Essential Criteria for Cash and Vouchers Assistance

Part 1: Decision making on the appropriateness of Cash and Voucher assistance

This guidance is for Somalia Humanitarian Fund (SHF), Technical Review Committee (TRC) and Program Managers (PM) from the NGO community. It aims to assess the feasibility and appropriateness of cash and vouchers assistance (CVA), and to establish if suitable protection and gender mainstreaming indicators have been applied to a project’s outcomes. Evidence to demonstrate CVA suitability can be sourced from monitoring reports, market data, CVA feasibility studies, and previous market-based programming projects. Since CVA is often perceived as more desirable than other types of assistance, this note provides information on risk mitigation strategies to prevent corruption, theft and fund diversion. It will also provide information on the following:

A. Sources of information that should inform decision-making (e.g. market assessments, needs assessments, previous evaluations, partner’s capacity); Which stakeholders should be consulted (e.g. partners, donors, government, traders)?

B. Essential information on different types of transfers, such as multipurpose cash assistance (MPC), which has been recommended as best practice for a drought assistance in the 2017 joint-evaluation commissioned by the Cash Working Group.

C. Conditional cash assistance and the information required by partners to justify cluster’s requirement for those conditions, (technical criterion, quality, etc.)

Table 1: Key criteria to assess gaps in CVA project design.

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<th>Markets</th>
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<td>Capacity to supply goods at appropriate prices and quality and beneficiaries’ ability to access them.</td>
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<td>The feasibility of CVA rests on the markets functionality and seasonal factors to provide adequate and sufficient goods to the affected population. Consideration should be placed on possible measures to address any market constraints, such as access, price increase, seasonal changes, lack of supply, credit, storage, and transport, and taxes, etc.</td>
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<th>Predicted effectiveness</th>
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<td>Timelines in which transfer can be delivered to meet urgent needs.</td>
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<td>The difficulty with restricted grants is enforcing the restrictions. Expenditure patterns has to be carefully monitored. In practice, the only way to achieve this has been by making the grant in several payments, with each payment conditional on proof that the previous payment was properly spent. The disadvantage of this system remains the administrative complexity and withholding dignity and preferences of beneficiaries. TRC and PM should note that conditional cash assistance, such as cash for work/food, etc. follow a long process of registration and verification before assistance is granted. Conditional programs may not</td>
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1 Key definitions can be sourced at <http://www.cashlearning.org/thematic-area/markets-and-cash-transfer-programming>

be suitable for emergency assistance as the timing of payments is critical to household expenditure patterns.

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<th><strong>Risks</strong></th>
<th>Risks that may incur with different types of CVA and mitigation measures.</th>
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<td>○ Risks that should be mitigated in a cash project include: corruption, digital literacy, diversion of assistance, delays of providing assistance and delivery mechanisms capacity market failures, etc. NB: (Protection specific risks conflicts are explained below)</td>
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<th><strong>Protection and Gender</strong></th>
<th>Protection and gender-related measures with CVA include ensuring safety, dignity, do-no-harm, and integrity of the affected population.</th>
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| | ○ The choice of transfers should be based on the safety, dignity, and integrity of recipients. Evidence should demonstrate that chosen CVA delivery mechanisms are accessible to female beneficiaries and those who face exclusion due to issues such as age, ethnicity and other factors that might affect access to assistance.  
○ It should be noted that no intervention can guarantee an absence of risk, but partners should be able to show they are mitigating potential occurrence for example, safety of beneficiaries, social tensions, intra-household dynamics related risks. Gender-responsive measures should be incorporated into the project design, and should be based on evidence about gender roles and preferences for modality. |

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<th><strong>Capacity</strong></th>
<th>The capacity of an organization to deliver different cash and vouchers assistance modalities adequately.</th>
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<td>○ Program Managers should ensure that fundamental CVA trainings are undertaken by all staffs who plan to engage in market based programming. Free online trainings can be sourced from KAYA online portal. Partners should also recruit market advisors or organize in-house market programming trainings to build on agency’s capacity, particularly if an agency does not have previous experience with CVA.</td>
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<th><strong>Delivery mechanisms</strong></th>
<th>Reliable delivery mechanisms are available or can be established to deliver CVA transfers.</th>
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| | ○ TRC and PM should assess if the delivery mechanisms proposed by partners are safe, reliable and can provide timely assistance. If working with a new financial service provider, a delivery mechanism assessment is advised, alternatively (using service providers recommended by other partners). Program managers should work closely with their finance and procurement teams to assess the best value-for-money options for their project.  
○ Paper-based assistance (printed vouchers/ coupons) are modalities that are prone to corruption and thefts. If using such modalities, mitigating procedures to avoid such incidences should be clearly outlined in the project’s brief. |

| **Transparency and Accountability to affected populations** | The project should contain information on CVA sensitization campaigns, communication strategy and tools to communicate with affected populations. (Radio ERGO can be used for such interventions). |

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Part 2: Protection and Gender

While it is unrealistic to expect all evaluators to provide an in-depth analysis of cash and market-based programming, protection, and gender, it is important that they consider some basic issues. In regards to Gender, it is important to avoid simple contradictions and stereotypes about men and women. All statements about power dynamics, social tensions and anything gender-related in projects should be grounded in evidence. For protection, although it may not be a specific objective of an emergency intervention involving a cash transfer, every implementing agency should take the responsibility to ensure that, at the very least it does not increase the protection risks faced by the project’s recipients in line with the do no harm principle. Where possible, it should contribute to their safety, dignity, and integrity. There are two levels of analyzing protection and gender risks, and both relate to the choice of a modality of assistance:

i. The first is, how protection risks, including those related to gender, will contribute to reducing the primary protection risks (vulnerabilities, and threats, etc.)?

ii. Secondly, can the transfer increase secondary protection risks; support (or undermine) contributions to protection and gender. If yes, how can it be mitigated?

Other features in the design of the intervention are often of greater importance in affecting protection risks. The provision of assistance may reduce or increase tensions within the household, which may or may not be linked to the transfer. Possible sources of household’s tension may affect assistance (for better or worse) so it is important for partners to consider how decisions are made, and how resources are used within the target group. Partners should consider whether any changes in household tensions relate to the specific type of transfer used or household decision-making capabilities.

Part 3: Protection Mainstreaming for Cash and Voucher Assistance

Protection mainstreaming refer to the incorporation of protection principles within aid programming, such as cash and voucher assistance. It helps to promote dignified support and to mitigate unsafe conditions of aid provision. Risks that may happen for cash and in-kind programming are very similar, as each assistance can be stolen, diverted and putting people’s lives at risk. The types of risks faced by different transfers (cash, vouchers and in-kind) will always be a context-specific judgment. In Somalia, what is needed is for partners to undertake a comparative risk analysis to systematically measure, compare, and rank problems or target areas where incidents happen and embed strong measures to monitor and mitigate them. Good practice on risks identification and management strategies are found in the implementation toolkit of cash and voucher programming by Project Concern International⁴.

Cash and voucher assistance raises the same concerns as in-kind aid about risks for corruption or diversion. For CVA, the question in Somalia is to assess what type of cash modality is more or less prone to being taxed or diverted by local authorities or parties to the conflict. The way cash is allocated and distributed is therefore crucial to ensuring the safety, meaningful access and establishing accountability processes (covering information sharing, beneficiary participation, feedback processes, and staff behavior) as illustrated in the table above should be a priority. Contrary to in-kind, cash assistance may bring distinct advantages for reducing, and managing fraud risks. Money transferred using electronic payments (mobile money, ATM cards, or e-vouchers) can be better traced than physical cash and

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in-kind transfers, meaning that any fraud or diversion is more likely to be picked-up by implementing partners. Local distribution mechanisms, where they exist, can maximize security and meaningful access. By working with local mechanisms, such as the Hawala agents in Somalia, it may reduce beneficiaries from transporting cash long distances and local organizations may implement systems to manage risks. However, due diligence is needed to avoid working with agents linked to extremist groups and partners should conduct an assessment prior to signing a contract with them.

The list of questions below has been developed for partners and evaluators to assess if their projects are designed with a protection lens.

i. **Targeting vulnerable groups for CVA**

   - **Who** is likely to decide how cash/voucher will be used? Who is likely to be marginalized during targeting, why are they marginalized? Is it because of sex, age, disability, ethnic/culture/religious group, etc.?
   - **What** is the best/safest/most inclusive/most transparent targeting modality?
   - **What** is the most probable safety risks during selection process and disbursement? (e.g. armed groups, theft, corruption, etc.)?
   - **What** is the likely coping mechanism and who does it put at risk? (child labor, less food, migration, etc.)
   - **How** do partners intend to mitigate those risks?
   - **Where** is the safest place for most beneficiaries to meet project staff? (for distribution, registration, etc.)? The least preferred place for the most vulnerable? (sex, age, disability, ethnic/culture/religious group)

ii. **Accessing CVA**

   - **What** access issues will hinder the target specific groups from collecting cash? (technology, ID documents, distance, culture/religious barriers, literacy, etc.)? Which group is the least likely to benefit from cash? (intra-household concerns, corruption, theft, etc.)
   - **What** is the most pertinent information to share with beneficiaries? (targeting criteria, complaints committees, important distribution dates, etc.)? What CVA activities are appropriate for different target groups? For e.g. Cash for Work activities might not be suitable for elderly, disable, nursing women?
   - **Where** is the most challenging location to access? (for targeting purposes)
   - **How** to best identify priority groups and reduce the risk of fraud, marginalization, and frustration?

iii. **Coordination and Advocacy**

   - **Which** actors/ clusters/ networks that can contribute to the quality of cash-programming? The actors who are best suited to assist in cases of protection issues? (e.g. unsafe service provision, excluded groups, gender-based violence, or forced relocations with responsible actors - local social services, protection cluster, UNHCR, etc.)?

iv. **Mapping and Referral**

   - **What** are the most likely protection issues to be encountered among targeted communities (GBV, Violence, neglect, abuse against children, against people with disability or elderly, etc.)? How can a partner attend to a protection issue? (what procedures have partners listed in the project’s outline)
   - **How** to make a referral regarding a protection issue to other actors?

v. **Information Sharing**

   - **What** is the most important information to share with the target group? (important dates, code of conduct, complaints mechanisms, project details, etc.)?
   - **When** is it the best time to share that information?
o How to best ensure that all necessary information is relayed to all beneficiaries? (tools of communication, languages, media, etc.)?

vi. Community Engagement

o How to best involve all groups of beneficiaries in needs identification? To best involve all groups of beneficiaries in decision-making on dignity and safety issues?
 o What is the best way to engage with the community on project design and results (FGDs, individual interviews, ranking exercises)?
 o Who is the most relevant person to talk to in the communities (e.g.: women, youth, elders, religious leaders, etc.)

vii. Feedback Mechanisms

 o What is the most relevant information that needs feedback (selection criteria, cash amount, feedback mechanisms, PSEA policies)? What are the planned steps to incorporate feedback in project activities?
 o How to best encourage and receive feedback from the community on project design and results (FGDs, individual interviews, ranking exercises, AVR calls, etc.)? How to best respond to feedback or complaints from communities?
 o Who are the most relevant groups to give feedback? (women, children, older people and people from ethnic groups)? Who will consider how different groups will communicate their feedback to partners?
 o How will the feedback be communicated? (e.g. via mobile phones, or through face to face visits, etc.)?

viii. Staff conduct

 o How to best build staff capacity on the appropriate conduct to promote protection principles? How to best ensure staff accountability and responsibility to promote protection principles?
 o Who is the focal person to guarantee and ensure appropriate staff conduct?
 o What are the steps to ensure appropriate staff conduct is understood and practiced? (recruitment, training, Code of Conduct, etc.) The most pertinent information to share with people involved in cash and voucher assistance (staff, vendors, volunteers) on protection principles and relevant conduct towards beneficiaries?