CASH ASSISTANCE GUATEMALA

POST-DISTRIBUTION MONITORING (PDM) REPORT

OVERVIEW

The report presents the findings of a Post-Distribution Monitoring (PDM) exercise conducted by UNHCR, the UN Refugee Agency, in Guatemala. The PDM involved interviews with 121 households that received cash assistance between August and October 2022. The document provides valuable insights into various aspects of the program, including its process, implementation, outcomes of cash usage, negative coping mechanisms, protection aspects, market context, and communication and feedback mechanisms.

Moreover, the report serves as a crucial tool for monitoring and evaluating the program’s effectiveness, offering a comprehensive analysis of the impact of cash assistance in Guatemala. By equipping UNHCR with this valuable information, the results presented in this document enable the organization to make informed decisions and enhance the program’s overall effectiveness.

POST-DISTRIBUTION MONITORING (PDM) IN GUATEMALA

Guatemala is situated in Central America and shares borders with Mexico, El Salvador, Honduras, and Belize. The country serves as a transit point for mixed movements of refugees and migrants and a critical destination for asylum-seekers. Also, within its borders, many Guatemalans are exposed to various risks, such as insecurity, violence, and a lack of sustainable livelihoods, which drives them to seek international protection. Guatemala also receives a substantial number of returnees, who frequently arrive in situations of high vulnerability.

In 2022, UNHCR in Guatemala focused its efforts on four main pillars: protection and prevention, access to basic needs and livelihoods, forming a comprehensive strategy for protection, and durable solutions. The cash assistance program, initiated in May 2020 as an emergency humanitarian response, aims to cover essential needs such as food, hygiene items, utilities, and rental support. Beneficiaries receive monthly multi-purpose cash grants for a specified duration (3, 6, or 10 months), with the transfer value based on household size, averaging $350 per month.

Initially targeting refugees and asylum-seekers, the cash assistance program expanded in September 2020 to include Guatemalans needing international protection, particularly those resettled in third countries. A specific needs assessment scorecard is used to prioritize households in greatest need of financial assistance and determine the duration of support.

To distribute the assistance, UNHCR worked through a contract with the Banrural, the bank with the most comprehensive geographical coverage in Guatemala and preferred by several humanitarian organizations and programs. As national regulations require a valid international or national ID to collect money from national financial service providers, UNHCR provided beneficiaries of the cash assistance program with a UNHCR-issued ID card. This allows them to collect cash over the counter at Banrural branches.

To comply with national regulations requiring valid international or national IDs for money collection at the national financial service provider, the beneficiaries of the cash assistance for basic needs program receive a UNHCR-issued ID card. This allows them to collect cash over the counter at Banrural branches, ensuring efficient and transparent assistance distribution to those in need.

The PDM exercise was conducted with 121 households (460 individuals), showing positive outcomes such as improved living conditions and reduced stress levels. The participants in the PDM exercise comprised 63% women, 36% men, and 1% identifying as others. Breaking it down by nationality, 73% of beneficiaries were Guatemalans, 12% were from El Salvador, 8% from Honduras, 4% from Nicaragua, and 3% from other nationalities.

The program achieved its objectives significantly, with 95% of households reporting significant or moderate improvements in living conditions and 88% experiencing a stress reduction. While 29% of beneficiaries could cover all their basic needs with cash assistance, 49% could cover more than half. However, it is concerning that 61% of households still relied on one or more negative coping strategies to cover their expenses.
METHODOLOGY

In November 2022, primary household data was collected through remote household surveys using a questionnaire designed in Kobo based on the global UNHCR PDM tool. Due to Covid-19 related restrictions and risks, in-person interviews, home visits, and focus groups were not conducted. Instead, eight UNHCR staff members, who were not connected to the cash assistance program, were designated as enumerators to collect data. These enumerators received training on interview techniques, referral mechanisms, and the use of Kobo for recording survey responses, as well as spreadsheets for monitoring the progress of the data collection phase.

An Age-Gender-Diversity approach was applied to ensure representation. The sample size was calculated with a 95% confidence level and a 7% confidence interval for each stratum. An additional 10% was included in the sample size to account for non-respondents. The household pool included all those who had received cash assistance between August and October 2022, as confirmed by reconciliation reports shared by the financial service provider.

KEY FINDINGS

1- Collecting Cash Assistance

Most households, accounting for 94%, reported receiving the expected amount of assistance, with 100% of beneficiaries being confirmed to have received the correct entitlement. The remaining 6% of households also received the correct amount, but they may have needed to understand the question about the amount they desired to receive.

Regarding the cash payment process, 99% of households received it as planned, while 27% needed help to collect the cash. The main reasons for requiring assistance were unclear instructions and limited mobility due to physical restrictions. Partner organizations primarily provided the necessary support, followed by UNHCR and Banrural staff.

2- Risks and Problems

In summary, the findings indicate an improvement in the feeling of risk associated with cash assistance, with 38% of households reporting feeling at risk, compared to higher rates in previous exercises (56% in November 2021, 78% in January 2021, and 80% in August 2020). Among the respondents, 28% felt unsafe while withdrawing money, with 16% attributing the risk to COVID-19. Additionally, 16% felt unsafe keeping the money at home, possibly due to the requirement of withdrawing the entire amount at once. Another 19% felt unsafe while spending the money, and 12% encountered other reasons causing them to feel at risk during withdrawal. Only 4% felt unsafe while deciding how to spend the money.

Regarding problems faced by beneficiary households during collection and spending, 27% encountered issues slightly higher than in the previous exercise. The difficulties included unavailability of the cardholder (10%) for working reasons or mobility challenges, poor bank service during withdrawal (12%), errors in withdrawal dates (5%), closed bank offices (2%), and some difficulties related to COVID-19 (4%). However, no fraud or abuse was detected in the delivery of assistance.

3- Other Income Sources

The exercise revealed that 40% of households engaged in informal income-generating activities, while 24% were involved in formal ones. A substantial proportion (39%) relied solely on UNHCR income, indicating limited support from friends, family, or the Guatemalan government. Additionally, financial help from friends was reported by 3% of refugees and asylum-seekers and 12% of Guatemala Resettlement Programme beneficiaries.

4- Markets and Prices

According to the study, a high percentage of respondents, 92%, reported being able to find key items and services in the markets when needed. In contrast, an even higher rate, 97%, reported finding items of the desired quality. However, some essential items such as hygiene items, medicines, and food items were reported as not readily available. Additionally, most beneficiaries, 84%, perceived an increase in prices, particularly in vegetables and condiments like corn, tomatoes, sugar, eggs, and oil.
Since February 2022, prices in the Minimum Expenditure Basket have risen by 14%, impacting not only beneficiaries’ expenditures and access to products but also affecting the host community and the local economy. This situation has contributed to decreased access to employment and an increased reliance on UNHCR support, as reflected in the responses recorded in the PDM. To address this, UNHCR Cash-based Intervention (CBI) Unit in Guatemala revised and updated the transfer values for the basic needs program beneficiaries, resulting in an overall increase in the transfer amount to better assist them during these challenging times.

5 - Expenditures

Overall, 99% of households allocated their money mainly to food, with health (65%), utilities (62%), hygiene items (58%), and rent (52%) also being everyday expenses. Refugees and asylum-seeker beneficiaries reported spending most on food (98%), rent (70%), health costs (57%), and hygiene products (46%). In comparison, Guatemala Resettlement Programme beneficiaries allocated funds to food (100%), utilities and bills (87%), health costs (70%), hygiene products (66%), and transportation (45%).

Notable differences between population groups were observed in rent and utilities, likely due to property ownership among many Guatemalans. A significant finding was that nearly two-thirds of respondents (65%) used their multi-purpose cash grants for health expenses, suggesting the need for complementary health programming. Only 31% spent part of their assistance on education, and a mere 4% were able to save some money, highlighting the challenges in breaking the poverty cycle and emphasizing the importance of livelihood programs, including cash assistance, where suitable.

RESULTS OF CASH ASSISTANCE

Overall, the cash assistance provided by UNHCR has had a positive impact on the living conditions, access to shelter, access to livelihoods, and reduction of stress among the surveyed populations. The main findings were:

a. Living Conditions: 95% of the respondents reported moderate or significant improvement in their living conditions due to receiving cash assistance from UNHCR. This is a considerable increase from the previous exercise, which had a figure of 91%.

b. Access to Shelter: 78% of the respondents reported moderate or significant improvement in their access to shelter. The ratio was the same for both populations, with 78% for refugees and asylum-seekers and 80% for Guatemala Resettlement Programme beneficiaries. This suggests that the refugee and asylum-seeker population rely heavily on UNHCR's assistance to cover their accommodation needs, while Guatemala Resettlement Programme beneficiaries, who own their houses, use the assistance for bills and utilities. In the previous exercise, this figure was only 38%.

c. Access to Livelihoods: 64% of the respondents reported moderate or significant improvement in their access to livelihoods. This indicates that the inflation crisis in Guatemala pushed beneficiaries to seek other sources of income. The figure for the previous exercise was much lower, at 35%.

d. Reduction in Feelings of Stress: 88% of the respondents reported a moderate or significant reduction in feelings of stress. This figure was 83% for refugees and asylum-seekers and 92% for Guatemala Resettlement Programme beneficiaries. In the previous exercise, it was 81%.

e. Meeting basic needs: Among the beneficiaries, 30% of households were able to meet all their basic needs, while 49% could meet more than half of their basic needs, and 11% could meet half of their basic needs. Only a small percentage, 8%, reported meeting less than half of their basic needs, and 2% stated that they fulfilled none of their basic needs. The main unmet needs varied among different beneficiary populations, but health costs (including medicines) and baby products were consistently mentioned at the top for each group. This highlights the need for targeted cash-based interventions in specific sectors, as these needs are not covered by the program objectives or included in the calculation of the transfer value.

f. Negative coping mechanisms: PDM findings indicate that 61% of households resorted to coping mechanisms, showing a concerning increase from the previous year’s figure of 48%. The top three coping mechanisms employed were reducing expenditure (43%), selling livelihood or assets (23%), and taking out new loans and borrowing money (21%). Additionally, respondents reported compromising food quality by consuming less preferred or cheaper foods, reducing portion sizes, and skipping meals. These results
illustrate the financial strain experienced by households and the measures they take to cope with basic needs and food insecurity.

ACCOUNTABILITY TO AFFECTED POPULATIONS

The cash assistance program offers two formal Complaints and Response Mechanisms (CRM) through a toll-free Banrural hotline and UNHCR’s all-purpose hotline. The latest survey found that 67% of beneficiaries were aware of how to make complaints or provide feedback about the program, marking a significant increase from the previous survey’s figure of 46%. This improvement reflects a better understanding among beneficiaries of the available channels to voice their concerns or give feedback.

Additionally, the survey indicated cash as the preferred assistance method, with 96% of respondents expressing a preference. Among them, 84% favored cash as the sole assistance modality, while 12% preferred a combination of cash and items. Only a small percentage, 4%, opted for other types of assistance, with 2% preferring in-kind aid and 2% choosing different modalities. Finally, to prevent misinformation, UNHCR takes proactive measures such as verifying information from other sources and distributing official printed or electronic materials that can be easily disseminated among the population.

CONCLUSIONS AND RECOMMENDATIONS

In this PDM, two population groups were assessed: refugees and asylum-seekers, and Guatemala Resettlement Programme beneficiaries - both faced limited challenges in accessing cash assistance despite geographical and infrastructural constraints in Guatemala. Beneficiaries felt less at risk when receiving and spending their cash assistance compared to previous exercises, but COVID-19 continued to pose withdrawal challenges. Informal and formal income sources were common among families, and a significant group relied solely on UNHCR assistance, highlighting the need for sustainable livelihood programs to improve their quality of life once cash assistance support ends.

Most beneficiaries spent their cash assistance on essential needs like food, utilities, health, and hygiene, with rent being a prominent expense for refugees and asylum-seekers. Health-related expenses were prevalent, suggesting a need for targeted support. While beneficiaries did not face issues with market accessibility and quality of items and services, many noted price increases in the past weeks — the UNHCR Cash-based Assistance (CBI) Unit in Guatemala updated transfer values in 2022 to address this.

The program’s objective of meeting beneficiaries’ basic needs was largely successful, with almost all reporting the ability to fulfil at least half of their essential needs through cash assistance, resulting in improved living conditions and reduced stress. However, coping mechanisms were still used by a significant portion of beneficiaries. Complaint mechanisms were well-known to two-thirds of the beneficiaries, indicating effective communication channels.

The PDM results underscored the importance of diversifying existing cash assistance programs to meet the specific needs of different beneficiary populations. Triangulating these findings with qualitative tools and coordinating with other units and partners is essential for comprehensive monitoring, diversifying cash assistance programs, and further improvement. In this sense, considering sectoral and emergency cash programming in the Guatemalan context may also be valuable for people with and for whom UNHCR works.

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For more information about this report or on how to support UNHCR’s cash assistance program, please contact:

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