APRIL 2024 - MARCH 2025

VALUE FOR MONEY YEAR 2 REPORT

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The SRF Consortium: The Dewral Project, The Rallier Project and The IRC Project

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Summary Lessons from SRF Project Partners Year 2

In the first two years (April 2023 to March 2025) of the Sahel Regional Fund, the DEWRAL, IRC, and RALLIER consortia partners analyzed the Cost Transfer Ratio (CTR, i.e., delivery cost for every pound of cash or in-kind food transferred) of multipurpose cash and food assistance (MPCA, including food vouchers and in-kind food distributions where cash transfers were not feasible).

In both years, the Sahel Regional Fund was able to reach 16,578 food-insecure households across Burkina Faso, Chad, Mali, and Niger with £2,621,246 of cash. For every £1 of cash transferred to recipient households, SRF spent £0.94 on delivery costs. This is in line with the efficiency of other cash programs in the Sahel region implemented by NGOs, suggesting that NGO fund management-led consortia can be as efficient as other grant funding mechanisms. Cash transfers were effective in improving the food security of recipient households: the median reduced Coping Strategy Index (rCSI) score went from 10.49 at baseline to 7.94 at endline.

Key findings:

1. For cash programs, the Cost Transfer Ratio (CTR, cost per pound of cash transferred) is a more meaningful metric of efficiency than cost per household as it is not conditioned by the amount of cash transferred per household.
2. SRF efficiency is in line with other cash programs in the Sahel region implemented by NGOs. This means NGO fund management-led consortia can be as efficient as other grant funding mechanisms.
3. Programs that transferred more cash had a lower CTR: the more cash transferred, the lower the CTR, the higher the efficiency. Limiting the number of outcomes to be achieved and limiting the number of interventions to be implemented can improve economies of scale and efficiency.
4. Context plays a partial role in efficiency, since the amount of cash transferred is partially determined by the transfer values in a specific context or country. Donors and implementers should assess CTR based on the context, not across countries or a universal benchmark.
5. Localisation requires investments in technical assistance, capacity building, and quality assurance during implementation. It is not an excuse for reducing operating costs.

6. Effectiveness is driven by multiple factors, such as the context and the design of programs. For cash-based interventions to improve food security and meet basic needs, transferring more cash to each household is likely to achieve better outcomes and effectiveness. Understanding and mitigating contextual factors can affect the effectiveness of the program.
7. SRF partners across different countries have a valuable opportunity to learn from one another, coordinate efforts, and align their technical approaches to cash distribution — including food vouchers and in-kind food distributions. Key areas for harmonization include the definition of Minimum Expenditure Basket (MEB), monthly cash transfer amounts per household, the duration of cash assistance, vulnerability scoring methodologies, and the measurement of FCS and rCSI indicators.
8. SRF was equitable in reaching vulnerable households that were highly food insecure. Burkina Faso and Mali showed high potential for locally-led responses.

Lessons learned include:

1. Assess VfM of UCT interventions using Cost Transfer Ratio, instead of cost per household.
2. Assess VfM of UCT interventions within similar contexts (e.g., transfer size or Minimum Expenditure Basket), not across countries or with a universal benchmark.
3. Design cash programs to be more efficient by maximising the amount of cash transferred, the number of households, the cash transfer size per household per month, and the months of cash provided per household. This means reserving a minimum efficient budget for cash programs.
4. Maintain at most 2–3 realistic and complementary outcomes in each project, with at most 2–3 highly impactful interventions implemented at scale in highly selective geographic locations for each outcome. This means reserving a minimum efficient budget for each intervention.
5. Coordinate the technical approach for determining the Minimum Expenditure Basket (MEB), cash transfer size per household per month, number of months of cash provided per household, and vulnerability scoring to maximize effectiveness and efficiency.
6. Integrate FCS and rCSI measurements in participant selection tools to improve identification of the most vulnerable people.
7. Reserve a larger budget figure to each local NGO to achieve larger scale (beyond assessing the proportion of consortium funds provided to all LNGOs), and reserve budget for capacity building and organizational strengthening.

INTRODUCTION

Protracted conflict, displacement, and climate shocks are driving humanitarian needs in the Sahel and Lake Chad Basin. To meet the basic needs of the most vulnerable people across Burkina Faso, Chad, Mali, and Niger, the Sahel Regional Fund (SRF) established three consortia projects: the Dewral project led by Catholic Relief Services (CRS), the IRC project led by the International Rescue Committee (IRC), and the RALLIER project led by Mercy Corps.

The three consortia projects assessed the Value for Money (VfM) of project implementation using multipurpose cash assistance (MPCA) as a representative intervention which is common across all consortia projects, encompasses a large proportion of the overall project budget, and has existing cost data from other projects implemented by non-governmental organisations (NGOs). Where cash transfers were not feasible (e.g., midway through project implementation in Burkina Faso), the consortia substituted the MPCA intervention with food vouchers and in-kind food distributions, which were included in this analysis.

The VfM analysis focused on analysing the economy, efficiency, effectiveness, and equity of the MPCA intervention to assess program performance, identify drivers of efficiency, and identify lessons to maximise reach and impact per pound spent

METHODOLOGY

This analysis used the actual costs, outputs, and outcomes of all three consortia projects across two years of implementation, between April 2023 to March 2025.

We assessed the Cost Transfer Ratio (CTR) of the MPCA intervention for each consortium project in each country of implementation, which represents the delivery cost incurred for every £1 of cash transferred to recipient households. This is calculated by dividing the total non-cash delivery costs of the intervention (excluding transfer value) over the total amount of cash transferred, in line with the common methodology outlined in the Grand Bargain Cash workstream guidance on Cost-Efficiency Analysis of Basic Needs Programs. The lower the CTR, the more delivery costs incurred for every unit of cash transferred, i.e., higher cost-efficiency.

$$\text{CTR} = \frac{\text{Total delivery costs}}{\text{Total cash transferred}} = \frac{\text{Total intervention costs - Total cash transferred}}{\text{Total cash transferred}}$$

Separately, we also assessed the **cost per household** of the UCT intervention for each consortium project in each country of implementation.

$$\text{Cost per household} = \frac{\text{Total intervention costs}}{\text{Total household reached}}$$

All costs include the retrospective actual financial costs from the implementer's perspective to implement the MPCA intervention, such as staffing, travel, materials, equipment, office expenses, consortium management, and other support costs and indirect costs. We standardised all costs to 2025 British pounds (GBP) for ease of comparison.

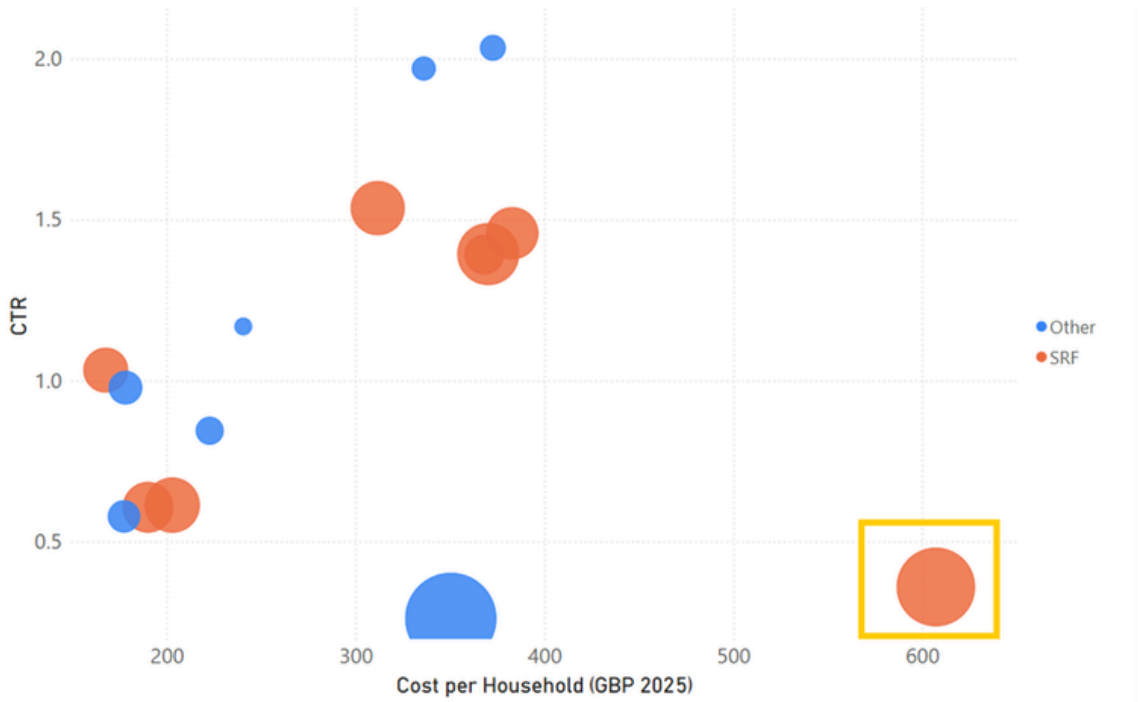
KEY FINDINGS

For cash programs, the Cost Transfer Ratio (CTR, cost per pound of cash transferred) is a more meaningful metric of efficiency than cost per household as it is not conditioned by the amount of cash transferred per household.

CTR measures the delivery cost to transfer every pound of cash to recipient households, while the cost per household depends on the amount of cash transferred to each household in each context. Typically, lower CTR and lower cost per household represent higher cost-efficiency.

Figure 1 compares the CTR and the cost per household for each consortia project in each country. The CTR is expressed in the Y axis, while the average cost per household is expressed in the X axis. The orange data points represent MPCA interventions implemented by the consortia projects in SRF, while the blue data points represent other cash programs in the Sahel region implemented by NGOs. The size of the bubbles represents the relative number of households.

Figure 1: CTR vs Cost per household for cash programs in the Sahel region.



In Figure 1, we did not observe a clear relationship between CTR and cost per household. In other words, lower CTR (e.g., better cost-efficiency) does not mean lower cost per household. This is because cost per household is a direct reflection of the amount of cash transferred to each household in each unique context.

For example, one Mali data point (outlined in the yellow box in Figure 1) showed a CTR of 0.36 (i.e., very low delivery cost per pound of cash transferred) while its cost per household was £607/household (i.e., relatively high cost per household, due to the high transfer value in that context and the high number of months of needs covered; see Annex). Assessing efficiency using cost per household would lead to the misleading and inaccurate conclusion that the Mali data point had low efficiency, even though its delivery cost per pound of cash transferred was low.

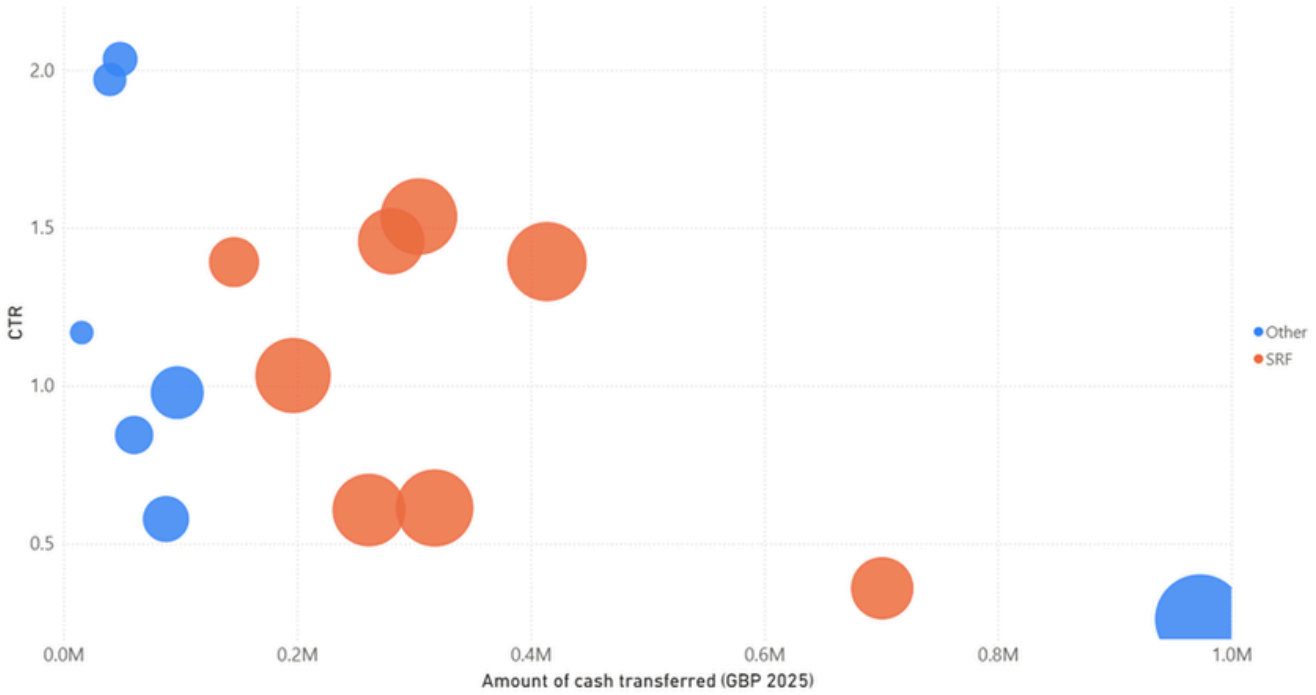
As such, the Cost Transfer Ratio is a more meaningful metric of efficiency of cash transfers. In future, donors and implementers should assess VfM of UCT interventions using Cost Transfer Ratio instead of cost per household.

SRF efficiency is in line with other cash programs in the Sahel region implemented by NGOs. This means NGO fund management-led consortia can be as efficient as other grant funding mechanisms.

The overall CTR for the Sahel Regional Fund was 0.94, which means the three consortia spent on average £0.94 in delivery costs to transfer £1 to recipient households.

Figure 2 compares the CTR and the total amount of cash transferred for each consortia project in each country. The CTR is expressed in the Y axis, while the total amount of cash transferred is expressed in the X axis. The orange data points represent MPCA interventions implemented by the consortia projects in SRF, while the blue data points represent other cash programs in the Sahel region implemented by NGOs. The size of the bubbles represents the relative number of households.

Figure 2: CTR vs Total amount of cash transferred for cash programs in the Sahel region.



We observed that the CTR of cash programs in the Sahel region can range between 0.26–2.03. Comparing the SRF data with existing data from other countries in the Sahel region, Figure 2 shows that the CTR of SRF (orange data points with CTR ranging between 0.36–1.54) is in line with other cash programs in the Sahel region implemented by NGOs (blue data points with CTR ranging between 0.26–2.03). This suggests that cash programs implemented by NGO fund management-led consortia can be as efficient as cash programs funded by other grant funding mechanisms in the same region.

Programs that transferred more cash had a lower CTR: the more cash transferred, the lower the CTR, the better the efficiency. Limiting the number of outcomes to be achieved and limiting the number of interventions to be implemented can improve economies of scale and efficiency.

When we put the SRF data into context with existing data from other countries in the Sahel region, we observed that for a given country, the more cash transferred, the lower the CTR, therefore the better the efficiency (Figure 3). For example, one MPCA intervention by a consortia project in Mali incurred a higher CTR (1.54) than the other intervention by another consortia project in the same country (0.36), partially because the former transferred a lower amount of cash (£304,187) compared to the latter (£700,954) (see Annex).

This corroborates existing evidence that the key drivers of efficiency of cash programs are the scale of interventions and transfer size, due to economies of scale.

As such, implementers can design cash programs to be more efficient by maximising the amount of cash transferred, the number of households, the cash transfer size per household per month, and the months of cash provided per household.

In the real world, cash programs cannot scale infinitely due to budget limitations, so there are limitations to scaling cash programs and other interventions.

Within the practical reality of budget limits, donors and implementers can avoid inefficiency in future projects by limiting the number of outcomes to be achieved and limiting the number of interventions to be implemented. This can allow each outcome and each intervention to achieve economies of scale and spread the program benefits and impacts across more people in need. If there are too many outcomes and interventions sharing a small fixed budget, it is unlikely that each intervention can achieve efficient scale.

Given limited aid budgets, we recommend donors and implementers maintain at most 2–3 realistic and complementary outcomes in each project, with at most 2–3 highly impactful interventions implemented at scale in highly selective geographic locations with the highest need within each outcome.

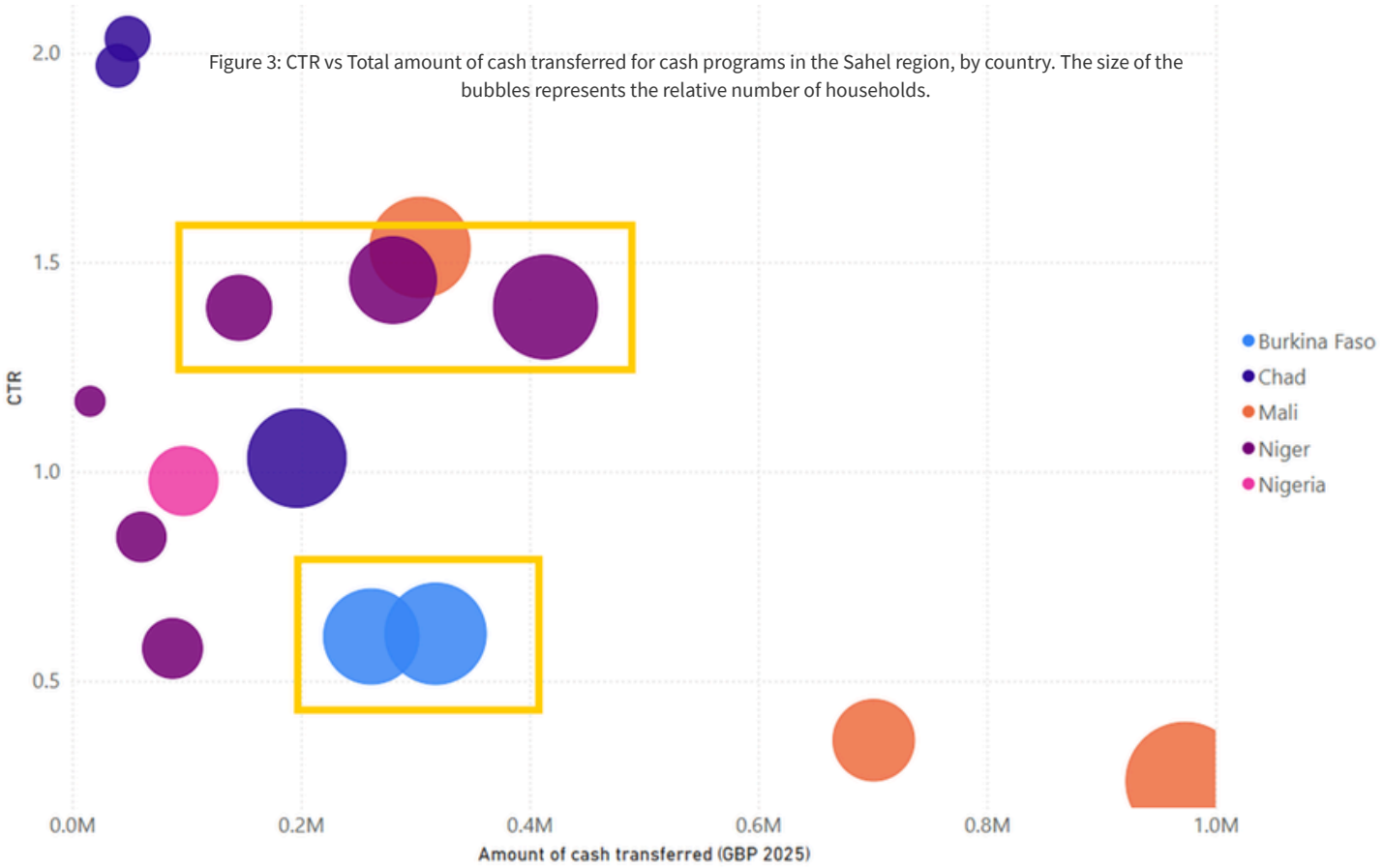


Figure 3: CTR vs Total amount of cash transferred for cash programs in the Sahel region, by country. The size of the bubbles represents the relative number of households.

Context plays a partial role in efficiency, since the amount of cash transferred is partially determined by the transfer values in a specific context or country. Donors and implementers should assess CTR based on the context, not across countries or a universal benchmark.

In Figure 3, we highlighted two clusters in yellow boxes, one cluster in Niger (violet data points) and one cluster in Burkina Faso (blue data points). Even though the amounts of cash transferred were at similar levels in both countries, the transfer values in Burkina Faso (between £65–£67 per household per month) were higher than in Niger (between £39–£52 per household per month) (see Annex), likely due to differences in local price levels. This means that the cash transferred to each household took up proportionally more of the cash program's overall cost per household in Burkina Faso compared to Niger, which partially enabled Burkina Faso to have lower CTR (around 1.4) than Niger (around 0.6).

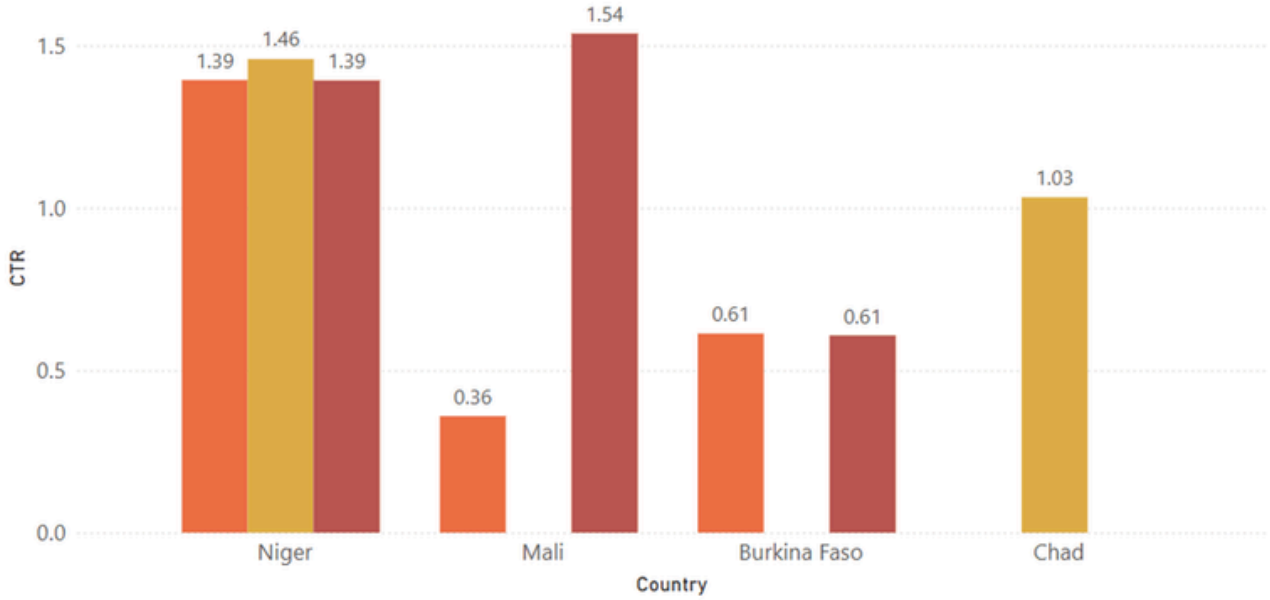
Our data suggests structural and contextual differences: even when MPCA interventions in different countries transferred similar amounts of cash, the CTR varied substantially between countries. This corroborates existing evidence that some variation in cash efficiency is driven by contextual features, which means donors and implementers should assess CTR from a contextual lens (e.g., based on transfer value or Minimum Expenditure Basket), rather than comparing CTR across countries or benchmarking against an unrealistic universal CTR.

Since contexts with low price levels (i.e., low transfer values or low Minimum Expenditure Basket) would typically look less efficient using the CTR metric, donors and implementers can improve efficiency in those contexts by considering blanket targeting and accepting some margin of error in household targeting rather than implementing extensive targeting activities.

In Niger, we hypothesize that potential economies of scale—leading to a lower CTR—might only materialise with significantly higher amounts of cash transferred, similar to the level transferred in Mali.

Localisation requires investments in technical assistance, capacity building, and quality assurance during implementation. It is not an excuse for reducing operating costs.

Figure 4: SRF CTR by country.



When we further disaggregate the data at the country level, the CTR ranged between 0.36–1.54, indicating large variation between MPCA interventions (Figure 2). In Mali, one intervention incurred higher CTR (1.54) than the other (0.36), because the former distributed less than half the amount of cash (£304,187) compared to the latter (£700,954) (see Annex). In addition, the former incurred additional costs to provide technical assistance and capacity building for local partners, and spent a longer time contracting local Financial Service Providers (FSPs) and defining cash distribution preferences for participants.

As such, we recommend donors and implementers to think more critically about the investments required to advance the localisation agenda, empower local actors to achieve larger scale, and change the historic underinvestment of local actors.

Effectiveness is driven by multiple factors, such as the context and the design of programs. For cash-based interventions to improve food security and meet basic needs, transferring more cash to each household is likely to achieve better outcomes and effectiveness. Understanding and mitigating contextual factors can affect the effectiveness of the program.

Evidence shows that interventions that transferred more cash per household per month achieved better outcome results, likely because the more cash transferred to each household, the more basic needs can be met, and the more effectiveness is achieved alongside efficiency. However, it is not possible to attribute an intervention effect in the SRF consortia projects due to the lack of a comparison group and potential spillover effects.

Some considerations that can affect the effectiveness of cash or in-kind transfers:

- If the amount of cash transfer is standardized across locations without considering geographical differences, it may not be sufficient to meet household basic needs.
- Limited access to certain areas, due to e.g. insecurity, climate, infrastructures can hamper the ability of households to reach markets or for markets to supply food items.
- Insecurity and low availability of food items can negatively affect the cost of food products. In this regard, despite timely MEB value adjustments, households might encounter periods where they have reduced purchasing power, therefore limiting their ability to acquire desired food products.
- For in-kind food distribution, there is a high risk of potential food spoilage due to lengthy customer processes and storage, transport delays, poor storage facilities.

There is opportunity for learning, coordination, and harmonization among SRF partners in different countries on the technical approach of cash distribution (including food vouchers and in-kind food distributions), such as the Minimum Expenditure Basket (MEB), cash transfer size per household per month, number of months of cash provided per household, vulnerability scoring, and FCS and rCSI measurements.

Cash transfer values are typically determined by and coordinated amongst aid actors (e.g., Cash Working Group) as a proportion of the Minimum Expenditure Basket (MEB) in the local context, which depends on the local prices of the basic needs in that particular context. That said, we noticed that the number of months of cash provided per household and the cash transfer size per household per month varied significantly in different countries by different partners.

This signals an opportunity for potential learning, coordination, and harmonization of the technical approach of MPCA activities among SRF partners in different countries: How are the MEB, transfer size per household per month, and months of cash determined? What is the most optimal amount of cash for households with different sizes and vulnerabilities to achieve effectiveness in terms of food security outcomes in different areas of intervention? What are the underlying assumptions that households can cover the proportion of MEB that is not covered by the transfer size themselves? How can baseline FCS and rCSI data be used to improve vulnerability scoring? These are potentially useful discussion points to consider and coordinate between the SRF technical managers.

SRF was equitable in reaching vulnerable households that were highly food insecure. Burkina Faso and Mali showed high potential for locally-led responses.

One way to view equity is through the proportion of consortium funds provided to local NGOs (LNGOs), as a measure of the extent to which the humanitarian response was led by local actors. Across all countries, the median proportion of consortium funds provided to LNGOs was 23%, with a range of 10%–87%. Burkina Faso had the highest proportion (87%), followed by Mali (34% and 45%), demonstrating high potential for locally led response in these countries.

Annex

2025 GBP, Y1+Y2	**Burkina Faso**	**Burkina Faso**	**Chad**	**Mali**	**Mali**	**Niger**	**Niger**	**Niger**	**Overall**
Consortium	C	B	A	C	B	C	A	B	
Economy									
Total intervention costs	512,568	419,93	399,308	952,28	771,354	990,551	689,456	349,034	**5,084,481**
Transfer fee	N/A	N/A	5%	9%	8%	4%	4%	5%	
Efficiency									
Average number of households	2,525	2,208	2,38	1,568	2,474	2,675	1,8	948	**16,578**
Total number of months of cash	9	6	4	12	5	15	6	6	
Average cash per household	67	65	56	101	61	39	52	52	**59 (median)**
Average cash per household	126	118	83	447	123	155	156	154	**170 (average)**
Total cash transferred	317,794	261,435	196,484	700,954	304,187	413,912	280,533	145,947	**2,621,246**
Delivery costs	194,773	158,495	202,824	251,326	467,167	576,639	408,923	203,087	**2,463,235**
Cost Transfer Ratio	0.61	0.61	0,3	0.36	1.54	1.39	1.46	1.39	**0.94**
Average cost per household	203	190	168	607	312	370	383	368	**307 (average)**
Effectiveness									
Baseline	N/A	17%	4%	61%	41%	59%	22%	15%	**31% (median)**
Endline	N/A	18%	86%	100%	90%	57%	79%	57%	**79% (median)**
Average rCSI score									
Baseline	N/A	0	0	0	6.63	2.89	0	13.58	**10.49 (median)**
Endline	N/A	1.85	13.53	7.94	N/A	6.74	14.58	13	**7.94 (median)**
Equity									
Proportion of total consortium funds provided to LNGOs (across all interventions, not	87%	13%	16%	45%	34%	10%	23%	22%	**23% (median)**

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