

INTRODUCTION

The humanitarian situation for households across Northwest Syria (NWS) and Northeast Syria (NES) remains severe. Periodic uncertainty over the potential non-renewal of the cross-border resolution has added to the protracted nature and contextual shifts in the crisis. As such, there has been an increasing interest from humanitarian actors to investigate alternative modalities of humanitarian assistance such as cash and voucher assistance (CVA). Humanitarian actors are exploring both new cash-based programmes as well as expanding the scope of existing cash-based programmes.

The data snapshot aims to aggregate existing REACH data and select third party sources that relates to the aspects of implementing cash-based programming. The snapshot presents analyses on the pooled data across three key categories:

- 1) Data insights relating to beneficiary aspects of cash programming, such as beneficiary modality preferences and needs.
- 2) Data insights relating to market aspects of cash programming, such as market functionality, commodity quality and availability, and capacity and liquidity of financial service providers.
- 3) Data insights relating to potential issues of implementing cash programming such as inflation, inadequate product quality and availability, and restrictions on the use of some currencies.

KEY FINDINGS

In NWS, post-distribution monitoring done by Cash Working Group (CWG) members showed that beneficiary households noted a preference for CVA over in-kind assistance.¹ Meanwhile, direct physical cash was reported in NES by key informants (KIs) in 72% of communities, as one of the preferred modalities of cash programming.

Insufficient income was reported as the main barrier to purchasing goods in both NWS (94%) and NES (90%). Correspondingly, the overall top priority need among both resident² and internally displaced persons (IDP) communities was livelihoods in NWS (67% and 62% respectively) as well as NES (72% and 77% respectively). Nearly all households experienced barriers to accessing sufficient food, according to community KIs (97% in NWS and 98% in NES). These community KIs noted that the unavailability of certain food items was the main challenge to accessing sufficient food. A higher proportion of communities in NWS had access to functional markets. Conversely, KIs in NES reported that a majority of residents had to travel outside their communities to access markets.

Challenges to market functionality also existed, with 83% vendors in NWS and 87% vendors in NES reporting supply challenges. Inflation was reported as the primary supply challenge by vendors in NWS (98%) as well as NES (86%). As evidenced by Survival Minimum Expenditure Basket (SMEB) costs and the depreciation of the Syrian pound (SYP), inflation rates accelerated in both regions, with a slight decrease observed after March 2021. In fact, the SMEB value recorded in March 2021 was also the highest recorded cost in SYP since 2016 in both NWS (422,032 SYP) and in NES (351,203 SYP).

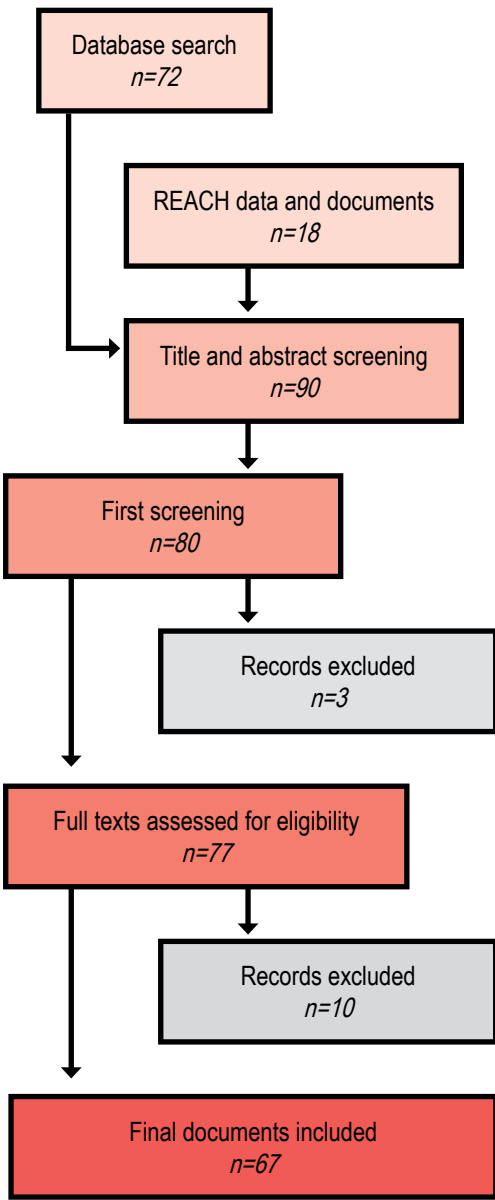
METHODOLOGY

The empirical approach of this assessment consisted of a semi-systematic qualitative literature review and a synthesis of external secondary data with the primary data collected by REACH Syria. The integration of external sources and available REACH data aimed to provide a comprehensive insight into CVA programming needs during the first half of 2021 in both NWS and NES by filling in any information gaps.

For this, a semi-systematic review was conducted to identify global and country-specific literature and programme documents which were pertinent to CVA in Syria and the potential challenges that impact it. Identified sources included various research papers, program documents, policy guidance, and impact studies. These sources provided beneficiary perspectives and their assistance-related preferences (including in-kind assistance selling), information on conducive market conditions and financial service providers, and existing challenges relevant to CVA, with particular emphasis placed on the northern Syrian context.

Using four publicly accessible databases (GoogleScholar, Reliefweb, ALNAP and 3IE), a total of 72 documents were screened. The first screening scanned the titles and abstracts of documents manually and excluded duplicate versions. The second screening followed an inclusion criterion that prioritized documents published in English in the past five years. Finally, the documents selected for review were those which had a direct inference to CVA, included beneficiary modality preferences, provided insight into market conditions, and gave an overview of CVA-implementation challenges (see Figure 1). REACH Syria data was then integrated into the semi-systematic review for further analysis. References to the sources for findings and observations for each section are provided in the endnotes.

Figure 1: Methodology process overview



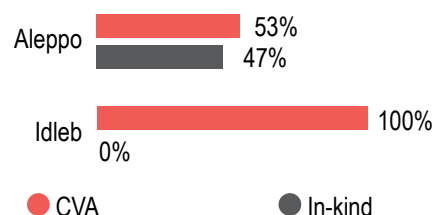
BENEFICIARY MODALITY PREFERENCES: NORTHWEST SYRIA

In NWS, a cash feasibility assessment by the Cash Working Group (CWG) and the International Organization for Migration (IOM) reported that affected populations expressed a strong and consistent preference for CVA over in-kind assistance.³

This modality preference was also supported by the REACH Emergency Needs Tracking (ENT) data (May 2021), which showed that CVA was reported by KIs in NWS as the preferred modality of assistance among communities (64%), while in-kind assistance was the preferred modality among 36% of communities.⁴ The increase in acceptance of vouchers among beneficiaries and vendors,⁵ and the flexibility that CVA provides to beneficiary households to purchase items deemed most important for their specific needs could explain why beneficiary households generally prefer CVA over in-kind assistance.

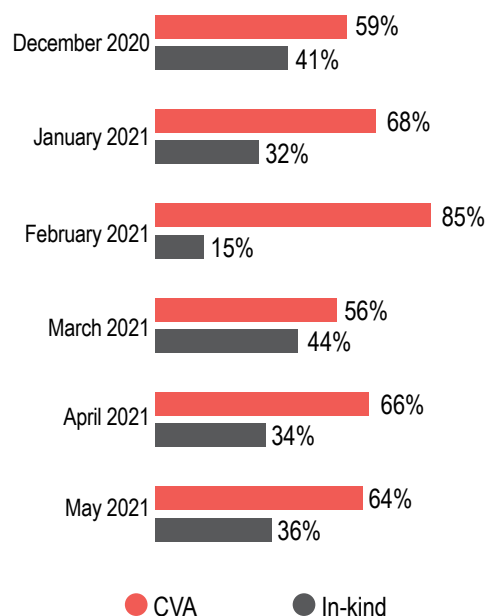
However, these preferences differed between locations: in Aleppo, KIs indicated a preference among communities for in-kind assistance (53%) over CVA (47%). In Idlib, KIs in all communities (100%) indicated a preference among their communities for CVA over in-kind assistance (see Figure 2).⁶

Figure 2: Preferred modality of assistance in NWS among affected populations by governorates (May 2021)



These preferences also seemed to change over time (see Figure 3).⁷ There was an observed increase in preference for CVA over in-kind assistance among communities from December 2020 to February 2021. This change in preferences could perhaps be due to the sudden spike in inflation rates, combined with the depreciation of Syrian pound (SYP) during those months. As the inflation rate decreased slightly around March 2021, the difference in preferences between CVA and in-kind assistance among communities also decreased.⁸

Figure 3: Preferred modality of assistance in NWS over time (December 2020 to May 2021)



BENEFICIARY MODALITY PREFERENCES: NORTHEAST SYRIA

According to REACH Cash and Markets Assessments done in NES, direct physical cash was reported by KIs in 72% of communities, as the most preferred modality of cash programming (see Figure 4).^{9, 10}

However, findings differed slightly among different community groups. A preference for cash assistance to access basic consumer goods was reported by resident KIs in 81% of communities, IDP KIs in 79% of communities, and returnee KIs in 75% of communities.

On the other hand, a preference for cash existed in almost equal proportions among all community groups to develop livelihood opportunities, as reported by different community KIs (see Figures 5 and 6).^{11, 12}

Figure 4: Preferred modalities of assistance as reported by community KIs in NES (multiple responses allowed)

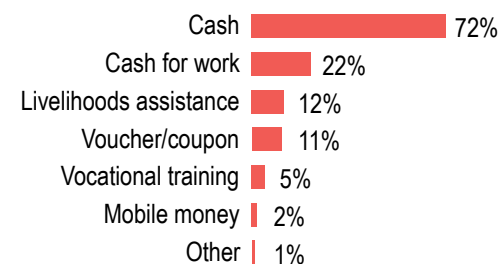


Figure 5: Proportion of community KIs reporting a preference for different types of assistance to access basic consumer goods in NES (multiple responses allowed)

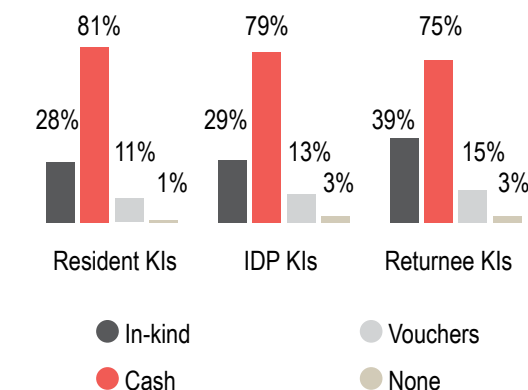
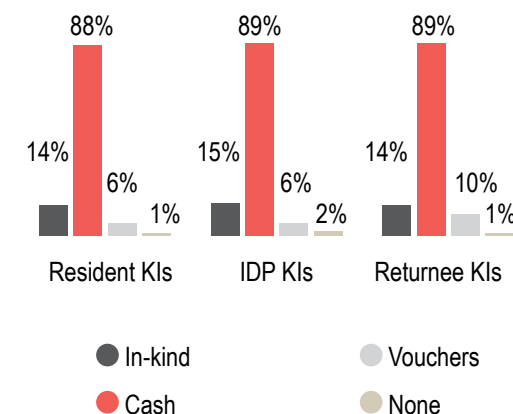


Figure 6: Proportion of community KIs reporting a preference for different types of assistance to develop livelihood opportunities in NES (multiple responses allowed)



SELLING OF IN-KIND ASSISTANCE IN NORTHWEST AND NORTHEAST SYRIA

The sale of in-kind assistance can be a potential indicator for beneficiary modality preferences. In the 2019 and 2020 REACH Informal Site and Settlement Profile data for NWS and NES, 49% of households reported selling in-kind assistance (see Figure 7).¹³

Of the households that reported selling in-kind assistance, the majority (89%) reported selling some type of food assistance. Out of these households, 60% reported receiving in-kind assistance in the form of food basket and reported selling the assistance. Similarly, 59% of the households that reported receiving bread distribution and 52% of the households that reported receiving any other type of food assistance (cash and voucher), reported selling their assistance. None of the households that received pre-prepared meals reported selling their assistance (see Figure 8).¹⁴

According to REACH NES Informal Site and Settlement Profiles data from May 2021, the cash from selling in-kind assistance in NES was mainly used by households to buy food (87%), to meet health needs such as purchasing baby formula (57%), to repay debt (34%) or to purchase clothes (14%).¹⁵

In NWS, surveyed households that reported having at least one type of shelter need reported selling in-kind assistance significantly less frequently (16%) than households without shelter needs (45%).¹⁶ The difference in the types of in-kind assistance provided to target shelter needs of households, such as tents, plastic sheeting, etc., in general may explain the preferences of some households to continue receiving in-kind assistance, as that may be the appropriate modality to meet their specific needs. However, other reasons may also explain this difference since no significant correlation was observed between reported shelter needs and sale of in-kind assistance in NES, where the vast majority (97%) of surveyed households also reported having shelter needs.

Figure 7: Proportion of households that received in-kind assistance in camps in NWS and NES and reported selling the assistance, in the 30 days prior to data collection

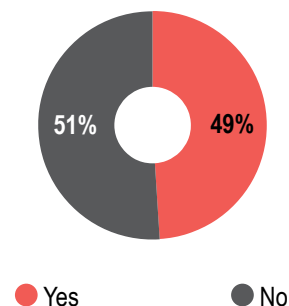
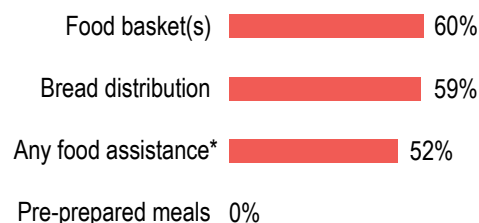


Figure 8: Proportion of households that received in-kind food assistance and reported selling the assistance, by the type of food assistance received (multiple responses allowed)



*Responses for options 'cash' and 'voucher' were combined under one category.

BENEFICIARY PRIORITY NEEDS IN NORTHWEST AND NORTHEAST SYRIA

Beneficiary preferences and priority needs are closely linked to cash assistance programming. For example, livelihoods as a major priority need implies a lack of sufficient income, which could indicate a greater need for CVA as opposed to in-kind assistance.

REACH Humanitarian Situation Overview of Syria (HSOS) in NWS and NES from March 2021 indicated that the overall first priority need among both resident and IDP communities in both regions was livelihoods, as reported by their respective community KIs (see Figures 9 - 12).^{17, 18}

In NWS, the second priority need was reported to be food among both resident and IDP communities (43% and 52% respectively). Conversely, in NES, healthcare was reported as the second priority need among resident communities (65%), and food among IDP communities (60%).

Healthcare was reported as the third priority need among resident communities (42%) in NWS, whereas winterisation was reported as the third priority need (44%) among IDP communities. The third priority need for 53% of resident communities in NES was reported to be water, sanitation and hygiene (WASH), whereas healthcare was reported as the third priority need among IDP communities (57%).

Unaffordability was found to be a major hindrance for communities in accessing goods and services in NWS as well as NES. Insufficient income of households was reported by KIs as the primary barrier to purchasing goods in a majority of communities in both NWS and NES.

Figure 9: Most common overall priority needs of residents, as reported by KIs and presented as proportion of communities in NWS (multiple responses allowed)



Figure 10: Most common overall priority needs of IDPs, as reported by KIs and presented as proportion of communities in NWS (multiple responses allowed)



Figure 11: Most common overall priority needs of residents, as reported by KIs and presented as proportion of communities in NES (multiple responses allowed)



Figure 12: Most common overall priority needs of IDPs, as reported by KIs and presented as proportion of communities in NES (multiple responses allowed)



MARKET FUNCTIONALITY IN NORTHWEST AND NORTHEAST SYRIA

According to the Syria Market Monitoring Exercises, people have been able to keep using markets and have had access to relatively diverse items in both NWS and NES. Overall, markets proved to be resilient and remained open. While market functionality challenges exist, markets in the region were generally able to meet the needs of populations, and were elastic and resilient.¹⁹

In June 2021, markets were open to both traders and consumers, with only a small proportion of surveyed vendors in both regions reporting having closed their shops during the data collection period (0.5% in NWS and 2% in NES).²⁰

However, some challenges to market functionality were reported in both NWS and NES. Supply challenges were reported by a majority of vendors in NWS as well as NES (80% and 86% respectively). Price inflation was noted as the primary supply challenge by vendors (reported by 78% of vendors in NWS and 73% in NES). As prices of key

commodities increased at all levels, vendors noted an inability to purchase items from wholesalers due to a reduction in their purchasing power caused by rapid inflation.

In NWS, the second most cited issue reported was that supply had been affected by border closures, reported by 5% of vendors (see Figure 13).²¹ Conversely, an inability to keep up with consumer demand was the second most cited supply issue by vendors in NES (29%) (see Figure 14).²²

While supply challenges were reported, less than 1% vendors in NWS and 2% vendors in NES reported that they would be unable to restock if they were to run out of supplies.

When vendors were asked after how many days they would hypothetically run out of stock if supplies were to be cut, 43% in NWS and 46% in NES reported that they would run out of supplies in less than 3 days. Almost equal proportions of

vendors in NWS and NES reported that they would run out of supplies in 3 to 7 days (25% and 26% respectively) (see Figures 15 and 16).²³

To understand the type of items that would probably become unavailable relatively quicker than other items, vendors were disaggregated on the basis of the primary items they sold. This was done only for those vendors who noted that they would run out of stock in less than 3 days if supplies were cut. Across NWS and NES, trucked water, vegetables, and meat were most commonly identified as the items that would run out in less than 3 days if vendors were unable to restock. Most notably, 100% of water trucking vendors in Ar-Raqqa and Deir-Ez-Zor governorates reported that they would run out of supplies in less than 3 days if unable to restock.

While responses from vendors on the general availability of items and restocking of supplies were overall positive, community KIs in NWS and

NES reported that households in their communities (97% and 98% respectively) experienced barriers to accessing sufficient food.^{24, 25} These community KIs noted that their communities were unable to access sufficient food because of the unavailability of certain food items (18% in NWS and 27% in NES) in marketplaces.

Figure 13: Most commonly reported supply challenges by vendors in NWS in June 2021 (multiple responses allowed)

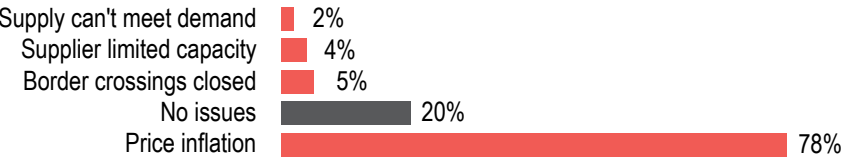


Figure 15: Reported number of days before all types of vendors would hypothetically run out of stock, if supply lines were to be cut in NWS in June 2021

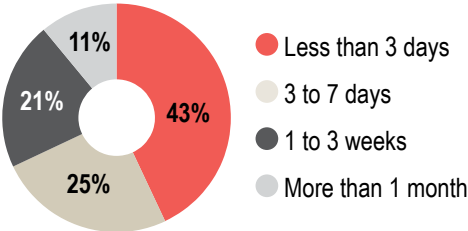


Figure 14: Most commonly reported supply challenges by all vendors in NES in June 2021 (multiple responses allowed)

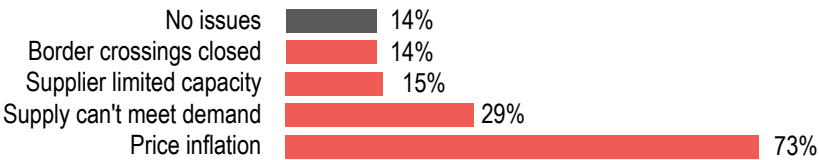
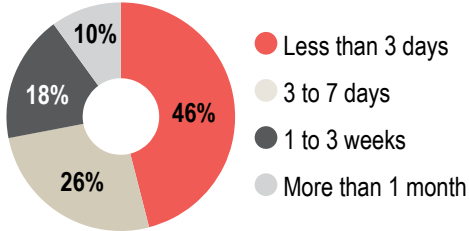


Figure 16: Reported number of days before all types of vendors would hypothetically run out of stock, if supply lines were to be cut in NES in June 2021



MARKET ACCESSIBILITY IN NORTHWEST AND NORTHEAST SYRIA

Findings from the REACH Market Network Analysis in NWS and NES from March 2021 show that crisis-affected populations had somewhat consistent access to marketplaces for four key items: fuel, hygiene items, fresh food, and bulk food. It was observed that even if there were no functioning markets within communities or if the functioning community markets did not provide a diverse selection or choice, people could travel to markets outside their communities to meet their needs.^{26, 27}

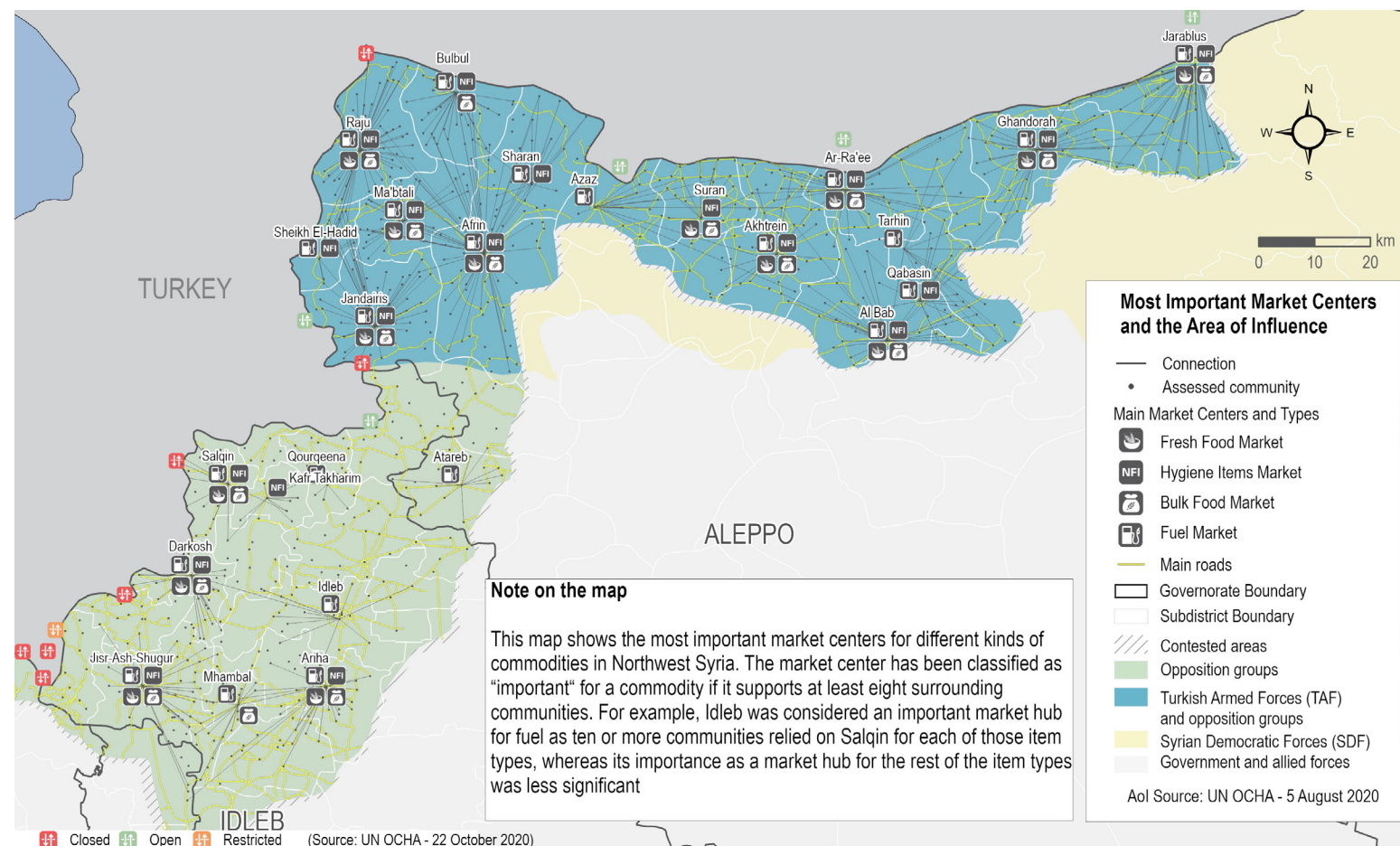
An overall comparison between NWS and NES highlighted that higher proportion of communities in NWS had access to functional markets than those in NES. Around one third (34%) of the assessed communities in NES were found to have no kind of functioning markets, making traveling to markets outside their communities the only option.

While KIs from 78% of the assessed communities in NWS reported that populations often traveled outside their communities to access markets, KIs in almost every assessed community in NES reported the same (96%).

In addition to the lack of markets in NES, KIs in both NWS and NES reported that better selection, cheaper prices and better quality of goods were the most common reasons as to why people in their communities traveled to outside markets. Moreover, even where some functioning markets existed, KIs often reported that the quantity of goods available in local markets was not sufficient to meet the demand.

When asked about challenges to accessing any marketplaces, KIs reported people having no cash or low purchasing power (66% in communities in NWS and 77% in NES), which highlights the situation caused by the depreciation of SYP that led to an increase in prices of common goods.²⁸

Figure 17: Market Hubs, Market Network Analysis in NWS, March 2021



MARKET ACCESSIBILITY IN NORTHWEST AND NORTHEAST SYRIA

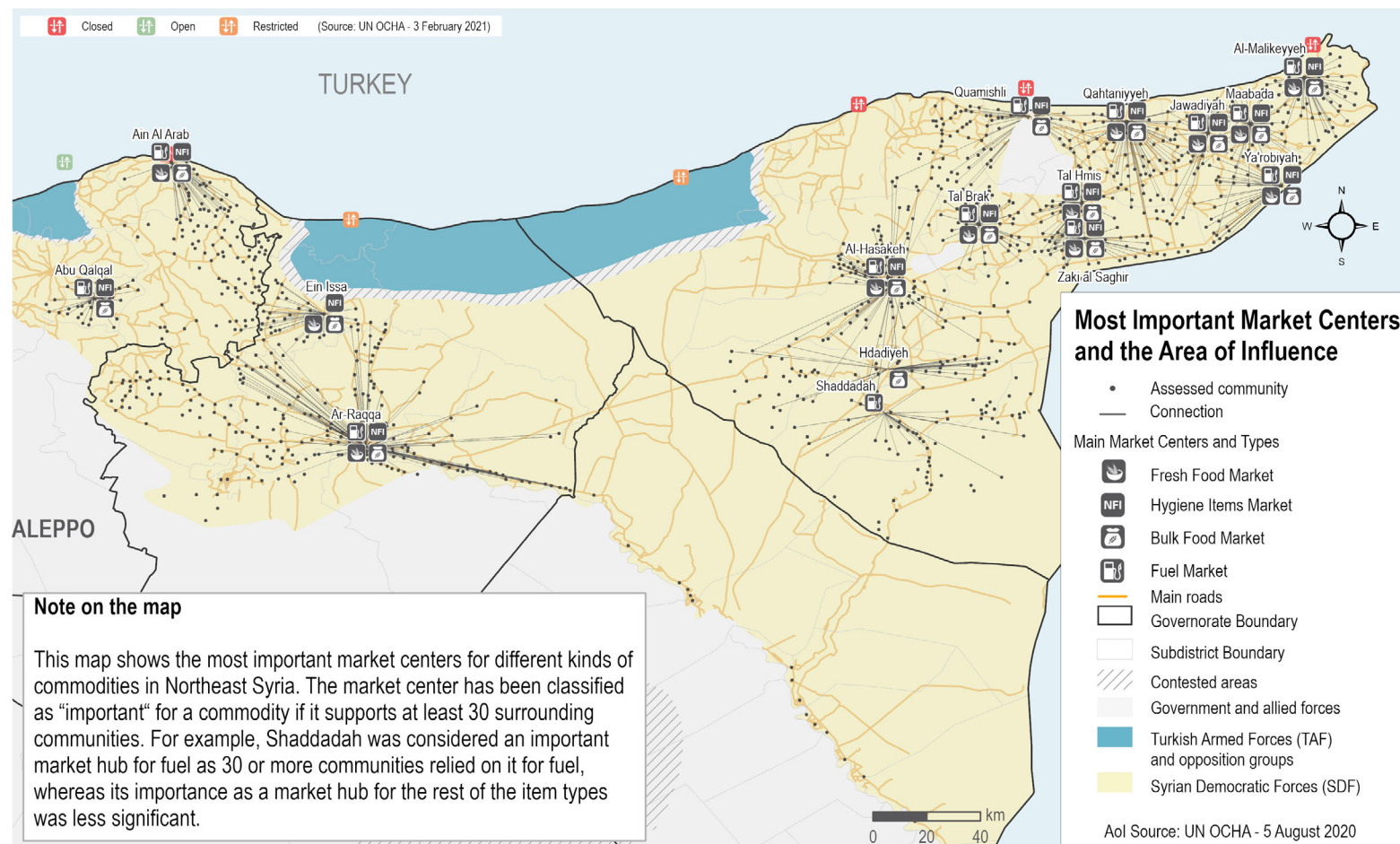
For challenges when traveling to outside markets, KIs in both NWS and NES reported issues such as lack of transportation (79% of assessed communities in NWS and 86% of assessed communities in NES), high price of transportation (73% and 77% respectively), and markets being too far (50% and 44% respectively) as barriers to physically accessing markets. Road damage was also reported by KIs as a barrier to accessing markets. However, relatively lower proportion of assessed communities in NWS were affected by road damage (15%) than those in NES (29%), as reported by KIs. Lack of market access for people with restricted mobility was reported by KIs in 42% of communities in NWS, and in 27% of communities in NES.²⁹

General safety and security concerns restricting movement to markets and at markets were also reported as barriers to market access in NWS as well as NES.³⁰ Specifically, KIs in 6% of communities, in both NWS and NES, reported that women and girls feel unsafe when traveling to markets.³¹ Movement restrictions was reported as a protection risk by KIs in 30 communities in NWS and 15 communities in NES.^{32, 33}

A lack of people with enough capital or the means to run a proper market for the key items (fuel, hygiene items, fresh food, bulk food) was the most commonly reported reason as to why functioning markets did not exist within communities. This was reported by KIs in 60% of the assessed communities for each item type in NWS and reported by KIs in between 76% and 92% of assessed communities depending on the item type.

Physical damage to infrastructure and market buildings was also cited as one of the reasons for the unavailability of functioning markets within communities.³⁴

Figure 18: Market Hubs, Market Network Analysis in NES, March 2021



CURRENCIES USED IN NORTHWEST AND NORTHEAST SYRIA

The Syria Market Monitoring Exercise collects information on the use of currencies in NWS and NES to identify the availability and acceptance of various currencies, which is an important aspect of CVA programming.³⁵

In June 2021, 97% of vendors in NWS reported selling their goods in currencies other than SYP. There were also significant differences in currency usage between governorates in NWS. While 9% of surveyed vendors in Aleppo reported selling their goods in SYP only, no vendors in Idleb reported the same (0%). However, vendors in Idleb more commonly reported selling items in Turkish lira (TRY) (47%), compared to 17% of vendors in Aleppo. Additionally, 11% of vendors in Idleb reported accepting currency combinations that included US dollar (USD), compared to 5% of vendors in Aleppo. In Aleppo, vendors most commonly reported selling items in both SYP and TRY (60%).³⁶

The REACH Daily Emergency Needs Tracking data from May 2021 in NWS provided details on the most commonly reported currencies used by communities for purchasing basic or essential commodities, as reported by KIs: 81% of assessed communities used TRY, 17% of assessed communities used SYP, and 2% used USD for purchasing basic commodities.³⁷

In NES, the SYP remained the main currency used for local consumer and retail markets in June 2021, despite USD being used as the major currency for saving, for exchange transactions, and high-value assets.

In April 2021, 98% of the informal currency exchange vendors across NES reported having limited stock of one or more denominations in USD, with most commonly larger denomination notes such as 100 USD (as reported by 69% of vendors) and 50 USD (59%) being limited. As larger banknotes are more commonly used in

exchange transactions, their limited availability may be explained by higher demand relative to smaller banknotes. Nevertheless, shortages of smaller notes were also reported across different governorates, with 5 USD banknotes most commonly reported as being limited (reported by 64% of currency vendors).³⁸

INFLATION IN NORTHWEST AND NORTHEAST SYRIA

Inflation and currency devaluation have harmful effects on the availability of items in markets and on the purchasing power of populations. According to REACH data, inflation has been reported as the primary supply challenge in NWS as well as NES in the first half of 2021.

The Syria Market Monitoring Exercise data since 2020 shows an acceleration in inflation rates (see Figures 19 and 21).³⁹ General inflationary trends on local markets have also been raised as major concerns by many KIs as prices of food, water and fuel rose dramatically from 2019 to 2021.⁴⁰

The depreciation of the SYP in both NWS and NES, as evidenced by the SYP/USD and SYP/TRY exchange rates, has impacted SMEB costs (see Figures 20 and 22).⁴¹ The SMEB value recorded in March 2021 was the highest recorded cost in SYP since 2016 in both NWS (422,032 SYP) and in NES (351,203 SYP).⁴² Despite a minor short term decrease observed after March, the SMEB value in NWS as well as NES remained relatively high in June 2021 (356,669 SYP and 333,879 SYP respectively).

Figure 19: Change in median SMEB cost in NWS (in thousands of SYP), by month

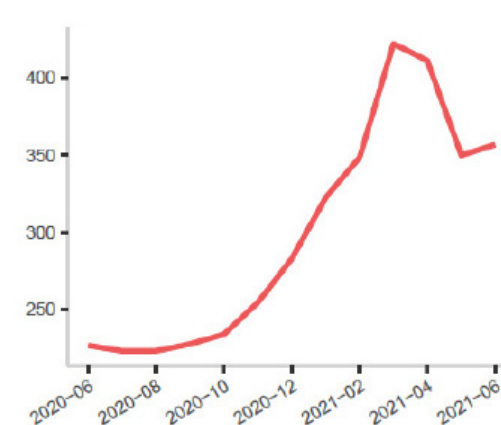


Figure 21: Change in median SMEB cost in NES (in thousands of SYP), by month

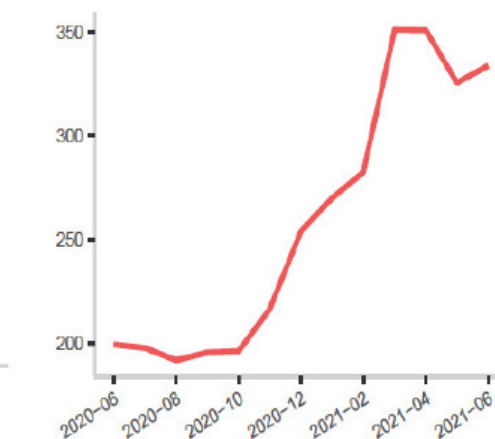


Figure 20: Fluctuations in exchange rates in NWS, by month and currency

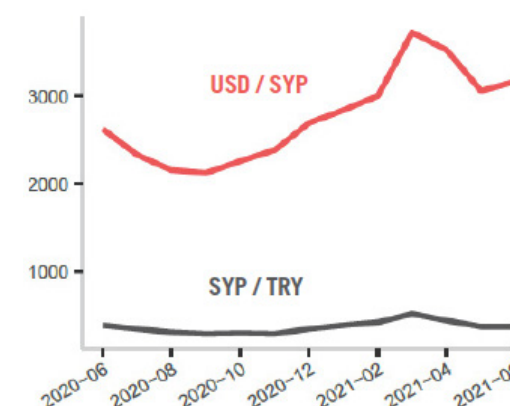
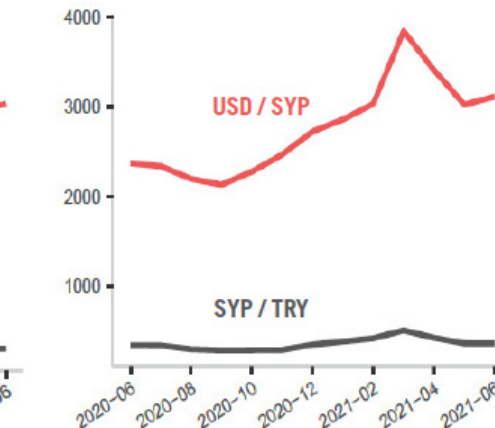


Figure 22: Fluctuations in exchange rates in NES, by month and currency



FINANCIAL SERVICE PROVIDERS: NORTHWEST AND NORTHEAST SYRIA

In NWS, there is no formal financial infrastructure or banking system because of international sanctions due to the conflict,⁴³ which means that actors implementing cash programming are dependent on informal financial service providers (FSPs). These FSPs, such as money transfer agents and currency exchange services, deliver cash assistance and ensure that beneficiaries are able to exchange cash into the most useful currencies for local markets. This informal system is relatively well established and has been largely able to facilitate cash programming in the past, but has been impacted by shifts in both the market and regulatory environment, as the SYP depreciated in value and as local actors imposed new regulatory measures on FSPs.⁴⁴

In NWS, 27% of KIs from businesses providing money transfer services reported that their business had either experience in supporting humanitarian cash transfers or experience in facilitating bulk payments. Out of these 463 FSP KIs, 13% reported that their business had experience supporting humanitarian cash transfers (see Figure 23).⁴⁵ Among FSPs with no cash experience (404 FSP KIs), 17% reported having experience with non-humanitarian bulk payments (see Figure 24).⁴⁶

Overall, 74% of FSP KIs reported limited availability of certain banknotes and 72% of FSP KIs reported poor quality of banknotes, which raised the risk of banknotes not being accepted in future transactions and influenced their usability. These issues pertained to foreign currencies the most, especially USD.

There were regional differences in the reporting of these issues: in Northern Aleppo, 87% of FSP KIs reported limited availability of banknotes, whereas 71% FSP KIs in Greater Idlib reported the same

Figure 23: Proportion of FSP KIs reporting that their businesses had experience supporting cash transfers

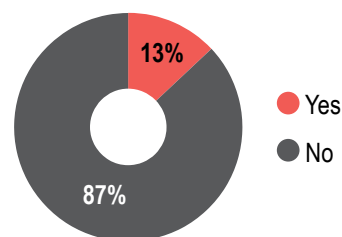


Figure 24: Proportion of FSP KIs reporting experience with bulk payments, out of those FSPs who reported no cash experience

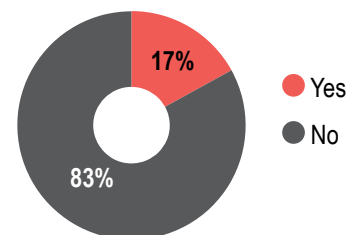
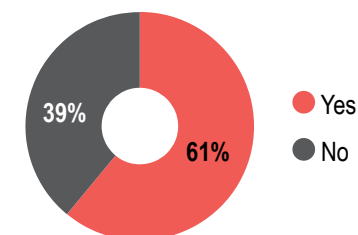


Figure 25: Proportion of FSP KIs reporting that their business could increase liquidity if needed



issue. Conversely, in Northern Aleppo, 65% of KIs reported having issues with poor quality of banknotes, whereas 74% of FSP KIs in the Greater Idlib area reported the same issue.

Liquidity-related issues however, presented a bigger issue in Northern Aleppo, as reported by 24% of FSP KIs, than in Greater Idlib, where 11% of FSP KIs reported the same. It was found that the majority (61%) of FSP businesses would be able to increase their liquidity if needed, whereas 39% of FSP KIs reported that they would not be able to do so (see Figure 25).⁴⁷

Currently, there is limited REACH data on financial service providers in NES.

A REACH Syria Cash and Markets Assessment conducted in October 2018 used a community KI methodology to look at access to formal banking and informal FSPs in NES. The findings indicated that FSPs were widespread and available, while highlighting an observable lack of formal banks.⁴⁸

Nearly all interviewed community members (96%) in assessed communities reported the existence of hawala offices⁴⁹ in their community of residence or in a nearby community. By contrast, only 4% of the interviewed community members reported the availability of formal banks or access to store credit. Only 10% of interviewed community members across all governorates reported that formal banks were available for loans (for commercial or agricultural purposes), either in their community of residence or in a nearby community. Of those community members who reported that banks were available for loans, many reported common challenges in accessing them. These challenges included travel time (37%), travel costs (37%), and documentation issues (23%).⁵⁰

The REACH Syria Cash and Markets Assessment in NES (2018) did not examine the capacity and experience of FSPs to facilitate cash-based assistance for more beneficiaries in assessed communities. Meanwhile, the Syria Market Monitoring Exercise provides an overview of the liquidity of informal currency exchange vendors, but does not survey other FSPs, such as hawala offices.

As such, future research and analysis on the capacity and conditions of FSPs to provide scaled-up operations is highly recommended prior to any implementation of cash-based programming in NES.

POTENTIAL ISSUES FOR CASH PROGRAMMING IN NORTHWEST AND NORTHEAST SYRIA

INFLATION

External data suggests that CVA can be a useful and versatile tool in addressing the needs of affected populations, as long as there is a reliable supply of cash, and markets are able to respond to an increase in demand resulting from cash infusions without inflation or other negative distortions.⁵¹ Currently, there is limited evidence of CVA actually resulting in inflation.⁵²

According to a GOAL assessment in 2020, the most significant concern of surveyed populations across all genders and age groups was to retain the value of the aid provided, whether delivered through vouchers or cash. A preference for humanitarian assistance to be delivered in USD rather than in SYP or TRY was found to exist among surveyed populations.⁵³

Several KIs in the Cash Feasibility Assessment conducted by CWG and IOM in NWS expressed concerns that vendors may potentially raise prices for items purchased with vouchers. However, the KIs did not provide evidence from community members or their own first-hand experience regarding this.⁵⁴ While there is no direct data that suggests that vendors have engaged in price manipulation for items purchased with vouchers in the past, regular vendor and price monitoring exercises can be an effective tool in observing and effectively preventing the issue in the future.

The assessment also suggests that it is unlikely that CVA would cause inflation even though the economies in both NES and NWS are largely cash deprived. Since most CVA is provided to beneficiaries in USD,^{55, 56} inflation is not actually expected to affect the purchasing power of beneficiaries as much as it affects non-beneficiaries. As such, some adjustments might need to be made in the distribution of assistance to ensure that the adverse effects of inflation on non-beneficiary populations are mitigated. Furthermore, since

local market prices are indexed to prices in USD or TRY, there are fewer disconnections between real prices and nominal prices, which should allow for local inflationary trends to be naturally regulated.⁵⁷ However, any external factors of inflation that affect local markets should be regularly monitored.

CURRENCIES USED

Another key concern often raised, as per external data, when CVA in northern Syria is discussed, is low levels of liquidity in foreign currencies and a physical shortage of banknotes of USD and TRY denominations in highest demand.

Some CVA beneficiaries have raised concerns about their inability to utilize the full value of the transfer amount. These issues usually depend on the currency in which the assistance might be provided. While providing CVA in a relatively stable foreign currency might shield the beneficiaries from rapid fluctuations in SYP, concerns regarding the difficulties associated with exchanging foreign currencies for SYP, which is more commonly used locally in some areas than any other currency in, have also been reported.⁵⁸ Regional differences, between NWS and NES, in the usage and availability of currencies can perhaps explain the concerns of some beneficiaries. In NWS, currency usage is more diversified, whereas in NES, SYP remains the main currency used for local consumer and retail markets,⁵⁹ despite USD being used as the major currency for saving,⁶⁰ for exchange transactions,^{61, 62} and for purchasing high-value assets.⁶³

By providing regulated currency exchange options for beneficiaries through FSPs, programming actors can help in alleviating some of these concerns. Having the option to exchange the assistance amount into their currency of choice, beneficiaries would have more agency and freedom in utilizing

the transfer value according to their needs and requirements.

While the selection of the most appropriate currency for providing assistance could present a potential challenge for CVA programming, the issue can be addressed by research of local conditions and monitoring the usage and availability of currencies and currency exchange options, before implementation of a cash-based program.

PROTECTION CONCERNS

Evidence on protection concerns in relation to CVA is limited according to external data review. Similarly, evidence on the impact of cash transfer programming on gender relations is also limited, inconclusive and largely context- and household-specific.⁶⁴

Generally, since a lack of financial resources and economic opportunities is a contributing factor to gender-based violence, CVA may be an appropriate response to mitigate the risk of gender-based violence.⁶⁵

Because CVA can be used diversely - to buy things, to pay for services, to pay back debts, etc. - it may reduce the risk of negative coping mechanisms such as child labour and early marriage.⁶⁶

On one hand, there is evidence of a positive link between CVA and measures of empowerment and well-being of women and girls;⁶⁷ on the other hand, both positive and negative effects of CVA on inter-household and community dynamics have been found in a study on a cash assistance programme in Ar-Raqqa.⁶⁸

Operational experience suggests that CVA, when coupled with case management and other protection services, may result in a greater positive impact on the welfare of people than stand-alone CVA.⁶⁹

REACH collects comprehensive, multi-sectoral information on humanitarian conditions, safety and security concerns, and protection needs of communities in Syria through the Humanitarian Situation Overviews (HSOS).⁷⁰ These intersectoral findings may be useful in tracking outcomes related to CVA once a cash-based program is implemented.

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4. REACH (May 2021). [Emergency Needs Tracking \(ENT\) Daily Datasets](#), all ENT datasets can be accessed here, and a continuously updated dashboard can be accessed [here](#).
5. CWG and IOM (April 2020). [Cash Feasibility Assessment Northwest Syria](#).
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8. The REACH ENT survey does not collect information on why communities prefer one modality of assistance over the other. There can be multiple factors that affect changes in preferred modalities of assistance among communities. The explanation provided here is based on general macro-economic trends and thus, speculative in nature.
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41. REACH (June 2021). [Syria Market Monitoring Exercise: Northwest Syria](#) and [Syria Market Monitoring Exercise: Northeast Syria](#).
42. Ibid.
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