

POST-DISTRIBUTION MONITORING

April 2023

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 and their preferred delivery mechanisms.

EXECUTIVE SUMMARY

The main Cash-Based Intervention (CBI) implemented in Ecuador is done through multipurpose cash grants (MPG) for targeted vulnerable cases to cover their basic needs. The implementation is done through UNHCR's implementing partner HIAS. According to the PDM 2022, the MPG contributed positively to the wellbeing of assisted households, helping improve their living conditions (86%) and reducing their feeling of stress (84%). Households did not experience major challenges accessing the assistance, and in those cases where problems appeared, these were generally related to the use of cardless ATM codes. 20% of the households felt at risk throughout the cash assistance cycle (collection, keeping and spending the cash assistance), mainly during the first phase, collection of cash assistance. Most of the risks are associated to security concerns like robberies. Despite the perception of risk, no incidents or problems related to physical integrity were reported, while problems experienced by some households were technical. Pertaining the use of the assistance, households prioritized rental payments in 77% of the cases, followed by food (43%) and health care (30%). In contrast with other data sources available in the country, like the GTRM Joint Needs Assessment, where food is the priority above all basic needs, the assumption is that the complementarity with WFP's cash assistance (food vouchers for relevant needs) allowed households to reserve UNHCR's cash assistance for rent and other basic needs. At the same time, most households experienced an increase in prices, especially for food, during the reporting period. Despite the positive impact of the programme, the proportion of households who can cover half or more of their needs with the cash assistance has gradually but constantly reduced throughout the years (58% in 2022). In this context, resorting to negative coping strategies has increased by 7 percentage points in 2022, and present in 95% of the households. Among the most alarming strategies adopted by recipients are nonpayment of rent, thus increasing risks of evictions, as well as removing children from school. Although these findings would require a deeper qualitative assessment, there is a nexus among all factors: increasing costs affect purchase power thus leading to negative coping strategies. Despite these challenges, cash remains the preferred modality for assistance among displaced people (99%). In 2023, the Operation in Ecuador is transitioning to direct CBI implementation through prepaid bank cards which are expected to reduce security incidents, among other risks. For the next PDMs, UNHCR will conduct focus group discussions to complement quantitative data collected through questionnaires as well as with GBV and child protection elements to ensure a more efficient feedback mechanism for the overall protection strategy.

CBI IN ECUADOR

Table 1: Transfer value breakdown

MPG for basic needs	
Family size	Total amount (3 months)
1	\$220
2	\$360
3 or more	\$460

The main cash-based intervention (CBI) implemented by UNHCR in Ecuador is the multipurpose cash assistance (MPG) to cover basic needs. The MPG for basic needs is provided to prioritized displaced people during three consecutive months with an average of USD460 per household (see Table 1). The amounts delivered vary according to the family size. The amount of the MPG for basic needs is calculated according to the Ecuadorian Vital Basket. In 2022, the total MPG budget for basic needs was USD1.795.140 for 4,656 assisted households. MPG for basic needs is provided to eligible households based on a specific socio-economic and protection-based scorecard which helps prioritize depending on the availability of funds. MPG for basic needs was delivered by HIAS either through cardless ATM codes or over the counter (OTC) mechanisms.

UNHCR Ecuador implements several other CBIs in different response areas, including livelihoods, child protection, community-based protection, education, and documentation. For the purpose of this exercise, the PDM only covers the implementation of MPG for basic needs.

PDM METHODOLOGY

To conduct the PDM, UNHCR Ecuador used a survey with a representative sample at national level. Surveys were conducted by an external provider through telephone calls using the corporate CBI PDM questionnaire adjusted to the specific context. Prior to the exercise, the provider was trained in basic protection criteria and CBI basic concepts. The universe considered to calculate the sample were all cases that received the three cash disbursement during the month prior to the data collection and the sample was defined with a 95% confidence level and 5% margin of error. The PDM exercise was conducted between October to December 2022 and January 2023. The data collection was conducted in the second part of each month, allowing recipients to use the money prior to the interview. Each case interviewed had between 4 and 6 weeks since the last disbursement of the cash assistance. To identify the cases and extract the randomized sample, UNHCR Ecuador used proGres V4 database. Also, the information was collected through Kobo Toolbox.

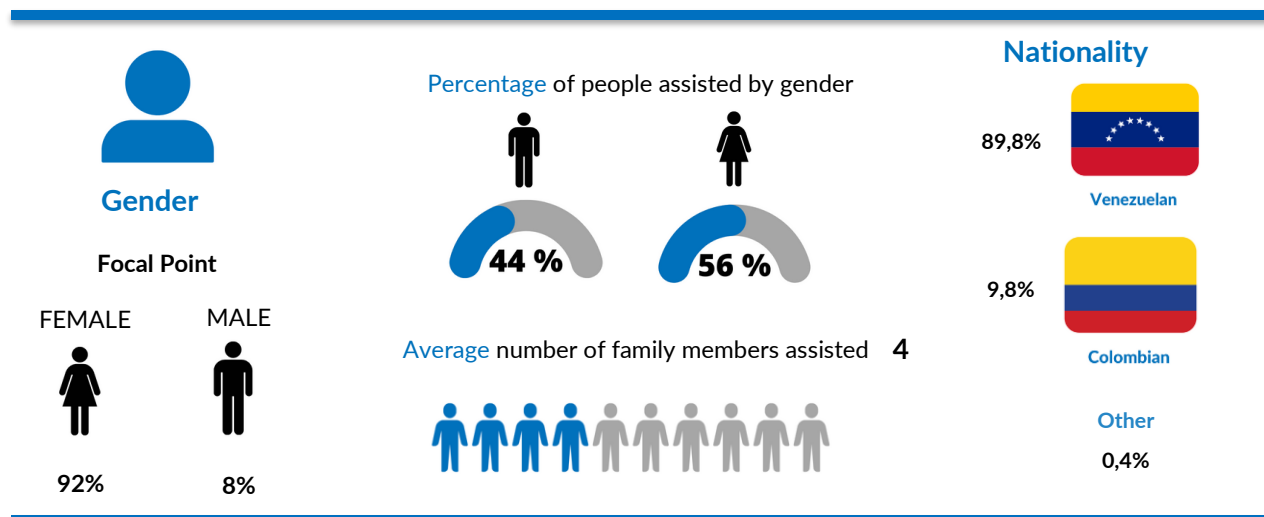
Table 2: Survey breakdown

	Universe	Sample	Total valid surveys conducted	Successful Call Rate
	95% confidence level, 5% margin of error			
October 22	360	195	164	84%
November 22	317	195	190	97%
December 22	137	137	80	58%
January 23	182	182	97	53%
TOTAL	940	709	531	75%

KEY FINDINGS

CHARACTERISTICS OF RESPONDENTS

Household Demographic Details

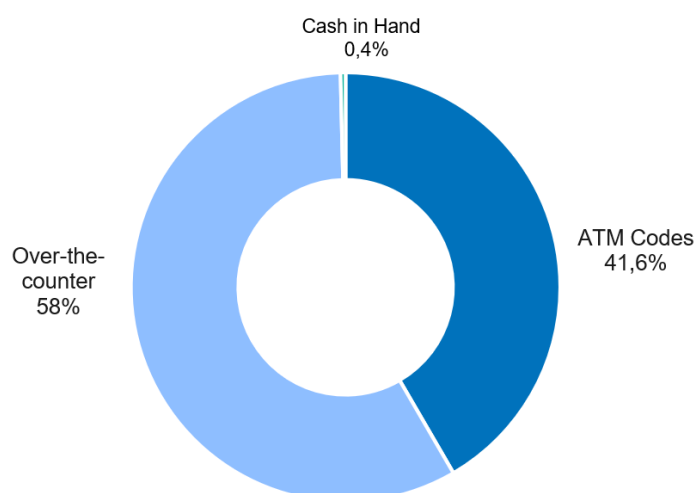


RECEIVING AND SPENDING CASH ASSISTANCE

Collecting Cash Assistance

Households were consulted on the different mechanisms used to receive the assistance. 41.6% withdrew the cash through ATM codes while 58% did it over the counter (Chart 1). The over-the-counter mechanism, implemented through Western Union (WU), was included in 2022 as an option for those cases with documentation accepted by WU. An additional 0.4% reported having received the cash in hand, mechanism used in exceptional cases when it is not possible to activate assistance through either of the two previously mentioned mechanisms.

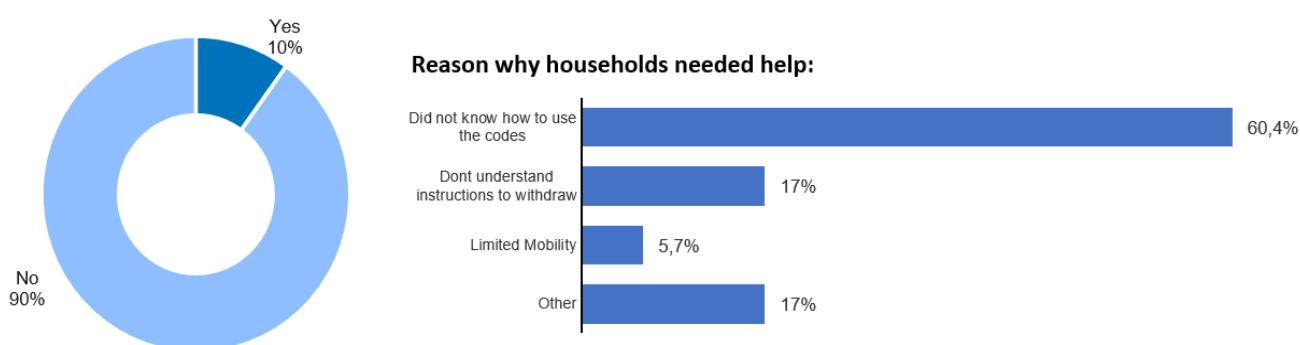
Chart 1: Mechanism used to receive the cash assistance



Spending Cash Assistance

When asked about challenges in accessing or spending the cash assistance, as shown in Chart 2, the vast majority did not need any help to withdraw cash, either through ATM codes or over-the-counter options. For those cases that needed help, issues were related to the overall ATM code mechanism process. As compared to 2021, there was a slight improvement from the 11.6% rate of households that needed help last year.

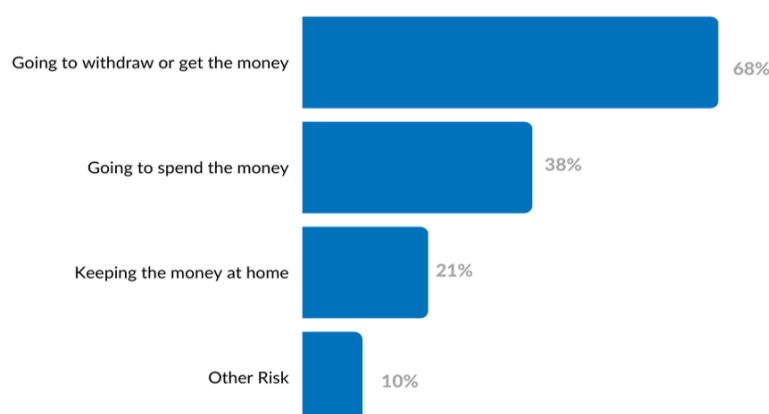
Chart 2: Households in need of help to withdraw or spend cash



Risks and Problems

The objective of this section is to verify whether people felt insecure at any point in the cash delivery process, either receiving or spending the cash assistance, as well as if, at any time, the cash assistance exposed recipients to specific risks.

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



Overall, around 21% of households felt at risk or unsafe and 17% experienced some sort of problem when receiving/withdrawing, spending, or saving cash assistance. The perception of risk was experienced by two thirds of the households while receiving the assistance (Chart 3). A significant percentage also reported feeling stressed while keeping the money at home. It is important to highlight that people receive the entire amount they are entitled for the month. In addition, due to the Know Your Customer (KYC)¹ policies of the final system, most displaced people cannot access formal saving mechanisms.

Among the 10% of those who identified other risks highlighted robberies or assaults in public

spaces; carrying money in hand; walking late at night to collect money; use of public transport due to insecurity on buses; among others such as ignorance and mistrust in the ATM system, or not understanding the withdrawal process.

On the other hand, in terms of problems experienced, these are generally related to access. The most recurring one is forgetting the password (cardless ATM withdrawal), as shown in Chart 4. Despite the risk perception, no households reported problems concerning their physical integrity, like robberies. According to the information collected by

¹ Know your Customer (KYC) is the mandatory process of identifying and verifying the client's identity done by a Financial Service Provider (FSP) like a bank.

UNHCR and HIAS, households resort to different strategies to mitigate risks, like using different ATMs, or withdrawing/collecting the cash in ATMs or over-the-counter providers in safer places like malls or big bank branches. At the same time, for those cases that faced poor services while withdrawing, the majority relates to the treatment received or the lack of assistance provided at financial branches, or technical problems at the ATMs (chart 5).

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

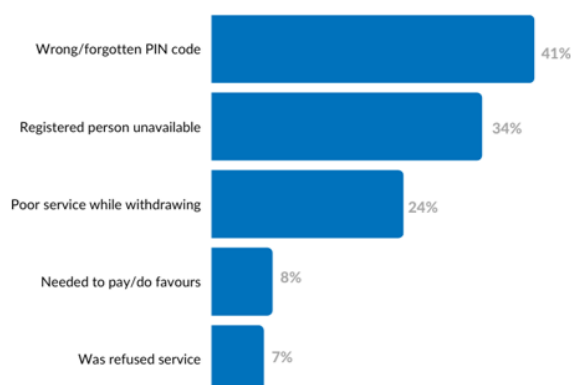
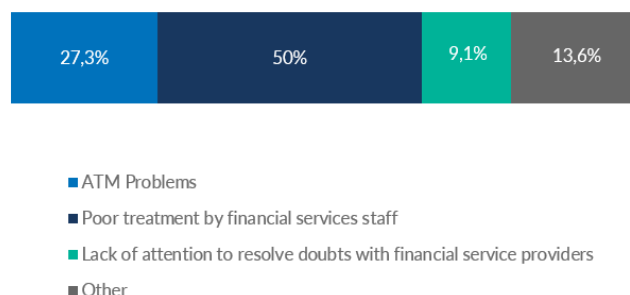


Chart 5: Different poor services experienced

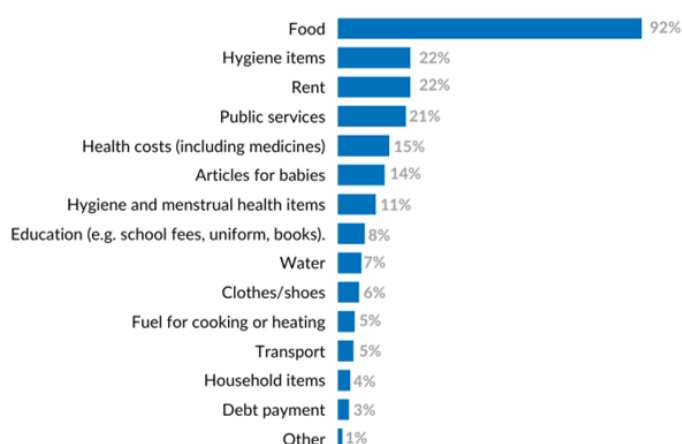


Markets and Prices

The purpose of this section is to explore the dynamics of the markets where refugees use the cash assistance. According to the data collected, markets are functional to the purpose, as almost all households were able to find the items or services they needed (98%) and of the right quality (99%). 53.5% of the households were also guided by UNHCR or HIAS staff in the different alternatives in terms of markets.

However, besides the availability of goods and services, more than half of the households reported an increase in prices (56%). As compared to 2021, the percentage grew by 16 percentage points (2021: 40%). Fluctuation in prices of goods is normal in Ecuador, a country that relies on seasonal harvesting and imports. In addition, in mid-2022 the country experienced a national strike during which all economic indicators reflected a significant price rise due to the impact over production, especially in food industry². Prices later stabilized after the strike ended. This is also reflected in the data collected through the PDM, which highlight a consensus on the price increase in food (chart 6). Another important element refugees experienced price increase was rent. It is possible that the increase perceived in rent payments relate to the post-pandemic context, given that during 2020 and 2021, rent costs dropped and started rising again in general rental housing market once restrictions reduced in 2022.

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

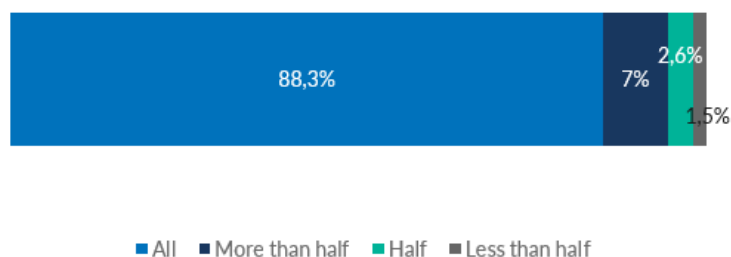


² Estimación de pérdidas y daños ocasionados por el paro nacional de junio de 2022. Available in <https://www.bce.fin.ec/publicaciones/editoriales/estimacion-de-perdidas-y-danos-ocasionados-por-el-paro-nacional-de-junio-de-2022>

Expenditures

This section explores the consumption trend of assisted households, considering their purchase power and main expenditures. Given the methodology of the PDM that covers 4 weeks between receiving the cash assistance and survey collection, the data reflects that most households spent all the assistance within the mentioned timeframe (chart 9).

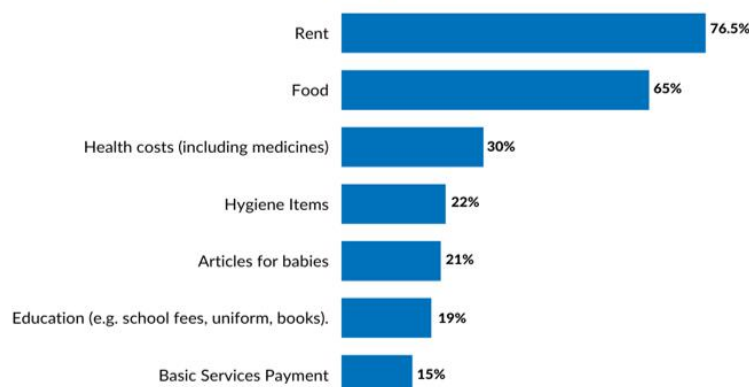
Chart 7: Cash spent since the last distribution



In terms of expenditure, as reflected in chart 8, the most common needs the households cover with the cash assistance are housing, food, health, education, and basic services like electricity and water.

As compared to the Joint Needs Assessment (JNA)³, a variation of urgent needs and expenditures was identified. Where food is the top priority according to the JNA, followed by housing, according to UNHCR's PDM the cash assistance is spent mostly on rent. This could be related to the fact the UNHCR's MPG is complemented with a WFP food voucher. The complementarity of the assistance allows refugees to use the UNHCR cash assistance to prioritize items and services like rent, that cannot be covered with other types of assistance like a food voucher.

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



³ R4V (May 2022). Plataforma de Coordinación para Refugiados y Migrantes de Venezuela: Evaluación Conjunta de Necesidades. Pages 23-24. Available in: [GTRM Ecuador: Evaluación Conjunta Necesidades - Mayo 2022 | R4V](#)

RESULTS OF CASH ASSISTANCE

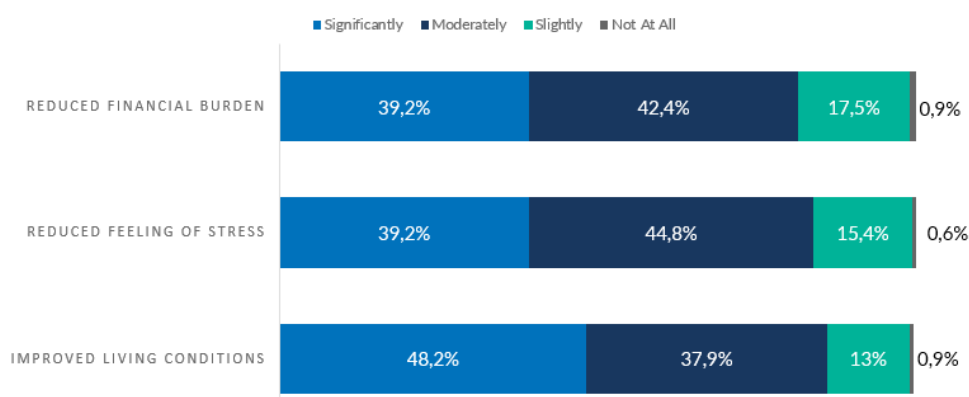
Objective of the intervention:

Multipurpose cash assistance plays a vital role in supporting refugee households. According to the data collected, 86% of the households reported improvements in their living conditions thanks to the cash assistance. Despite the high percentage, compared to the previous year, there was a reduction of 0.4 percentage points (2021 PDM comparable value: 99.5%).

In addition, in 84% of the cases, the cash assistance contributed to reduce the feeling of stress, compared to 97% recorded in 2021. The impact of the cash assistance in the feeling of stress has multiple benefits. According to a study carried out by UNHCR in 2018, where monetary transfers are analyzed with a gender approach “cash transfers play a fundamental role for women and their families, especially in the phase of arrival and insertion in the host country because they help to reduce the tensions caused by poverty and precariousness in which they find themselves; as well as to reduce conflicts that tend to exacerbate violence against women. Therefore, the cash assistance can become a protective factor against the vulnerability in which refugee women find themselves, especially in the settlement phase”⁴.

In addition, in 82% of the cases, the cash assistance contributed to reduce the financial burden, compared to 99% in 2021.⁵

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

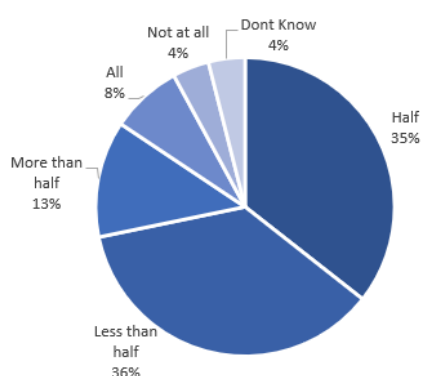
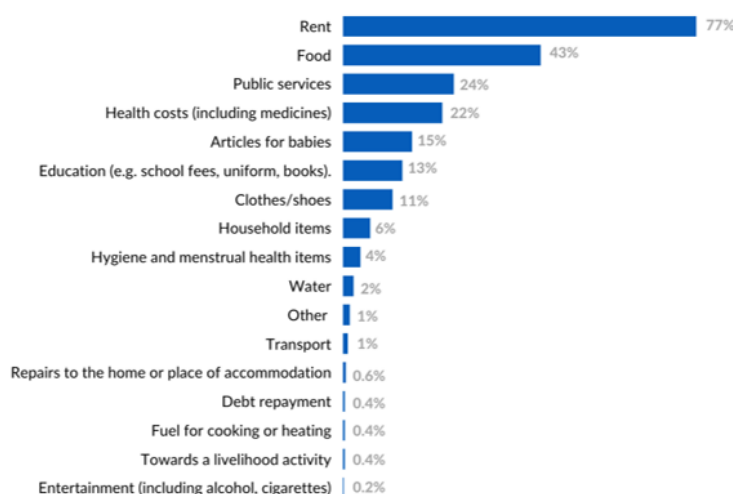


Considering the main objective of the multipurpose grant is to cover the basic needs of targeted households, in 2022 the percentage of families who were able to cover at least half of their needs reduced from 84.5% in 2021 to 56% in 2022. It is important to highlight that the PDM covers only the capacity to cover basic needs using the UNHCR cash assistance and does not reflect the complementary assistance provided by WFP through food vouchers.

Considering the goods and services that the households are not able to cover with the cash assistance (chart 10), rent is the most recurrent, as mentioned by more than three quarters of the cases. This finding shows that housing rent payment is the main item in which households invest the cash assistance and, at the same time, the item that is not fully covered by the assistance.

⁴ Case study conducted by UNHCR in 2018, “Efectivo sobre la violencia sexual y violencia basada en género (como parte del Modelo de Graduación)”, page 41, Ecuador.

⁵ Post Monitoring Distribution in 2021. Page 9, Ecuador.

Chart 10: % of households meeting basic needs

Table 12.1. Basic needs the households cannot afford?


It is worth noting potential bias while collecting such information, as per the following elements:

- Being in situations with specific needs of medium and high risk with significant socioeconomic vulnerabilities.
- Having an expectation of receiving another cash delivery.

In addition, it is important to factor the economic situation in the country within the analysis. Living costs are rapidly increasing in Ecuador. As per the Minimum Expenditure Basket (MEB) for Refugees and Migrants calculated in 2022, the amount of cash needed on monthly basis for a family of 4 members was USD853⁶. The MEB has constantly increased throughout the years, without a parallel increase in the values transferred by humanitarian actors. UNHCR's threshold is set at a maximum of USD160 per month in order to align with the cash transfer of the public social protection programmes, avoiding the risk of tensions among refugees and host communities.

Use of coping mechanisms:

From a protection point of view, knowing the extent to which people can cover their basic needs is relevant considering the risks of resorting to negative coping mechanisms. In 2022, the percentage of households that had to implement one or more negative coping mechanisms despite receiving cash assistance was of 95.2%. This percentage varied through the different years in which PDM have been conducted, moving from 97% in 2020, to 88,4% in 2021 and increasing again in 2022.

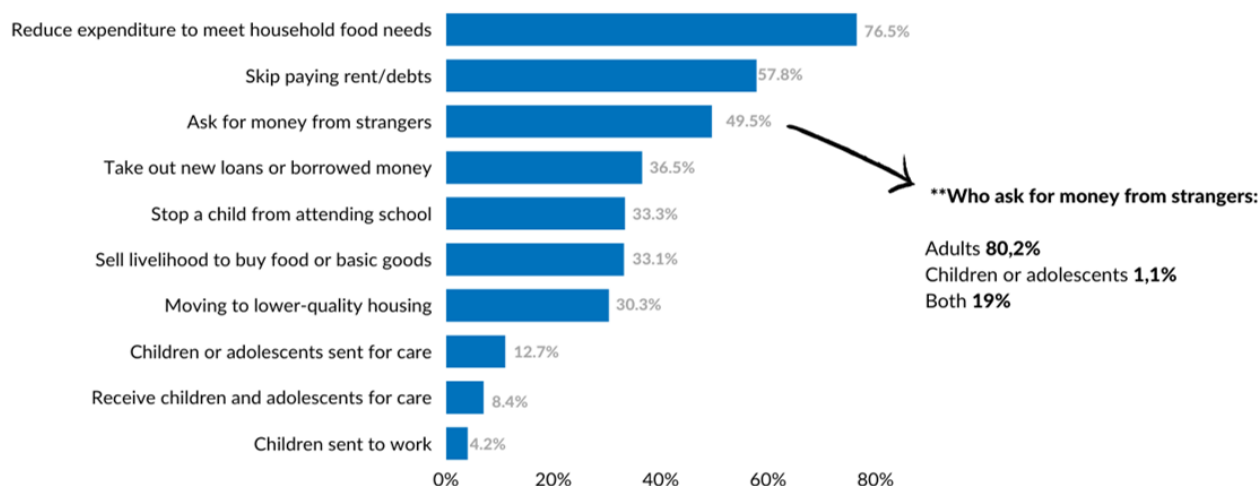
To better understand this section, it is important to assess what a negative coping mechanism is according to UNHCR. These are extreme or desperate measures that a person can take to meet their urgent and/or priority needs where the result exposes them to greater protection risks. *"Vulnerable people are more likely to engage in risky coping strategies, including illegal and criminal activities such as prostitution, smuggling, survival sex, and child labor"*⁷. Additionally, resorting to overcrowding is common, where several families share reduced spaces with other known or unknown families to lower housing costs. Families can also face extortion or dependency on humanitarian aid by having to sell their work tools and not being able to produce an income on their own to meet their basic needs.

⁶ R4V (September 2022). Informe: Compresión de la Canasta Básica de Gasto Mínimo para Refugiados y Migrantes en Ecuador". Pages 21-22. Available in: <https://www.r4v.info/es/document/gtrm-ecuador-canasta-basica>

⁷ Case study conducted by UNHCR in 2018, *"Efectivo sobre la violencia sexual y violencia basada en género (como parte del Modelo de Graduación)"*, page 41, Ecuador.

In 2022, households had to reduce general expenditures to meet food needs or skip the rent payments. This coincides with the consumption trends that set rent and food as the main priorities but also the main items they cannot be fully meet. Skipping housing rent payments can heighten the risk of eviction, exposing households to additional protection risks.

Chart 11: Top 10 coping strategies used (out of households using coping strategies)



The Ecuador Operation closely monitors data of specific negative coping mechanisms, especially those related to the profiles prioritized under the strategic and protection priorities. In this sense, comparing with 2021, the following were observed:

- An increase of 7.5 percentage points in the reduction of expenditure to meet household food needs (69% PDM 2021)
- An increase of 13 percentage points in skipping the rent payments or debts to satisfy other needs (45% PDM 2021)
- An increase of 21 percentage points in stopping children/adolescents from attending school (12% PDM 2021).

Considering the alarming finding related to school attendance, it is important to mention that during 2021 the education system relied on virtual/online classes, which had different associated costs compared to in-person classes. Where costs of transportation, for example, reduced during online classes, cost of internet increased.

ACCOUNTABILITY TO AFFECTED PERSONS

In terms of accountability, including communication and satisfaction, it can be noted that most of the cases (66% of the households) learned of the possibility to access cash assistance for basic needs from their closer networks, which include relatives, friends and neighbors. This is in line with the finding of the participatory assessment conducted by UNHCR in 2022, which reflects the key role of primary networks during the first months after arriving in the country⁸.

In line with previous years, refugees still face barriers in reporting complaints and providing feedback on cash assistance. According to the data, 86% of the households does not know how to access these services while only 14% do. When the households know how to report claims or provide feedback, the most known channel is the hotline,

⁸ UNHCR (March 2023). Operational Data Portal. Ecuador: Informe de Resultados de los Diagnósticos Participativos. Available in: <https://data.unhcr.org/en/documents/details/99905>

which indeed is one of the options through which refugees can contact UNHCR or HIAS for different purposes, including for complaints and feedback.

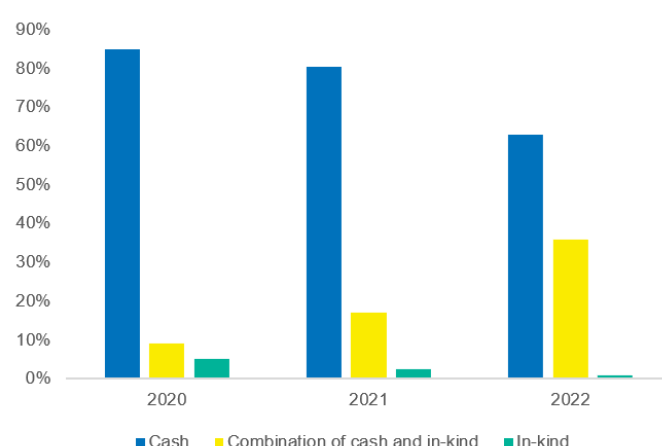
Knowing the complaints and feedback mechanisms (CFMs) is an essential part of the response, reason why the operation monitors closely how the data evolves throughout the year. In this sense, after an improvement between 2020 and 2021 from 9% to 17.5% of households being aware of CFMs, in 2022 the percentage decreased to 14%. It is important to consider that this data reflects only whether households are aware of the CFMs, not the need to access such services. As a matter of fact, only 2% of the households reported or planned to report a claim or suggestion about the cash assistance.

Within the accountability component, the interaction between refugees and staff from HIAS and UNHCR during the cash assistance process is also assessed. The data reflects a positive interaction, having 99% rate of satisfaction from the households.

Preference on assistance modalities:

In line with all the information collected during the PDM and reflected throughout this report, the operation also monitors the households' preferred modality to receive assistance, i.e., cash and in-kind. In line with all monitoring conducted in Ecuador during these years, most households identified cash as their preferred option, as reflected in chart 12. It can be noted that the preference over cash only reduced as compared to previous years, while the combination of cash/in-kind increased. This variation was indeed identified after the first round of interviews. Considering the Ecuador trends in terms of preferences, a rapid review with the providers in charge of collecting the data was done and a mistake was identified while interviewing the households. The question was misunderstood in terms of answer options, as the cash/in-kind combination one was understood with in-kinds on top of cash assistance and not a combination. The interviewers and UNHCR did the proper adjustments to ensure a clear message was provided while conducting the questionnaire.

Chart 12: Households' Preferred Modality



CONCLUSIONS AND RECOMMENDATIONS

- The provision of multipurpose cash assistance (MPG) plays a key role in the protection response UNHCR provides to the most vulnerable cases. The improvement of living conditions as well as the reduction of stress and of the financial burden indicate a clear positive impact in the wellbeing of assisted households.
- The households use cash assistance for the purpose the MPG was designed for, i.e. basic needs. Among them, housing rent payments represent the most common and prioritized need to cover with UNHCR cash assistance. Despite that, the cash assistance is used to cover a wide range of basic needs (rent, food, hygiene items, health costs, basic services, etc.), thus the need to keep cash assistance as multipurpose. From the market perspective, Ecuador has a feasible environment and a functional market chain to implement CBI.
- Although cash assistance positively contributes to cover basic needs, the extent to which families can cover at least half of their basic needs is reducing year by year. This finding, together with the documented increasing living costs, indicate the need to update transfer amounts. The operation would need to analyze whether to maintain the alignment with the national social protection transfer amounts (which have not been updated in recent years) or to focus on more evidence-based, market and needs oriented alternatives,

including the associated risk that this latter option can bring. The clear prevalence of rent payment could be considered as the key need to justify the analysis and update.

- Based on the evolving context in Ecuador in terms of security and based on the risk of robberies and extortion perceived by refugees, the MFT suggests investigating more on this topic to better address and mitigate risks.
- Aligned to the previous point related to insecurity and possible mitigation measures, the operation introduced bank prepaid cards as a new delivery mechanism within the roll out of the CBI direct implementation in 2023. This served to avoid exposing recipients to robberies by turning less visible the provision of cash. In addition, the use of prepaid cards provide flexibility in withdrawal amounts, avoiding the need to collect the cash all at once as with the cardless ATM codes and over-the-counter mechanisms.
- Risks related to GBV were not properly captured in the PDM, although the intervention is designed to prioritize women members of the households. For future PDM, it is recommended to include more gender and GBV oriented questions to provide both quantitative and qualitative information on this regard.
- Protection risks and negative coping mechanisms related to child protection, including school attendance, represent a strong concern for the operation. Considering the positive impact of the cash assistance to the families, it is recommended to include this type of assistance (basic needs) and modality (cash multipurpose) within programmes focused on improving child protection.
- Contacting targeted households represents a main challenge. Although assisted families have been in contact with HIAS or UNHCR throughout the assistance period, the recall rate after the assistance cycle dropped significantly which affected data collection. The recall rate affects not only the cash distribution but also several UNHCR activities. There are multiple factors to consider, including high mobility in search of livelihood opportunities and recurrent phone number changes among refugees. This gap might also relate to cross-border movements, even though further data is needed to verify this assumption. The use of bank cards under CBI direct implementation would support data collection as UNHCR will be able to track distributed cards.
- The data collected through the questionnaire gave relevant and key information. Nevertheless, during the analysis, further information was needed to clearly understand the trends. The complementary data focused on qualitative information that cannot be obtained with a questionnaire is required. Conducting participatory discussions is highly recommended for future PDM exercises, on prioritized topics like security risks linked to the cash cycle, GBV and education. UNHCR will try to include focus groups for the PDM planned for 2023 depending on available resources.