



NORWEGIAN
REFUGEE COUNCIL



Cash and Markets Evaluation - Sudan

Consilient Research

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1 Summary Findings

1.1 Introduction and Methodology

Since its return to Sudan in 2020, the Norwegian Refugee Council (NRC) has assisted hundreds of thousands of people in need and became one of the first organizations to provide cash assistance, supporting displaced populations in Gedaref, White Nile, and South Kordofan. Cash assistance programmes have included Multipurpose cash assistance (MPCA), Cash for Shelter, Cash for Food, Cash for NFIs, and Group Cash Transfers (GCTs). As part of these efforts, NRC commissioned an assessment to evaluate the effectiveness, efficiency, and impact of its cash-based programming on target population groups in Gedaref, White Nile, South Kordofan, and West Darfur.

The overall objectives of the assessment for this project are summarized as follows:

- Assess the appropriateness and effectiveness of the program's targeting approaches, including community-based targeting and the vulnerability scoring tool, in identifying and reaching intended beneficiaries in alignment with the program's targeting criteria.
- Contribute directly to updating the cash and market program Standard Operating Procedures (SOPs) and harmonize the processes across area offices. This will include evaluating the operational efficiency of the program and assessing the speed and flexibility of its implementation processes.
- Understand the impact of the application of the different delivery mechanisms of cash transfer used and identify relevant successes and weaknesses.
- Learn how to improve cash and markets programming for future design and planning of NRC's cash and market interventions.

In order to adequately address the research objectives as outlined above, Consilient adopted a mixed-methods data collection approach. It included conducting a series of key informant interviews (KIIs) in the target localities, as well as quantitative surveys with beneficiaries. Primary data collection was also supplemented by desk review of program documents. The study focused on four key locations: South Kordofan, West Darfur, White Nile, and Gedaref.

A total of 392 household surveys were conducted across the target locations as part of this assessment's quantitative data collection. Qualitative data for the assessment was gathered through 28 key informant interviews (KIIs) with a variety of stakeholders. Respondents included NRC staff, community leaders, market actors (such as wholesalers, retailers, and business development service providers), Cash Consortium Sudan (CCS) member, implementing partners, and group cash transfer (GCT) beneficiaries.

The following tables provide a summary of data collection.

Intervention Type	State	Locality	Survey Target	Survey Achieved
Cash for Food	South Kordofan	Kadugli	64	64
		Alreif Alshargi	64	67
Cash for Shelter	Gedaref	Gedaref	11	19
Cash for NFIs	South Kordofan	Kadugli	32	32
GCT	Blue Nile, Darfur, Kordofan,	Blue Nile, Darfur, Kordofan,	11	11

	Gedaref, Kassala, Khartoum, Red Sea, River Nile, Sennar, White Nile, Al Jazira	Gedaref, Kassala, Khartoum, Red Sea, River Nile, Sennar, White Nile, Al Jazira		
MPCA	West Darfur	Genina	43	45
	South Kordofan	Kadugli	43	49
	White Nile	Aljabalain	43	53
	Gedaref	Gedaref	43	52
	South Kordofan	Kadugli	43	49
TOTAL			354	392

Respondent Type	KIs Target
Market actors (wholesalers, retailers, chamber of commerce, traders' associations)	3
Bakery project focal point	1
Bakery project beneficiary	1
Financial Institution Staff	2
CCS Member	1
NRC Staff	12
Implementing Partners	2
GCT Beneficiaries	2
Community Leaders	4
TOTAL	28

1.2 Findings

1.2.1 Relevance

Overall, cash assistance was largely perceived to be a relevant form of assistance among both community members, local stakeholders, and other respondent types interviewed. In fact, 96.1% of beneficiaries stated that cash programming was relevant to them and 66.9% of beneficiaries surveyed reported that they would prefer cash assistance over other modalities of aid (i.e. in-kind assistance). Community leaders and market actors in the programme intervention areas also stated that a primary concern of many community members was the lack of cash, particularly as prices for basic goods were increasing. This was particularly relevant for IDPs who had limited assets or access to emergency funds.

Another important aspect of relevance was how NRC has modified cash delivery mechanisms to be suitable to local market conditions in Sudan. Overall, the study found that NRC took some measures to fit cash delivery mechanisms to the local context and ensure that it met local market conditions. This included conducting market assessments prior programme design or implementation or

consulting with the Cash Working Group. However, there were some limitations to how well NRC was able to fit the delivery modality to the context. The choice of cash assistance compared to vouchers was reportedly also influenced by donor preferences rather than contextual concerns, and other results in this study - for example, limited flexibility on inflation or reliance on digital cash modalities - indicate that some aspects of the cash programming has not been fully suitable for the context.

However, NRC's approach to cash and markets programming has been relatively flexible, with the organization implementing a number of alternative approaches to maintain the delivery of assistance. This has included alternating between cash and voucher assistance, expanding their networks of FSPs, and introducing GCTs.

1.2.2 Effectiveness

A critical aspect of the study sought to understand how effective cash modality programming was for NRC in Sudan in recent years. This study does not assess effectiveness by programme indicators considering the scope of the study but does seek to understand how cash modalities were effective to delivery aid under contextual limitations, whether internal and external collaborations were effective at delivering aid, and how effective digital platforms were at transferring cash.

Based on interviews with beneficiaries, local partners, and NRC staff members, there were some contextual challenges that impact NRC's ability to deliver cash assistance, but it does not necessarily cause significant disproportionate time, costs, or resource use from the perspective of NRC. In terms of direct impact to delivery of cash assistance, challenges such as physical transportation, as well as network and liquidity issues, were most often mentioned. Although FSPs and financial institutions do not report significant delays due to liquidity, NRC staff reported that they were often unable to send funds to FSPs on-time, resulting in FSPs either having to be reimbursed or holding transfers until NRC sent funds. NRC has instituted a number of potential mitigation measures to circumvent these challenges, including diversifying their pool of FSPs to over 40 FSPs across Sudan and switching from cash to voucher distribution modalities. However, these methods are also prone to challenges, including lack of FSPs in rural localities.

Another contextual limitation that impacted the effectiveness of programming was the limited consideration reported by IPs, GCT recipients, and market actors who received cash transfers, by NRC of inflation and rising costs that impacted their purchasing power throughout the programme. This led to them to often not be able to have the impact that they originally planned.

Another aspect of NRC's cash and market programming that was explored was the effectiveness and efficiency of internal and external collaborations on their programming. Overall, there were few aspects of both internal and external collaborations that respondents cited as hindering the effectiveness of programming. Internally, staff reported that they are typically able to reach other departments and receive the information or support necessary. However, there were some challenges reported with perceived lack of training for new staff and some delays in emergency situations. Externally, despite typical coordination challenges with state actors such as HAC, NRC staff reported that collaborations do not pose significant challenges. The primary reported issue was the delays in providing payments to FSPs.

Finally, the study explored how the use of digital cash delivery modalities, such as Bankak, impacted the effectiveness of NRC's cash and markets programming in Sudan. The use of digital cash allowed NRC to mitigate some logistical issues, including lack of physical cash in Sudan, and increase the organization's reach. However, NRC staff were more likely to report that applications such as Bankak are widely used by beneficiaries, whereas community leaders and market actors were more likely to report that most of the beneficiaries NRC seeks to reach use cash and cannot or do not use mobile money applications. This has the potential to decrease the reach to some groups of beneficiaries, including refugees, IDPs, and women, or delay them while physical cash is procured. Additionally, some NRC staff, IPs, and other respondents reported that the Bankak transfer limits caused delays and inefficiencies in the cash transfer process.

1.2.3 Impact

The study also reviewed larger-scale evidence of impact of NRC's cash and markets programming, on a number of different levels. The examined aspects included the programming's effect on markets

and prices, improvement of daily lives of beneficiaries, improvement of community relations, and effect on community trust in international organisations. Overall, there are very few respondents who reported that prices at markets increased directly as a result NRC cash programming and most stated that it reduced costs among vendors. Regarding impact at the individual or household level, 86.9% of respondents reported that the cash transfers improved their ability to engage in daily activities, with 41.7% reporting that it decreased the likelihood that someone in their household would engage in negative coping strategies. Additionally, for all beneficiary types, a large majority reported that the cash transfers allowed their household to better meet their daily needs, including affording healthcare. However, the impact on aspects like increased number of meals for the household was mixed. Regarding the impact on community relations and safety, 73.5% of respondents reported that community relations improved due to the cash transfers. 21% reported that the cash transfers had caused some tensions among community members, but only 5% reported that they felt more unsafe as a result of cash transfers. Finally, the cash transfers were reported by beneficiaries as mostly increasing their trust in international organisations, with 89.2% reporting an increase in trust.

Outside of the primary areas of impact, there were very few unintended outcomes - either positive or negative - mentioned by respondents in this study. One respondent who worked with the bakery participants reported that there was some lack of transparency among bakeries who had received support. However, no other respondents cited unintended outcomes.

For NRC in particular as an organisation, a number of NRC staff members interviewed stated that the most important success or impact from the organisation's cash programming in Sudan has been their ability to grow their footprint of delivery in the country. They reported that they have been able to deliver a greater volume of assistance through cash programming and have built local partnerships in regions such as Darfur or Kordofan.

1.2.4 Efficiency

This section explores various aspects of efficiency for NRC's cash and markets programming, including timeliness of delivery of assistance, internal coordination and efficiency of verification of recipients. Overall, respondents reported that NRC sought to adhere to standard total cost-transfer ratios (TCTRs), but that operational and other implementation costs in Sudan resulted in higher overhead and logistical costs than are often necessary for cash transfer programming. Some of the common cost categories mentioned by respondents that limit the amount of program funds that can directly spent on beneficiaries include operational and logistical costs in Sudan (i.e. transportation and fuel costs), financial transfer costs (i.e. fees levied by FSPs for collaboration on cash transfers into Sudan), and internal staffing costs (i.e. the need to have more staff and more senior staff to manage cash programming in Sudan due to the level of complexity of implementation).

Another aspect explored is the perceived timeliness of delivery of cash distributions by beneficiaries, both individuals and groups or IPs. Overall, beneficiaries across cash distribution programs were largely satisfied with the timeliness of the delivery of assistance, assessed by whether respondents received the assistance when expected. 96.3% of respondents across all programs reported being either "satisfied" or "very satisfied" with the timeliness, with 38.9% reporting being "very satisfied" and 57.5% reporting being "satisfied". When key informants, such as NRC staff, were asked about time efficiency of their cash and market programming Sudan, most reported that there have been some relatively significant deviations from timelines proposed to the donor, mostly due to operational challenges in Sudan.

Additionally, a critical aspect of efficiency for NRC's cash and markets programming in Sudan is its ability to efficiently and effectively deploy internal verification measures for beneficiaries. NRC staff interviewed generally reported that the change to recordkeeping through ICT systems like Kobo Collect has significantly improved their ability to identify and address duplicate beneficiaries who may be registered to receive assistance. However, staff still face some challenges in verifying beneficiaries with official identification documents, often because some beneficiaries may not have identification documents or they were lost due to the conflict and displacement within Sudan. Regarding verification and reconciliation of cash transfer totals at the end of distribution cycles, NRC staff interviewed did not report any current significant challenges to reconciliation, indicating that it is a fairly efficient process with few challenges that impact results.

1.2.5 Sustainability

Finally, this section addresses questions of potential sustainability of the impacts and outcomes that NRC has created through its cash and markets programming in Sudan over the last several years. This includes understanding how - if at all - NRC's cash modalities contributed to long-term outcomes, how NRC included pre-emptive sustainability measures, and to what extent NRC cash programmes have included community participation.

In the design of its cash and markets programming, NRC reported that they integrated a number of measures and features to enhance the potential sustainability of the impact and outcomes of its programmes. Overall, however, key informants who participated in this study generally reported that there was relatively limited focus on sustainability in NRC's cash programming in reality. One of the most common responses among key informants interviewed for this study regarding the potential sustainability of programme impact and outcomes was the primary focus of NRC's cash programming on emergency and immediate needs, rather than medium- to long-term development. In general, NRC programmes in Sudan focused on cash and markets in recent years have focused on interactions with markets in the level one - use of markets - and level two - support of markets - areas, with little to no engagement of market systems change. Although there have been some market support functions built into NRC's recent interventions in Sudan, respondents state that there should be increased design emphasis on market support, even if not to the level of market systems change, to ensure any potential positive sustainability of cash and markets programming in the country beyond the programme cycle. Even in the GCT aspect of NRC's cash programming, which is intended to be sustainable in that it builds the capacity of local humanitarian actors, most GCT respondents stated that their programming increased NRC's programming reach, but would not be sustainable beyond the end of the programmes and that they required additional capacity-building.

When assessing the impact of NRC's cash and markets programming in Sudan over the past several years, this study also explored the potential contributions to long-term outcomes for beneficiaries as a measure of potential sustainability of results. Overall, this study finds that there are some indications of long-term impact at the individual or household level, with respondents reporting that the cash transfers provided have led to some sustainable outcomes, whereas there are more limited contributions to long-term outcomes among systems actors, who were more likely to report that they anticipate facing the same challenges after the programme period has ended. For example, approximately one-third of cash recipients reported that the cash transfers allowed them to repay debts or save cash for future shocks or emergencies, and a quarter of respondents spent at least some of the cash on investing in income-generating activities. Meanwhile, however, GCT recipients and market actors who received support (i.e. bakeries) largely reported that the results were not sustainable beyond the end of the programme because of the artificial and temporary impact of the programming on market dynamics.

Finally, another aspect of sustainability and long-term impact assessed was how - if at all - NRC included community participation in programme planning and implementation. There were a number of avenues of community participation built into NRC's cash and markets programming in recent years. This includes, for example, GCTs which allowed local humanitarian responders to propose projects for grant funding. Most group or market level actors (i.e. GCT recipients or bakeries) reported that they had included community members to some extent in planning or implementation. Meanwhile, based on information provided by NRC staff interviewed, most of the community participation and consultation for cash transfer programming is done through verification with local authorities and data collected from community members. For example, vulnerability categories are determined by data collected on residents and in consultation with the programme manager, whereas local authorities are then contacted to verify and potential deconflict overlapping assistance initiatives.

1.3 Conclusions and Recommendations

Based on the information collected in this portfolio evaluation, we provide the following recommendations to NRC for its cash and markets programming in Sudan:

- **Increase capacity-building or other sustainability measures for GCT and other producer recipients.** Currently, GCT and other producer recipients (i.e. bakery owners) largely report that there is little to no sustainability measures built into how they receive cash transfers, despite a pillar of GCT programming is to build sustainability through supporting local humanitarian actors. NRC should prioritize providing other capacity-building support, such as training, to GCTs, and/or support longer-term cash transfer timelines.
- **Streamline the GCT application and fund disbursement process.** Both NRC and GCT recipient respondents reported that, although GCTs are intended to be emergency response transfers, they often have long application and funds disbursement timelines, resulting in a decrease of relevance of the proposed project and a burden on local organisation staff. SOPs for the GCT process should be re-examined, with a focus on efficiency.
- **Limit reliance on digital cash transfer modalities.** Although digital cash transfer modalities (i.e. Bankak) are beneficial in allowing NRC and its partners to mitigate logistical challenges with cash transfers in Sudan and therefore should continue to be used, they pose significant challenges for some beneficiary groups. There was a noticeable difference in the perceived usefulness of Bankak among NRC staff respondents and local community member respondents, with the latter being more sceptical of the usefulness of digital cash transfers. Although digital cash transfers should remain a 'tool' in NRC's 'toolbox' for cash programming, there should be more deliberate consideration of its limitations as a modality.
- **Increase share of market support programming.** If NRC would like its cash and markets programming to have more sustainable outcomes, there should be an increase in the proportion of programming that focuses on market support, rather than just "use of markets". This may include buttressing cash programming with in-kind or more traditional market support programming, such as supply chain strengthening.
- **Consider 'hidden costs' to recipients in cash programming.** A number of beneficiaries in this study reported that there were 'hidden costs', such as digital transfer deductions or inflation costs, in how they received and used cash from NRC, which impacted their ability to use funds. NRC should consider building in transfer costs or inflation buffers into cash transfer basket calculations.
- **Improve programme staff knowledge of and fluency with other departmental systems.** There was a notable challenge reported among NRC non-programme staff that there is limited understanding of finance, logistics, and other processes among programme staff, which results in deviations from necessary procedures or limited coordination. This was often cited to be a result of the limited bandwidth of programme staff. NRC should prioritize ensuring that programme staff attend all necessary induction sessions with finance, logistics, or other support teams to avoid miscommunication or deviations from mandatory processes later in the programme cycle. This should be coupled with a re-evaluation of mandatory support processes described below.
- **Re-evaluate mandatory internal support processes with a focus on facilitating efficient programme response.** As a primary function of NRC is the implementation of programming, support functions (i.e. finance, logistics, human resources, etc) should be centred around how to efficiently facilitate programming. Internal support processes should be re-evaluated to minimize time and staff burden on programme teams, while also adhering to necessary regulations and documentation for finance and logistics teams. This may require a re-evaluation of what the core necessary documentation and steps are for internal support teams.
- **Increase representation of local IPs and field staff members in coordination and decision-making forums.** One challenge reported by some respondents was the lack of on-the-ground knowledge in some coordination and decision-making forums both within NRC and among INGOs in Sudan. NRC should explore where local IPs can be included in coordination forums with other INGOs, as well as how field staff members can provide feedback on decisions made by senior management colleagues based on their knowledge of operational conditions across Sudan.



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