt that, while the exact timing of the call for proposals was a surprise and there should have been more consultation, it had long been clear that UN agencies and NGOs could not continue with their usual modus operandi in Lebanon. One described the evolution of cash transfers and vouchers as 'messy', with each agency creating their own systems and criteria for cash transfers and vouchers – systems which many were reluctant to change beyond minor tweaks. The bigger challenge, they emphasised, was that

UN agencies and NGOs (and the donors supporting them) had replicated a humanitarian model in Lebanon that was not appropriate for a protracted refugee crisis in a middle-income country. Some even felt that NGOs themselves were reluctant to critically examine their own roles, because they were too entrenched in a cycle of securing funding and implementing programmes.

5.2.2. One agency providing a single transfer

A key part of the ECHO/DFID call was the requirement for a single contract and a single agency responsible for transferring one cash grant to beneficiaries. This grant would cover the non-food and food needs being met through cash transfers and vouchers. This proved to be one of the major areas of contention, as UN agencies in particular felt that the existing multi-agency approach had resulted from collaboration and investment and should be given time to develop.

In multiple interviews we heard that the agencies felt that the LOUISE initiative had not been given a chance to succeed. UN agencies felt that they had put major time and investment during 2016 into creating the OneCard and that it needed time to prove its worth. The ECHO/DFID call for proposals came just as the tender for a common financial services provider had been agreed and LOUISE had been officially launched. Agencies felt that, before further change was imposed, it would have been better to allow the existing changes to be implemented and evaluated.

The UN agencies also felt that the UNHCR-led consortium provided most of what DFID and ECHO were asking for – common payment, targeting, assessment, monitoring and accountability approaches, albeit with some of these being works in progress. The main element that they were unable to accommodate was the single transfer from a single organisation, but they felt that the UNHCR-led consortium – and specifically the common payment card – provided an efficient alternative with no additional costs to the donor, accommodated the agencies' need to be accountable to other donors funding cash and vouchers, allowed the system to benefit from the expertise of several organisations and allowed the agencies to maintain the partnership agreements they had agreed through the process of setting up LOUISE.

DFID and ECHO felt that they did offer flexibility through the proposal submission process, and were willing to compromise on elements of what they were calling for. They were open to being challenged on the payment going through a single agency, if the added value could be shown. What they felt was lacking was a willingness on the part of the agencies to demonstrate and provide clear evidence as to why having WFP, UNHCR and the NGOs providing separate payments for food and basic needs to the same beneficiaries would be more effective and efficient than one agency providing a payment covering both. They also felt that not enough had been done to clearly describe the roles and responsibilities of different organisations, and how duplication of effort would be avoided.

DFID and ECHO were sceptical of the argument that LOUISE needed to be given a chance to develop, mainly because they had consistently stated that they wanted to capitalise on the strengths of the response while dealing with the weaknesses, and saw no reason why LOUISE could not be part of this. The single transfer could be delivered by one of the agencies in the LOUISE platform, and the programme could utilise elements of LOUISE, such as the single card and joint targeting. They also felt that some of what was being claimed for LOUISE was not fully in place, and that it was being used as an excuse for not engaging fully with what they were calling for. For example, LOUISE had originally been presented as a joint tender for a financial service provider (FSP), whereas after the launch of the ECHO/DFID bid, LOUISE was described in a December country brief as a joint venture 'harmonising common processes … through one national vulnerability assessment, one targeting system, one financial service provider (FSP), and one information management portal on people assisted' (WFP Lebanon, 2016). The common appeal, referral and targeting systems were still at the planning stages in late 2016, and DFID and ECHO felt that making progress on these was a matter of urgency. It had taken three years to arrive at a common card, which the donors had long argued for, and during the process they had perceived reluctance among agencies to move away from their own institutional approaches.

While seeking to build on the progress made, DFID and ECHO were concerned that the emphasis on LOUISE missed the point by focusing on a platform, rather than moving from a collection of aggregated projects to a more coherent, one-programme approach.

> *A platform is and remains a tool to transfer different types of assistance, with different objectives. The improvements that DFID and ECHO are calling for go beyond the cash delivery and seek common outcomes fit for a multi-purpose cash programme, independent monitoring and evaluation, and clear accountability and governance – elements that have been weak or absent.*[4]

They felt that their call for a single agency to provide a single payment was misinterpreted as meaning that they sought to eliminate the important role of sector-specific expertise when, in fact, that principle referred

4. DFID response to a blog on the Cash Learning Partnership discussion group.

only to the actual transfer of money. DFID and ECHO did not expect a single agency to monitor protection, assess food insecurity or ensure that the needs of children were met. There were also fears that a move towards a single transfer could result in reduced funding for other aspects of humanitarian action, which was repeatedly refuted by DFID and ECHO, both of which remain important funders of a wide range of other sector-specific programming.

Some interviewees also noted a contradiction in using the growing harmonisation of processes related to cash transfer programming as an argument against ECHO and DFID's call for a single agency to deliver payments. As one interviewee stated, 'over a year [aid actors] have been moving to agreeing on one targeting approach, one card, one bank … and step after step it became questionable as to why everyone is needed'. They felt that having more than one organisation delivering cash might be appropriate in some contexts, such as in countries where a number of humanitarian agencies operate in different geographical areas, but not in a small, middle-income country.

UN agencies were concerned that not being involved in the delivery of cash could potentially undermine their ability to fulfil their sector-specific mandates and roles, such as UNHCR's role in ensuring protection. UNHCR argued that organisations with substantial resources behind them were more likely to be listened to and have influence in attempts to advocate for refugee protection.

One representative of a large donor also felt that the push for a single agency payment could weaken the ability to provide sector-specific expertise and protection by separating out the provision of assistance from those functions. The interviewee also thought that most of what the call for proposals had asked for was either already in place or had been included in the UNHCR proposal, and that ECHO and DFID were unwilling to compromise.

DFID and ECHO noted that targeted protection interventions would continue, and that UNHCR continues to receive substantial funding (including from ECHO) for protection. They also emphasised their belief that protection mainstreaming had to be ensured in all humanitarian programming, regardless of the modality and sector of intervention. However, mainstreaming protection (such as ensuring safe and equal access) within multi-purpose cash programmes does not preclude mandated (or other) agencies from implementing targeted protection interventions. This has been the typical modus operandi in many refugee responses for decades, and DFID and ECHO did not see that the call for proposals would result in any change to this. DFID and ECHO saw potential for their programme to lead to a stronger referral system linked to dedicated protection responses. It was also felt that the independent M&E and governance structure could contribute to promoting protection outcomes through additional accountability.

5.2.3. Independent monitoring

One of the DFID/ECHO principles was independent monitoring and evaluation, to be contracted separately, including a results framework with collective outcome indicators, monitoring of efficiency and cost-effectiveness, learning for programme adaptation and making innovative use of technology. Separately financing the monitoring of cash transfers was a recommendation of the High Level Panel on Humanitarian Cash Transfers, with a view to improving accountability and ensuring adequate resources for under-funded elements of the programme cycle. One of the European Union's ten principles of multi-purpose cash-based assistance is that 'accountability considerations require the use of robust impact and outcome indicators', and the Grand Bargain includes a commitment to ensuring that monitoring and evaluation mechanisms are put in place for cash transfers. DFID and ECHO were troubled by the limited and inconsistent monitoring of the outcomes of cash assistance in Lebanon and the lack of data on effectiveness and efficiency, and saw the RFP as an opportunity to promote evidence, learning and accountability to beneficiaries and donors.

Some interviewees raised concerns about the independent monitoring component. The submitting agencies eventually, albeit reluctantly, accepted an independent monitoring role, but were concerned that the separation of functions could potentially dilute end to end accountability for outcomes. The logic was that, if organisations are to remain effective and accountable towards the people they assist and to their donors, they need to do their own monitoring to engage with recipients, resolve challenges in a timely manner and analyse results. Given this view, it was felt that an independent monitoring system would add an unnecessary and duplicative layer. DFID and ECHO did not see how independent monitoring could reduce accountability, especially given that it would focus on outcomes, learning and efficiency – not the process monitoring that agencies would continue to do. DFID and ECHO accepted that monitoring by the agencies would continue, but saw independent monitoring as adding significant value by providing greater accountability and evidence on outcomes.

5.2.4. Efficiency and transparency

A key aspect of ECHO and DFID's ten principles was the argument that a single transfer, single contract and nationwide programme would result in efficiency gains for both donors and cash transfer recipients. They felt that this approach would allow for significant savings by reducing duplication, generating economies of scale and enabling the actors involved to maximise their respective comparative advantages. They also found cost data to be lacking, and had asked agencies to show the efficiency gains that had been made with the move to the single card, which was not provided. In order to enable evidence-based discussions of where and how efficiency savings could be made, ECHO and DFID were calling for greater budget transparency (a Grand Bargain commitment). Their intention was to work in partnership with agencies to achieve efficiency without compromising the quality of programmes and the funding necessary for programme cycle functions and complementary activities. ECHO and DFID also wanted to generate cost-effectiveness gains by switching from vouchers to cash. The WFP-funded research by Boston Consulting Group found that, in Lebanon, cash increased refugees' purchasing power by up to 19% over vouchers when beneficiaries were free to buy food from where they wished, as opposed to designated shops accepting vouchers.

While no one believed that decisions should be made solely on the basis of efficiency concerns, some donors outside the process saw that the reality of a protracted response necessitated making efficiency gains where possible. Several also welcomed the potential for more transparency on costs, both as useful information in itself and as a commitment in the Grand Bargain.

UN agencies felt that DFID and ECHO's efficiency arguments were not based on clear evidence in Lebanon, and that no proper cost-benefit analysis had been conducted of the potential efficiency gains of a single agency transfer compared to transfers conducted by different agencies via LOUISE, which they saw as having created an inclusive space for multiple agencies to be involved in cash delivery in an efficient manner. UN agencies argued that, at least in larger operations with many parties, an inclusive, multi-agency cash delivery system that left room for visibility of partners and donors would be more likely to bolster partners' and donors' confidence in a collaborative system, thereby bringing in money from multiple donors (especially for some who favour NGOs linked to their country). They also felt that it would encourage further collaboration and streamlining, including eventually other shared services, which could lead to greater efficiencies. It was argued that the partners could then use their collective weight to negotiate charges with financial service providers. Interviewees pointed to collaboration on the Vulnerability Assessment Framework (VAF) and Vulnerability Assessment for Syrian Refugees in Lebanon (VaSyr), which they argued set the tone and created an opportunity for further collaboration on financial services, joint tenders and (in Jordan) the Common Cash Facility.

While arguing that the UNHCR proposal was efficient, some from UN agencies also felt that the proposal process overly emphasised efficiency, particularly the efficiency of payments, and were worried that a move towards a single transfer could compromise the accountability of agencies and their ability to deliver on sector-specific outcomes, including food security and protection. Others were concerned that the issue of cost dominated discussions. As noted above, DFID and ECHO endeavoured to make clear that a move towards a single transfer system for payments did not imply reduced support to other key functions (accountability, monitoring, targeting) or other sector-specific programmes.

6. Relationships and side-effects of the RFP

The ECHO/DFID call and the reactions to it also generated reflection and discussion among donors and aid organisations that were not directly involved. Several donors saw the benefits of supporting an approach that could avoid further fragmentation and could be transitioned into a safety net to which their development funding could be allocated. They also felt that the ECHO/DFID call for proposals offered an opportunity to address some well-known weaknesses in the response, such as the referral process and what they perceived as a chronic inability to prioritise resources to the neediest households – especially at times when funding was tight. There was some optimism that the process would be an opportunity for them to follow through on some of the important commitments on cash, efficiency and transparency made through the Grand Bargain. Some smaller donors also saw it as a way to benefit from the policy and technical expertise of DFID and ECHO on cash transfers.

There was some surprise among donors outside the process and NGO interviewees at the strong feelings that emerged for or against the RFP. Several interviewees were concerned that arguments in favour of continuing along the path of incremental progress glossed over weaknesses in referrals and in ensuring protection and assistance for refugees. Some viewed the ECHO/DFID request as logical given the opportunities presented by cash transfers, and were concerned at a perceived closing of ranks among UN agencies, which they saw as trying to protect their institutional interests. Others questioned whether it was too much, too fast, with one donor interviewee stating: 'you might call it progressive, you might call it hurried'. Another donor representative felt that the UNHCR-led effort went quite far in accommodating what was being asked for, and that DFID and ECHO were not willing to compromise on the few sticking points that remained. Almost everyone felt that the process had strained – or at the least not improved – relations between UN agencies and ECHO/DFID.

There were, however, some perceived positive side-effects, such as greater engagement from other European donors in debates about how cash could be most effectively used to support refugees in Lebanon. The process was seen as having elevated a long-standing discussion on cash and voucher responses in Lebanon. Interviewees also felt that donors and aid agencies would move on, in Lebanon on finding ways to improve the effectiveness of cash delivery, and in global efforts at improving the provision of cash transfers. One positive aspect of the time-consuming internal and external discussions on the initiative was that it prompted some donors to look more closely at how they supported cash-based assistance, and discuss whether there were better ways of doing so.

Several interviewees from donors and other organisations outside of the process felt that the controversies arose because the cash response in Lebanon was being viewed, rightly or wrongly, as a canary in the coalmine for future cash transfer programming – that what happened in Lebanon would determine how cash transfer programming was carried out in the future. They felt that this elevated the importance of the RFP and increased the stakes for agencies and donors involved in the process. Some also believed that the process was a reality check on the Grand Bargain, as it spoke to the challenges of implementing commitments in practice, both because of obstacles to changing the status quo and because some commitments could be interpreted differently by different parties.

7. How change happens

At the heart of the argument between the different actors involved throughout the process were different views about how best to generate positive change in international humanitarian action. Should change be driven by donors or agencies? What is the right balance of competition and collaboration in stimulating innovation and change? What are the incentives for and barriers to change?

Some interviewees felt that the RFP in Lebanon was being used inappropriately to leverage change in the humanitarian architecture as part of a wider reform agenda. UNHCR and WFP expressed a willingness for broader conversations about the role of cash within the humanitarian architecture, and what it means for agency mandates and responsibilities, but felt that the dialogue on models and standards around cash needed to be taken up at a global level, and not through a country-level RFP.

While DFID and ECHO saw opportunities to link their efforts to the Grand Bargain, for them the RFP process was regarded as wholly originating from the Lebanon experience – not an effort to develop a global blueprint for future cash responses. That said, they did expect the Lebanon experience to inform operations elsewhere, and it influenced ECHO's global guidance on cash transfers, which has since been subject to more consultation.

Some interviewees expressed concern that the call for proposals was being used as an instrument for generating change in how agencies work with one another. They felt that it was trying to force agencies into competing with each other in ways that ran counter to their efforts at collaboration and harmonisation. They also thought that the competitive nature of the call for proposals process inhibited an open exchange of views. DFID and ECHO, by contrast, had hoped that the call for proposals would provide an opportunity for frank and strategic discussions of how assistance should evolve.

Fears were also raised that a 'winner takes all approach' under the RFP could leave one large agency in a monopoly position, with little incentive to make further system improvements. There were worries that this could undermine trust and cooperation between agencies, both in Lebanon and in other operations – particularly a concern regarding systems whose success and effectiveness specifically requires collaboration (e.g. protection referral networks). It was argued that the risks of damaging collaboration through competition should have been considered more fully. Agencies felt that efforts to highlight these risks were dismissed by DFID and ECHO as attempts to undermine the process or as agency self-interest.

ECHO and DFID, however, said that they had chosen to use an RFP (an inherently competitive mechanism) because most donors, including themselves, routinely used RFPs to allocate funding. The only new feature was that the RFP was jointly developed and launched by two donors. They believed that their efforts to build on the progress already made and encourage further gains were being unfairly characterised as competition versus collaboration. They also saw an element of double standards in fears about the risk of monopoly given that UN agencies do not argue in favour of multi-agency approaches to programmes for which they receive funding individually.

The issue of how the DFID/ECHO RFP related to cash and voucher assistance by other donors was also raised. The \$85m RFP for cash transfer programming represented about 20% of the overall \$400m–\$500m of annual cash-based assistance in Lebanon. Some argued that the RFP seemed to assume a blank slate, or that the rest of the cash assistance could straightforwardly change to accommodate DFID/ECHO's principles and expectations. Agencies responding to the call felt that they needed to balance the changes and compromises they would have to make in responding to the DFID/ECHO call with the need to accommodate the different risk appetites, funding priorities and requirements of other donors supporting cash assistance. The US government, for example, was highlighted as a substantial donor, and one likely to continue to fund vouchers for food assistance.

UN agencies were concerned that the DFID/ECHO initiative would result in the establishment of a parallel cash transfer system. UN agencies felt that a broader approach was needed to achieve greater system effectiveness, including a range of partnerships that went well beyond the cash delivery element. They stressed that, for all parties to work together and provide sustained support to the most vulnerable over time, they needed to bring together the efforts of multiple stakeholders, rather than design approaches that only some donors and aid agencies could or would participate in. The UN agencies viewed the UNHCR-led proposal as enabling efficient participation in a larger overall system, rather than what they saw as a smaller parallel approach specific to the principles outlined in the RFP.

DFID/ECHO did not agree that the RFP was proposing a parallel system. They saw the logic in using existing systems and saw no reason why a single transfer and single agency approach for the \$85m should not use LOUISE and other efforts to develop common standards and systems.

They assumed that presenting the joint call would be the beginning of a process of negotiation and evidence-based discussion on the best approach. Nor did they see why the RFP could not work alongside other donor responses and requirements. Initially they were proposing making $85m of funding available through ECHO and DFID, with the hope that other donors would join the system as it proved its worth. In this logic an arrangement was needed that could serve as or be transitioned into a safety net that would enable and attract development funding.

Some were concerned that the size and scope of the RFP precluded NGOs from responding in a lead agency role. The LCC, which had been funded by DFID and ECHO, had been created in an effort to find a way for NGOs to provide cash transfers on a larger scale. Some donor and NGO interviewees felt that NGOs did not, at the time, have the reach or capacity to mount a separate bid independently of UN agencies in Lebanon.[5] The LCC agencies decided against a separate bid, as did other INGOs. There was concern that the RFP therefore signalled the de facto end of the LCC, and that this would reduce the positive influence NGOs had had in areas such as developing common approaches to targeting and monitoring.

Others disagreed, noting that NGOs could have continued to be involved under the DFID/ECHO principles by working with UN agencies (two NGOs from the LCC were part of the UNHCR-led bid). Some in fact saw the RFP as a much-needed opportunity for NGOs to adapt their roles within coordinated approaches to large-scale cash programming. They believed that NGOs would add more value by working with communities to make sure that needs were understood and that assistance reached the right people. Rather than get bogged down in cash transfer payment management (e.g. replacing cards, trouble-shooting), it was felt that NGOs could focus on much-needed complementary functions such as targeting, accountability and monitoring. Indeed, some NGOs made submissions in response to the call for proposals for independent monitoring.

One NGO respondent felt that the RFP highlighted how different donors were funding and promoting different approaches and visions, and that the fact that the US government was in one camp, and DFID and ECHO were in another, made it difficult to meet donors' varying requirements and worked against promoting more harmonised responses. They saw a need for more donor coordination – beyond DFID and ECHO – to allow NGOs to spend less time dealing with different donor requirements and focus their energy and attention on meeting the needs of refugees.

5. It is perhaps worth noting, however, that there are examples elsewhere of large-scale NGO cash responses. CARE International and World Vision International in Zimbabwe worked together to distribute $41m in cash to about 73,000 households between 2015 and 2017.

8. Looking forward

All of the stakeholders consulted agreed that the main priority was ensuring that refugees did not lose out on assistance in the short-term, and that efforts continued to ensure that cash formed an effective part of humanitarian responses. There were, however, real fears on the part of agencies that funding for multi-purpose cash would not be forthcoming, and that there would be gaps in assistance. For the agencies, questions about whether and how the proposed $85m would be spent were part of wider concerns about overall funding shortages for the humanitarian response in Lebanon, with critical gaps for both UNHCR and WFP in the latter part of 2017.

As of mid-2017, both DFID and ECHO had agreed short-term stop-gap funding for UNHCR to prevent immediate breaks in multi-purpose cash assistance to refugees. Beyond these short-term measures, DFID and ECHO were both exploring other options with a range of organisations.

There is a need acknowledged by all actors to resume a more constructive dialogue and to prioritise meeting refugees' needs. At a meeting in Lebanon in July convened by the UN, the focus was on identifying opportunities to move towards more strategic, longer-term approaches to cash, linked to thinking around social protection.

9. Lessons

The DFID and ECHO initiative was prompted by frustration with what these donors saw as the slow pace of progress towards more efficient, effective and accountable delivery of cash in Lebanon, a desire to move ahead on global commitments made in the Grand Bargain process and the hope that a competitive call for proposals, informed by clear principles, could stimulate more rapid change. From the UN agencies' perspective, the call was an inappropriate attempt by donors to try to force through change in ways that undermined a spirit of partnership and the leadership role of the Humanitarian Coordinator.

On the positive side, and as has been previously noted, the initiative has led to more in-depth engagement with debates around cash on the part of a wider range of donor governments. Encouraging efforts were made by donors to coordinate and agree approaches. The simple fact of ECHO and DFID agreeing to pool funding and jointly issue a call for proposals was a major achievement in itself. The initiative also prompted conversations with other donors about their willingness to join the initiative, and there was an encouraging appetite for more joined-up approaches.

However, in Lebanon, as in many other contexts, there is a divergence between the views and approaches of the main European donors and those of the US government around cash. This is too often being skated over or ignored. There is a need for continued dialogue on cash with US government agencies (the Bureau of Population, Refugees, and Migration, Food for Peace, the Office of Foreign Disaster Assistance) that explores their concerns, constraints and views about risk.

It is always easy to argue that there should have been more consultation, but at some point consultation must give way to action. It is also hard to determine, from the widely divergent and strongly held views expressed, how much consultation did take place and what donors and agencies respectively knew, and when, about different initiatives. However, it does seem likely that more communication, consultation and preparation, both with agencies in the field and with other donors, in preparing and rolling out the initiative would have been useful. As several other donors noted, this could have taken place earlier at headquarters as well as at field level, particularly for European donors whose field presence is limited. There is also a need for care in how communications take place, and a need to avoid caricaturing each side's positions. At one stage the debate seemed to have degenerated into a 'battle of the PowerPoints', at the expense of substantive discussion over detail.

At the centre of the ECHO/DFID call was a desire to drive gains in efficiency, effectiveness, accountability and governance. However, the process never managed to get into a sufficient level of detail around costs and the roles and responsibilities of different actors for this to be an evidence-based discussion. A constructive and transparent analysis is needed of the real costs of delivering cash, and of the related work required, and where opportunities for improvements and efficiencies might lie. This should include an analysis of overheads, how these are distributed between agencies in sub-contracting chains and how the basic operating costs of organisations, which enables them to be present, are funded. More explicit budgeting of the actual costs of analysis, targeting, monitoring, accountability systems, protection and other critical functions, and a discussion about who needs to be funded and how for these to be carried out effectively, is needed.

Donors and UN agencies involved in the process had quite divergent views about the appropriate level of budget transparency. Discussion regarding what donors can reasonably expect agencies to provide, both in terms of costs and roles, and separating out the roles and responsibilities of different agencies within multi-agency approaches to delivering cash, needs to take place at multiple levels. This includes at the Governing and Executive Board level of UN agencies, where some of the parameters around overheads and reporting requirements are set, as well as in specific country contexts. The roll-out of Grand Bargain commitments around transparency and flexible funding can perhaps provide some of the framework for these discussions.

The new ECHO global guidance on cash transfers calls for a separation of functions between organisations responsible for delivering cash and those doing the analysis and targeting. One challenge in Lebanon is that this guidance at a global level seems to have become confused with the call for proposals process. More fundamentally, however, there is a divergence between donors making the argument for a clearer separation of functions, and agencies arguing that they need to be engaged throughout the programme cycle in order to maintain accountability for outcomes. This is an important debate, and again ways need to be found to take it forward constructively.

There were a range of views about the appropriateness of a call for proposals as a mechanism for driving change. DFID and ECHO could perhaps usefully review when and how best to use joint calls for proposals. If the intent is to stimulate competition, then ways might need to be found to allow a wider range of actors to participate in bids.

Donors should consider providing inducements as well as disincentives to encourage more efficient and effective use of cash in humanitarian action. The DFID/ECHO initiative was effectively calling for consolidation on the part of actors involved in cash delivery in Lebanon in ways that potentially implied a reduction in budgets and operational footprints for some organisations. There might be scope for exploring whether such calls could be accompanied by more generous funding for some of the key accompanying or complementary functions around cash delivery, such as targeting, accountability and protection. This should be considered not to accommodate organisational interests, but to ensure sufficient operational capacity for key parts of the humanitarian response, based on affected people's needs.

This experience suggests that operationalising the Grand Bargain commitments on cash is not going to be straightforward, because of different interpretations and because established ways of doing things are often powerful. Striking the right balance in terms of discussions at a global policy level and action at the field level, and between gradual consensual change and more radical attempts at transformation, is always going to be difficult. While this particular initiative created strong reactions and did not immediately result in changes, this does not mean that efforts at all levels to find constructive ways to do cash better should not continue. The dialogue, thinking and debate spurred by the call for proposals should be used as a positive contribution towards finding ways to provide appropriate and sustainable assistance to refugees in Lebanon.

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Basic Assistance Working Group
DFID (London, Lebanon)
Danish Refugee Council
ECHO (Brussels, Lebanon)
German Foreign Office
Norwegian Ministry of Foreign Affairs
Norwegian Refugee Council
Solidarités International
Swedish International Development Cooperation Agency
Swedish Ministry for Foreign Affairs
Lebanon Cash Consortium
Save the Children
World Food Programme (Rome, Lebanon)
World Vision International
UNHCR (Geneva, Lebanon)
UNICEF
US State Department

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