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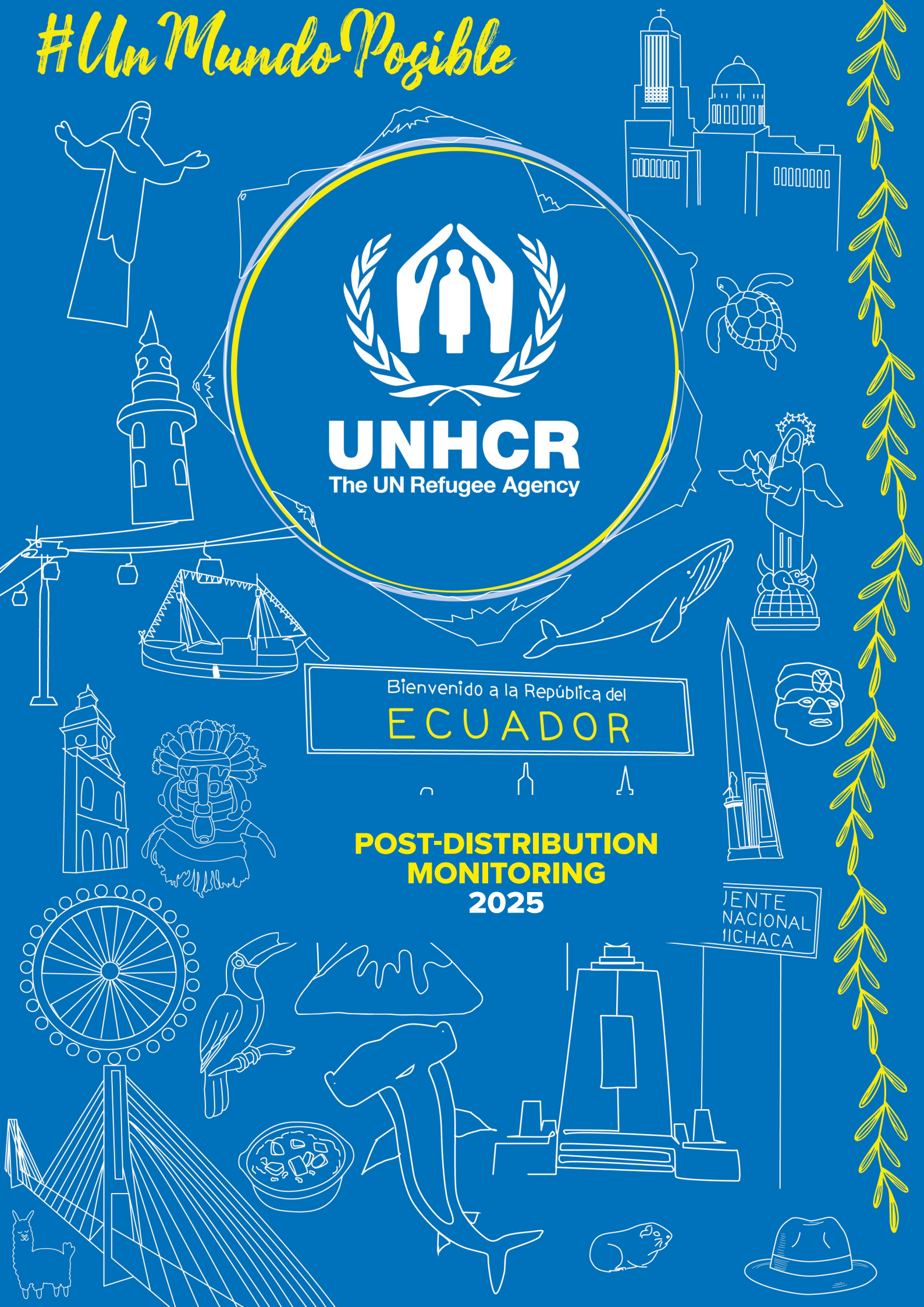


POST-DISTRIBUTION MONITORING 2025

CASH ASSISTANCE IN ECUADOR

UNHCR The UN Refugee Agency

POST-DISTRIBUTION MONITORING

March 2025

Through Post-Distribution Monitoring (PDM), UNHCR's Operation in Ecuador obtained key information on the implementation of the cash transfer programme to cover the needs of refugees and other displaced people in the country. The information presented here helps measure the impact of cash assistance and the scope of its results, in addition to allowing the identification of opportunities for improvement and good practices in the delivery and use of cash by people forced to flee, their preferred delivery mechanisms and its impact in their lives.

EXECUTIVE SUMMARY

In 2024, UNHCR Ecuador continued its Cash-Based Intervention (CBI) programme, primarily providing Multipurpose Cash Grants (MPG) to support the most vulnerable forcibly displaced households. This intervention focused on delivering essential support to cover basic needs over three consecutive months, with a total disbursement of a minimum USD 300 and maximum of USD 480 per household depending on the family composition. The MPG was delivered through prepaid bank cards issued by Banco Pichincha, offering a flexible payment method through ATMs and Points of Sale (POS), including the "Mi Vecino" network for rural areas with limited banking infrastructure. The latter service was improved in 2024, with a reduction in issues faced by recipients compared to 2023, largely driven by quality information provided to recipients through well-trained staff.

The Post-Distribution Monitoring (PDM) survey, conducted between August and October 2024, included 3,024 households that had received the full three-month cash assistance. The results show that most households (82.3%) did not experience difficulties using the prepaid cards. However, common issues remain, including forgetting PIN numbers, and limited experience in using bank cards. Also, recipients have the preference of making withdrawals instead of using the cards for transactions in shops, which coincides with the need to pay rent as confirmed in the section of expenditure items prioritized by households. Security risks during the cash-out process decreased significantly, with only 5% of households feeling unsafe in 2024 compared to 18% in 2023. The use of the "Mi Vecino" network still presents minor issues, with a small percentage of recipients mentioning dissatisfaction with its service quality or difficulties in fully accessing their entitlements.

Households primarily used the cash for rent, food, and healthcare. The primary expense was rent, which aligns with findings of the 2024 Joint Needs Assessment (JNA)[1] indicating a high reliance on rental housing. However, despite of the positive impact of the MPG on living conditions, 98% of households still resorted to negative coping strategies, including food reduction, and skipping rent payments, highlighting the insufficient purchase power to fully meet household needs amid deteriorating socioeconomic conditions in the country. On the other hand, some families are increasingly victims of extortion by criminal groups, forcing them to sell their means of livelihood, thereby diminishing their ability to generate income. This situation not only increases protection risks for the population but also forces families back into dependence on humanitarian aid. Additionally, schools and other academic institutions may create further barriers in access to education services by requiring uniforms, supplies, and fees that parents cannot afford, thereby preventing children from enrolling or continuing to attend school classes.

During the period under review, UNHCR's accountability to affected persons improved in 2024, with 62% of respondents now aware of how to report issues regarding the assistance. Also, the preference for cash over in-kind support remained strong, with 81% of households preferring cash, due to its flexibility in meeting a variety of needs. The 2024 CBI monitoring reinforces the critical role of cash assistance in partly addressing basic needs of forcibly displaced people in Ecuador, but also highlights how increasingly insufficient the assistance is over time, for example, only 42% of recipients surveyed are able to meet half or more of their basic needs.

[1] *Assessment conducted by the Working Group on Refugees and Migrants (GTRM for its acronym in Spanish) in 2024, which can be consulted in https://www.r4v.info/es/document/evaluacion-conjunta-de-necesidades-2024.*

CASH BASED INTERVENTIONS (CBI) IN ECUADOR

TRANSFER VALUE BREAKDOWN

MPG FOR BASIC NEEDS

FAMILY SIZE	TOTAL AMOUNT
1	$ 300
2	$ 360
3 OR MORE	$ 480

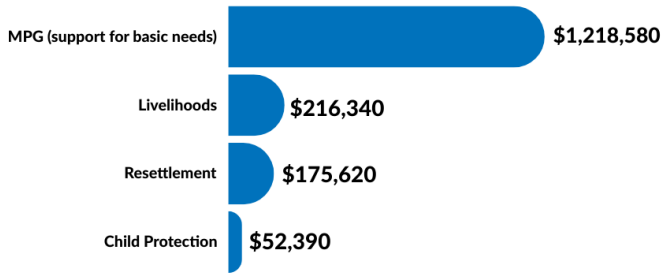
UNHCR's main cash intervention: **Multipurpose Cash Grants (MPG)** support vulnerable displaced people, providing up to USD 480 per household for 3 consecutive months, based on family size.

10,636 individuals

3,024 households

Amount calculated to the **Ecuadorian Familiar Vital Basket**

AMOUNTS IMPLEMENTED



DELIVERY MECHANISM

Pre-paid Cards

It be used for **withdrawals and transactions** within ATMs and Pichincha's "**Mi Vecino**" network, primarily in areas with limited banking access,

mi vecino BANCO PICHINCHA

PDM METHODOLOGY

To conduct the Post-Distribution Monitoring (PDM), UNHCR Ecuador used a survey with a representative sample for all beneficiary households at national level, defined with a 95% confidence level and 5% margin of error. Surveys were conducted between August and October 2024 by an external service provider through telephone calls using the corporate CBI PDM questionnaire adjusted to the specific Ecuadorian context. Prior to the exercise, the provider was trained on basic protection and CBI concepts.

To identify the cases and extract the randomized sample, UNHCR Ecuador used the proGres database, selecting all cases that had received all three cash disbursements within a month prior to the data collection. Each case interviewed had between 4 and 6 weeks since the last cash disbursement.

Table 1: Survey Breakdown

2024	Sample	Total Valid Surveys Conducted	Succesful Call Rate
	95% confidence leve, 5% margin of error		
August	196	126	64%
September	170	105	62%
October	328	236	72%
Total	**694**	**467**	**67%**

KEY FINDINGS

CHARACTERISTICS OF RESPONDENTS

Household Demographic Details

Gender of the household focal point

FEMALE 94%

MALE 6%

Percentage of people assisted by gender

46 %

54 %

Average of family size among recipients 4

Nationality

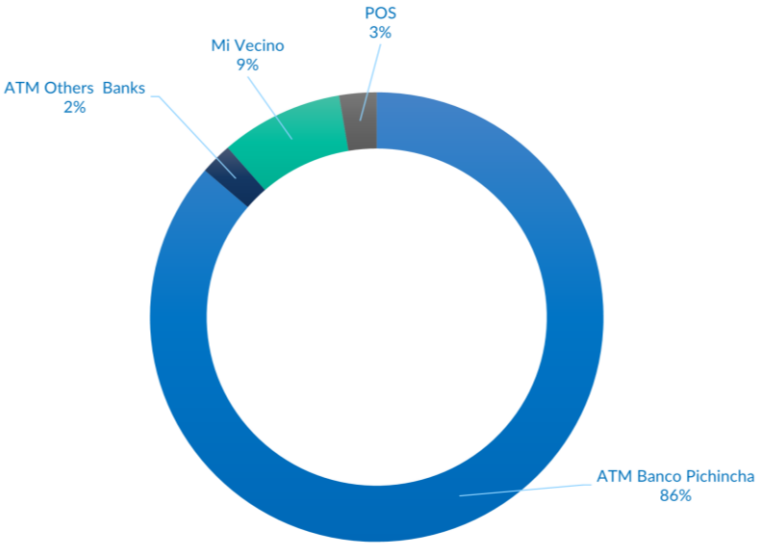
62% Venezuelan

38% Colombian

RECEIVING AND SPENDING CASH ASSISTANCE

Collecting Cash Assistance

Recipients of cash assistance were surveyed about their use of prepaid bank cards, which have been the payment method used by UNHCR since 2023. As illustrated in chart 1, households tend to withdraw assistance from ATMs, mainly from the same Financial Service Provider (FSP). The use of the "Mi Vecino" network and direct payments through Points of Sale (POS) remain uncommon among recipients, even though, the use of non-bank correspondents ("Mi Vecino") has grown by 5 percentage points since last year (2023: 4%), as they are often located closer to their home or have a better rapport with the shop owners.



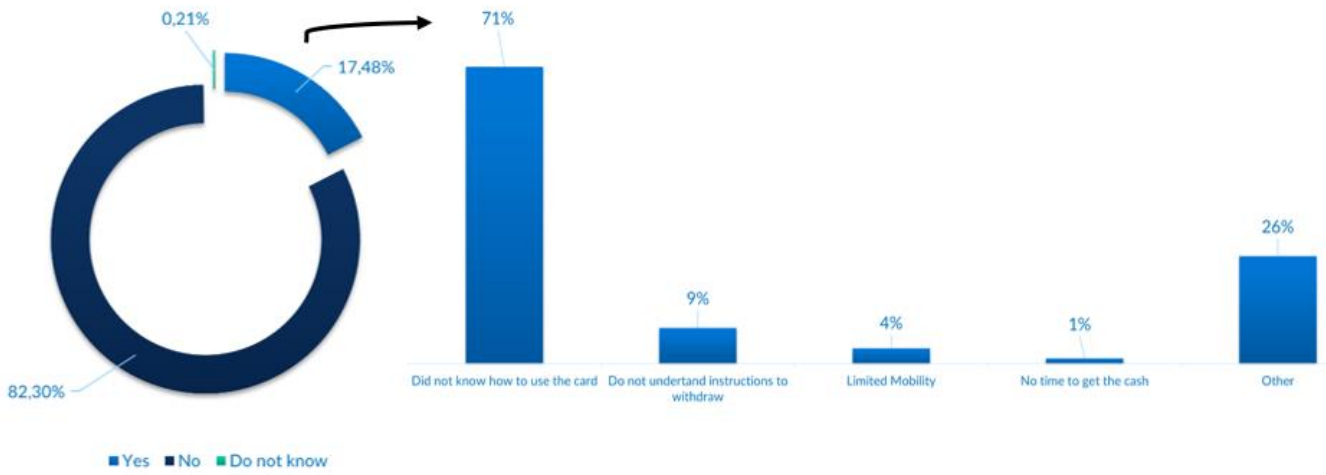
Based on the available data, ATMs are more familiar, easier to use, and provide individuals with the opportunity to easily receive assistance from bank staff in case of issues (94%). On the other hand, prepaid cards are rarely used for direct purchases or payments at commercial establishments through POS, as this option is not always available, and even when it is, the card is not always accepted due to its limited recognition as a financial product and card owners may be required to present identification documentation[2].

[2] *The bank cards used by UNHCR are non-personalized, hence no name is displayed on the means of payment. The use of non-personalized/anonymous cards was recently introduced in the Ecuador reason why these cards are not well known compared to the more common personalized debit/credit cards.*

CBI Delivery process

Although prepaid cards were introduced recently (2023), their usage has not posed significant challenges over time. As seen in chart 2, most recipients (82.3%) did not require assistance while using the card or spending the cash. For those who needed help (17,4%), the main issue was related to the first time use or understanding the cash withdrawal instructions.

Chart 2: Households in need of help to withdraw or spend the cash

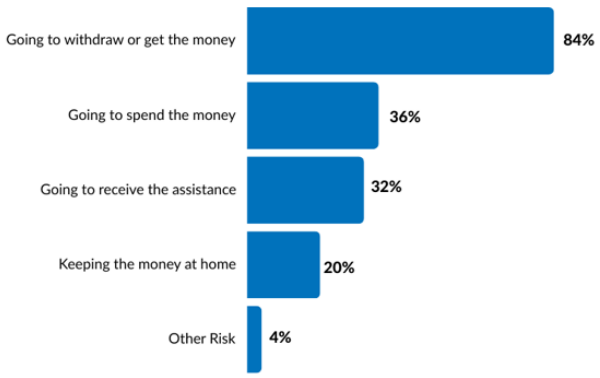


The column chart regards specifically for the 17.4% that had problems to use the prepaid cards.

Risks and Problems

The area of both risks and technical issues showed improvement from 2023 to 2024.

Chart 3: Risk identified by households that felt at risk at some point in the cash delivery process



Overall, around 5% of households felt at risk or unsafe and 3% experienced some sort of problem when collecting, spending, or saving the cash assistance, compared to 18% and 27% registered in 2023 respectively. The reduction in the percentages of people who felt at risk or faced problems in 2024 compared to 2023 can be attributed to several factors related to the learning curve and improvements made throughout the year. Here are some possible reasons for this decrease:

1. Learning curve of staff: 2023 was the first year that UNHCR Ecuador took on delivering cash assistance directly. This was a new process for field office staff, who needed time to familiarize themselves with the direct implementation procedure, problem-solving, and system management. With strengthened experience and knowledge in 2024, staff were able to better manage situations that previously led to risks or issues for beneficiaries. **Also,** in 2023, the training for both beneficiaries and staff was probably in its initial stages. By 2024, based on the lessons learned from the previous year, training likely improved, enabling both beneficiaries and point-of-withdrawal operators to better handle technical problems (such as forgetting the PIN or difficulties using ATMs), and increasing confidence in the system.

2. Adjustments in delivery channels and support: In 2023, UNHCR first took on the direct implementation of the prepaid card mechanism, which may have caused logistical challenges in delivery and support. By 2024,

there were improvements in card distribution, as the information provided, and access to support services as the CBI "Hotline" available through the year, which helped reduce perceived risks and problems related to card using.

3. Empowered Communities: Following one year of implementation, the beneficiary populations have become more comfortable and empowered in using the mechanism. This is reflected in the reported significant reduction in associated risks and problems. Recipients often disseminate information within their communities, sharing their experiences with access to assistance—particularly from those who initially received it to those who will be first time recipients. This includes recommendations and steps to change the PIN number, withdrawing funds, and safety tips, thereby fostering mutual support and a sense of community.

In conclusion, the reduction in reported risks and problems in 2024 can be attributed to a combination of factors such as greater familiarity with the system, improved training and support, optimization of logistical and technical processes, the learning curve for UNHCR staff, and empowered communities with the mechanism.

Among the 4% who mentioned other risks in chart 3, most pointed out robberies or assaults in public spaces and physical violence, including harassment or threats, as their primary concerns. On the other hand, the issues faced by recipients were mostly related to the process of withdrawing their assistance, with the most common problem being forgotten passwords, as shown in chart 4. It is worth noting that throughout the year, no household reported any accidents or incidents that jeopardized their physical safety, nor were there any alerts of illegal fees required to pay in order to use their assistance.

The monitoring results revealed some specific difficulties with the "Mi Vecino" network service, particularly in remote areas, where recipients occasionally faced issues due to the network problems or issues with the bank itself, preventing them from being able to use this service. While these challenges were not significant overall, they impacted the usability of the service in certain locations. UNHCR depends on this service to lower transportation costs for recipients, especially those in isolated locations, and to address protection risks. However, in the second year of implementation, this cash-out option still did not deliver entirely the expected outcome, but UNHCR is following up with FSP to ensure appropriate functioning of this cash-out option.

Chart 4: Problems faced among those households that experienced some problem in the cash process

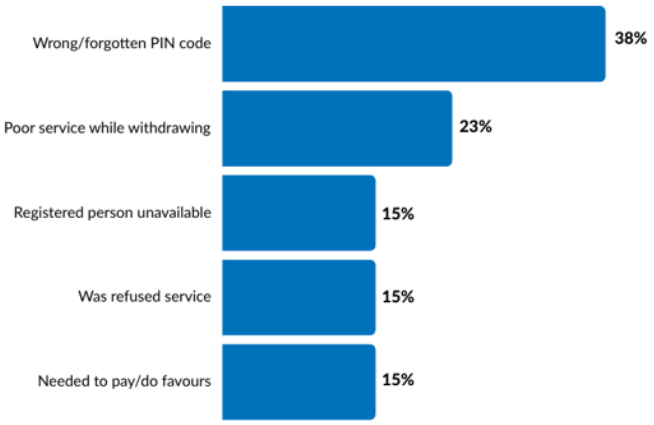
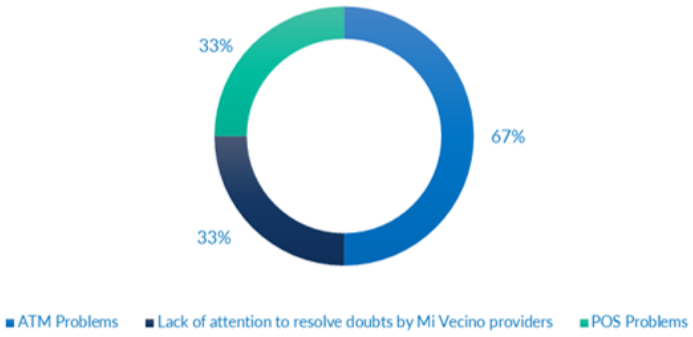


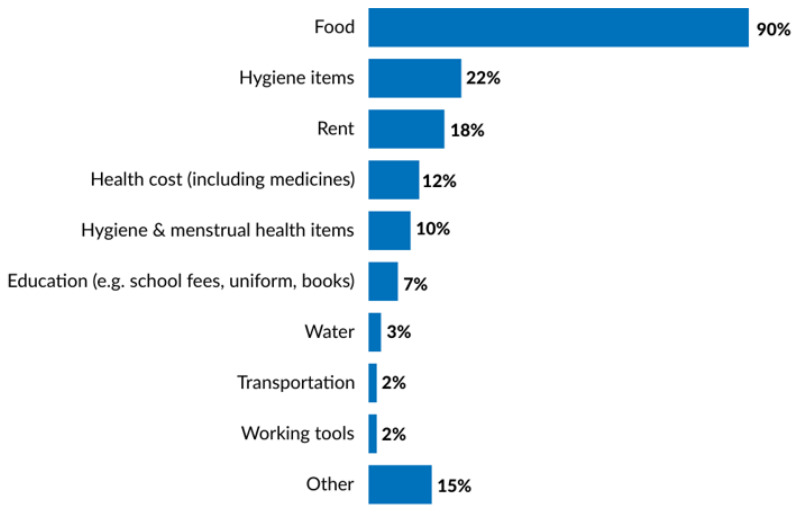
Chart 5: Different poor services experienced



Markets and Prices

According to the data collected, the economic environment was favorable in terms of market access, as almost all households were able to find the items or services they needed (90,1%) and with the right quality (90%).

Chart 6: What items/services have increased in price?

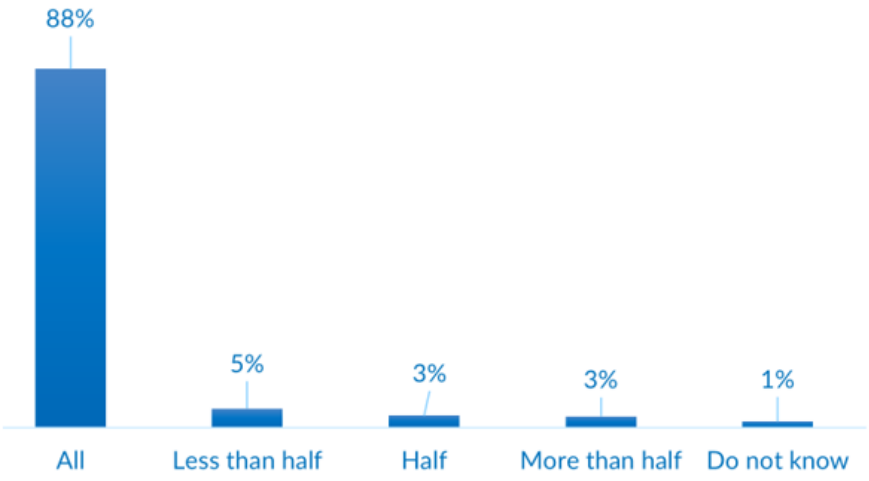


However, in addition to the availability of goods and services and even though the official inflation rate in 2024 is considered to be low (0,53%) similarly to what was observed in previous years and considering the national macroeconomic situation and the electricity crisis, 40% of households reported an increase in prices, especially food. Although the overall situation appears more challenging in 2024, the percentage of households reporting price increases has decreased compared to 2023, when it was 60%, but the overall cost of living remains a concern. It is important to acknowledge that price fluctuation of goods is normal in Ecuador, a country that relies on seasonal harvesting and imports. Items for which refugees also experienced price increase included hygiene items and rent.

Expenditures

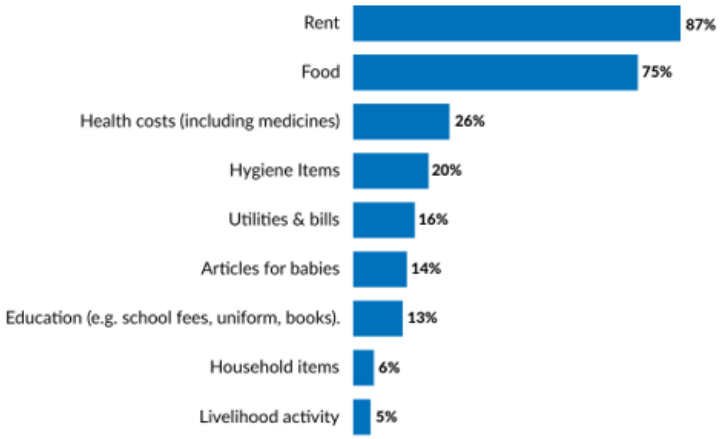
The data shows that most households (88%) had used most or all the assistance within this period (chart 7):4 to 6 weeks since receiving cash assistance.

Chart 7: Cash spent since last distribution



In terms of expenditure, as reflected in chart 8, recipient households used the cash assistance primarily for rent, food, health, hygiene items, and utilities like electricity and water. Assistance was less frequently used in articles for babies, education, household items, and livelihood activities. However, it is worth noting that education expenses vary throughout the year and their prioritization over other expenses may change, especially in May and September when the school year starts in different country regions.

Chart 8: What did you spend the UNHCR cash on?



These trends coincide with the 2024 JNA findings determined that 87.6% of the population with a long-term residence in the country lives in rental housing[3], with a national rent average of USD 138.00 (similar to the average mentioned by PDM respondents, which is around USD 148.00). However, this amount as per the JNA 2024 tends to be higher for households living in provinces like Azuay or Guayas, where rents can reach up to USD 152.00 and USD 161.00 per month. These last findings could explain why rent is the main expense reported by respondents (chart 8), followed by food as the second priority among household expenditure items, which aligns with spending trends, with food and rent being the top two items.

It is important to note that although the prepaid card offers various options for withdrawing or spending cash assistance, recipients preferred withdrawing the full amount at once via a regular ATM. This aligns with the most common use of the cash: paying rent. The average rent is USD 148.00, according to UNHCR monitoring, which could explain why recipients typically withdraw the entire sum at once rather than using the card for smaller transactions.

On the other hand, healthcare expenditure remains in third place during 2024 and 2023. This aligns with the percentage of households with a long-term residence in the country requiring access to healthcare, according to the 2024 JNA. Approximately 27% of the surveyed households have had some health-related need in the three months prior to the study[4]. Although access to healthcare in Ecuador is a constitutional right regardless of nationality and access should be granted and free for all individuals, the current reality is that households face administrative-organizational barriers related to how healthcare providers organize their services, including a lack of appointments or the availability of free medication. Hence, forcibly displaced people in a socioeconomic vulnerable situation cannot afford direct, indirect, or intangible costs of healthcare.

IMPACT OF CASH ASSISTANCE

Overall impact over living conditions

Multipurpose cash assistance[5] is essential to support households that have been forcibly displaced, particularly those just arriving who require additional aid to stabilize their immediate situation. Considering MPG is meant to help people forced to flee access basic services, data gathered suggests that 91% of households reported improvements in their

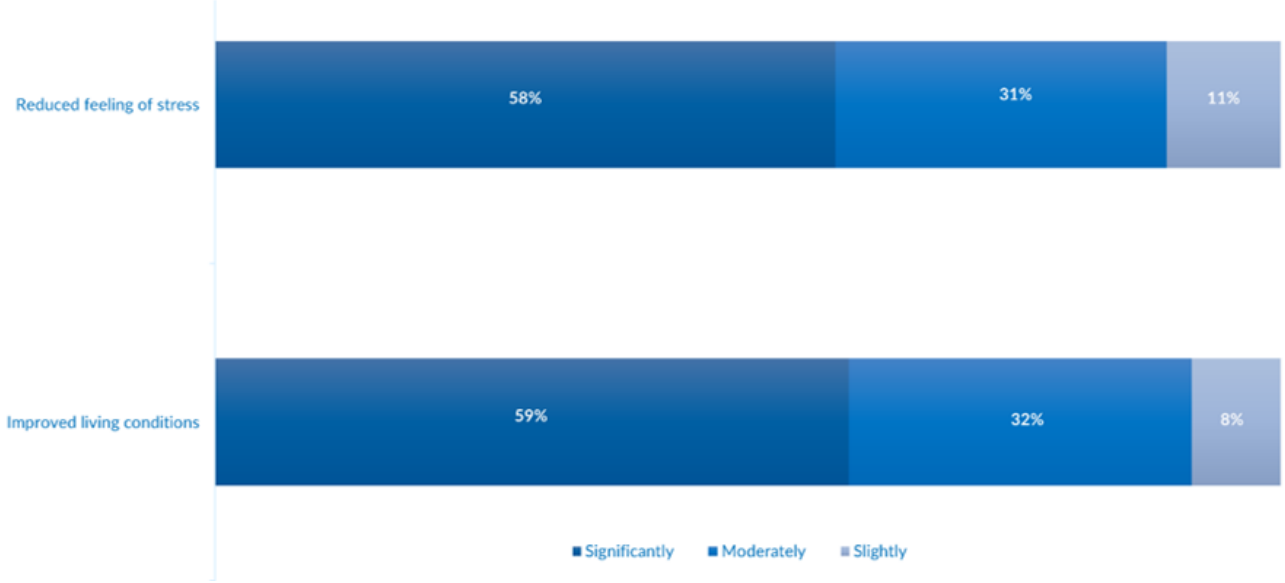
[3] R4V (October 2024). Plataforma de Coordinación para Refugiados y Migrantes de Venezuela: Evaluación Conjunta de Necesidades. Page 71. Available in: *https://www.r4v.info/es/document/evaluacion-conjunta-de-necesidades-2024*

[4] R4V (October 2024). Plataforma de Coordinación para Refugiados y Migrantes de Venezuela: Evaluación Conjunta de Necesidades. Pages 96-97. Available in: *https://www.r4v.info/es/document/evaluacion-conjunta-de-necesidades-2024*

[5] *The PDM survey only evaluates the ability of people forced to flee to cover basic needs using UNHCR cash assistance and does not reflect the additional support provided by WFP through food vouchers or other assistance from partners or NGOs, which increases biases in the shared information. Additional biases include situations involving medium to high-risk needs with significant socioeconomic vulnerabilities and the expectation of receiving another cash transfer.*

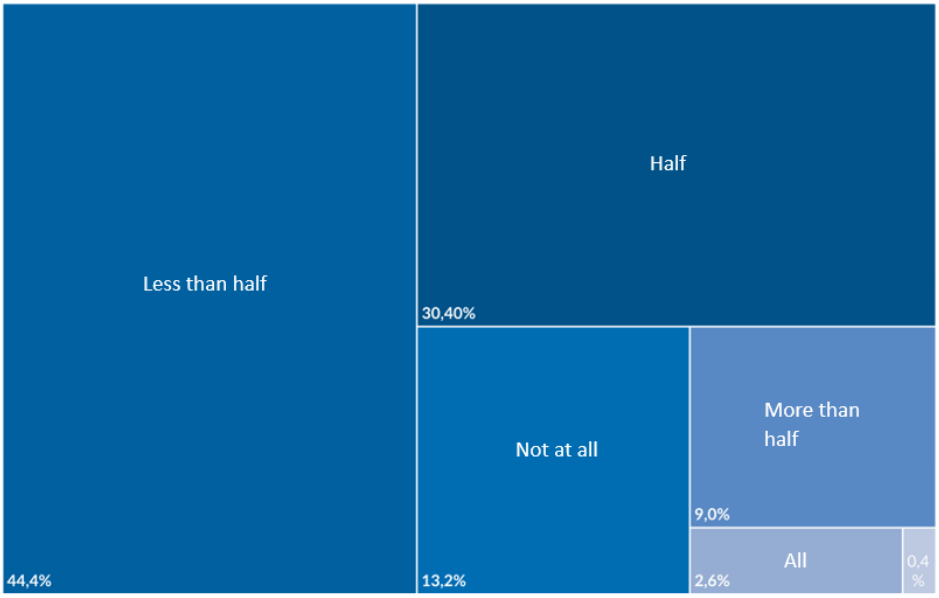
living conditions[6] (up from 83% in 2023), while 89% noted a reduction in stress levels (up from 76% in 2023), both of which are attributed to the cash assistance (chart 9). While less than half of respondents (42%) mentioned their families are able to meet at least half of their needs or more (chart 10), this percentage dropped from 52% in 2023, suggesting that increasing costs, particularly for essential goods and services, may be putting more pressure on household budgets, making it harder for families to meet all their needs despite the assistance they receive.

Chart 9: Contribution of cash assistance in different key impact areas



According to the Minimum Expenditure Basket (MEB) for Refugees and Migrants calculated in 2022, a family of four members required USD 853.00 per month, compared to the official national rate in 2024 of USD 804.79[7] (regular MEB) and USD 562.08 (vital MEB). Considering that the 2022 calculation is outdated, but the 2022 basket data remains relevant considering the inflation index in Ecuador, it is worth noting that the MEB for refugees and migrants is higher than the national average, as they face additional costs when settling in a new country and lack established support networks. Over the years, the various MEBs have consistently increased, without a corresponding increase in the amounts provided by humanitarian actors. UNHCR's

Chart 10: % of households meeting basic needs



[6] *Improve living conditions: refers to making changes or taking actions that enhance people's quality of life, meaning it improves their physical, mental, social, and economic well-being. This can include things like having better housing, improving health, education, employment, safety, and personal and social development opportunities.*

[7] INEC. (November 2024). Canasta Familiar Básica y Canasta Familiar Vital de la Economía Dolarizada. Pages 2. Available in: *https://www.ecuadorencifras.gob.ec/documentos/web-inec/Inflacion/canastas/2024/Noviembre/1.Informe_Ejecutivo_Canastas_Analiticas_nov_2024.pdf*

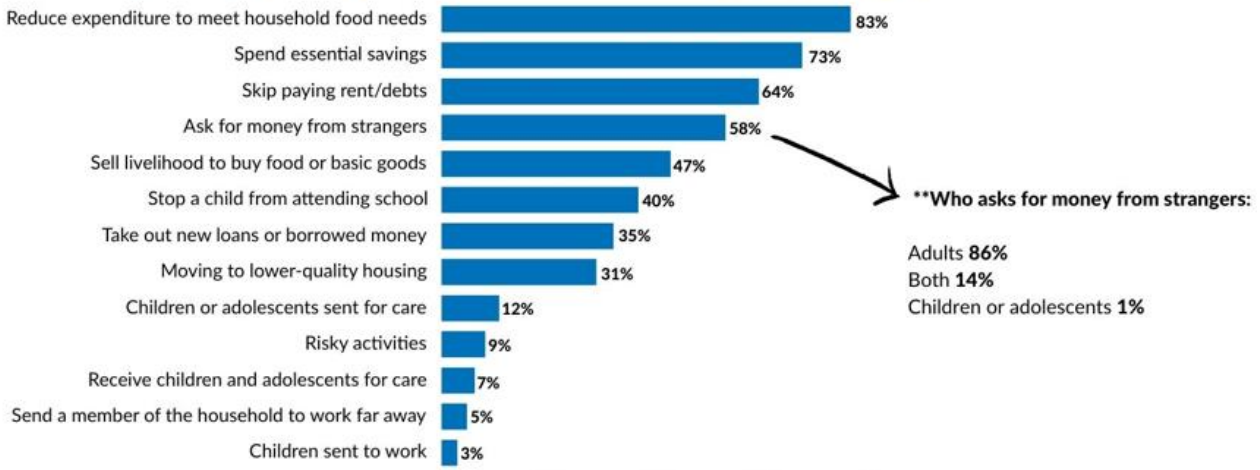
threshold is capped at USD 160.00 per month in order to align with cash transfers from public social protection programmes.

Coping Mechanisms:

From a protection perspective, understanding the extent to which individuals can meet their basic needs is crucial for assessing the potential risks of adopting strategies to cope with the lack of or limited access to resources. In 2024, 98% of households had to resort to one or more coping mechanisms[8]. This percentage has fluctuated over the years when PDM has been conducted, starting at 97% in 2020, decreasing to 88.4% in 2021, rising again to 95% in 2022, then 97% in 2023, and increasing once more to 98% in 2024.

According to the monitoring, 26% of households reported (more or less) engaging in coping mechanisms like child labour, hazardous work, begging, sex work or survival sex, child marriage, and exposure to risky movements. Moreover, in line with 2024 JNA estimates that 35% of refugee and migrant households in Ecuador resort to consuming less preferred, cheaper, and lower-quality foods, and reduce the number of meals and portion sizes[9], the PDM showed that 58% of assisted households had to turn to less preferred, lower-quality foods in the 7 days prior to the survey, prioritize food portions for children over adults, or even borrow food. Additionally, according to the JNA, 51% of households chose to use their savings to cope with financial stress[10]. Furthermore, overcrowding is a common coping strategy, with multiple families sharing limited living spaces—either with acquaintances or strangers—to reduce housing expenses. In 2024, as in previous years, households were forced to cut back on overall expenses to meet food needs, use up essential savings, or skip rent payments[11].

Chart 11: Top 13 coping strategies used (out of households using coping strategies)



[8] *Coping mechanisms are generally actions individuals may take to fulfill their urgent and/or essential needs, which, depending on the action, may expose them to greater protection risks. These actions may include extreme or negative mechanisms like resorting to sex work, survival sex, and child labour, hazardous work, or risky movements. These actions may also include consuming less preferred, cheaper, and lower-quality foods, and reduce the number of meals and portion sizes, prioritize food portions for children over adults, borrow food, use savings, begging, living in overcrowded conditions, selling businesses, skip rent payments, among other.*

[9] R4V (October 2024). Plataforma de Coordinación para Refugiados y Migrantes de Venezuela: Evaluación Conjunta de Necesidades. Page 47. Available in: *https://www.r4v.info/es/document/evaluacion-conjunta-de-necesidades-2024*

[10] R4V (October 2024). Plataforma de Coordinación para Refugiados y Migrantes de Venezuela: Evaluación Conjunta de Necesidades. Page 48. Available in: *https://www.r4v.info/es/document/evaluacion-conjunta-de-necesidades-2024*

11 According to the 2024 JNA report, the most common stress strategies include spending savings, purchasing food or other essentials on credit or borrowing them, selling personal belongings (such as jewelry, shoes, phones, TVs, refrigerators, etc.), and sending household members to eat with relatives/friends or to community kitchens. Crisis strategies involve withdrawing children from school to have them contribute financially to the household, selling productive assets or means of transportation (such as sewing machines, wheelbarrows, or bicycles), and cutting back on health, education, and clothing expenses. Emergency strategies include requesting money or donations and engaging in activities never previously considered. Among the households surveyed, 24.8% did not need to adopt any of these strategies. However, 69.2% resorted to stress strategies in the past month or had attempted to implement them in the past year but were unable to continue doing so. Meanwhile, 36.3% applied crisis strategies, and 29.3% employed emergency strategies.

UNHCR Ecuador closely monitors data on specific negative or extreme coping mechanisms, particularly those related to the prioritized profiles under the operation's protection strategy. In this regard, despite the increase in the percentage of households resorting to negative coping strategies, some improvements have been noted, such as reducing expenditure on food (-2 percentage points (pp) compared to 2023), skipping rent or debt payments (-1 pp compared to 2023), and sending children to work (-1 pp compared to 2023). However, increases were observed in other areas, such as asking for money from strangers (+13 pp compared to 2023), selling livelihoods equipment to purchase food or basic goods (+10 pp compared to 2023), and preventing children from attending school (+10 pp compared to 2023). It is important to note that, while categories such as 'asking for money from strangers' have increased during 2024, the percentage of households where both adults and children engage in this practice has decreased by 27 percentage points. In 2024, 86% of those who engage in this practice are only adults.

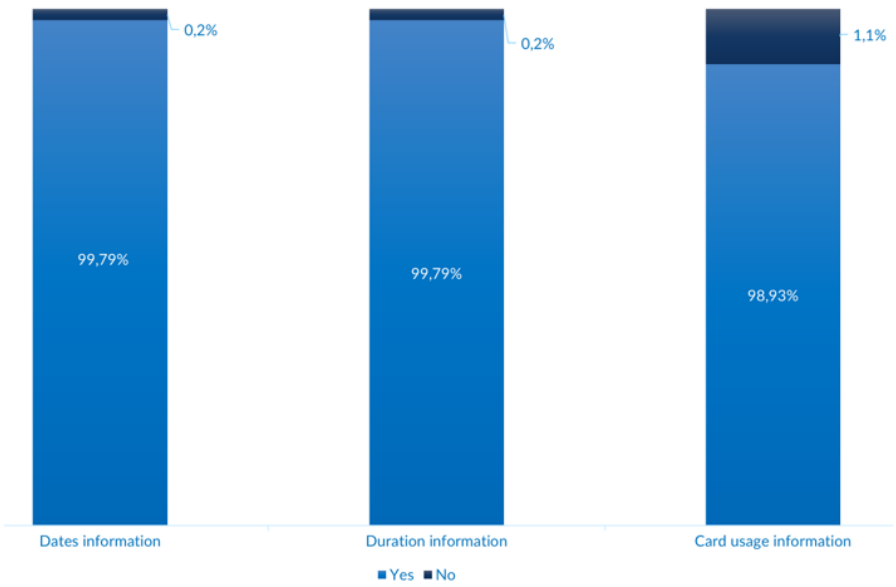
ACCOUNTABILITY TO AFFECTED POPULATIONS

In terms of accountability, communication, and satisfaction with the service, it is noteworthy that nearly 39% of households were informed about the cash assistance for basic needs through UNHCR staff, while 34% heard about it from their close networks, including family, friends, and neighbors. This aligns with the findings of the participatory assessment conducted by UNHCR in 2023, which highlights the crucial role that close networks play in the initial months after arrival in the country, helping to foster a safer environment, especially in a context of increasing violence and insecurity.

Compared to previous years, people are now more informed about how to provide suggestions, comments, or feedback regarding UNHCR's cash assistance. 62% of respondents know how to report such issues (58% as compared to 2023), whereas 38% are still unaware of the process (53% compared to 2023). While the proportion of those unaware of how to report remains high, it is important to note that only 2% of cases had reported or planned to submit a complaint or suggestion regarding cash assistance. When complaints were made or feedback was provided, the most common method was through UNHCR staff and the CBI hotline, which is one of the available options for recipients to contact UNHCR for various purposes, including complaints.

Overall, the quality of communication and attention between recipients and UNHCR staff during the cash assistance process was satisfactory in 99% of the cases. The information provided included cash assistance transfer dates, the duration of cash assistance and how to use the card to withdraw the money. (chart 12).

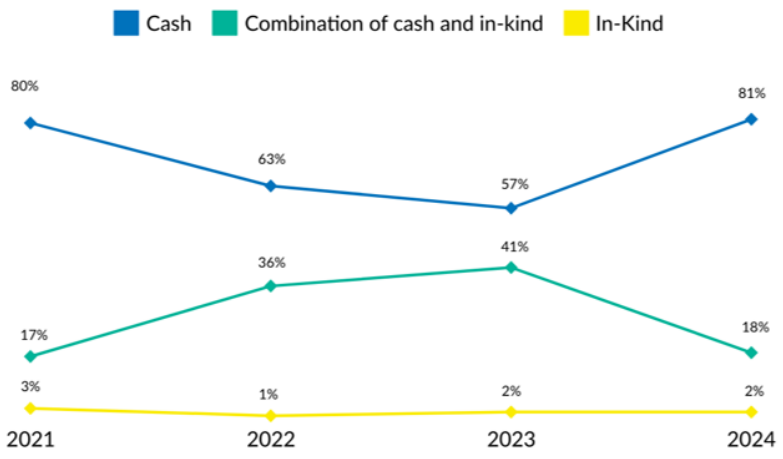
Chart 12: Cash Assistance Information



Preference of assistance modalities:

In terms of the modality of cash assistance provided by UNHCR, the monitoring exercise concluded that most recipients (81%) prefer cash, or even a combination of cash and in-kind or material assistance (18%) (chart 13). According to the data, there is a general preference for cash because of the versatility in its use and the freedom to prioritize their expenses according to their needs.

Chart 13: Households Preferred Modality



In 2023 and 2022, the preference for the combination of cash and in-kind assistance was higher, mainly due to a bias in the data collection process, as beneficiaries tended to believe that a combination of cash and in-kind meant they will receive the full amount in cash in addition to the in-kind aid. However, in reality, in-kind assistance substitutes part of the cash provided. This year, the preference for cash has increased again, returning to the levels seen in 2021, particularly due to adjustments in the way the question was asked.

CONCLUSIONS AND RECOMMENDATIONS

- **Positive Impact of Multipurpose Cash Assistance (MPG):** The provision of MPG continues to be a cornerstone of UNHCR's protection response for the most vulnerable displaced populations. In fact, results from the 2024 Post-Distribution Monitoring (PDM) show that households report improvements in their living conditions and stress levels thanks to the cash assistance. These findings reaffirm the central role that cash assistance plays in enhancing the wellbeing of those affected by forced displacement and their integration in the host country.

- **Success of the Prepaid Card Mechanism with Areas for Improvement:** The use of the prepaid card delivery mechanism has been successful, with most recipients able to freely and effectively use the cash to cover part of their basic needs. Efforts should continue to reduce and mitigate errors in using "Mi Vecino" network, in order to monitor and minimize issues reported by users of this service and maximize the benefits of having non-bank correspondents close to recipients.

- **Impact of National Economic Context on Assistance Effectiveness:** The economic challenges in Ecuador are affecting the purchasing power of recipients. While inflationary pressures have remained stable, particularly in key sectors such as food and housing, the limitations of cash assistance are becoming more apparent. This situation further underscores the need for UNHCR to review the adequacy of the current cash assistance amounts while keeping them within a comparable range to government assistance schemes in the country, which leaves little room for increase.

- **Increased Vulnerability Due to Insecurity and Changing Household Profiles:** The increasingly insecure environment in Ecuador is altering the profile of households in need, with more families experiencing heightened protection risks. These shifting dynamics suggest that a review of the targeting criteria and the cash-based intervention (CBI) protection risk matrix is necessary to ensure that the most vulnerable populations are effectively prioritized and supported.

- **The Role of Coordination with Other Humanitarian Actors**: Considering the growing needs, UNHCR should continue to strengthen coordination with other agencies and stakeholders providing cash assistance. By ensuring complementarity between different cash assistance programmes, particularly within the framework of the United Nations Cash Coordination System (UNCCS), UNHCR can maximize the impact of its interventions and reduce the risk of gaps in support.