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Value for Money Study: Red Cross COVID-19 Response Programme in Aruba, Curaçao and Sint Maarten

Final Report

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Executive Summary

NLRC commissioned this value for money (VfM) study to evaluate the cost efficiency and cost effectiveness of the COVID-19 Response Programme in Aruba, Curaçao and Sint Maarten implemented in 2020-2021. The programme considered three modalities of assistance: e-vouchers (EV), food & hygiene parcels (F&HP) and ready to eat meals (R2EM).

Economy

The cost structure of the programme was appropriate to achieve the intended objectives of the programme. The total expenditures of the programme amounted to €55,559,780 from May 11th to September 31st 2021. Almost half of the budget was spent in Aruba (45% reaching 39,016 recipients), 33% in Curaçao (reaching 37,918), 17% in Sint Maarten (reaching 19,684) and 5% was spent by NLRC HQ. Almost 90% of the expenditures were transferred to beneficiaries, and the costs to implement the programme only represented 10% of the total budget.

The involvement of volunteers was the most significant driver of economy in the three countries. Reasons are not only because of their commitment and links to the community, but also because they receive stipend as opposed to a staff monthly salary. Aside from the investment in the cloud system, the Customer Relationship Management software (CRM) and the EV technology, **the set-up costs were fairly limited for the programme.** In addition, the previous experience of the Red Cross and partners with similar programmes in the three countries was a driver of economy.

Efficiency

The programme reached a total of 96,618 individuals between May 2020 and July 2021. The predominant modality in the three islands was e-vouchers (75% of beneficiaries), followed by F&HP (23%) and then R2EM (2%).¹ The programme ended up reaching more than double the number of households than initially planned (15,400 vs. 36,898 reached).

The programme's Total Cost to Transfer Ratio (TCTR) was 1.12, i.e. it costed 12 cents to deliver 1 euro of assistance, and average volume transferred to individuals of €515. Although there are no benchmarks to assess the cost efficiency of a humanitarian programme, the consultants consider that a TCTR of 1.12 for such a large-scale programme is cost-efficient.

EV was the most cost-efficient modality with a TCTR of 1.08 versus 1.46 for F&HP and 1.59 for R2EM. This is explained by the scale of the response, but also by the fact that, once set up, the EVs take fewer resources to implement.

Working with partners was one of the programme strengths, but not always easy and hampered efficiency at the early stages of the programme. Most partners were not fully familiar with the procurement and requirements from NLRC, and they had limited experience with such large operations. **The targeting and selection process of beneficiaries were the most challenging step of the programme.** The branches and partners in the three

¹ The numbers include double counting as some households were moved from the F&HP and R2EM modality to the EV one.

countries were not familiar with areas such as information management, which limited the opportunities to optimise the programme.

The process of reconciling the transfers and validating the transfer of the money for EV was difficult. NLRC had never worked with cash requests at such scale, and a lot of work had to be done manually. Working with partners made the implementation of the **R2EM and F&HP modalities relatively easy, although the latter proved quite resource intensive.**

Effectiveness

The programme was effective to the extent that it exceeded the initial targets (reaching 22,6% of the population across the three countries) and that beneficiaries in the three countries were highly satisfied with the programme. However, there were no baseline or end line indicators to compare and measure the programme's effectiveness, and a proper cost-effectiveness assessment could not be done.

Two main shortcomings were identified in beneficiaries' feedback: (1) EVs could only be used in a few supermarkets limiting beneficiaries' options, and in some cases meaning larger distances and prices; (2) given the restrictive nature of EVs, beneficiaries could not use the assistance to pay for other essential needs, such as medical treatments and rent.

The assistance received reduced beneficiaries' financial burden in the context of COVID-19, but these results are less pronounced in Curaçao than in Aruba and Sint Maarten. There was usually a preference for EVs over the assistance provided in-kind, and there was a particular dissatisfaction with F&HP.

Whereas the R2EM modality made sense, to the extent that there were vulnerable people who could not cook or had limited mobility, the F&HP was not necessarily a good approach, because it limited beneficiaries' choice and it was a modality logistically complex to implement.

Equity

Key informants and project documentation showed that additional efforts were made to include vulnerable groups in the programme. However, there was no baseline national statistics quantify this output.

The selection criteria initially established excluded some vulnerable people who needed assistance. They were therefore revised and expanded. Most of the first batch of beneficiaries applied to the programme online and such a process had high chances of excluding vulnerable people with no access to digital tools.

There was a trade-off between the timeliness and the equity of the response with the registration system. By doing the registration process too quickly, the Red Cross took the risk that some beneficiaries would try to cheat the system. Later on the programme, efforts had to be put in place to monitor and verify the information, increasing the staff's workload.

The Red Cross and its partners had to make additional efforts to penetrate hard-to-reach communities. Early in the programme, it was noticed that it was unlikely that all vulnerable people were being reached and extra efforts were made to ensure a greater penetration of the programme in the three islands.

The programme had a negative effect on smaller supermarkets. The Red Cross worked mostly with big supermarket chains which is expected to have impacted the revenues of small stores. The extent of this effect could not be quantified.

Conclusion

The NLRC COVID-19 programme has **achieved good value for money**. The programme was economical and efficient, as shown by the analysis of the cost structure and Total Cost to Transfer Ratio (TCTR). It was effective in reducing “the financial burden” of beneficiaries and in contributing to households meeting their basic needs, and that it has been equitable, in reaching the most vulnerable.

Acronyms

RCA	Red Cross Aruba
BZK	The Ministry of the Interior and Kingdom Relations of the Netherlands
CBA	Cash-Based Assistance
RCC	Red Cross Curaçao
CRM	Customer Relationship Management software
CVA	Cash and Voucher Assistance
DFID	Department for International Development of the United Kingdom (now FCDO)
EV	E-Voucher
F&HP	Food and Hygiene Parcels
FCDO	The Foreign, Commonwealth & Development Office (UK)
FSP	Financial Service Provider
HQ	Headquarter
KI	Key Informant
KII	Key Informant Interview
LOE	Level of Effort
NLRC	The Netherlands Red Cross
PDM	Post Distribution Monitoring
R2EM	Ready to Eat Meals
RCRC	Red Cross Red Crescent Movement
rCSI	Reduced Coping Strategy Index
SMDF	Sint Maarten Development Fund
TCTR	Total Cost to Transfer Ratio
ToR	Terms of References
VfM	Value for Money

I. Introduction

The COVID-19 pandemic has had a severe impact on the lives of people in Aruba, Curaçao and Sint Maarten (CAS islands). These three independent countries, within the Kingdom of the Netherlands, are highly dependent on tourism. Therefore, the international travel restrictions imposed in the context of COVID-19 have left tens of thousands of people without a stable source of income and in need of support to sustain their lives.

In May 2020, the Netherlands Red Cross (NLRC) responded rapidly with humanitarian support through its two branches in Aruba and Curaçao, and its mission in Sint Maarten. **The main objective of the COVID-19 Response Programme was to mitigate the socio-economic consequences of the pandemic by distributing food, hygiene, and house-cleaning products to the most vulnerable people in the CAS islands** and to prevent further negative consequences.² The programme consisted of three modalities of assistance: e-vouchers (EV), food & hygiene parcels (F&HP) and ready to eat meals (R2EM).

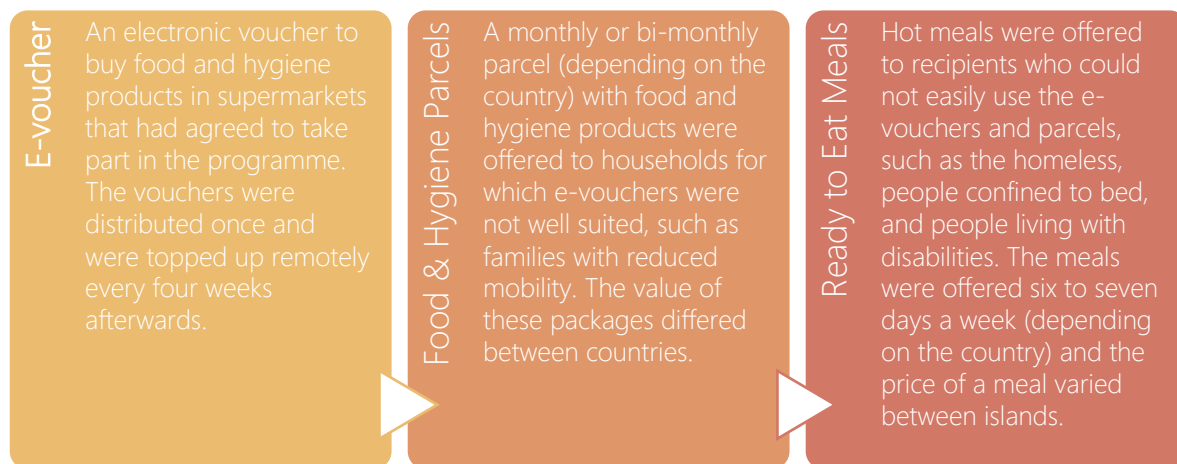
What was initially meant to be a short-lived emergency programme starting in May 2020, ended up running for about a year, due to the persistence of the COVID-19 crisis. Towards the end of the programme in the second semester of 2021, NLRC commissioned the present value for money (VfM) study to evaluate the cost efficiency and cost effectiveness of the conditional EV modality *vis-à-vis* the in-kind aid provided in the form of F&HP and R2EM, and to understand what drivers impacted the VfM of the programme.

I.1. The COVID-19 Response Programme

The three modalities of assistance were chosen to reach all the vulnerable population affected by the pandemic in a suitable manner and considering the constraints imposed by COVID-19 (limited mobility, limited contact). In that sense, the programme took into consideration the fact that not all target populations had the means to prepare food by themselves, such as the homeless, or that all could not go to the supermarket, such as people with limited mobility. Figure 1 presents an overview of the three modalities offered throughout the programme.

² The Netherlands Red Cross, “5th Progress Report (Cumulative), October 2020 - BZK Emergency Operations CAS Islands,” 2020.

Figure 1: Programme Modalities



At the beginning of the programme, a plan was sketched for the three islands, but the implementation took different paths according to different factors such as the evolution of the COVID-19 situation in each country, the scale of the programme, and the relationship with the government and partners (Table 1 provides a list of the partners and their role in each country). The implementation of the programme in the three islands happened separately as three different projects with the same objectives. The design (choice of modality, transfer value, targeting strategy) and implementation decisions (choice of delivery mechanism, financial service providers, partners) were island specific.

Table 1. Partners Involved in the Programme

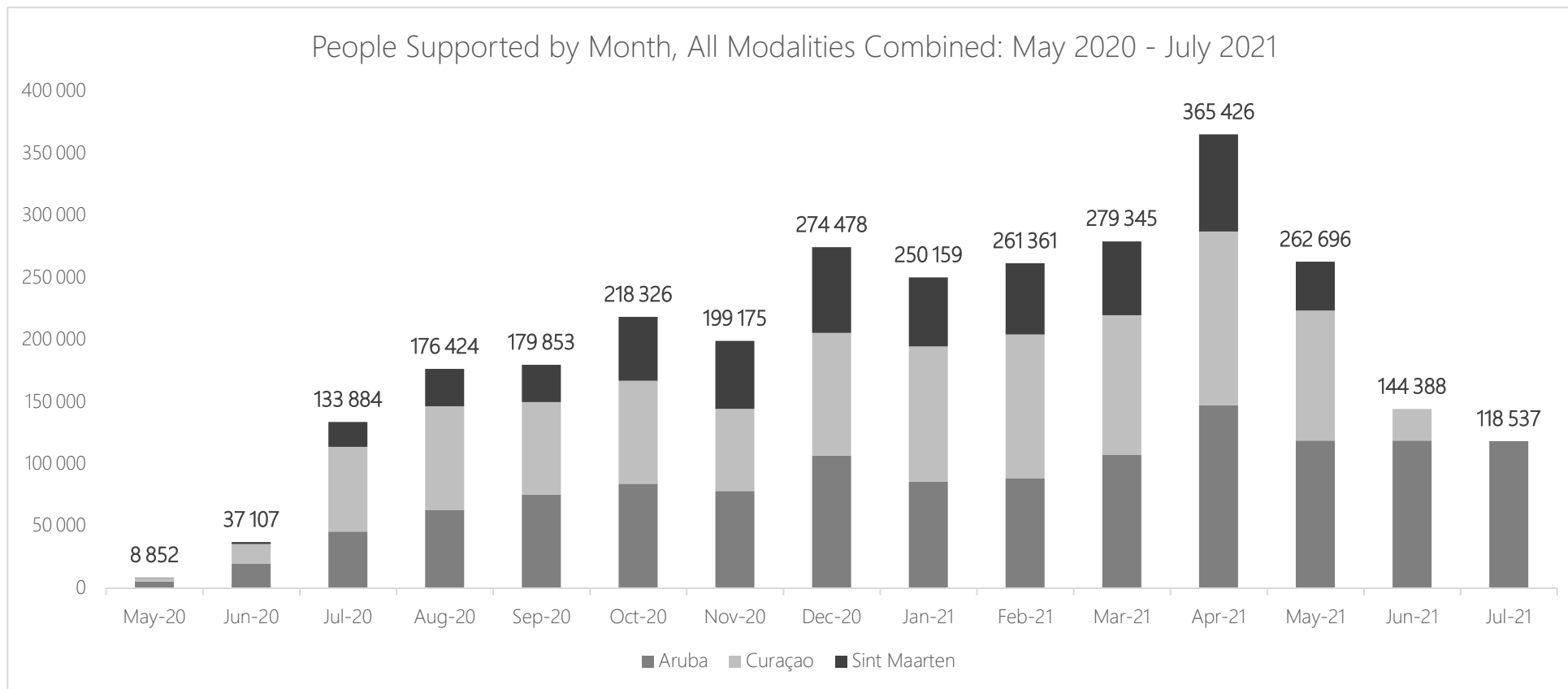
	EV	F&HP	R2EM	Coordination
Aruba ³	Red Cross	Food Bank	YMCA	Caritas
Curaçao	Red Cross	Food Bank	Stichting Hulp aan Curaçao	IOM Unidad di Barrio Caritas
Sint Maarten	K1 Britannia Red Cross	Freegan Food Foundation K1 Britannia	COME Centre Captain's Rib Shack	S MDF

Overall Results

Figure 2 shows the weekly number of beneficiaries supported throughout the programme in the three countries. The figures in annex VIII.2 show the weekly number of beneficiaries reached in each country by modality. The use of EVs increased through most of the duration of the programme until April 2021, when the programme started closing. **F&HP decreased consistently throughout the programme as people were being switched from the F&HP to the EV modality as the second one gained traction.** The number of beneficiaries receiving R2EMs remained fairly constant, since they were mostly people who could not make use of the other two modalities. Section V.2 on efficiency provides a closer look at the people supported by the programme.

³ The Red Cross Aruba only worked with partners during the first phase of the programme.

Figure 2: Beneficiaries Supported Monthly (May 2020 - July 2021)⁴



⁴ The figure allows for double-counting.

II. Objectives and scope of the Study

The objective of the study was to evaluate the cost-efficiency and cost-effectiveness of the EV modality *vis-à-vis* the in-kind aid provided in the form of F&HP and R2EM, and to understand what drivers impacted these metrics.

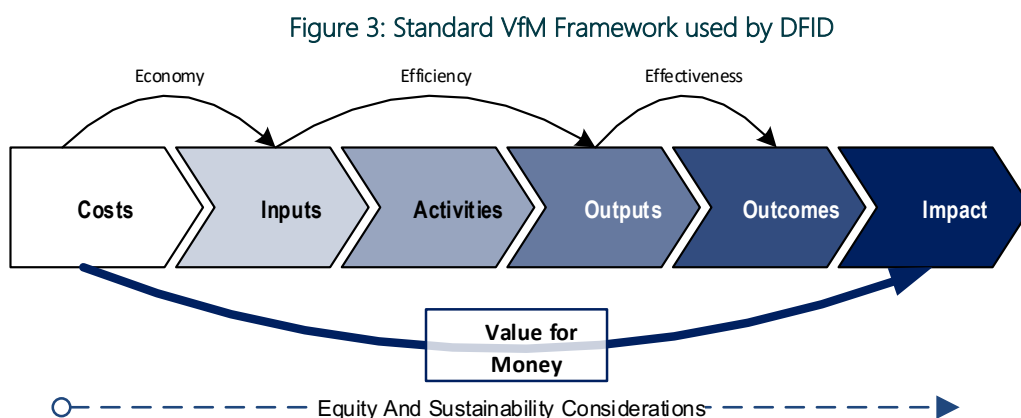
The study revolved around four questions based on the UK’s Foreign, Commonwealth & Development Office’s (FCDO) 4E Value for Money framework⁵ (for a presentation of the framework and corresponding definitions, please refer to annex VIII.4):

- **Economy:** To what extent was the cost structure of the programme appropriate to achieve the intended objectives?
- **Efficiency:** How do the three modalities of assistance compare in terms of efficiency?
- **Effectiveness:** How effective was the programme in light of the investments made?
- **Equity:** To what extent has the programme reached marginalised groups?

These questions were further developed into sub questions and captured in a study matrix (annex VIII.1). The matrix includes the indicators for the different sub questions and the sources of data to answer them.

The study covered the period starting with the set-up of the programme in May 2020 to its closure in September 2021.

To take a holistic view of VfM, the research will use the main framework established by DFID/National Audit Office 4E framework. This is built across the standardised results chain and theory of change, as shown in the figure below:



Source:

ICAI, ‘DFID’s Approach to Value for Money in Programme and Portfolio Management’, 2018

The current study does not provide any cost-effectiveness calculation, as there was no quantitative outcome data collected by the programme team to tap into. Instead, the consultants conducted a qualitative review of the effectiveness of the programme. If outcomes indicators had been collected, the study could have compared modalities estimating how much it costs to gain a unit of outcomes, e.g. the cost of 1% of the food

⁵ ICAI, “DFID’s Approach to Value for Money in Programme and Portfolio Management,” 2018.

consumption score.⁶ Therefore, the comparison across modalities would not solely have relied on cost per output, but would have also considered the effects of the modalities of recipients' well-being. In some cases, the most cost-efficient modality is not necessarily the most cost-effective, because a relatively more expensive modality can be also more effective.

III. Methodology

The study followed a mixed methods approach, based on the collection and analysis of primary data (individual interviews, a survey and process mapping workshops) and secondary data (programme documents, budgets, and monitoring and evaluation data on interventions).

III.1. Inception phase

Following an inception call, the consultants carried out a feasibility study of the scope proposed in the Terms of References (ToRs), based on:

- A review of the documents and monitoring databases;
- An analysis of the budget ledger from NLRC and partners.

The consultants then produced an inception report, which comprised of study questions, a study matrix, a detailed methodology, a project timeframe, and data collection tools. The main changes between the ToRs and the proposed scope of the study are the following:

- The study did not include any calculation of cost-effectiveness because there was no outcome data to tap into. Indeed, the post distribution monitoring (PDM) only included process-related questions;
- While the ToRs were predominantly focused on economy, efficiency, and effectiveness, the consultants broadened the cost-to include-equity, so that the study was framed against the FCDO's VfM framework.

III.2. Data collection

Desk review

The document review was carried out in an iterative manner. A total of 43 documents were consulted for this study, including the programme proposal, monitoring and evaluation tools, budget, intervention reports, and contextual documents. The bibliography can be found in section VIII.6.

Costing sheet

⁶ For more on different measures of cost-effectiveness look at WFP, "Cost-Effectiveness Comparison between Transfer Modalities Guidance Note," 2018. And Lani Trenouth, "Cost-Efficiency and Cost-Effectiveness Study of UNICEF 'Cash Plus' Interventions in Lebanon and the Democratic Republic of Congo," 2019.

With the general ledger provided by NLRC and the budget for the partners, the consultants created a costing sheet wherein each expense was categorised (see VIII.5.1) to then carry out the cost-efficiency calculations: cost per beneficiary and Total Cost to Transfer Ratio (TCTR). A more detailed explanation about the VfM concepts and key definitions is available in annex VIII.4, while annex VIII.5 describes the methodology used for the budgetary analysis.

Key Informant Interviews

In total, the consultants conducted 10 remote semi-structured interviews with relevant stakeholders including staff in the three countries and in headquarters (HQ) and staff from partner organisations. The objective of the interviews was to gather insights about the programme in each country, to understand the drivers of VfM, and to inform the costing sheet.

Survey

An online survey was disseminated among the staff involved in the programme to gather insights about the distribution of work for each modality in terms of time spent by staff in different positions and to inform the costing sheet, especially the disaggregation of shared and indirect costs. A total of eight staff responded to the survey.

Remote Workshops

Three remote workshops (one for Aruba, one for Curaçao, and one for Sint Maarten and HQ) were organised. The workshops were used to better understand the cost drivers of the programme and to identify potential efficiency gains that could have been obtained throughout the programme, had certain things been done differently. The remote workshops were also used to estimate the level of effort (LOE) of staff in the three countries and in the HQ at the beginning, middle and end of the programme. A total of 10 staff participated in the workshops

III.3. Data analysis and reporting

Primary and secondary qualitative and quantitative data were recorded and coded to analyse emerging trends. Inspired by evaluative methods, this approach served to cross-check and triangulate information, and allowed for the determination of the weight and impact of the different factors and outcomes of VfM presented in this report. It is important to note that not all factors mentioned during the interviews are captured in the report. Indeed, when a factor was not sufficiently confirmed and considered secondary, the consultants did not report on it.

Using the costing sheet, the consultants were able to calculate the cost efficiency ratios presented in the report. It is important to note that a budget analysis, like any analysis, is based on sometimes incomplete and imprecise data, assumptions, and modelling. The consultants have therefore carried out sensitivity analyses to determine a confidence interval for the calculations presented in the report. For example, a TCTR of 2.1 will be presented with its confidence interval as 2.1 [1.9 - 2.3], which means that the consultants have chosen a TCTR of 2.1 but that it falls between 1.9 and 2.3.

Figure 4: Cost-efficiency ratios

- Cost per beneficiary: Total programme cost / Total number of beneficiaries (disaggregated by modalities)
- Total Cost to Transfer Ratio (TCTR): Total programme cost / Amount transferred to beneficiaries (disaggregated by modalities)

IV. Limitations

When reading this report, one should bear in mind the following limitations:

- In spite on regular follow-up from the consultants and the consultancy manager, the consultants could not reach the intended number of key informants (25 KIs) and got a limited response rate to the survey (8 KIs). The consultancy manager was aware that participation would be a challenge, especially because another evaluation of the programme had been conducted not long ago, and she took an active role in helping the consultants securing participation in the workshop. However, the same participation was not obtained in the survey. As a result, the VfM for money drivers are likely not to be exhaustive and representative of all of implementers' point of view.
- All the costs were categorised according to their accounting code and descriptions. Furthermore, the consultants confirmed the most important costs, whose description was not accurate enough to define how to categorise costs, with the programme administrator. Despite this, there remained some descriptions that were not sufficiently detailed to decide specifically if a cost was direct, shared or indirect. When this was the case, the consultants classified the expense as a shared cost to reduce the impact a wrong categorisation would have on the TCTR per modality. As a mitigation measure, the consultants have reported the total TCTR with +/- 5% margin of error.
- While the data of the LOE from the workshops were deemed of good quality, they could not be triangulated with the data from the survey, due to a low response rate. Moreover, a LOE estimation, which is the second-best option when no time sheets are available,⁷ remains an inaccurate estimation. To mitigate this, the consultants have reported on the TCTR and cost per beneficiary per modality with a confidence interval. For more information on the calculation of the confidence interval, please go to VIII.5.3.
- While the consultants categorised expenditures according to fixed and variable costs, they were not able to use this category to assess the cost-efficiency of each modality when changing the number of beneficiaries, frequency, and transfer value. This is because a significant number of fixed costs are in fact step-fixed costs, which means they remain fixed up to a certain volume of beneficiaries and transfers, and then have to be increased. For instance, that is the case with outreach staff.

⁷ IRC, "Cost-Efficiency Analysis of Basic Needs Programs: Best Practice Guidance for Humanitarian Agencies," 2019.

- The consultants did not conduct any primary data collection with beneficiaries. All the data used for the effectiveness section comes from the implementers, the external evaluation that was conducted prior to this study, and from the monitoring data. As a result, this presents a bias in the results on effectiveness and equity presented in this report, which could not be mitigated.
- There were no baseline or end line indicators to compare and measure the programme’s effectiveness. Due to the lack of quantitative outcome data presented, the consultants could not conduct a cost-effectiveness analysis.

V. Findings

This report is organised around the Value for Money (VfM) criteria: **economy, efficiency, effectiveness, and equity**. Then, the report concludes with an assessment of the programme’s VfM and provides actionable recommendations.

V.1. Economy

The total budget for the NLRC COVID-19 programme amounted to €59,276,709 from May 11th to September 31st 2021 and the expenditures were of €55,559,780.⁸ Almost half of the budget was spent in Aruba €24,868,705; 45% of the budget), 33% in Curaçao €18,518,048), and 17% in Sint Maarten (€9,375,690). The remainder 5% was spent by NLRC’s HQ to support the programme design and implementation. Table 2 summarises the total budget and expenses of the programme per country. A disaggregated version of the budget by phases is available in annex VIII.3.⁹

Table 2. Total Budget and Expenses by Country

	Approved budget	Expenses	Balance
Aruba	€25,928,398	€24,868,705	€1,059,693
Curaçao	€19,340,092	€18,518,048	€822,044
Sint Maarten	€10,961,224	€9,375,690	€1 585,534
<i>Sub-total CAS islands</i>	<i>€56,229,714</i>	<i>€52,762,443</i>	<i>€3,467,271</i>
Coordination,NLRC	€3,046,996	€2,797,338	€249,658
Total	€59,276,710	€55,559,780	€3,716,930

The detailed breakdown of the budget per island and type of expense can be found in Table 3 below.¹⁰

⁸ There was a balance of €3,716,929.

⁹ The amounts used here were not final as the audit has not been completed. There is a difference of €22,000 after the audit.

¹⁰ There is a slight difference between the numbers described here and the ones presented in Table 2. The first ones correspond to the latest numbers shared in December 2021 by NLRC, whereas the ones in Table 2 correspond to the ledger received by the consultant in September 2021, which was used to conduct the study.

Table 3: Cost structure of the COVID-19 programme

	Aruba		Curaçao		Sint-Maarten		HQ		Total	
	Total	% of total	Total	% of total	Total	% of total	Total	% of total	Total	% of total
Activity – transfer value	€23,714,336	94.62%	€17,784,560	93.22%	€8,259,318	79.92%	€0	0.00%	€49,758,214	0.00%
Activity – M&E	€30,294	0.12%	€122,788	0.64%	€57,743	0.56%	€52,843	4.97%	€263,668	4.97%
Activity – other costs	€385,494	1.54%	€392,528	2.06%	€266,934	2.58%	€101,724	9.57%	€1,146,680	9.57%
National staff	€34,555	0.14%	€61,344	0.32%	€613,403	5.94%	€31,462	2.96%	€740,763	2.96%
International staff	€173,453	0.69%	€182,861	0.96%	€440,756	4.26%	€409,028	38.50%	€1,206,098	38.50%
Office Expenses	€2,889	0.01%	€800	0.00%	€124,247	1.20%	€916	0.09%	€128,852	0.09%
Travel	€11,679	0.05%	€18,817	0.10%	€21,246	0.21%	€18,795	1.77%	€70,537	1.77%
Other costs	€361,361	1.44%	€43,154	0.23%	€161,519	1.56%	€4,945	0.47%	€570,980	0.47%
Administrative costs (DAC)	€349,346	1.39%	€472,115	2.47%	€389,705	3.77%	€442,688	41.67%	€1,653,855	41.67%
TOTAL	€25,063,407	100.00%	€19,078,967	100.00%	€10,334,871	100.00%	€1,062,401	100.00%	€55,539,646	100.00%

There is no internationally recognised benchmark of what an economical programme is. However, based on the consultant’s experience with similar VfM studies, the consultants judge the programme quite economical: almost 90% of the budget went to beneficiaries, and the programme costs to implement the programme only represented 10% of the total budget.¹¹ In Aruba and Curaçao, 95% of the budget was transferred to recipients (Activity – transfer value in the table above). The administrative costs, which are the costs needed to implement the programme — i.e. 5% for the two islands — were mostly expensed in direct Activity – other costs, Offices costs and Administrative costs/coordination costs. In the two islands, the national staff represented a small fraction of the budget, because volunteers represented most of programme staff. Comparatively, 80% of the budget was transferred to recipients in Sint Maarten. This difference in percentage is primarily explained by the staff cost, which represents 10% of the total budget.

¹¹ The expenses identified as “Activity” corresponds to transfer value or the value of goods going directly to beneficiaries.

In all three islands, the involvement of volunteers during the entire programme was the most significant driver of economy. Volunteers involved in the distribution (of the vouchers and in-kind assistance) received a stipend of between 250-300 USD for a full-time job, which is significantly less than the monthly salary in the three islands.¹² Full-time staff in country or deployed to the field, such as delegates or staff sent by the HQ, were limited according to key informants, and they played more of an advisory role.

Several key informants mentioned that, although the staffing of the programme was sufficient, it put a high burden on personnel, which led to staff being overworked and to an operational constraint. Here, a trade-off was made between the economy and the efficiency of the programme. In addition, the first months of implementation took place when the pandemic was increasing globally, adding stress to staff. There were challenges related to staff fatigue, an increase in the number of COVID-19 cases, the political situation, and the verification of beneficiaries' information provided by the implementing partners also proved more challenging than expected.¹³

According to the staff interviewed, aside from the investment in the cloud-system, the Customer Relationship Management software (CRM) and the EV technology, **the set-up costs were fairly limited for the programme.** There were some additional costs in terms of infrastructure and equipment. Due to the scale of the operation, the Red Cross had to invest in infrastructure, such as tents and renting venues for the distribution of assistance (delivery of the EV cards, packing of the F&HP, distribution point of R2EM). The operation also required new equipment such as computers, smartphones, and the renting of additional cars (in Aruba for example, 14 cars were required for the distribution of R2EM).

The previous experience of the RC and partners in implementing food assistance and basic needs programmes was a driver of economy. In Curaçao and Sint Maarten, the programme had a good relationship with wholesalers and supermarkets and could get the products at a discounted price. As a result, some of the partners spent less on products than initially expected, because they were purchasing products at a discounted price by buying in bulk. However, the consultants could not calculate how much savings were generated by this, nor could they estimate how much of the F&HP came from donations.¹⁴

¹² In Aruba, for example, the "most typical salary" is \$12,000 per year (source: <https://www.averagesalarysurvey.com/aruba>).

¹³ Netherlands Red Cross, "4th Progress Report (Cumulative), September 2020 - BZK Emergency Operations CAS Islands," 2020.

¹⁴ The roll-out of these systems required the support of the HQ. The time spent by staff is not accounted for in the total.

V.2. Efficiency

V.2.1. Output of the programme

The programme reached a total of 96,618 individuals between May 2020 and July 2021.¹⁵ Figure 5 shows the number of individuals reached in each country by the different modalities. The predominant modality in the three islands was e-vouchers (75% of the total number of beneficiaries), followed by F&HP (23%) and then R2EM (2%).

Figure 5: People reached by country and modality (May 2020 - July 2021)

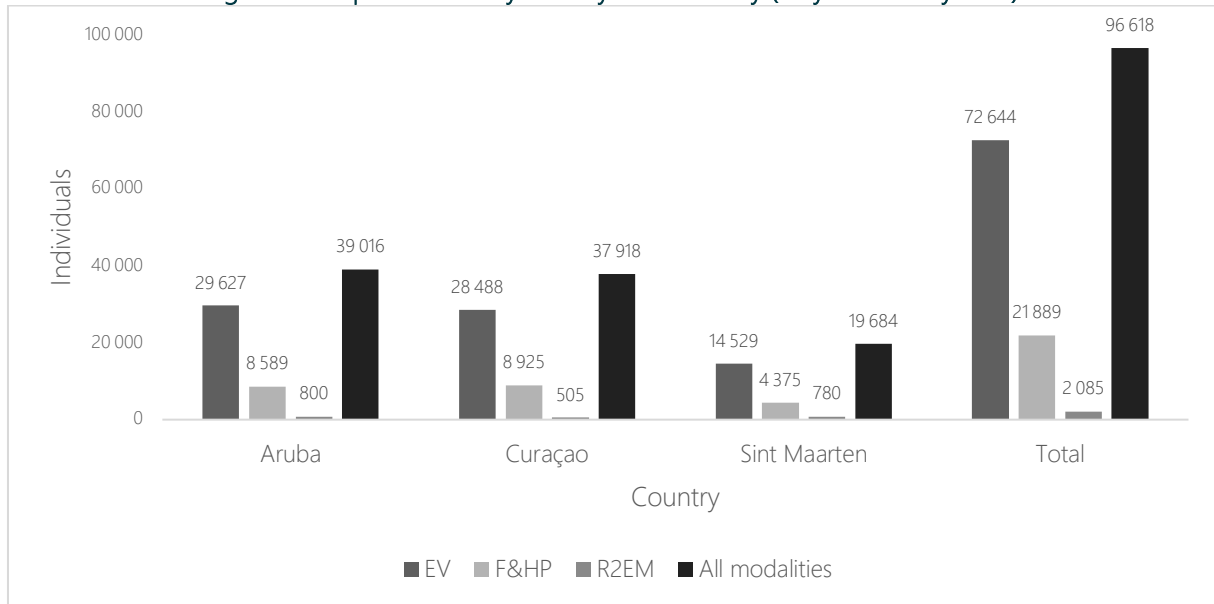


Figure 6 presents the beneficiaries' data in terms of households reached. The programme reached a total of 36,898 households. Aruba and Curaçao reached a similar number of around 15,000 households, while in Sint Maarten the programme reached 6,841 households.

¹⁵ This number includes some double counting, because beneficiaries were moved from one modality to another throughout the programme. The consultants only had access to aggregated data and not individual one, hence double counting could not be avoided.

Figure 6: Households reached by country and modality (May 2020 - July 2021)

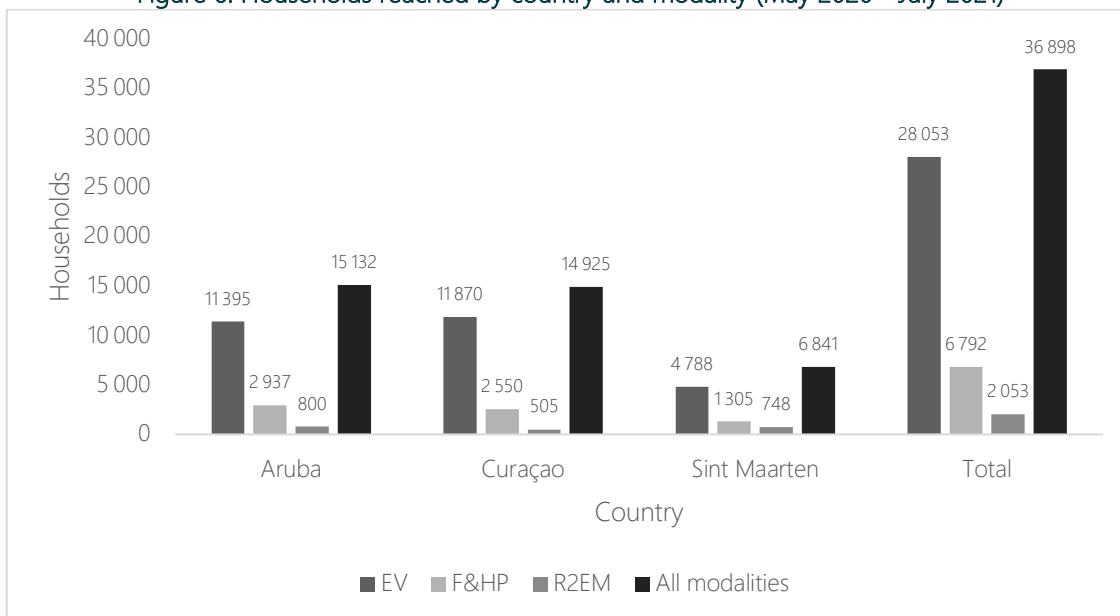


Table 4 presents the households reached against the targets set at the beginning of the programme. The programme ended up reaching more than double the number of households in the three countries. In Aruba the programme reached more than three times the initial target of households. Two elements are key to understand this trend. On the one hand, initially the programme was meant to be an emergency intervention in the uncertain context of COVID-19. Nobody knew at that stage how long the pandemic was going to last. As the COVID-19 crisis went on, the situation of households worsened, and the need for assistance increased. The programme initially planned for 4,5 months ended up lasting 16 months, which was possible thanks to additional funding. On the other hand, the EV modality required time to be set up and the scaling up had to be done gradually to absorb the high number of beneficiaries correctly. As implementation went on, the Red Cross was in a better position to respond.

Table 4. HH Target vs Reach

	Aruba	Curaçao	St. Maarten	Total
Population	106,766	155,014	40,812	302,592
Total # of targeted number of beneficiaries at the start of the program (HH)	5,000 HH	7,200 HH	3,200 HH	15,400 HH
Total # of beneficiaries reached (HH)	15,132 HH	14,925 HH	6,841 HH	36,898 HH
% of additionally reached beneficiaries, versus the set-out targets	203% more	107% more	114% more	140% more

V.2.2. Cost efficiency

Overall, the COVID-19 programme has provided humanitarian assistance to 96,618 individuals¹⁶ for a total budget of 55,539,646€ over the three islands, hence a **total cost per beneficiary of 575€**. Out of this total budget, 49,758,214€ was transferred to beneficiaries, either in the form of EV, F&HP or R2EM. Therefore, the **programme’s TCTR is 1.12** [1.06 – 1.18], i.e., it costed 12 cents to deliver 1 euro of assistance, and **average volume transferred to individuals of 515€** [489 - 541].¹⁷

There are no golden standards to determine whether a programme is cost-efficient based on the above metrics. Indeed, literature on TCTR commonly identifies design-related and context-related drivers, which have an impact on the TCTR, thus making it impossible for humanitarian organisations to calculate and agree on an internationally or even country-specific valid value.

Table 5: Design and context-related factors¹⁸

Design-related drivers	Context-related drivers
<ul style="list-style-type: none"> ▪ The scale of the project ▪ The size of the transfer ▪ The transfer distribution mechanisms (e.g., electronic or manual) 	<ul style="list-style-type: none"> ▪ The country ▪ The context: rural, urban ▪ The type of crisis: rapid-onset, slow-onset, complex emergency

However, with a TCTR of 1.12 for a such large-scale programme and based on **the consultants’ professional experience, the programme can be described as cost-efficient**. There are various factors that account for such a low TCTR:

The TCTR is sensitive to the scale of the response, i.e., the number of beneficiaries, and it is expected that the TCTR would be low for a programme of this size. With 1.12 for a combined modality programme, the COVID-19 programme has a TCTR that is significantly lower than the average of other combined programmes.¹⁹

Overall, the average amount transferred to beneficiaries is quite high due to the duration of the programme, of about 60 weeks.²⁰ There is a direct correlation between a low TCTR and high transfer value. E-vouchers’ beneficiaries represent 75% of the caseload, and electronic delivery mechanisms are known to reduce the TCTR compared with non-electronic delivery mechanisms (paper vouchers).

¹⁶ Netherlands Red Cross, “People Reached BZK Program.Xlsx,” n.d. This number does include double counting because beneficiaries were transferred from one modality to another throughout the programme.

¹⁷ The calculations were done with the financial information made available in September 2021.

¹⁸ ECHO and ADE., *Evaluation of the Use of Different Transfer Modalities in ECHO Humanitarian Aid Actions 2011 - 2014* (LU: Publications Office, 2015), <https://data.europa.eu/doi/10.2795/00448>.

¹⁹ For programmes combining various modalities, with a number of beneficiaries comprised between 50,000 and 100,000 individuals, the average TCTR is 2.4. Note that this includes contexts where the cost structure is high such as the Democratic Republic of Congo. ECHO and ADE.

²⁰ However, not all beneficiaries were part of the programme throughout its full existence.

Finally, the high reliance of the programme on volunteers means that the programme has been able to curb national staff costs. Volunteers represented about two thirds of the human resources, national staff was about 27%, while international delegates and HQ staff each represented 3% of the human resources.²¹

Comparing the number of households with the related costs by modality, we obtain the following TCTRs and costs per beneficiary by modality:

Table 6: TCTR per modality

	E-voucher	F&HP	R2EM	Total
Total Cost	€49,105,202	€3,874,637	€2,559,807	€55,539,646
Activity – transfer value	€45,472,118	€2,669,786	€1,616,310	€49,758,214
% of budget going to beneficiaries	93%	69%	63%	90%
TCTR	1.08 [1.05- 1.1]	1.46 [1.25- 1.67]	1.59 [1.47- 2.16]	1.12 [1.06- 1.18]

Table 7: Cost per beneficiary per modality

	E-voucher	F&HP	RE2M	Total
Number of beneficiaries	72,644	21,889	2,085	96,618
Cost per beneficiary	676€ [655€- 685€]	178€ [159€- 202€]	1,228€ [1131€- 1715€]	€575 [547€- 604€]
Average transfer value per beneficiary	626€ [626€- 625€]	122€ [128€- 121€]	776€ [772€- 796€]	€515 [490€- 541€]
Administrative cost per beneficiary	51€ [29€- 61€]	56€ [31€- 81€]	453€ [359€- 919€]	€60 [57€- 63€]

Within the programme, EVs are by far the most cost-efficient modality with a TCTR of 1.08 versus 1.46 for F&HP and 1.59 for R2EM. This is explained by the scale of the response but also by the fact that, once set up, the EV is less resource intensive from an implementation perspective (see time efficiency below) and allows for efficiency gains over time. On the other hand, the resources needed to implement F&HP and R2EM, especially human resources, can be optimised over time when the caseload remains the same.

While a useful metric to compare modalities when the transfer value and frequency are similar, the cost per beneficiary here seems to contradict the TCTR, with a cost per beneficiary that is lower for the F&HP. However, **the cost per beneficiary is misleading** because the duration of the assistance for F&HP has been lower on average for beneficiaries. This can be explained by the fact that the programme staff changed households from F&HP to EV as the programme went along (a more detailed narrative about this is available in section V.3 on effectiveness).

²¹ Netherlands Red Cross, "Final Narrative Report - Phase 1: Red Cross COVID-19 Response Programme Aruba, Curaçao and St. Maarten (11th May 2020 - 28th February 2021)," 2021.

V.2.3. Timeliness and time efficiency

Set-up

Given the anticipated scale of the response, **the Red Cross conducted three cash feasibility studies** before starting the implementation of the programme. The aim was to assess the extent to which Cash and Voucher Assistance (CVA) was a feasible modality and what other options were available or needed to assist the population. The studies concluded that having a combination of modalities was the best approach to reach populations with different needs, combining in-kind assistance and CVA. However, the donor and governments were reluctant to the implementation of an over-the-counter cash programme, due to its unrestricted nature. Additionally, the feasibility studies showed that there were no Financial Service Providers (FSP) in the islands that could provide assistance in cash. Hence, voucher assistance was accepted as a middle ground, because it was both feasible in the three countries and restricted beneficiaries' choices to food and hygiene products. In Sint Maarten and Aruba, it was **decided to use Red Rose as the transaction platform**, with whom NLRC already had experience, while in Curaçao, the Red Cross went for Kuario, because it was the payment platform used by the government in their own EV programme and there was existing capacity and awareness about it.²²

In the case of EV, the set-up took more time than for the other two modalities. This is explained by the time needed to roll-out the software, contract the supermarkets and get them on board, organise the distribution of the cards, etc. However, it became evident that EV was more efficient because it allowed to implement at scale with fewer human resources and that work processes could be easily optimised and automatised.²³

Overall, **the set-up phase of the programme was quite efficient for a programme this size**, with the distribution of F&HP and R2EM kicking-off in the first two months after the start of the programme, while EV was being rapidly rolled out and taken at scale. This capacity to launch activities rapidly is primarily explained by the **presence of Red Cross branches in Aruba and Curaçao and former partnerships** in all three islands, as well as experience with F&HP and R2EM activities, although at a much lower scale.

During the first month of operation, the focus was on **identifying local partners and negotiating the partnerships**.²⁴ A lesson learned from the 2017 Hurricane Irma was that the Red Cross needed to strengthen its work with local partners. In Aruba and Curaçao, in the second month of the programme, the EV system was deployed, while partners started to distribute in-kind assistance under the NLRC programme.²⁵ Some existing programmes were already providing in-kind assistance in the form of F&HP and R2EM, hence it took less time and effort to arrange the logistics. In Curaçao, the existing good relationship with partners, such as Caritas, the Unidat di Bario, and Stichting Help de Schoolkinderen fostered a swift launch of the operation.

²² Workshop with Aruba, Curaçao, and Sint Maarten staff.

²³ Workshop with Aruba, Curaçao, and Sint Maarten staff.

²⁴ Workshop with Aruba, Curaçao, and Sint Maarten staff.

²⁵ Netherlands Red Cross, "2nd Progress Report (Cumulative), July 2020 - BZK Emergency Operations CAS Islands," 2020.

However, in Sint Maarten, **the set-up was comparatively a bit less timely due to the lack of active participation of the local branch in the programme**, and thus less footprint and access to a volunteer network, and the procurement of items took longer due to shortages. Nonetheless, building on the Irma experience, the Head of Mission of Irma assumed the role of Head of Sint Maarten mission and was in charge of setting the collaborative framework under which the programme was going to be implemented. The decision to create this role helped to design the COVID-19 programme building from the lessons learned from the response to Hurricane Irma in 2017.²⁶ NLRC formed a partnership with the Sint Maarten Development Fund (SMDF) to coordinate the implementation of the programme. The Freegan Foundation and K1 Britannia Foundation supported the distribution of F&HP, while COME Centre and Captain's Rib Shack supported the distribution of R2EM.²⁷ While partners were chosen based on their programme capacity, the sheer scale of the programme required partners to follow complex processes, which meant that NLRC and local branches had to train partners and the latter had to invest time integrating these guidelines in their internal processes to comply with NLRC requirements.²⁸ According to the final evaluation of the programme conducted by OnEgin Consulting, the resulting efficiency gains were significant.²⁹

In the three countries, data suggest that working with partners had many advantages but was not always easy. Especially at the early phases of the program, it hampered efficiency. In fact, the Aruba Red Cross ended its partnerships after the first phase of the programme, because they were proving too complicated to manage and oversee in administrative and financial terms. In Curaçao and Sint Maarten, the partnerships grew into an effective and highly valuable relationship towards the end of the programme.³⁰ In Sint Maarten, the partner organisations were able to continue the program with the support of the local government and without the assistance of the local branch. In terms of sustainability this was a huge added value. For partners, the operation required a steep learning curve. First, most partners were not familiar with the procurement and the requirements from NLRC. Second, they lacked the capacity to respond to such a large operation. These gaps were bridged by NLRC and the local branches through recurring capacity building, the set-up of a complaint and feedback system for beneficiaries and bringing international delegates to support with the technical aspects of the modalities being delivered.

Targeting and Selection of Beneficiaries

All interviewees considered that the targeting and selection process of beneficiaries was the most challenging step of the programme. This was further confirmed in the three workshops conducted. The three countries did not have any technical expertise in areas such as

²⁶ On Egin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands (Draft)," 2021.

²⁷ Later, K1 switched to the EV modality, while the partnership with Captain's Rib Shack was ended because the meals provided by COME Centre were sufficient.

²⁸ Netherlands Red Cross, "5th Progress Report (Cumulative), October 2020 - BZK Emergency Operations CAS Islands."

²⁹ OEgin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands."

³⁰ Interviews and On Egin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands," 2021.

information management, which limited the opportunities to optimize the programme.³¹ In addition, there was no option to obtain government data about beneficiaries to conduct background checks. Hence the programme relied on the information that was provided by beneficiaries themselves or by implementing partners. In addition, some of the partners had little experience collecting and processing data that align to the Red Cross standards, which resulted in delays and misunderstandings among partners.³²

To ensure that the most vulnerable households were selected, and thus limit inclusion and exclusion errors, the staff conducted the registration of households based on vulnerability criteria set at the onset of the programme. The criteria were general, asking people if they had lost their job due to COVID-19, number of adults, children and people with disabilities living in the household and if they were receiving assistance from the government or other organisations.³³ The selection process was in a large part trust-based with little means to verify that the information provided was true. **The process proved not only to be time intensive, but also difficult, especially at the beginning of the programme, to ensure data quality and avoid duplication.** People had to register, and the Red Cross staff had to interview them to assess their level of vulnerability and to determine whether they qualified for the programme or not.

The challenges with registration were further worsened by connectivity issues reported in all three islands.³⁴ It was also made worse by the fact that the data provided by partners were not always clean and the process of cleaning them implied time and effort that had not been anticipated.³⁵ The process was so intensive that, at times, the registration had to be put on hold, leaving beneficiaries without support for a short time. For example, in Curaçao, the *Unidad di Barrio* closed the registration on 29th November 2020. However, the quality of the data received did not meet the Red Cross expectations, meaning that a significant volume of data had to be verified and cleaned.³⁶ In Sint Maarten and Aruba, the registration process closed temporarily in July 2020, when the implementing partners' maximum capacity was reached and registering more people would have jeopardised the quality of the registration, and thus of the data.³⁷

³¹ Workshop with staff in Aruba, Curaçao and Sint Maarten. And the Netherlands Red Cross, "3rd Progress Report (Cumulative), August 2020 - BZK Emergency Operations CAS Islands," 2020.

³² Netherlands Red Cross, "4th Progress Report (Cumulative), September 2020 - BZK Emergency Operations CAS Islands."

³³ OnEgin International Consulting, "Inception Report: COVID-19 Food Assistance Program CAS Islands Final Evaluation," 2021.

³⁴ For instance, "in Aruba, disruptions in the provision of stable internet made the interview process more time-consuming (which was done mostly by WhatsApp calls). In turn, the Red Cross installed fixed telephones for interviews, which made it possible to reach more beneficiaries (beforehand, the ones without a connection to the internet could not receive the WhatsApp calls". Netherlands Red Cross, "9th Progress Report (Cumulative), February 2021 - BZK Emergency Operations CAS Islands," 2021.

³⁵ Netherlands Red Cross, "2nd Progress Report (Cumulative), July 2020 - BZK Emergency Operations CAS Islands."

³⁶ Netherlands Red Cross, "7th & 8th Progress Report (Cumulative) - BZK Emergency Operations CAS Islands," 2021.

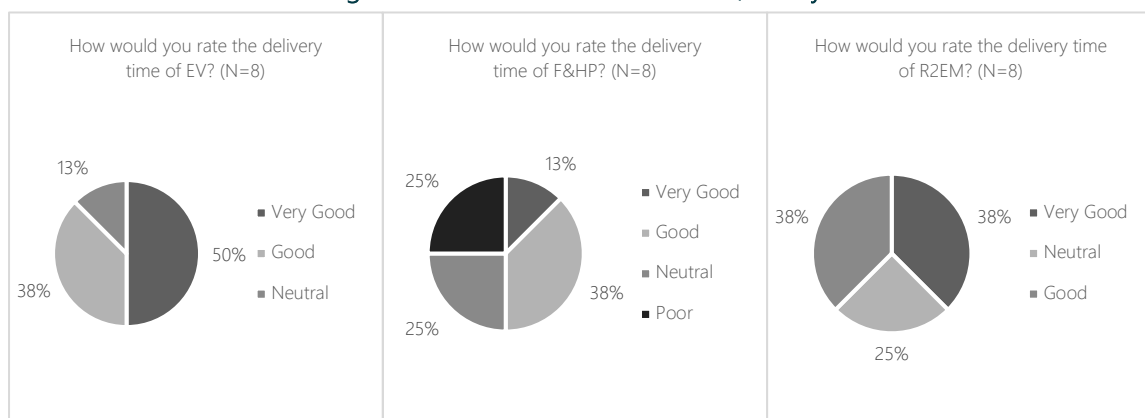
³⁷ Netherlands Red Cross, "9th Progress Report (Cumulative), February 2021 - BZK Emergency Operations CAS Islands."

There appears to have been more challenges in Sint Maarten and Curaçao because the registration relied on many different partners versus being done only with the RC in Aruba. In that regard, the roll-out of EspoCRM was seen as a great addition to ensure data quality and to ease the change in the database along the implementation.³⁸

Distribution

The results of the survey conducted with Red Cross staff and partners presented in Figure 7 point to a timely distribution of the EV with 88% of respondents classifying it as very good or good (Figure 7) and 12% are neutral about it. In the case of R2EM, this figure is a bit lower (76%), while 25% do not have a strong opinion about their timeliness. However, 25% of respondents deemed the timeliness of the F&HP poor, and only about half of the respondents consider it good or very good.

Figure 7. Timeliness of the modalities, survey results



Counting on a large pool of volunteers available that were committed for a long time (seven days a week for ten months) was an important factor that eased the distribution process, but that put a high burden on staff at the same time. Although there were some internal delays between the branches, NLRC, and the Ministry of the Interior and Kingdom Relations of the Netherlands (BZK) in releasing the money, this was not felt by beneficiaries, who always received the top-ups on the agreed dates.

According to key informants and workshop participants, **the set-up of the EV modality was intensive upfront** (setting the cards, handing out the cards), and the learning curve was steep. By the fourth or fifth distribution, interviewees thought that the staff had learned how the process worked and **that it was streamlined and efficient**. All interviewees acknowledged that the EV made the scaling up and down of the programme easy. It would not have been possible to provide assistance to such a large caseload otherwise, especially as there had never been a programme of such scale in any of the three countries before. Still, the distribution remained intensive due to the caseload. For instance, in Curaçao, a distribution of EV was done around Christmas time, distributing about 6,000 cards in four days. Given the scale of the distribution, the staff (10 people) had to work the whole weekend in shifts that lasted from 6 am to 4 am the next day.

³⁸ There were changes in the database as beneficiaries' status changed overtime.

Both informants from NLRC and from the branches report that the process of reconciling the transfers and validating the transfer of the money for EV was not easy. NLRC had never worked with cash requests happening regularly and at such a high scale, and a lot of the work had to be done manually. At some point, the distribution of vouchers could not take place in person due to COVID-19 restrictions, and the Red Cross staff had to send each beneficiary a picture of their voucher through WhatsApp. The reconciliation process also had to be done manually, checking that people were using the vouchers on the items they were supposed to, and that supermarkets were not accepting them for items that were outside the programme, such as alcohol and tobacco.

In Sint Maarten, a delay in the payment of invoices occurred because supermarkets did not always scan the vouchers appropriately. This meant that the payment would not appear on Red Rose. Thus, the invoice in the supermarket did not always reconcile with the transfer registered in Red Rose. The issue was solved by contacting the beneficiaries and scanning the EV a second time. However, the process was time-consuming and caused a delay in the payment of the final invoices.³⁹

The R2EM modality was relatively easy to implement because the partners were already running these programmes, although at a lower scale. For instance, in Curaçao, Stichting Help de SchoolKinderen van Curaçao was already distributing R2EM. However, key informants agreed that the R2EM modality was more resource-intensive and more expensive than the other two modalities, due to the logistics involved in R2EM. It took some time to the volunteers to get familiar with the logistics and the routes they had to do by car. R2EM should be understood as an option of last resort for groups that cannot make use of the other two modalities, but it was nevertheless essential to attain the objective of reaching the most vulnerable people affected by the COVID-19 crisis.⁴⁰

With regards to the F&HP, the parcels distribution was usually quite resource intensive. Although efforts to streamline distribution processes were made, the possible efficiency gains were limited with this modality. In Curaçao, for instance, the process to prepare the distribution lasted for five days (considering obtaining the items, packaging, up to the delivery).⁴¹ The recurrent distribution took a toll on human resources. In addition, the implementation encountered certain difficulties along the way, mostly related to coordination. The Red Cross had set the objective of giving households two parcels per month, while the Foodbank could only give one parcel per month. This resulted in having to choose who was getting two parcels per month and who was getting only one. Besides, the quality of the two parcels was not the same and beneficiaries were not satisfied with receiving less assistance and of less quality, and felt confused.⁴² ⁴³ In addition to

³⁹ Netherlands Red Cross, "4th Progress Report (Cumulative), September 2020 - BZK Emergency Operations CAS Islands."

⁴⁰ KII with NLRC staff.

⁴¹ They had to wait for the items to be delivered, then prepare, pack, and distribute them.

⁴² Workshop with Curaçao staff.

⁴³ In Curaçao, the Red Cross identified issues of non-compliance with the guidelines set in the procurement, the Food Bank was not reporting back on the distribution as agreed, there was a lack of transparency about who the beneficiaries were, and the quality of the parcels was not up to the Red Cross standards. The Food Parcels were scaled down from 1,000 beneficiaries to 500, and finally to 250.

beneficiaries' preferences (see section V.3), the strain on HR was one of the reasons that explained the progressive shift from F&HP to EV.

Monitoring

Monitoring the use of EV, which was meant to be restricted to buying food and hygiene products, was time-consuming and not fail-proof. Indeed, there were reported cases of beneficiaries using the money on the card to purchase items falling outside the list of agreed items in the supermarkets.

BZK and governments in the three countries were reluctant to use cash transfers because there were concerns that beneficiaries might use the cash for non-essential items. By design, the systems set up in the supermarkets in the three islands did not allow to only authorise the purchase of a specific list of items. In turn, this meant that programme implementers had to explain the restrictions to beneficiaries, train cashiers to know and enforce these restrictions, and monitor them periodically in order to be accountable to the donor and to ease the reconciliation process.

According to interviews and workshop participants, **these activities were resource intensive.** For instance, in Curaçao, the verification of purchases was done manually with staff checking the receipts. There was no digital copy of the supermarket receipts and Curaçao Red Cross (CRC) staff had to check the receipts manually to verify that beneficiaries were buying food and hygiene items only.⁴⁴

V.3. Effectiveness

The programme surpassed the initial targets it had set at the beginning, as it was scaled up due to the deterioration and persistence of the COVID-19 pandemic, increased funding availability and longer implementation timeframes. Finally the programme reached 22,6% of the population in the three countries (24% in Aruba, 17% in Curaçao and 27% in Sint Maarten).⁴⁵ The final evaluation conducted by OnEgin Consulting found that the objectives were considered valid by the majority of informants interviewed, who included beneficiaries, partners, the donor, and local governments. They all agreed that, without the support of the Red Cross, beneficiaries would have faced major difficulties to access food and hygiene products.⁴⁶

Due to the emergency nature of the operation, the programme team did not conduct a baseline at the beginning of the programme. As a result, there were no baseline or end line indicators to compare and measure the programme's effectiveness. The programme team did, however, collect data on beneficiaries' satisfaction through two PDMs in Aruba, Sint Maarten and Curaçao.⁴⁷ This explains the lack of quantitative outcome data presented in this section and why the consultants could not conduct a cost-effectiveness analysis.

⁴⁴ Workshop with Curaçao staff.

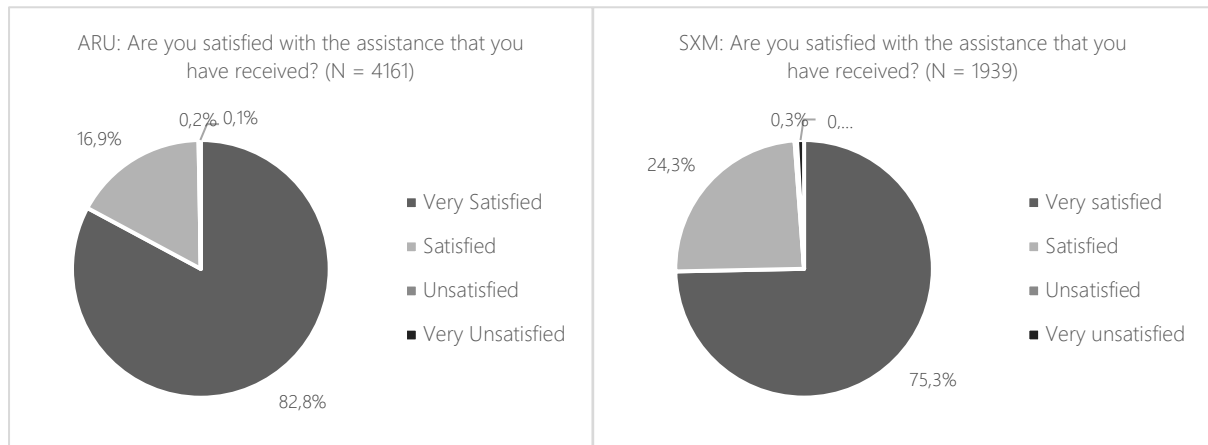
⁴⁵ OnEgin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands."

⁴⁶ OnEgin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands," 2021.

⁴⁷ A mid-term and an end-term PDM were conducted in Aruba and Sint Maarten, whereas in Curaçao only an end-term PDM was done.

All the data collected⁴⁸ corroborate the fact that beneficiaries were highly satisfied with the programme, especially with the EV modality. The EV modality gave beneficiaries a high degree of freedom of choice and allowed them to continue to cover some of their basic expenses in the context of the COVID-19 pandemic. The preference for this modality was also reflected in beneficiaries’ requests to be moved from the in-kind modalities to the EV one. Figure 8 shows the level of satisfaction for Aruba and Sint Maarten in the second PDM.⁴⁹ In both countries, over 99% of respondents were satisfied with the assistance received considering the three modalities (either very satisfied or satisfied).^{50 51}

Figure 8: Satisfaction with the assistance received Aruba and Sint Maarten (second PDM)



The feedback received from beneficiaries was very good and the Red Cross staff believes that communication was key for the success of the programme.⁵² Beneficiaries were always informed about the schedule of the distribution/top-ups and they also let people know in advance when the assistance would end.⁵³

The negative feedback did not relate to major structural changes to the assistance, but to certain shortcomings. **The two main limitations of the EV modality were that beneficiaries had fewer supermarkets to choose from and that they could not use the assistance to pay for any other essential needs, such as medical treatments and rent.** Indeed, the Red Cross only worked with supermarket chains that could comply with their guidelines, therefore, beneficiaries could only use the EV in these supermarkets. This meant that some beneficiaries would have to travel greater distances to buy their groceries, and, in some cases, this implied higher costs.⁵⁴ In Aruba for instance, undocumented migrants usually

⁴⁸ This information was corroborated in key informant interviews and during the workshops, and it is the main conclusion of the PDM conducted in the three countries.

⁴⁹ In Aruba and Sint Maarten the second PDM were conducted in May 2021. This question was not asked in the Curaçao PDM.

⁵⁰ Aruba Red Cross, "Post Distribution Report - BZK Program Aruba, May 2020 - August 2021," 2021.

⁵¹ Netherlands Red Cross, "Post Distribution Monitoring Report - Saint Maarten, July 2021," 2021.

⁵² OnEgin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands."

⁵³ KII with Red Cross staff in Aruba, Curaçao, and partners in Sint Maarten.

⁵⁴ KII with Red Cross staff, second PDM for Aruba and Sint Maarten.

need to use transportation, because they can be deported if they are stopped by the police while walking outside.⁵⁵

In terms of the use of the EV, some beneficiaries would have liked to be able to use the assistance to cover other expenses such as medicine and rent. However, the Red Cross was limited by donor requirements to distribute restricted cash to provide only food and hygiene assistance. Nonetheless, in Aruba, the Red Cross provided rent assistance through a different programme. **Regardless of the inability to use the EV as they saw fit, the assistance received meant that households could use their own money to cover other needs.**

The assistance received reduced beneficiaries’ financial burden in the context of COVID-19, in the three countries. However, the results are less clear in Curaçao than in Aruba and Sint Maarten. In Aruba, in the first PDM conducted in July 2020, 98% of respondents stated that the assistance had helped them reduce their financial burden either “very significantly” (65%) or “significantly” (33%).⁵⁶ The second PDM conducted in July 2021 showed an improvement in this question, with 69% of respondents answering “very significantly” and 29% “significantly” (

Aruba	EV	70%	85%	88%
	IKA	20%	15%	13%
	R2EM	10%	0%	0%
Curaçao	EV	45%	71%	74%
	IKA	48%	24%	18%
	R2EM	8%	6%	8%
Sint Maarten	EV	53%	50%	43%
	IKA	23%	25%	28%
	R2EM	23%	25%	28%
HQ	EV	53%	50%	43%
	IKA	23%	25%	28%
	R2EM	23%	25%	28%

).⁵⁷ In addition, in the second PDM, 83% of respondents mentioned that the assistance was enough to cover their food and hygiene needs, while 17% said that it was not enough.⁵⁸

The **Sint Maarten** PDM asked recipients if the EV has enabled them to cover the overall needs of their household. The results are presented in Figure 9.⁵⁹ As can be seen, for almost 90% of respondents that received EVs from NLRC or from K1, the assistance was “very sufficient” or “somewhat sufficient” to help them cover the overall needs of their

⁵⁵ KII with ARC staff. In the interview, it was mentioned that it is not safe for undocumented migrants to travel long distances by foot because they can be stopped by the police, ending in a deportation.

⁵⁶ Aruba Red Cross, “Post Distribution Report - BZK Program Aruba, May 2020 - August 2020,” 2020.

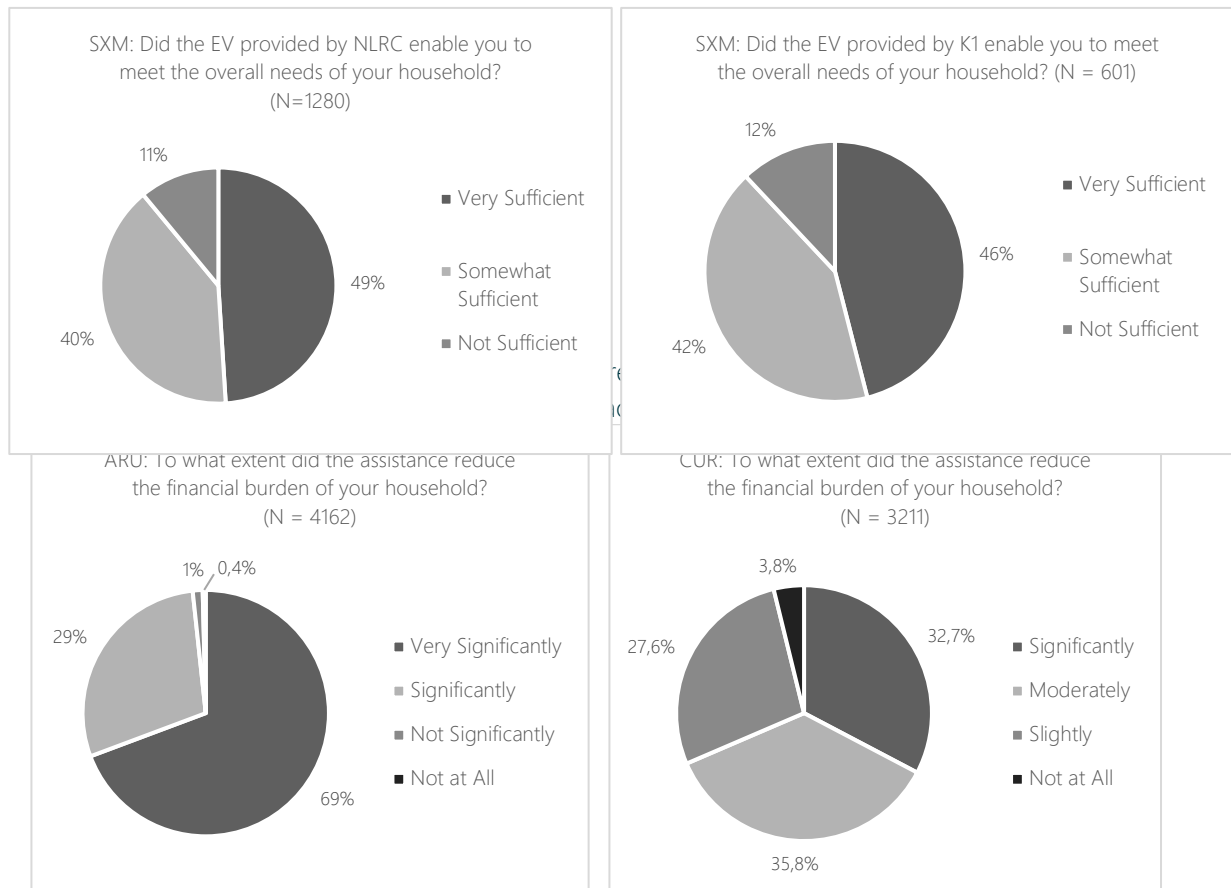
⁵⁷ Aruba Red Cross, “Post Distribution Report - BZK Program Aruba, May 2020 - August 2021.”

⁵⁸ Aruba Red Cross.

⁵⁹ Netherlands Red Cross, “Post Distribution Monitoring Report - Saint Maarten, July 2021.”

household.⁶⁰ According to one key informant, there were minor attempts to resell the vouchers to get cash to prioritise other needs that food and basic needs.

Figure 9: Extent to which the EV modality enabled beneficiaries to meet overall needs Sint Maarten



In **Curaçao**, the extent to which the assistance helped beneficiaries reduce their financial burden is less pronounced. In the PDM conducted in Curaçao, 35,8% of respondents said that the assistance had “significantly” reduced the financial burden of their household, 32,7% answered that the reduction had been “moderate”, and 27,6% said it had been “slight”. For 3,8% of respondents, the assistance did not reduce their financial burden at all (Figure 10).⁶¹ Likewise, the PDM shows that for 66% of respondents, the amount received was enough to cover their food and hygiene needs, but 34% of respondents mentioned that it was not enough.⁶²

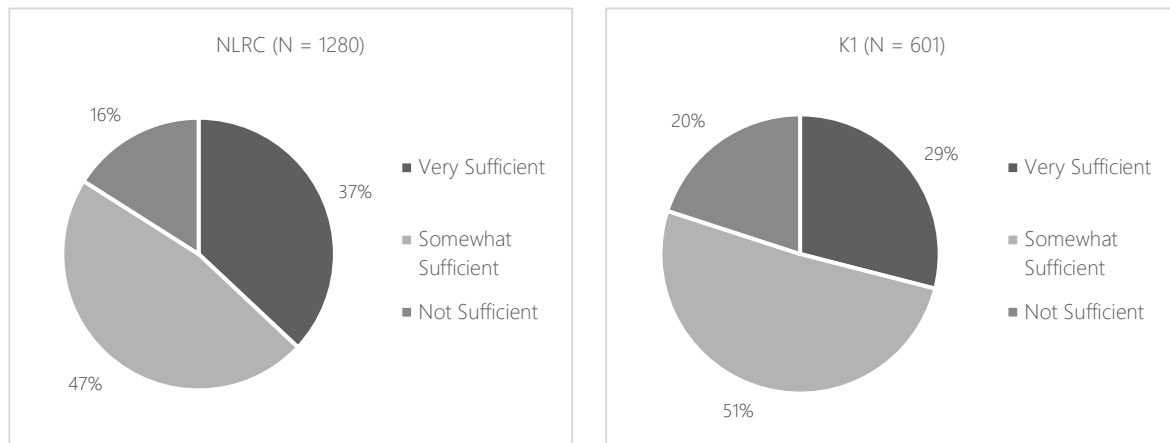
In **Sint Maarten**, about 50% of the respondents to the second PDM stated that the amount received was enough to cover their food and hygiene needs, whereas for a fifth of the respondents thought the amount received was not enough to cover such needs (Figure 11).

⁶⁰ This question was only asked in the Sint Maarten PDM.

⁶¹ Curaçao Red Cross, “Post Distribution Monitoring Report II - Curaçao,” 2021.

⁶² Curaçao Red Cross.

Figure 11. Was the transfer value sufficient for food and hygiene items for the household? (Sint Maarten)



The modalities offered to beneficiaries were the best suited to deal with their situation. The Red Cross integrated beneficiaries’ feedback and made efforts to switch beneficiaries to their preferred modality. Yet, there was usually a preference for EV compared with F&HP.

In **Aruba**, in the first PDM, 92% of respondents expressed that the EV was their preferred modality, a number that decreased to 76% in the second PDM.⁶³ In phase 2, the Red Cross included three more supermarkets in the programme in order to respond to the high demand for the EV modality, and to try to give beneficiaries an option that was closer to their home and avoid the long queues that were saturating the supermarkets.⁶⁴ Additionally, from November 2020 onwards, beneficiaries of R2EM started receiving a hygiene parcel on a monthly basis.⁶⁵

In **Sint Maarten**, following beneficiaries’ request, NLRC increased the efforts to move them from in-kind assistance to the EV modality. The results of the first PDM showed that 87% of beneficiaries had received their preferred modality, and amongst those who did not receive their preferred one, 97% stated that they would prefer EV.⁶⁶ Hence, NLRC discussed the possibility of switching their assistance from F&HP to EV with K1, to which they agreed. From phase 2 onwards, K1 provided EVs, and the Freegan Foundation contacted beneficiaries to try to switch them to the EV modality too during the transition to phase 3. This is a good reflection of how partnerships worked in Sint Maarten in order to adjust the assistance according to beneficiaries’ preferences.

Nonetheless, the fact that K1 also distributed EV came with a shortcoming. NLRC and K1 worked with different EV systems. The K1 system had more digital features, the top ups were done remotely and the payment in the supermarket was automatised. Whereas for the Red Cross one, beneficiaries had to top up their vouchers in person every month and faced longer queues at the supermarket. Having these two different systems created some

⁶³ In the first PDM, 4% of respondents mentioned that they would prefer pure cash (instead of vouchers), and 7% mentioned preferring pure cash in the second PDM.

⁶⁴ Netherlands Red Cross, “5th Progress Report (Cumulative), October 2020 - BZK Emergency Operations CAS Islands.”

⁶⁵ Netherlands Red Cross, “6th Progress Report (Cumulative), November 2020 - BZK Emergency Operations CAS Islands,” 2020.

⁶⁶ Netherlands Red Cross, “Post Distribution Monitoring Report - Saint Maarten, January 2021,” 2021.

dissatisfaction among the beneficiaries receiving the NLRC vouchers.⁶⁷ The Red Cross tried to improve the process by providing extra phones to the supermarkets to do the transactions and by providing extra training to cashiers on how to process the payments for both systems.⁶⁸

In **Curaçao**, this question was not asked in the PDM. But as it was mentioned in the previous section, the Red Cross had an interest in switching beneficiaries to the EV modality for cost-efficiency reasons in the three countries.

Adequacy of the In-Kind Assistance

Beneficiaries were satisfied with the quality and the distribution of the R2EM, but there was more dissatisfaction with the F&HP. During the first months of the programme, the quality and quantity of the assistance provided in the form of F&HP decreased because of poor planning from the partners, problems with the supply chain of goods due to the COVID-19 context, and administration and logistics constraints.⁶⁹

The F&HP were not necessarily a good approach in comparison with the other two options. The R2EM modality made sense as there were vulnerable people who could not cook or had limited mobility and therefore could not make a good use of the EV. The EV gave people more freedom of choice than the F&HP and was also the preferred modality by the Red Cross. F&HP were a good complement at the beginning of the programme while the set-up of EV was taking place, because such programmes were already running and people were already dealing with the consequences of the COVID-19 crisis.

As mentioned in the previous section, in **Aruba**, the Food Bank was not able to comply with the procurement, therefore the partnership was ended in the first months of the programme. In **Curaçao**, working with the Food Bank meant that two types of parcels were being delivered, one from the Food Bank and one from the Red Cross, and their quality differed. The focus of the Food Bank was on serving as many families as possible, while for the Red Cross, serving good quality in sufficient amounts was also a consideration. In addition, the parcels distributed by the Food Bank were not proportional to household size, whereas the ones from the RC were, thus creating problems within communities as households did not understand why they were getting fewer products than other households or why the quality was not the same.⁷⁰

In **Sint Maarten**, beneficiaries were satisfied with the quality of the R2EM and of the F&HP. In the case of the R2EM, there were some minor complaints about the lack of variety in the meals or that the quantity was insufficient.⁷¹ Regarding F&HP, 43% of beneficiaries rated them of good quality and 53% of very good quality, and stated that they were delivered in time.⁷² However, a third of the respondents to the first PDM indicated that the portions of

⁶⁷ Netherlands Red Cross.

⁶⁸ Netherlands Red Cross.

⁶⁹ Netherlands Red Cross, "4th Progress Report (Cumulative), September 2020 - BZK Emergency Operations CAS Islands."

⁷⁰ Workshop with Curaçao staff.

⁷¹ Netherlands Red Cross, "Post Distribution Monitoring Report - Saint Maarten, January 2021."

⁷² Netherlands Red Cross, "Post Distribution Monitoring Report - Saint Maarten, July 2021."

the food assistance were not sufficient for their households.⁷³ One shortcoming of the F&HP in Sint Maarten was that the Freegan Foundation would only provide vegan food, which limited beneficiaries’ diet.

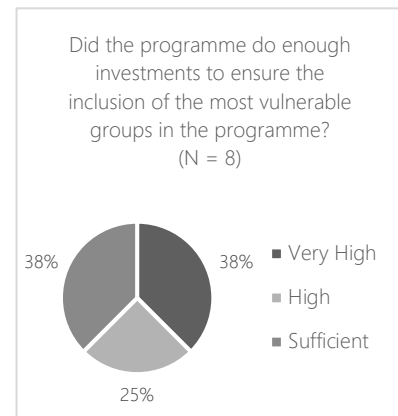
V.4. Equity

There is no baseline data or national statistics to confirm whether or not the programme reached the most vulnerable populations. Key informants agreed that all the efforts were made to reach this group and that they succeeded in this regard. The results of the survey also point in the same direction, as shown in Figure 12.

Moreover, this finding is supported by the OnEgin evaluation according to which: “Despite all the difficulties, the NLRC and the local partners were able to achieve the objectives of the programme. A significant number of vulnerable people received food & hygiene support to cope with COVID-19-related crises (96,618 persons, EV: 72,644, F&HP: 21,889, R2EM: 2,085, 22% of population). The lack of needs assessment and baseline data does not allow to identify clearly how many potentially eligible people did not receive aid or the level of potential fraud.”⁷⁴ While these data indicate that the programme was equitable, the consultants could not form their own judgement.

There were two main challenges in identifying vulnerable populations: the selection criteria and reaching out to the most marginalised. The selection criteria initially established excluded some vulnerable people who needed assistance. They were therefore revised and expanded. In addition, the Red Cross and its partners had to make additional efforts to penetrate hard-to-reach communities. These two topics are further developed in the next two subsections.

Figure 12. Investments done to ensure inclusion, survey results



⁷³ Netherlands Red Cross, “Post Distribution Monitoring Report - Saint Maarten, January 2021.”

⁷⁴ OEgin International Consulting, “Final Evaluation - COVID-19 Food Assistance Program CAS Islands.”

V.4.1. Selection Criteria and Data Management

Early on in the programme, it was noted that the selection criteria were excluding vulnerable people. For example, people who were receiving assistance from the government were initially excluded from the programme. However, it was noticed that the amount they were receiving was insufficient to get them out of their vulnerable situation. The selection criteria were modified and made less restrictive, and the data management process was updated to make sure that the programme was reaching its target audience, as summarised in Figure 13.

Figure 13. Changes to the Selection Criteria and Data Management

Aruba	Curaçao	Sint Maarten
<ul style="list-style-type: none"> • The score given to pregnant women was lowered because it was higher than the one for people with disabilities. • Additionally, for the third phase of the programme, the Red Cross adapted the ESPOCRM system to be able to collect as much additional information about beneficiaries' situation as possible. • The scoring system was updated, and the capacity of local partners was improved by training them on new tools and on how to conduct interviews with beneficiaries. 	<ul style="list-style-type: none"> • In the second phase of the programme, the selection process was updated bringing in a higher supervisory role for the Red Cross. It was based on a strong coordination with community structures (Casa di Bario and Centro di Bario). • The coordination allowed for a close interaction with the population to ensure: a good flow of information, that the most vulnerable were being reached, and that the selection criteria were being respected. 	<ul style="list-style-type: none"> • At the beginning of 2021, all partners did a data update process to clean the databases. • After this process, 292 households were expelled from the programme because of duplication. • In addition, another 280 household members were removed from the programme because of household duplication (people being part of two different households receiving assistance).

According to key informants, at the beginning of the programme, the priority was to reach a good number of vulnerable beneficiaries and the selection system was largely based on trust. To fast-track the process of identifying and selecting beneficiaries, it was mostly done through smartphones and through the internet. Such a process had high chances of excluding vulnerable people with no access to such tools in the first phase of the programme, as pointed out by implementers themselves.⁷⁵ The consultants could not determine the extent to which this happened.

There was a trade-off between the timeliness and the equity of the response with the registration system. By doing the registration process too quickly, the Red Cross took the risk that some beneficiaries would try to cheat the system. The assessment system was not robust enough to ensure that people who did not meet the criteria were not included. Later in the programme, assessing beneficiaries again to verify their information proved challenging due to the high workload.⁷⁶ Moreover, the programme was operating in an

⁷⁵ Netherlands Red Cross, "4th Progress Report (Cumulative), September 2020 - BZK Emergency Operations CAS Islands."

⁷⁶ Netherlands Red Cross, "5th Progress Report (Cumulative), October 2020 - BZK Emergency Operations CAS Islands."

ever-changing context, with changing household compositions and people finding temporary work opportunities, which was difficult to track.⁷⁷

Once the programme was settled well, efforts were put in place to monitor and verify that the information being provided by beneficiaries was authentic.⁷⁸ When partners shared information about beneficiaries, the Red Cross would verify if there was any duplication or if the person were working/had a job/income or not. However, these types of exchange with other organisations were not systematic, and were problematic to safeguard beneficiaries' data. Hence duplication could not be excluded with complete certainty.⁷⁹ In Aruba, for example, in early 2021, beneficiary data were compared between organisations to find cases of duplication. The analysis showed that in Aruba, assistance was duplicated between the organisations around 70% and 90% of the time, which is an alarming number.⁸⁰ This number is, however, contradictory to the primary data collected, and it is not clear whether a similar assessment took place in the other two islands.

V.4.2. Reaching Out to the Most Vulnerable

Early in the programme, the Red Cross noticed that it was unlikely that all vulnerable people were being reached by the programme and extra efforts were made to ensure a greater penetration of the programme in the three islands.⁸¹ Undocumented migrants are a particular group of interest, who, given their status, are hard to identify and quantify, and whose needs are difficult to assess.⁸² Although reaching out to the most marginalised people implied higher costs because they are harder to find, the effort was worth it as these are the people who need assistance the most.⁸³

Starting with the second phase of the programme, the Red Cross increased the efforts to reach the largest number of vulnerable people possible. While the programme was scaling up, the Red Cross used a variety of methods, such as setting up call centres, a WhatsApp help desk, and appeals on the radio, in newspapers, on social media, in churches, Red Cross and other organisation offices, and using multilingual teams. In addition, the Red Cross made an effort to reach people through volunteers doing community outreach. The community engagement was reinforced to ensure that all potential beneficiaries were reached.⁸⁴ In Aruba, at the end of 2020, all potential beneficiaries who had registered for assistance were reached through phone calls and additional efforts were made by calling people back or by volunteers field teams doing home visits.⁸⁵ In Sint Maarten, volunteers

⁷⁷ Netherlands Red Cross.

⁷⁸ OnEgin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands."

⁷⁹ OnEgin International Consulting.

⁸⁰ Netherlands Red Cross, "9th Progress Report (Cumulative), February 2021 - BZK Emergency Operations CAS Islands."

⁸¹ Netherlands Red Cross, "2nd Progress Report (Cumulative), July 2020 - BZK Emergency Operations CAS Islands."

⁸² Netherlands Red Cross.

⁸³ KII with ARC, CRC, and partners in Sint Maarten.

⁸⁴ Netherlands Red Cross, "3rd Progress Report (Cumulative), August 2020 - BZK Emergency Operations CAS Islands."

⁸⁵ Netherlands Red Cross, "6th Progress Report (Cumulative), November 2020 - BZK Emergency Operations CAS Islands."

did walkthroughs in migrant communities to check whether or not people had been reached.

Working with partners that had experience in the three countries was key to expanding the reach of the programme and had a positive effect on the equity of the programme. In Aruba, before opening registration for the third phase of the programme, the Red Cross contacted other organisations that could refer beneficiaries who matched their conditions. In Curaçao, Unidad de Barrio helped with the registration of people who could not access the process on WhatsApp, while Curaçao Help, Caritas, and the International Organisation for Migrants helped to ensure that migrants were identified and that there was no duplication of efforts.⁸⁶ In Sint Maarten, at the beginning of the programme, beneficiaries were mostly people whom NLRC or the partners had identified in previous operations, and K1 and the Freegan Foundation did field work to identify new beneficiaries later on.⁸⁷

Nonetheless, in the context of COVID-19, carrying out an in-depth analysis of households' situation was not possible, and without such an assessment, it is impossible to confirm that all vulnerable people were included in the programme.⁸⁸ The human resources available were too limited to do a proper needs analysis and the Red Cross always works under the uncertainty that the programme may not be extended for another phase, in which case these resources would be wasted.⁸⁹

V.4.3. Impact of the Programme on Local Supermarkets

The programme seems to have had a negative effect on smaller supermarkets, but the consultants could not quantify the extent of this effect. According to key informants, it is expected that the programme had an impact on smaller supermarkets, because it worked mostly with big chains that were able to comply with the Red Cross requirements.⁹⁰ Some smaller supermarkets tried to apply, but they did not have the sufficient number of staff members, or the required capacity (capacity to use the terminal and report back the expenses) to be part of the programme. Working with larger supermarkets allowed the Red Cross to get discounts. For example, the Red Cross got a 4% discount from the supermarkets it worked with, which was possible only because they were big chains. In addition, including more supermarkets would have put an extra burden on the Red Cross staff, who were already overwhelmed.⁹¹ **Having a limited number of supermarkets made the programme more manageable, although this sometimes implied higher costs for beneficiaries in terms of transportation.**^{92 93} In Aruba, in the second PDM, over half of the beneficiaries (59%)

⁸⁶ Netherlands Red Cross, "9th Progress Report (Cumulative), February 2021 - BZK Emergency Operations CAS Islands."

⁸⁷ KII with partner in Sint Maarten.

⁸⁸ On Egin International Consulting, "Final Evaluation - COVID-19 Food Assistance Program CAS Islands."

⁸⁹ Netherlands Red Cross, "Post Distribution Monitoring Report - Saint Maarten, January 2021."

⁹⁰ KII with ARC, CRC, and partners in Sint Maarten.

⁹¹ Netherlands Red Cross, "Cash Feasibility Analysis Sint Maarten - April 2020," 2020.

⁹² Aruba Red Cross, "Post Distribution Report - BZK Program Aruba, May 2020 - August 2021."

⁹³ For example, in the second PDM in Aruba, 14% of respondents mentioned that there were additional costs related to the use of the EV and that these costs were transportation. However, the report also states that

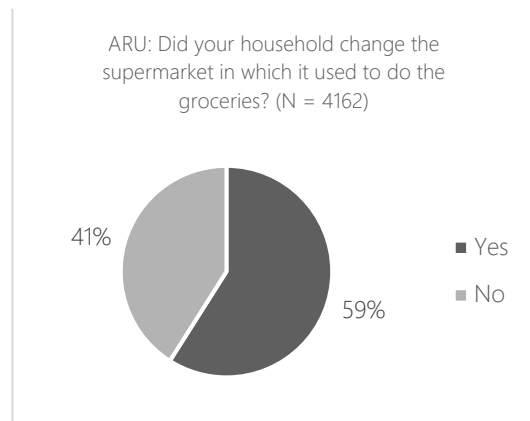
reported that they had changed from their usual supermarket after entering the programme (Figure 14).⁹⁴

It is expected that such change had an important impact on the revenues of small stores.⁹⁵ In contrast, given the scale of the programme, it probably brought high revenues to the supermarkets that were participating, which were mostly a small number of large chains. The unequivocal benefits that voucher programmes bring to voucher vendors, who are usually the most wealthy supermarkets, may in fact be responsible for a common collateral effect of cash assistance in humanitarian settings.⁹⁶

While the technical capacity of supermarkets was reported to a critical selection factor, it is not clear to the consultants to what extent the economy of the programme (the discounts offered by bigger supermarkets, the cost of EV terminals for supermarkets, the HR constraints) was also a determining factor in the decision.

Lastly, in terms of prices, **some beneficiaries did report price increases** in the PDMs. However, **these increases should not have been major** since the governments set price controls for essential items in all three countries.^{97 98}

Figure 14. Change in Supermarket of Preference, Aruba



VI. VFM Conclusion

VfM is about promoting the best use of resources in delivering the desired impact to the required standards and is not solely about optimising the economy and efficiency of programmes. Therefore, determining whether, and to what extent, the programme reached a good VfM depends on the balance struck between the four VfM criteria (effectiveness, equity, efficiency, and economy). In that regard, the NLRC COVID-19 programme has achieved good value for money.

Economy: To what extent was the cost structure of the programme appropriate to achieve the intended objectives?

these numbers must be looked at with cautious because the reported costs are way above the cost of transportation. In Sint Maarten, 10% of respondents to the second PDM stated that they paid someone to help them buy groceries, while 29% had to pay transport to get to the supermarket.

⁹⁴ Aruba Red Cross, "Post Distribution Report - BZK Program Aruba, May 2020 - August 2021."

⁹⁵ Aruba Red Cross.

⁹⁶ International Rescue Committee, "Vendor Experiences With Humanitarian Cash and Voucher Assistance: Findings from Chad and Colombia," 2021.

⁹⁷ Netherlands Red Cross, "Cash Feasibility Analysis Sint Maarten - April 2020."

⁹⁸ https://www.government.aw/news/news_47033/item/maximum-prices-for-the-crisis-package-as-of-november-25-2020_55269.html#titel55269

The consultants deem that the cost structure of the programme was appropriate to achieve the intended objectives. **Almost 90% of the budget went to beneficiaries, and the programme costs to implement the programme only represented 10% of the total budget.**

The national staff represented a small fraction of the budget and volunteers represented most of programme staff. The involvement of volunteers was the most significant driver of economy in the three countries. They received a stipend of between USD 250-300 for a full-time job, which is significantly below the monthly salary.

Aside from the investment in the cloud system, the Customer Relationship Management software (CRM) and the EV technology, the set-up costs were fairly limited for the programme. In addition, the previous experience of the Red Cross and partners with similar programmes in the three countries was a driver of economy.

Efficiency: How do the three modalities of assistance compare in terms of efficiency?

The programme was efficient, as shown by the analysis of the cost structure and TCTR. The programme's Total Cost to Transfer Ratio (TCTR) was 1.12, i.e. it costed 12 cents to deliver 1 euro of assistance, and average volume transferred to individuals of €515. Although there are no benchmarks to assess the cost efficiency of a humanitarian programme, the consultants consider that a TCTR of 1.12 for such a large-scale programme is cost-efficient.

EV was the most cost-efficient modality with a TCTR of 1.08 versus 1.46 for F&HP and 1.59 for R2EM. This is explained by the scale of the response, but also by the fact that, once set up, the EVs take fewer resources to implement.

The targeting and selection process of beneficiaries were the most challenging step of the programme. The branches and partners in the three countries were not familiar with areas such as information management, which limited the opportunities to optimise the programme. Working with partners made the implementation of the R2EM and F&HP modalities relatively easy, although the latter proved quite resource intensive.

Effectiveness: How effective was the programme in light of the investments made?

The programme was effective to the extent that it exceeded the initial targets (reaching 22,6% of the population across the three countries) and that beneficiaries in the three countries were highly satisfied with the programme.

The data collected suggest that the programme was effective in reducing "the financial burden" and in contributing to households meeting their basic needs. Primary data collection with beneficiaries and non-beneficiaries, and the availability of an outcome indicator in the PDM, **would have enabled the consultants to provide a more assertive and nuanced analysis of the effectiveness and equity criteria.** This could notably have been achieved by coupling the qualitative analysis of the effectiveness with more robust triangulation and with a cost-effectiveness analysis.

Whereas the R2EM modality made sense, to the extent that there were vulnerable people who could not cook or had limited mobility, the F&HP was not necessarily a good approach, because it limited beneficiaries' choice and it was a modality logistically complex to implement.

Equity: To what extent has the programme reached marginalised groups?

Additional efforts were made throughout the programme to include vulnerable groups. However, there was no baseline national statistics quantify this output.

The selection criteria initially established excluded some vulnerable people who needed assistance. They were therefore revised and expanded. Most of the first batch of beneficiaries applied to the programme online and such a process had high chances of excluding vulnerable people with no access to digital tools.

The Red Cross and its partners made additional efforts to penetrate hard-to-reach communities. Early in the programme, it was noticed that it was unlikely that all vulnerable people were being reached and extra efforts were made to ensure a greater penetration of the programme in the three islands.

The programme had a negative effect on smaller supermarkets. The Red Cross worked mostly with big supermarket chains which is expected to have impacted the revenues of small stores. The extent of this effect could not be quantified.

Final Remarks

There are various reasons that account for the fact that the programme has reached VfM. First, **the scale of the response**, both in terms of the duration and caseload, **has allowed the programme to reach economies of scale**, without compromising extensively on the timeliness and quality of the delivery. This is reflected in the extremely high levels of beneficiary satisfaction. Second, **volunteers were an overall critical factor of economy, efficiency, and equity**. Not only were they cheaper than staff, but they showed an extremely high level of commitment in ensuring the timely delivery of the assistance. Their knowledge of their communities was critical in targeting and reaching the most vulnerable. Finally, despite the lack of experience of large-scale response in the three islands, local branches and partners were able to set up the programme rapidly (partnership agreement, contact with supermarkets, CRM, assessments, targeting and communication), launch initial distributions, scale up the programme and improve processes over time, with continued support from NLRC HQ. Should the need for a similar response occur in the near future, **the programme strengthened the capacity of branches and partners, and of contributing to their emergency preparedness, especially in the use of CVA.**

Design and implementation-related decisions often require trade-offs between the different VfM criteria. For instance, reaching the most vulnerable usually requires more resources and time, and thus, impacts the efficiency of the programme negatively. However, it is a necessary investment to ensure equity. **Like the vast majority of sudden-emergency response programmes, the NLRC COVID-19 Programme was faced with this type of trade-off.**

The first trade-off made was on the number of supermarkets enrolled in the programme. Done for compliance and economy reasons, this choice negatively impacted the effectiveness and the equity of the programme for beneficiaries. Indeed, some beneficiaries had to incur unexpected costs to travel to these supermarkets,⁹⁹ and non-selected traders faced a significant loss of income. It is unclear whether this programmatic choice had a

⁹⁹ The supermarkets were further away from their home, and were sometimes not within walking distance.

negative impact on the prices of specific items and on market concentration, based on the monitoring data from NLRC and local branches. It should be acknowledged that the lack of visibility on the duration of the funding mechanism from BZK has discouraged the involvement of new supermarkets with lower capacity, as the selection process would have taken too much time when the programme could be ending soon.

The second trade-off was on the restrictions set up with the use of vouchers. While this decision was donor-driven, it had nonetheless a negative impact on the VfM. Monitoring that beneficiaries were complying with these restrictions was labour intensive, with varying degrees of success, and meant that some beneficiaries potentially lost the opportunity to use the cash for expenses that they considered more urgent, such as health-related matters. A discussion would be worth having between NLRC, the donors, and the governments about the value-added of such restrictions. The time saved by not monitoring the restriction could have been used for other critical activities instead, such as targeting or the PDM, or even to reduce the reportedly high workloads of the programme team.

VII. Recommendations

Based on the evaluation findings and conclusions, this section provides recommendations for the future emergency programme implemented by NLRC. The recommendations are presented as a series of options for consideration, along with their justification. They are split into two categories of recommendations: 1) For future emergency response and 2) For future VfM analysis.

VII.1. For future emergency response

#	Recommendations	Rationale	Who is involved?
1	NLRC should advocate to lift the restrictions	NLRC should advocate for unrestricted cash to the donors and the governments, because monitoring the restriction is resource-heavy and means that beneficiaries are losing freedom of choice and the ability to prioritise specific expenses such as health and rent. Research shows that when the targeting is done well, unsocial use of cash is extremely limited. ¹⁰⁰ The resources saved by not monitoring the restriction could be invested into the targeting or other activities.	NLRC BZK and local governments
2	Prevent automatically the	If implementing restricted vouchers, then NLRC should invest in a technology that allows them,	NLRC

¹⁰⁰ David Evans and Anna Popova, “Cash Transfers and Temptation Goods - A Review of Global Evidence” (World Bank, 2014).

	purchase of specific items to simplify the monitoring of the restriction	by design, to automatically prevent the purchase of specific items. Red Rose, the current EV technology provider, offers such a set-up. It should be noted that this recommendation is only relevant if Recommendation 1 is not successful.	Local branches
3	Develop standard PDM tools/questions for sudden-onset emergencies	NLRC should develop standard PDM tools/questions for sudden-onset emergencies, which would then allow to deploy similar tools in all locations. In the case of this programme, survey questions and response choices were different, which made the comparability of data somewhat challenging.	NLRC Local branches
4	Monitor at least one outcome indicator	In the case a sudden-onset emergency, NLRC should still add an outcome indicator in the PDM, such as the Livelihood Coping Strategy Index or the Reduced Coping Strategy Index (rCSI), which are recommended for multipurpose cash assistance. Given the duration of the assistance and the type of support, the rCSI would probably be more relevant. ¹⁰¹ In cases where conducting a baseline was not possible, NLRC could still reconstruct the baseline retroactively. ¹⁰²	NLRC Local branches
5	Consider longer contracts with a clause to extend duration and funding if certain conditions are met	The funding cycles approach is not compatible with making investments to improve processes, hiring staff to replace volunteers, hiring more staff, contracting more supermarkets, investing in technologies, etc. They also add an extra burden on NLRC teams, who need to sign contracts with the donors and all the partners. For a future emergency, BZK should consider one-year contracts, wherein each cycle is activated by a written notice if the emergency continues.	BZK

¹⁰¹ Olivia Collins, "Review of the Grand Bargain Multipurpose Cash (MPC) Outcome Indicators," 2021, <https://www.calpnetwork.org/publication/review-of-the-grand-bargain-multipurpose-cash-mpc-outcome-indicators/>.

¹⁰² https://www.betterevaluation.org/en/resources/guide/reconstructing_baseline_data

6	Monitor prices and point of sales, and consider market-based programming	<p>Regardless of the number of selected supermarkets, NLRC and branches need to monitor market prices and market concentration, because EV is known to have the potential to distort them.</p> <p>Such monitoring would give insights on the impact of EV on the purchasing power of beneficiaries and non-beneficiaries, and on the impact of the assistance for traders that are not part of the programme.</p> <p>In turn, the implementers could consider market-based programming activities aiming to use and support markets further. For instance, activities could include capacitating smaller vendors to manage EV.</p>	NLRC Local Branches
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VII.2. For future VfM analysis

#	Recommendations	Rationale	Who is involved?
1	Categorise all transfers and donations to beneficiaries under the same budget line	<p>When constructing the budget layout in the proposal and financial systems, the amount transferred to beneficiaries should be on a separate budget line and accounting code. This would allow NLRC or consultants to easily calculate the overall TCTR.</p> <p>Following the same logic, the expense label should be categorised according to the modality of assistance. This would allow NLRC or consultants to easily calculate the overall TCTR per modality.</p>	NLRC
2	Categorise NLRC's chart of accounts against the SCAN Code	<p>Categorising the chart of accounts against the SCAN code would serve two purposes:</p> <ul style="list-style-type: none"> ▪ Facilitating the cost-efficiency and cost-effectiveness calculations ▪ Ensuring comparability with other VfM study, as SCAN is already used by other organisations <p>For more information: https://www.rescue.org/report/systematic-cost-analysis-scan-tool-fact-sheet</p>	NLRC

3	Compare TCTR with caution due to the high number of volunteers	<p>The volunteers are both a specificity of the Red Cross movement and a significant driver of economy in the cost structure.</p> <p>While TCTR comparison should be avoided if it is not possible to identify how design and context factors (see efficiency in V.2) impact efficiency, it is important that the Red Cross do not do a direct comparison of the TCTR with an agency without volunteers. Similarly, within the Red Cross movement, programmes with many volunteers are likely to be more cost-efficient than other programmes with fewer volunteers.</p>	The Red Cross
4	Record the LOE per modality on a quarterly basis	<p>Any comparative study of modalities is highly dependent on the LOE estimates to allocate the shared costs and indirect costs.</p> <p>Ideally, NLRC would want to put time sheets in place, but it is unrealistic given the number of staff and volunteers. A more feasible alternative measure would be to report on the approximate time spent on each modality every three months. The figures could be discussed in a project meeting with programme, finance, and logistical staff. An alternative could be a survey that staff are expected to fill every quarter.</p>	NLRC Local Branches
5	Allocate time for primary data collection in the ToRs	<p>As any evaluation, a VfM study requires engagement with implementers and beneficiaries to evaluate the effectiveness, efficiency, and equity criteria.</p> <p>The commissioner should make sure that this is budgeted for in the number of days and that there is not too much survey fatigue.</p>	NLRC
6	Create a tag for set up costs	<p>Create a tag for all set up costs in NLRC accounting system, so they can be easily identified and isolated for the study. These are usually one-off costs that NLRC would not have to incur if the programme were to be run again. Therefore being able to isolate the costs allows to understand their impact on the TCRT and to factor in this the analysis if you are comparing the ratios with the one of more established projects.</p>	NLRC

VIII. Annexes

VIII.1. Study Matrix

Question	Indicator	Source	Prerequisites
I. Economy: To what extent was the cost structure of the programme appropriate to achieve the intended objectives?			
I.1 What is the cost structure of the programme?	Classification and analysis of the different types of expenditure of the programme (direct vs. shared vs. indirect costs, fixed vs. variable cost)	<ul style="list-style-type: none"> Budget and ledgers 	<ul style="list-style-type: none"> Accounting data for the three islands and HQ are available and accessible with the level of disaggregation needed to carry out of the analysis (including the financial data of partners) KIs are available for the interviews and can answer to requests about the ledger(s) via a call or by email
	Percentage of aid distributed out of the total programme budget, disaggregated by modality of assistance and island	<ul style="list-style-type: none"> Budget and ledgers Project narrative reports KAC costing sheet 	
	Percentage of direct costs out of the total programme budget disaggregated by modality of assistance and island	<ul style="list-style-type: none"> Budget and ledgers Project narrative reports KAC costing sheet 	
I.2 What are the main drivers affecting the cost structure of the programme?	Budgetary analysis of the cost drivers of the programme	<ul style="list-style-type: none"> KAC costing sheet KIs with NLRC staff 	<ul style="list-style-type: none"> Accounting data for the three islands and HQ are available and accessible with the level of disaggregation needed to carry out of the analysis (including partners) KIs are available for the interviews
	Opinions from programme stakeholders on the cost structure of the programme related to the implementation needs and on potential ways to optimise costs	<ul style="list-style-type: none"> KIs with NLRC staff Project narrative reports Staff Survey 	
I.3 To what extent is a modality (R2EM, food parcels,	Existence and comparison of specific start-up costs to implement a specific modality	<ul style="list-style-type: none"> Budget and ledgers KIs with NLRC staff 	<ul style="list-style-type: none"> Accounting data for the three islands and HQ are available and

e-vouchers) requiring more investments than others?	One of the modalities requires specific resources to be implemented, e.g., human resources, logistics means, specific assets, M&E, heavy investment in time, etc.	<ul style="list-style-type: none"> ▪ Budget and ledgers ▪ KIIs with NLRC staff 	accessible with the level of disaggregation needed to carry out of the analysis (including partners)
II. Efficiency: How do the three modalities of assistance compare in terms of efficiency?			
II.1. What were the unit costs of each modality of aid provided (R2EM, food parcels, e-vouchers)?	Number of beneficiaries (individuals or households) reached during the programme, disaggregated per modality	<ul style="list-style-type: none"> ▪ Project narrative reports 	<ul style="list-style-type: none"> ▪ KIIs are available for the interviews ▪ Accounting data for the three islands and HQ are available and accessible with the level of disaggregation needed to carry out of the analysis (including partners) ▪ The response rate to the survey is sufficient ▪ Staff are available to participate in the workshop
	Allocation of the shared and indirect costs for each modality based on the reported level of efforts per modality	<ul style="list-style-type: none"> ▪ KAC costing sheet ▪ Workshop ▪ Budget and ledgers (including partners) 	
	Calculation of the Total Cost To Transfer Ratio (TCTR) and of the cost per beneficiary ¹⁰³ per modality of assistance	<ul style="list-style-type: none"> ▪ KAC costing sheet 	
II.2. To what extent have the modalities been timely and time efficient?	Amount of time needed to set up and implement each of the modality, and reported reasons why	<ul style="list-style-type: none"> ▪ Project narrative reports ▪ KIIs with NLRC staff ▪ Staff Survey ▪ Workshop ▪ Monitoring data 	<ul style="list-style-type: none"> ▪ KIIs are available for the interviews ▪ Accounting data for the three islands and HQ are available and accessible with the level of disaggregation needed to carry out of the analysis (including partners) ▪ The response rate to the survey is sufficient
	Reported flexibility of a modality to rapidly scale up or down the activity based on the number of recipients to cover	<ul style="list-style-type: none"> ▪ Project narrative reports ▪ KIIs with NLRC staff ▪ Monitoring data 	
II.3 What are the drivers of efficiency that are positively or	NLRC staff and local partners identify external drivers in the CAS islands' context that	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Monitoring data 	

¹⁰³ The review team will also calculate the Operational cost per beneficiary = (total programme cost – value of cash transferred to beneficiaries) / total number of beneficiaries.

negatively affecting the efficiency of the programme?	contributed (positively or negatively) to the efficiency of the programme.	<ul style="list-style-type: none"> ▪ Evaluation data ▪ Survey with staff 	<ul style="list-style-type: none"> ▪ Staff are available to participate in the workshop ▪ The PDM databases are available
	NLRC staff and local partners identify internal drivers of the programme that contributed (positively or negatively) to the efficiency of the programme.	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Survey with staff ▪ Workshop 	
	Modelling of the impact of the scale of intervention (number of beneficiaries and transfer value) on the cost efficiency	<ul style="list-style-type: none"> ▪ KAC costing sheet ▪ KIIs with NLRC staff 	
III. Effectiveness: How effective was the programme in light of the investments made?			
III.1. How does the beneficiaries' overall level of satisfaction with the programme perform against the costs?	Beneficiaries' satisfaction with the assistance and with the Red Cross and reasons why (not)	<ul style="list-style-type: none"> ▪ Monitoring data ▪ KIIs with NLRC staff ▪ Desk review 	<ul style="list-style-type: none"> ▪ KIIs are available for the interviews ▪ Accounting data for the three islands and HQ are available and accessible with the level of disaggregation needed to carry out of the analysis (including partners) ▪ The response rate to the survey is sufficient ▪ The PDM databases are available ▪ The data matrixes from the evaluation team are available¹⁰⁴
	Beneficiaries confirming that the modality chosen was the best suited for their specific situation	<ul style="list-style-type: none"> ▪ Monitoring data ▪ KIIs with NLRC staff ▪ Desk review 	
	NLRC staff and local partners identify internal drivers of the programme that contributed (positively or negatively) to the satisfaction of recipients	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Survey with staff ▪ Workshop 	
	Existence of specific investment choices made (or not) that have affected positively or negatively beneficiary satisfaction	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Survey with staff ▪ Workshop 	

¹⁰⁴ It has been confirmed by NLRC that these data are not accessible due to data protection reasons. However, when submitting the inception report, Key Aid Consulting and On Egin Consulting were to have a call to discuss data sharing matters.

III.2. To what extent have the different modalities of assistance contributed to the attainment of the programme objectives in terms of beneficiaries reached?	The programme has met its intended objective of supporting vulnerable households in their livelihoods in the context of COVID-19	<ul style="list-style-type: none"> ▪ Monitoring data; ▪ KIIs with NLRC staff ▪ Survey with staff Desk review Workshop	<ul style="list-style-type: none"> ▪ The response rate to the survey is sufficient ▪ The PDM databases are available ▪ The data matrixes from the evaluation teams are available
	Beneficiaries identify positive or negative changes brought by the programme and an improvement in their situation	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Monitoring data ▪ Desk review 	
IV. Equity: To what extent has the programme reached marginalised groups?			
IV.1. How were the marginalised vulnerable groups identified and how were they reached?	Existence of a clear strategy to identify and assist marginalised groups with a modality adapted to their situation	<ul style="list-style-type: none"> ▪ Desk review ▪ KIIs with NLRC staff; ▪ Monitoring data ▪ Evaluation data ▪ Workshop 	<ul style="list-style-type: none"> ▪ KIIs are available for the interviews ▪ The response rate to the survey is sufficient ▪ The PDM databases are available ▪ The data matrixes from the evaluation teams are available
	Extent to which implementers consider that they have been able to reach the most vulnerable and marginalised ones and reason why (or not)	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Survey with staff ▪ Workshop 	
	Extent to which implementers report that they have made investments, and which ones, to ensure the equity of the programme	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Survey with staff ▪ Workshop 	
	Analysis of the cost per beneficiary for the different modalities of assistance <i>vis à vis</i> the objective of reaching the ones most in need of support	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ Survey with staff 	
IV.2. To what extent the different modalities may have exacerbated market	There is evidence that the assistance may have led to a market monopoly of specific market	<ul style="list-style-type: none"> ▪ KIIs with NLRC staff ▪ External desk review ▪ Monitoring data 	<ul style="list-style-type: none"> ▪ KIIs are available for the interviews ▪ There exists external research or evaluation on the markets

concentration and power of specific vendors?	actors, which may have led to price increases, market concentration or market power		
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VIII.2. People Supported Weekly

Figure 15. People Supported by Modality Aruba (May 2020 - July 2021)

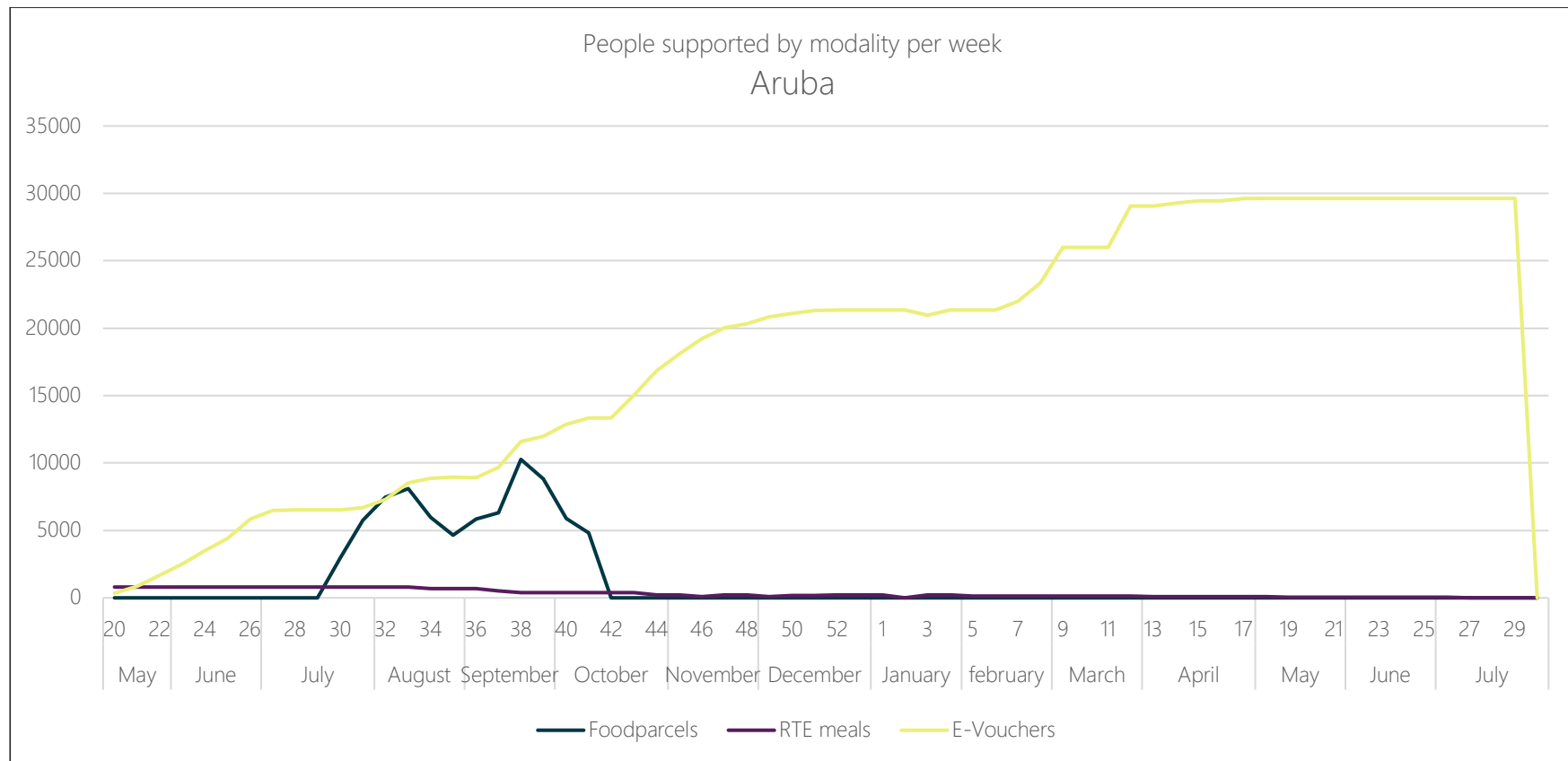


Figure 16. Supported by Modality Curaçao (May 2020 - June 2021)

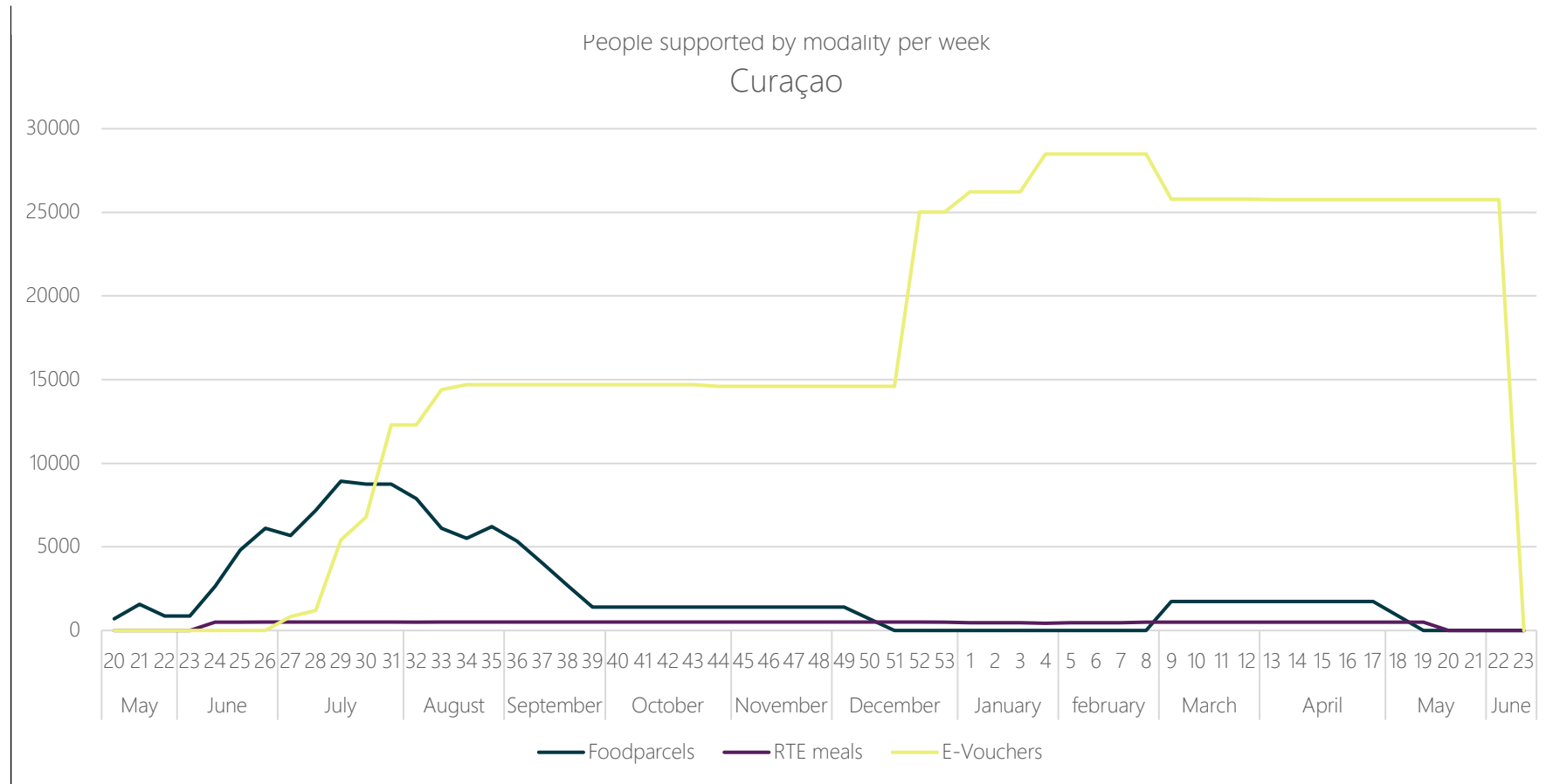
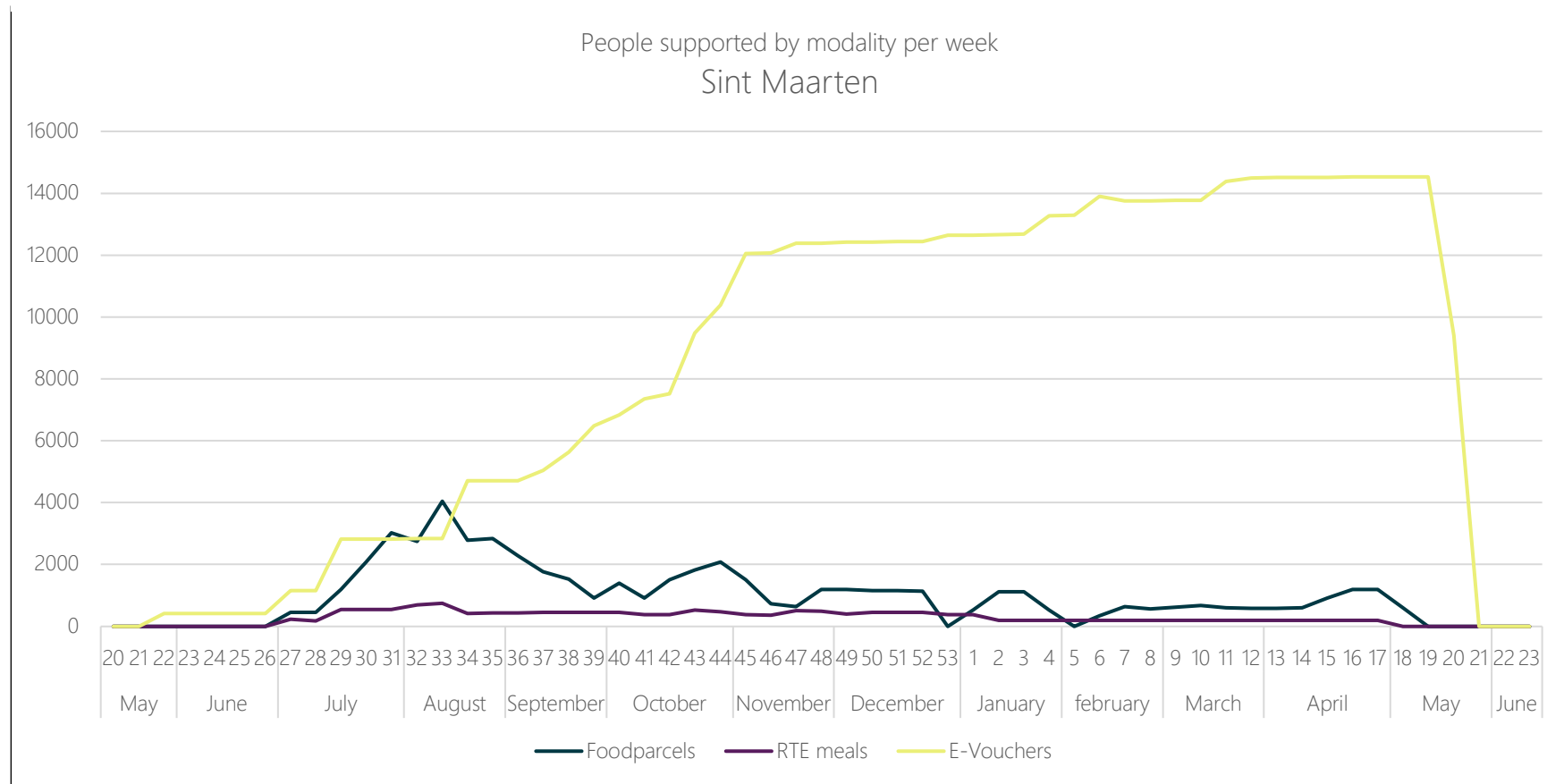


Figure 17. Supported by Modality Sint Maarten (May 2020 - June 2021)



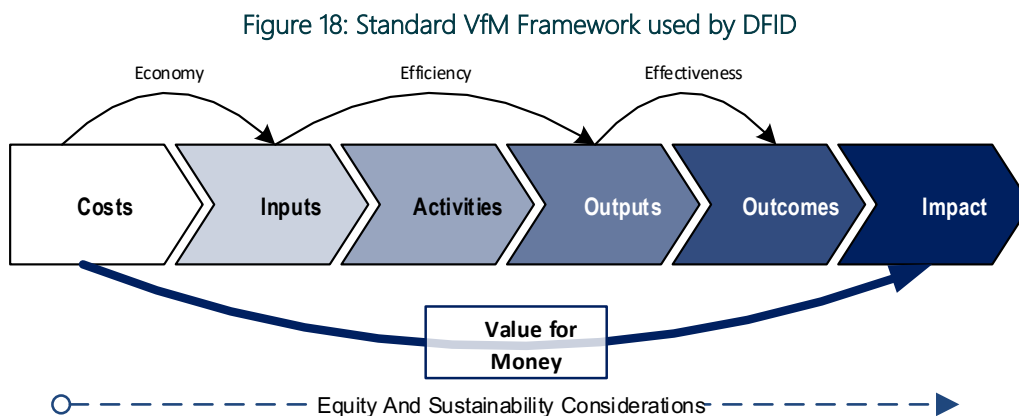
VIII.3. Budget by Phase

	Phase I				Phase II			
	Description	Approved budget	Expenses	Balance	Description	Approved budget	Expenses	Balance
Aruba	Subtotal	€5 021 876	€5 036 139	-€14 263	Subtotal	€7 957 980	€7 958 262	-€282
Curaçao	Subtotal	€7 220 500	€7 251 028	-€30 528	Subtotal	€12 119 592	€11 267 020	€852 572
Sint Maarten	Subtotal	€3 223 000	€3 177 133	€45 867	Subtotal	€4 203 424	€4 014 174	€189 250
<i>Sub-total CAS islands</i>	<i>Subtotal</i>	<i>€15 465 376</i>	<i>€15 464 300</i>	<i>€1 076</i>	<i>Subtotal</i>	<i>€24 280 996</i>	<i>€23 239 456</i>	<i>€1 041 540</i>
Coordination NLRC	Subtotal	€534 625	€524 040	€10 585	Subtotal	€919 004	€1 062 066	-€143 062
Total		€16 000 001	€15 988 339	€11 662		€25 200 000	€24 301 523	€898 477
	Phase III				Phase IV			
	Description	Approved budget	Expenses	Balance	Description	Approved budget	Expenses	Balance
Aruba	Subtotal	€10 146 942	€10 284 568	-€137 626	Subtotal	€2 801 600	€1 589 736	€1 211 864
Curaçao	Subtotal	€0	€0	€0	Subtotal	€0	€0	€0
Sint Maarten	Subtotal	€3 534 800	€2 184 383	€1 350 417	Subtotal	€0	€0	€0
<i>Sub-total CAS islands</i>	<i>Subtotal</i>	<i>€13 681 742</i>	<i>€12 468 951</i>	<i>€1 212 791</i>	<i>Subtotal</i>	<i>€2 801 600</i>	<i>€1 589 736</i>	<i>€1 211 864</i>
Coordination NLRC	Subtotal	€1 218 258	€996 988	€221 270	Subtotal	€375 109	€214 244	€160 865
Total		€14 900 000	€13 465 939	€1 434 061		€3 176 709	€1 803 979	€1 372 730

VIII.4. VfM concepts and key definitions

The Department for International Development of the United Kingdom (DFID) defines Value for Money in its programme as “maximising the impact of each pound spent to improve poor people’s lives”.^{105 106} It is the best use of resources to deliver the desired impact to the required quality standard. VfM analysis has recently become more important due to the higher scrutiny demanded by UK taxpayers, and the Department for International Development is at the forefront of the VfM debate and analysis. VfM assessments are driven by more than a sole focus on costs and require the investigation of both costs and results.

To take a holistic view of VfM, the research will use the main framework established by DFID/National Audit Office 4E framework. This is built across the standardised results chain and theory of change, as shown in the figure below:



Source: ICAI, ‘DFID’s Approach to Value for Money in Programme and Portfolio Management’, 2018

The 4 Es are *Economy*, *Efficiency*, *Effectiveness*, and *Equity*. Each E is described below:¹⁰⁷

Economy: “are we (or our agents) buying inputs of the appropriate quality at the right price?” This examines the costs of inputs, holding their quality constant.

Efficiency: “how well are we (or our agents) converting inputs into outputs?” In addition to examining the relationship between inputs and outputs, efficiency analysis also requires a review of MEL systems to see how much learning, adaptation and course correction is built in to obtain better outcomes.

Effectiveness: “how well are the outputs from an intervention achieving the intended effect?” This traditionally examines the relationship between outputs and long-term sustainable outcomes and impact, testing whether the design of the programme is the most cost-effective way to achieve those. Cost effectiveness also falls within effectiveness. Within DFID’s VfM framework, cost-effectiveness measures an intervention’s impact on poverty reduction relative to the inputs invested in it. When it comes to humanitarian cash based assistance (CBA), it is however unlikely that it can

¹⁰⁵ DFID, “DFID’s Approach to Value for Money (VfM),” 2011.

¹⁰⁶ The DFID has been replaced by the Foreign, Commonwealth & Development Office (FCDO).

¹⁰⁷ Definitions from ICAI, “DFID’s Approach to Value for Money in Programme and Portfolio Management.”

be researched. Firstly, humanitarian CBA typically intend to cover basic needs and are not meant to alleviate poverty, but also humanitarian programmes' design do not traditionally allow impact measurement.

Equity: "how fairly are the benefits distributed? To what extent will we reach marginalised groups?" Determining the extent to which a given design-related decision influenced the ability of the grant to reach those groups of society who are more difficult to reach (e.g., poorest households, women and girls, those in remote locations, and those with special needs). Considerations of value take into account how outcomes and impacts are distributed across populations and acknowledge the fact that those who are usually 'left behind' are often more expensive to reach. In general, there is often a real trade-off between costs and types of end users, and this needs to be acknowledged in VfM analyses. Equity analysis would also include a methodology for measuring end-user profiles and targeting efficiency, and estimate inclusion and exclusion errors.

VIII.5. Budget analysis methodology

VIII.5.1. Cost categorisation

The consultants classified all expenditure lines in the ledgers, according to the following classification:

Category 1: Direct costs (in relation to the modalities) / shared costs / indirect costs. The direct costs were organised as Direct EV (Voucher), Direct IKA (In Kind Assistance) and Direct R2EM (Ready to Eat Meals)

Category 2: Fixed costs / variable costs

Category 3: Expenditure structure (based on SCAN classification):

Figure 19. SCAN Categories

- Activity – transfer value
- Activity – other costs (e.g. FSP fees, ...)
- Activity – M&E
- Assets
- National Staff
- International Staff
- Office expenses
- Travel
- Other costs – fuels, etc.
- Sub-grants (used to identify cash flows going to partners in the island)
- Administrative cost

The consultants first categorised the chart of accounts. When an accounting code was likely to correspond to several types of costs within a category, the consultants classified the expenditure for this accounting code manually.

VIII.5.2. Level of efforts and shared costs

The level of efforts coming from the workshops are summarised in the table below:

Table 8. Level of Effort at Different Steps of the Programme

Workshop Results		Beginning	Middle	End
Aruba	EV	70%	85%	88%
	IKA	20%	15%	13%
	R2EM	10%	0%	0%
Curaçao	EV	45%	71%	74%
	IKA	48%	24%	18%
	R2EM	8%	6%	8%
Sint Maarten	EV	53%	50%	43%
	IKA	23%	25%	28%
	R2EM	23%	25%	28%
HQ	EV	53%	50%	43%
	IKA	23%	25%	28%
	R2EM	23%	25%	28%

VIII.5.3. Sensitivity analysis

There may be some degree of error in the costs per modality, as the distribution according to the level of effort was measured ex post and is more imprecise than timesheets, and the percentages may vary between the different expenditure items, which could not be modelled.

Thus, the above calculations all have a margin of error, which is expressed in the ranges presented after each value, for example 1.44 [1.41 - 1.48]. In this example, although the value chosen is 1.44, the TCTR can be equal to 1.41 or 1.48, by varying the assumptions according to the minimum and maximum bound of the LOE.

The minimum bound: We assumed that the LOE was the same for all three modalities, i.e., 33%.

The maximum bound: We calculated the LOE using the share of the direct cost of a given modality out of the total direct cost for the three modalities.¹⁰⁸

¹⁰⁸ IRC, "Cost-Efficiency Analysis of Basic Needs Programs: Best Practice Guidance for Humanitarian Agencies."

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