



CASH TRANSFER PROGRAMMING

toolkit

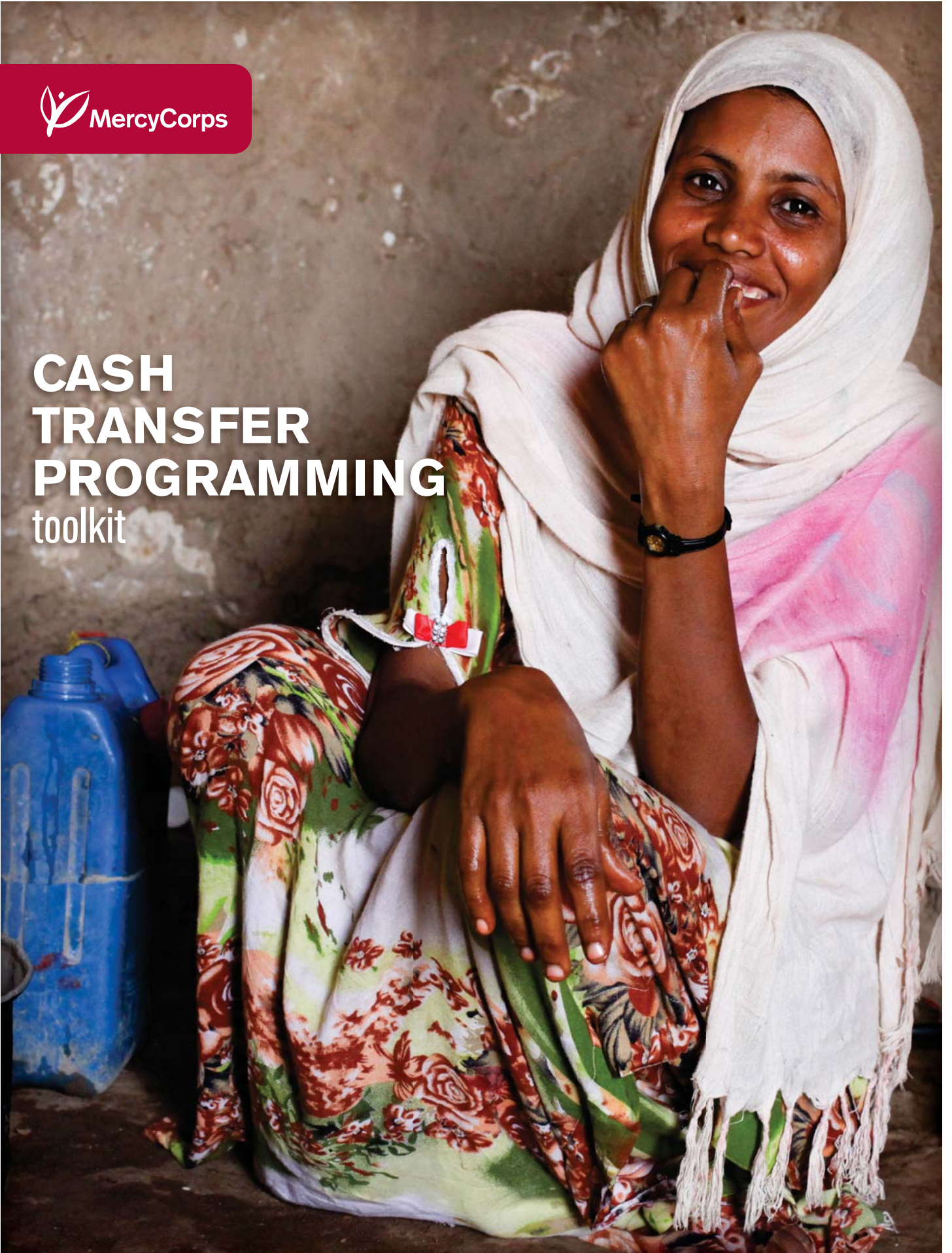


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Tools and Templates

Cash-for-Work Implementation Guide: *coming soon*
Tools and Templates

Voucher and Fair Implementation Guide: <https://mcdl.mercycorps.org/gsd/docs/VoucherFairGuide.pdf>
Tools and Templates

E-Transfer Implementation Guide: <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>
Tools and Templates

LIST OF ACRONYMS

CaLP – Cash Learning Partnership

CCT – Conditional Cash Transfer

CFW – Cash-for-Work

CTP – Cash Transfer Programming

ECHO – Humanitarian Aid and Civil Protection Department of the European Commission

EMMA – Emergency Market Mapping Analysis Toolkit

M&E – Monitoring and Evaluation

MIFIRA – Market Information and Food Insecurity Response Analysis

MFI – Microfinance Institution

OFDA – Office of Foreign Disaster Assistance, USAID

RAM – Rapid Assessment for Markets

SMS – Short Message Service

TSU – Technical Support Unit at Mercy Corps

UCT – Unconditional Cash Transfer

UN – United Nations

USAID – United States Aid for International Development

WASH – Water, Sanitation, and Hygiene

WFP – World Food Programme

INTRODUCTION TO THE CASH TRANSFER PROGRAMMING TOOLKIT

PURPOSE OF THE TOOLKIT

The Cash Transfer Programming (CTP) Toolkit is a basic guide to cash transfer programming in emergency response and early recovery settings. It aligns with Mercy Corps' Vision for Change¹ and Program Management Manual² and is based upon best practices and practical experience. The CTP Toolkit, however, cannot address every potential situation or programmatic response. Specifically, it does not cover the use of cash as a social safety net, in private sector development, or in financial services payments and subsidies. Rather, this Toolkit provides general guidance for CTP, as well as rationales and best practices relevant to the different types of cash transfers.

We anticipate this Toolkit will be used by field and HQ-based team members who are designing and/or implementing CTP in emergency or early recovery settings. It has been written for those with limited or no CTP experience.

HOW TO USE THE TOOLKIT

The Toolkit is composed of:

- **PART I: Cash Transfer Methodology Guide**
An introduction to rationales and best practices related to CTP. *It is strongly recommended that you read this Methodology Guide before using any of the Implementation Guides.*
- **PART II: Implementation Guides**
Four Implementation Guides, separated by methodology type, designed to guide program implementation. They include tools and templates developed and tested for easy adaptation by field teams. They are:
 - Cash Transfer Implementation Guide – *coming soon*
 - Cash-for-Work Implementation Guide – *coming soon*
 - Voucher and Fair Implementation Guide <https://mcdl.mercycorps.org/gsd/ docs/ VoucherFairGuide.pdf>
 - E-Transfer Implementation Guide <https://mcdl.mercycorps.org/gsd/ docs/ E- TransferGuideAllAnnexes.pdf>

A NOTE ON TERMINOLOGY

For the purpose of this Toolkit, the term “cash transfer programming” (and the abbreviation “CTP”) describes all the various mechanisms of cash transfers, including cash-for-work and vouchers, used to implement programs. While cash transfer is a methodology used to achieve program goals – not a program aim itself – the term “cash transfer programming” has been widely adopted as the overall description for any use of these mechanisms in field programs.

1 “Introducing Mercy Corps' Vision for Change,” Mercy Corps' Digital Library, <https://mcdl.mercycorps.org/gsd/ docs/ IntroV4Conepager.doc>.

2 “Program Management Manual,” Mercy Corps' Digital Library, <https://mcdl.mercycorps.org/gsd/ docs/ ProgramManagementManualPMM.pdf>.

PART I: CASH TRANSFER PROGRAMMING METHODOLOGY GUIDE



CHAPTER 1: CASH TRANSFER PROGRAMMING BASICS

WHAT IS CTP?

Cash transfer programming (CTP) refers to all programs where cash (or vouchers for goods or services) is directly provided to program participants. It is an approach that builds upon linkages, capacities, incentives and relationships to encourage effective market recovery. CTP is a mechanism for delivering assistance; it is not a sector or program on its own. CTP may be designed with longer-term development aims, such as large-scale, state-sponsored cash transfer programs. In this Toolkit, however, we focus on the use of CTP in emergency response and early recovery.

In the right context – when local markets are functioning and able to meet demand – cash transfers can serve as an appropriate and powerful alternative to direct distributions of food and non-food items (also known as in-kind assistance.) CTP can also be a more dignified and flexible form of assistance, since program participants have the freedom to choose what they need. All types of cash transfers have the following overarching aim: to deliver timely and cost-effective assistance to crisis-affected populations, while at the same time supporting the local economy.³ How they do this is determined by the type of CTP used, its value, the way it is transferred (disbursement mechanism), and the frequency and duration of transfers.

CTP may serve as the starting point for a series of interventions or as a step in economic recovery and development. Different types of CTP can be implemented together (e.g., cash-for-work and direct cash transfers) or in tandem with other types of programming (e.g., direct cash transfers complementing food aid distribution).

3 "What We Do," The Cash Learning Partnership (CaLP), <http://www.cashlearning.org/overview/what-we-do-overview>.

Well-designed and appropriate CTP aligns with Mercy Corps' Vision for Change and Market Development Strategic Principles⁴ by:

- Meeting basic needs, which can often help jumpstart early recovery for households.
- Leveraging the private sector as part of emergency response.
- Working with local vendors to minimize market distortions.

CTP ADVANTAGES/DISADVANTAGES

Mercy Corps' experience implementing CTP for nearly a decade has demonstrated that cash can be a powerful tool for recovery (Annex F: Capacity Statements). Since 2005, CTP has gained tremendous momentum across the humanitarian sector, becoming a standard methodology for emergency response and recovery efforts. As one practitioner commented, "The discussion is no longer about whether cash transfer programming is a legitimate intervention type, but about how best to use cash assistance."⁵ For a more thorough introduction to the history of CTP and approaches, read The Humanitarian Practice Network's Good Practice Review, "Cash Transfer Programming in Emergencies."⁶ Additional cash transfer programming resources can be found in Annex C: External Resources.

The table below lists some advantages of CTP in emergency response and early recovery settings. Not all advantages will be true in each case of CTP.

Potential ADVANTAGES of Cash Transfer Programming
<ul style="list-style-type: none"> • Flexible and Dignified: Cash is a flexible resource that allows people to spend money according to their needs and priorities; CTP can help people regain a sense of control. Some forms of CTP (e.g., e-transfers) can be distributed discreetly, allowing for greater dignity and personal security.
<ul style="list-style-type: none"> • Rapid: Some forms of CTP can be implemented relatively quickly and is not reliant on logistics-heavy systems.
<ul style="list-style-type: none"> • Economic Recovery/Multiplier Effect: Cash can stimulate recovery by creating short-term income flows and increasing consumer purchasing power. In turn, this supports trade and rebuilds market linkages; increases access to goods and services; and supports local businesses, spurring early recovery for the whole area, rather than just the target households.
<ul style="list-style-type: none"> • Inclusive: CTP can involve large numbers of the affected population. It can be designed to encourage the integration and participation of women, youth and/or marginalized groups.
<ul style="list-style-type: none"> • Cost-Effective: CTP may be a more efficient allocation of resources for both agency and program participant. Distribution costs for CTP are usually lower than those for food or non-food items. Transfers of cash also eliminate the possibility that program participant re-sell distributed items to buy preferred goods and services.
<ul style="list-style-type: none"> • Protects Assets/Reduces Debt: CTP may prevent asset depletion or debt accumulation that can result from the financial pressures caused by emergencies.

4 "Market-Driven' Strategic Principles," *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/MarketDrivenStrategicPrinciples.pdf>.

5 Eric Johnson, "More than 'just another tool': a report on the Copenhagen Cash and Risk Conference," in *Humanitarian Exchange Magazine* 54 (London: Overseas Development Institute, May 2012), 5.

6 Paul Harvey and Sarah Bailey, "Cash Transfer Programming in Emergencies," in *Good Practice Review* 11 (London: Overseas Development Institute: June 2011). *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/CashTransfersEmergenciesHPN2011.pdf>.

Despite these strong advantages, there are some disadvantages to CTP. Some are unchangeable facts; for instance, you cannot successfully implement CTP in communities that rely on barter, rather than cash, or where there is no functioning market. Others are concerns that can be assessed and mitigated at the design phase and during program monitoring and evaluation. The following table lists some potential disadvantages to CTP. (Some of these disadvantages may also be true for in-kind distributions.)

Potential DISADVANTAGES of Cash Transfer Programming
<ul style="list-style-type: none"> • Market Economy Concerns: CTP can only be implemented in cash-based economies. In markets with a limited supply of goods or services, an influx of cash may lead to inflation, price distortions or shortages of key items if supply cannot meet demand.
<ul style="list-style-type: none"> • Financial Mismanagement and Corruption: There is a potential for exploitation and diversion of funds by more powerful people. Cash can be diverted to illegal activities more easily than directly distributed items, which must first be converted to cash.
<ul style="list-style-type: none"> • Negative Influence on Local Culture: Cash may interfere with traditional responses to community needs or volunteerism. In cultures where it is typical for men to control financial resources and women to control food resources, the use of cash may exacerbate power divisions. Cash may also be used to purchase “anti-social” goods such as alcohol or cigarettes.
<ul style="list-style-type: none"> • Security Risks: CTP may create safety and security risks (e.g., violence, extortion, “taxes”) for both the implementing agency and/or the program participant.
<ul style="list-style-type: none"> • Exploitation: Power is unequally distributed in all the communities in which we work, creating situations where certain people are dependent upon others. Unfortunately, some choose to abuse this power over others, which is the root cause of forms of violence like exploitation. Exploitation happens when people in power⁷ (e.g., cash-for-work supervisors, community leaders, vendors and even program staff) use their position to demand favors or certain behaviors (sexual or otherwise) from less powerful groups or individuals. Exploitation can occur any time resources are introduced into a community, but with the greater desirability of cash, it may be of particular concern.⁸

As with any intervention, negative consequences can arise if CTP is implemented incorrectly, either in the wrong context or with too little thought paid to the issues highlighted above. In “Assessment and Analysis” (Chapter 2), we will cover specific assessments and analyses you should use to determine whether CTP is the right approach for your context and to inform your program design. In “Determining the Disbursement Mechanism” (Chapter 2) and “Gender” and “Youth” (Chapter 3), we will address some other ways to mitigate the risks described above.

7 Here, “power” is defined as the ability of one person or group to influence the access or control of resources and/or decisions of another person or group.
 8 For more information on exploitation and gender-based violence, see Chapter 4 of Mercy Corps’ Gender Procedures: “Gender Procedures: Policy in Action,” Mercy Corps’ Digital Library, <https://mcdi.mercycorps.org/gsd/docs/GenderProcedures.pdf>

TYPES OF CTP

The type of CTP you choose should be based upon your program's objective. More than one type of transfer may be used in the same program or may be combined with in-kind assistance. The primary types of CTP are **cash transfers** (conditional and unconditional); **cash-for-work** (a type of conditional cash transfer); and **vouchers** (cash, restricted cash, and commodity), which are sometimes paired with **fairs**. **E-transfers**, also described below, are a *mechanism* for transferring cash and may be used in cash transfer, cash-for-work or voucher programs.

Cash Transfers

Cash transfers⁹ are direct payments of money to a recipient. They may be paid directly by Mercy Corps or through a third party intermediary, such as a bank. Cash transfers come in two forms: **unconditional**, meaning the recipient receives the cash simply by qualifying as a program participant within the program's scope, or **conditional**, meaning the recipient must do something to receive the cash. Which type of cash transfer you select will be related to your program's overall objective.

Unconditional cash transfers (UCTs) are given to recipients without any requirements. While agencies typically have an idea of how the money will be spent by recipients, UCTs allow program participants to choose exactly which purchases are most critical to them, and where and when they want to spend the money. It is often assumed that UCTs will be used to purchase goods to cover basic needs, but occasionally program participants will use them to repay debt and/or to make livelihoods investments. Frequency of payment and/or the amount of the cash transfer can influence how UCTs are spent: one-time, larger transfers are often spent on rebuilding/recovering livelihoods, whereas multiple, smaller transfers are often used to cover basic household needs like food, medicine and clothing. Alongside their flexibility, *the ease of using UCTs for program participants and the straightforward implementation methodology make them Mercy Corps' preferred type of cash transfer.*



Niger – Cassandra Nelson/Mercy Corps

Program Profile:

Unconditional Cash Transfers (UCTs)

Mercy Corps Niger, in partnership with four US and European Foundations, implemented "Responding to the Food Crisis in Niger" (PROSAZ) from May 2012 through July 2013. The program was designed to enhance food security, economic resilience and economic recovery for vulnerable households in Ouallam, one of the areas suffering most from the slow onset food crisis. Late rains and damage from insects at the end of 2011 left 70%-100% of farmers with no crops to harvest. Those events exacerbated an already-deteriorating food security situation, which had affected over 6.5 million in the country. In addition to activities aimed at restoring livestock assets, PROSAZ was designed to provide both UCTs and cash-for-work (CFW) activities to help 1,800 of the most vulnerable individuals meet

basic needs. CFW activities were implemented at the start of the program. However, due to a national law banning CFW activities during the growing season, remaining CFW funds were

⁹ Mercy Corps has adopted the term "cash transfer" to align our terminology with US government rules and regulations. "Transfers" are given to individuals, and "grants" are given to institutions or groups for a public purpose. You may see this type of programming referred to as "cash grants" by others.

redirected to UCTs. Ultimately, over USD 140,000 was transferred to program participants, with households receiving an average of USD 114 per month. Evaluation results demonstrated the additional cash increased households' access to food by 23%; 100% of respondents' daily food consumption increased from two meals per day to three meals per day. The cash injection helped participating households meet nutritional needs during the lean season and positively impacted their ability to initiate fieldwork for the 2013 agricultural season.

Conditional cash transfers (CCTs) are typically used to promote a certain type of behavior or to encourage an event (e.g., they may be tied to pastoral destocking or to rebuilding a home destroyed in an earthquake). Program participants must complete certain tasks – “conditions” – to receive the money. Once they have met these conditions, they are free to spend their money in any way they choose.

Often, CCTs will be given in tranches to mark progress toward the ultimate goal. Because the conditions always need to be verified by the implementing agency, CCTs may also create additional burdens for program participants (in time) and for the implementing agency (in time and costs). Because of this, CCTs should be used with clear justification. It is also not recommended to use CCTs in the immediate aftermath of a crisis when it is critical that people quickly access food, temporary shelter and other basic needs.



South Sudan – Cassandra Nelson/Mercy Corps

Program Profile:

Conditional Cash Transfers (CCTs)

In 2011, armed conflict in the Abyei Administrative Area (a disputed area between Sudan and South Sudan) caused the displacement of over 110,000 people. Displaced households lost both food stores and the income from their harvest as they sought safety elsewhere. Those who remained in the area saw many of their harvests destroyed by flooding that September. Mercy Corps' Market-Oriented Rehabilitation of Agricultural Livelihoods (MORAL), funded by ECHO, aimed to address these food security issues by supporting 750 households through a hunger gap which had doubled in length

due to conflict and flooding. To complement World Food Programme (WFP) rations covering 50% of households' daily food needs, MORAL distributed CCTs to help program participants meet additional needs without selling their food aid to do so. Households were required to attend financial literacy training as a condition of receiving the transfer; the condition was built into the program to encourage efficient management of resources during an extended hunger gap. After the first transfer, 95% of households interviewed purchased sorghum. After the second transfer, only 56% of households did, demonstrating how – as the transfers continued – household priorities shifted from food to items such as clothing, shoes, small livestock and shelter. Forty-seven percent of households were even able to save a portion of the transfer, which increased resilience against future shocks.

It is important to emphasize that cash transfers to individuals, households or business owners – like those described above – are not the same as sub-grants or sub-awards to institutions. Donor compliance requirements and areas of concern applicable to each type of CTP are sometimes significantly different. Please refer to the Cash Transfer Implementation Guide for additional guidance.

Cash-For-Work

Cash-for-Work (CFW) pays program participants for unskilled and skilled labor performed on projects that build or repair community assets or infrastructure.¹⁰ Because payment is only received after a participant has completed work, CFW is often considered a type of conditional cash transfer (the “condition” being completion of the work). Program participation is usually restricted to time-bound cycles (e.g., four to six weeks) and payment for work on a CFW program can be made in the form of cash, vouchers (if necessary) or e-transfers. CFW is not a jobs-creation or livelihoods program. (See the text box, “How Does CFW Differ from Livelihoods Programming?”). Its aim is to provide consistent short-term wages to a targeted group of vulnerable, crisis-affected households when they are not actively employed in other activities. CFW was originally designed to alleviate the psychological burden and boredom of people displaced from their homes after an emergency, empowering them to take charge of their own recovery. CFW should be used when a program has additional aims to restore community assets and infrastructure or to keep affected populations engaged in recovery.

Care needs to be taken in setting appropriate CFW wages to avoid diverting labor from local needs (such as agricultural work) or distorting local wages. It is also important to determine how best to include households who are unable to participate in CFW (due to injury, immobility, etc.) so they are not excluded from benefits. To do this, CFW programs are often integrated with a cash transfer component: program participants who can physically work participate in CFW, while households unable to participate in CFW activities are provided UCTs. For specific guidelines around implementing CFW programs, please see the Cash-for-Work Implementation Guide.



Pakistan – Julie Denesha for Mercy Corps

Program Profile: **Cash-for-Work (CFW)**

Over 20 million people in Pakistan were displaced in 2010, when heavy rains flooded one-fifth of the country. With USD 5 million from USAID’s Office of Foreign Disaster Assistance (OFDA), Mercy Corps implemented a CFW program for 12 months with 27,500 participants in five districts. Laborers worked an average of 42 days (two cycles of 21 days each) to restore community infrastructure damaged by the floods. Projects included repairing roads to provide access to markets, fixing irrigation canals and constructing flood retention walls. Female participants were given culturally-appropriate work like repairing and cleaning schools and community meeting halls so they could also benefit from the program. (See “Gender” in Chapter 3 for additional information.)

¹⁰ Some donors may fund projects targeting private assets, but this is the exception rather than the rule.

How Does CFW Differ from Livelihoods Programming?

CFW is not livelihoods programming; it is humanitarian relief. Generally, it is used as a temporary labor project to rebuild or repair public infrastructure destroyed or damaged during a crisis. In the case of refugee camps, it can also be used in the short term to clear the land for tents, dig trenches and latrines, provide daycare, serve food or other similar activities. The objective of CFW is to provide income to program participants while keeping them active and to rebuild or repair critical community infrastructure. In general, CFW is not used for more than three to six months. In some extreme cases, however, Mercy Corps has implemented CFW programs for up to one year. Even when used for lengthy periods in places facing chronic vulnerability – such as Afghanistan – CFW is still considered a form of humanitarian assistance.

This contrasts with livelihoods programming, which is typically a longer-term, development intervention. Livelihoods are the economic activities people undertake to support themselves and their families. For instance, a farmer's livelihood is growing crops and selling the harvest. Programs targeting livelihoods creation/strengthening are typically lengthy programs that require complex interventions to influence the ways in which people generate income. During a crisis, programs can work toward *livelihoods recovery*; typically, this is achieved by restoring assets destroyed or damaged during a crisis, facilitating access to finance, restarting businesses and rebuilding market linkages. CFW, however, does not build or create livelihoods; rather it is a temporary solution to provide short-term income and activity until livelihoods can be restored or recovered.

Vouchers

A voucher is a piece of paper or an electronic coupon that can be exchanged for goods or services. (See the photo to the right.) Vouchers allow program participants to purchase commodities or services from participating vendors without the use of cash. Typically, they are chosen when an implementing agency has concerns over the handling of cash (for reasons of security, corruption or diversion) or when a program is designed to increase access to a specific set of goods or services (e.g., to promote the repair of damaged houses by directing the purchase of building materials). Vouchers require significantly more administrative steps than UCTs, including design and printing costs, vendor selection, vendor training and voucher reconciliation. As such, they should only be used where there is a clear programmatic reason for doing so. Vouchers come in three forms, **cash vouchers**¹¹, **restricted cash vouchers**¹², and **commodity vouchers**.



Japan — Carol Skowron/Mercy Corps

Cash vouchers provide access to nearly any identified good or service from a vendor participating in the program. A recipient is given a voucher equivalent to a certain amount of cash, which s/he can spend at any pre-approved vendor. Usually, participating vendors are selected according to predetermined program criteria. Occasionally, if the market is small enough, participating vendors may include all vendors in the market.

¹¹ Cash vouchers are also often referred to as “value vouchers,” and the terms are synonymous. For the purposes of this Toolkit, we have chosen to use “cash voucher.”

¹² Mercy Corps has adopted the term “restricted cash vouchers” to refer to this hybrid between cash and commodity vouchers. It is not an industry standard.

Typically, a voucher must be spent out within a certain time period before becoming invalid (often referred to as the “redemption period.”)



Mali – Mercy Corps

Program Profile:
Cash Vouchers

In 2012, Mercy Corps Mali worked to meet emergency food needs and build resilience through a one-year cash voucher program targeting 12,000 of the most vulnerable individuals in the Ansongo District of the Gao region. The OFDA-funded “Response to Food Security Needs in Northern Mali” was proposed in response to the political instability that had exacerbated existing food insecurity. Vouchers were selected because of the lack of operational banking infrastructure in Gao and the area’s insecurity. Vouchers were also a means to incentivize vendors to increase

their activities in the target area. Vouchers were printed in neighboring Niger to minimize fraud and could be used to purchase any goods (excluding cigarettes and alcohol) sold by the 18 participating vendors. They were provided in small denominations to allow program participants to make and carry smaller purchases. Through ongoing monitoring, program staff found that 95% of vouchers were used for the purchase of food.

Restricted cash vouchers allow program participants to purchase a combination of commodities or services listed on the voucher, up to the amount of that voucher (e.g., choose between any combination of rice, lentils, and cooking oil, with the total not to exceed USD 25). Restricted cash vouchers can be used when an agency wants to increase participants’ choice within a specific set of goods or services.



Iraq – Rasht Twana for Mercy Corps

Program Profile:
Restricted Cash Vouchers

In 2014, Mercy Corps Iraq began implementation of an ECHO-funded program designed to provide winterization assistance to Syrian refugees and host families in Erbil City, Iraq. The one-year program, reaching 5,694 individuals, distributed vouchers worth USD 312 to facilitate purchases from a list of 20 hygiene and shelter-related items. Seven vendors were selected for participation in the program, based upon location, payment, and restocking criteria. Post-distribution monitoring confirmed that 92% of program participants felt the purchases met their needs. Twenty-one percent of participants also spent their own money at vendors’ shops, an unplanned and positive outcome for participating vendors.

Commodity vouchers provide recipients access to pre-defined commodities or services that can be exchanged at any vendor participating in the program, or at specially-arranged fairs. This type of voucher offers control over the purchase of items and is used when there is a programmatic reason to restrict purchases to a specific, identified group of items. For example, a program working to improve nutritional intake among participants might provide vouchers for high-caloric foods like meat, dairy and vegetables. Commodity vouchers are more complicated to set up and monitor than cash vouchers because participating vendors must sell the chosen items and those purchases must be monitored. This additional monitoring will increase demands on program and finance staff.



Yemen – Cassandra Nelson/Mercy Corps

Program Profile: **Commodity Vouchers**

Mercy Corps Yemen implemented a commodity voucher program for the purchase of food in three districts in an effort to combat food insecurity, severe malnutrition and asset depletion as a result of the political and economic shocks to the country. The 15-month Taiz Emergency Food Program (TEFP), funded by USAID's Food for Peace, began implementation in April 2012. The program benefited 8,965 of the most vulnerable households (those with children under five years old, female-headed households and families with pregnant and/or lactating women). While market conditions were deemed favorable for implementation of UCTs, Mercy Corps opted to implement a voucher program because of the high proportion of household income spent

on *qat*, a recreational amphetamine (drug), the inability to mitigate against these purchases and the security threats associated with a visible cash transfer program. Food vouchers were designed to meet 30% of the households' monthly caloric needs through the purchase of wheat flour, kidney beans, rice and oil. Female participants were given the option to exchange vouchers directly or through intermediaries (such as a designated male family member or trusted community leader). Vouchers were produced outside Yemen to avoid counterfeiting and fraud. Vendors redeemed program participants' vouchers for payment at Yemen Post (the national postal service), which enabled vendors to easily access payment and reduced Mercy Corps' security concerns around transporting large amounts of cash.

Because vouchers automatically limit choice – through the selection of participating vendors and/or the commodities available for purchase – it is critical that a strong programmatic justification exists for using them. For successful implementation of a voucher program, it is important to have a sufficient number of vendors participating, both to provide adequate quantity and range of commodities and to avoid price fixing amongst vendors. This is also important from an exploitation perspective: if only one or two vendors participate, they may agree to discriminate against a particular group by requiring that group to pay extra or provide favors. To solicit participation from a sufficient number of vendors, sensitization efforts may also be required to convince them to participate. In general, vendors will participate if they trust the redemption system and if payment is quick.¹³

13 Harvey and Bailey, 98.

Fairs can be used within a voucher program to provide a common location to exchange vouchers outside of an existing market or local trading system. Fairs bring together formal and informal traders to supply needed goods and provide competitive prices, quality and quantity. Often, fairs are used to increase the target population's access to goods. Vendors are generally from nearby markets, but fairs can also be used to introduce new vendors to local markets, as well as to cultivate new linkages between vendors and wholesalers.



Ethiopia – Erin Gray/Mercy Corps

Program Profile:

Seed Fairs

Mercy Corps Ethiopia implemented a series of seed and trade fairs as a part of the Revitalizing Agricultural/Pastoral Incomes and New Markets (RAIN) program, a five-year, OFDA-funded program. Farmers and agro-pastoralists were in need of immediate assistance to recover from the global increase in food prices and the climatic shocks that plagued their region. A seed fair was designed to help farmers obtain better-quality seeds for planting through a voucher system. Over the course of the program, 24,000 individuals participated in seed and trade fairs arranged through RAIN. Program participants noted

that seeds planted from the fairs yielded greater harvests, improving the nutritional status of their children and allowing them to feed more household members.¹⁴

For additional information on voucher programs and fairs, please see the Voucher and Fair Implementation Guide.

E-Transfers

E-transfers (electronic transfers) are a disbursement mechanism (a method for paying people) rather than a separate type of CTP. E-transfers include access to cash through mobile money, to goods/services through mobile vouchers, or to payments made via smart cards (ATM, credit or debit cards). This rapidly changing sub-set of CTP has some exciting advantages: it can be more discreet for program participants (in contrast to public queuing), and it can increase efficiency, safety and cost-effectiveness for the implementing agency. However, e-transfers can present obstacles due to their dependence on electricity and mobile networks. They can also require higher levels of literacy/numeracy than conventional transfer mechanisms. Special attention should be paid to vulnerable groups (e.g., elderly, illiterate populations, women) to ensure their participation and security when designing a program using e-transfers.

Because e-transfers have different set-up requirements and abide by different regulations, we have created the E-Transfer Implementation Guide¹⁵ to assist field teams in their use. To understand the fundamentals of CTP implementation, please read the relevant Implementation Guide (cash transfer, voucher or CFW) first. CaLP has also recently released “E-transfers in Emergencies: Implementation Support Guidelines”¹⁶ to aid agencies using digital payment systems.

¹⁴ Emma Proud, email to authors, September 12, 2013.

¹⁵ The E-transfer Implementation Guide, Mercy Corps Digital Library, <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>.

¹⁶ Koko Sossouvi, “E-Transfers in Emergencies: Implementation Support Guidelines,” (Oxford: CaLP 2013), <http://www.cashlearning.org/resources/library/390-e-transfers-in-emergencies-implementation-support-guidelines>



Nepal – Suraj Shakya for Mercy Corps

Program Profile:

E-Transfers (Mobile Vouchers)

Mercy Corps Nepal was the host of Phase I of the Electronic Voucher Assistance (ELEVATE) pilot project to test the speed, security and cost-effectiveness of mobile voucher solutions in CTP. Funded by MasterCard, Phase I was implemented in early 2013 using two mobile voucher platforms, an SMS voucher and a smartphone voucher. A test population of 129 vulnerable urban Nepalese and six vendors processed 228 vouchers worth USD 7,750 during the pilot project. Results demonstrated that replacing paper vouchers with mobile

systems improved transparency and significantly reduced staff time required for printing, distributing and processing paper vouchers. The web-based smartphone voucher was the preferred technology, with much fewer errors rates and the possibility of real-time reporting on voucher reimbursement. Illiterate and innumerate program participants, however, faced hurdles in using the new technologies, and many required “helpers” to process personal identification numbers (PINs) and/or assist with touch-screen use. Helpers assisted in 89% of observed SMS transactions and 37% of observed smartphone transactions.

CHAPTER 2:

CASH TRANSFER PROGRAMMING IDENTIFICATION AND DESIGN

With a basic understanding of CTP, as well as the types available, we can move to concrete recommendations for identifying and designing CTP. In this chapter, we will cover:

- How to decide whether CTP is an option.
- What assessments and analyses are critical to CTP design.
- Developing the program logic.

Please remember that while we have done our best to cover each topic in logical progression, many assessments and analyses activities we highlight here will happen throughout the life of your program. The order in which they occur – and how frequently they will be repeated and their assumptions verified – will be significantly influenced by how familiar you are with your target population and area; how much time, money and staff you can commit to carrying out these assessments and analyzing their results; and the type of monitoring plan you have built into your program.

For general guidance on program identification and design, please review Chapter 3 in Mercy Corps' Program Management Manual.¹⁷

IDENTIFY PROGRAM IDEAS: When to Use CTP

“While some environments are clearly more conducive than others, there is no prima facie reason why cash cannot be used wherever there is an emergency response.”¹⁸

Your first step, naturally, is to gather enough information to determine whether a cash intervention is an option in your particular context. Later, you will complete more in-depth assessments and analyses to determine what type of CTP is most appropriate. Before you spend valuable time and money conducting these assessments, however, it is important to make sure that certain fundamental conditions are in place for the successful implementation of CTP. Typically, this can be achieved by carrying out a simple, rapid market assessment. The process can be as basic as a two-hour conversation with vendors at the local market: Are shops open? Are they stocked with items? How easy has it been for vendors to resupply? Are the roads to markets accessible and safe?

As you consider your particular context, you will need to keep some fundamental conditions in mind. The table below illustrates favorable and unfavorable conditions to CTP implementation in an emergency setting, in early recovery or in places facing chronic vulnerability. Often, these favorable conditions are referred to as “preconditions” for CTP.

¹⁷ “Program Management Manual,” <https://mcdl.mercycorps.org/gsdl/docs/ProgramManagementManualPMM.pdf>.

¹⁸ Harvey and Bailey, 15.

CTP is usually appropriate if:	CTP is usually NOT appropriate if:
<ul style="list-style-type: none"> A functioning market for essential goods and services existed prior to the emergency. While it may not have been a fully ideal or equitable market, as long as it was able to meet demand, it would function for the purposes of an initial CTP response. 	<ul style="list-style-type: none"> There are no accessible or functioning markets. In this case, food or non-food item distribution may be more suitable until markets can be restored.
<ul style="list-style-type: none"> A shock has resulted in a decline in food sources and income. The result is that people are no longer able to meet their basic needs or are adopting short-term coping strategies that are damaging to their long-term livelihoods, assets and/or dignity. 	<ul style="list-style-type: none"> Supply routes or lines have been diminished or cut and traders are no longer able to provide sufficient supply to meet local demand.
<ul style="list-style-type: none"> Sufficient food supplies and/or essential goods are available locally or regionally to meet immediate needs. 	<ul style="list-style-type: none"> There is a food shortage in local markets. If this is the case, direct distribution of food might be required until local markets and stocks are restored. In acute emergencies, in-kind, life-saving relief items may be required.
<ul style="list-style-type: none"> Markets are physically accessible and safe to access. 	<ul style="list-style-type: none"> The target population operates in a non-cash based society (e.g., barter system).
<ul style="list-style-type: none"> Cash is used by the target population and can be delivered safely and effectively. 	<ul style="list-style-type: none"> The level and impact of political instability and/or corruption is such that cash transfers could exacerbate violence, put beneficiaries at risk or not be tracked transparently.

ANALYZE FUNDING OPPORTUNITIES: Donors Supporting CTP

Institutional and private donor support for CTP has increased dramatically in the last decade. In 2007, 20% of ECHO-funded NGO projects included a cash component. By 2010, that number had risen to 40%.¹⁹ The US, the world's largest government donor to CTP, gave USD 97.7M alone in 2010 to CTP, with the largest portion split between voucher programs and CFW.²⁰ Despite the growing trend of support to CTP, it is important to assess your local setting. Are donors supportive of CTP, and have they funded it in the past? What, if any, constraints do they place on this type of intervention? Each donor also has a slightly different structure and language for CTP, so be aware and design your intervention accordingly. For a list of major CTP donors, please see Annex D: Donors Supporting CTP.

¹⁹ Johnson, 5.

²⁰ "Tracking Spending on Cash Transfer Programming," *Global Humanitarian Assistance*,

<http://www.globalhumanitarianassistance.org/report/tracking-spending-on-cash-transfer-programming-in-a-humanitarian-context>.

Interestingly, CTP is still only a small proportion of their overall humanitarian spending: from 2007-2011, only 1.3% of the US's total humanitarian aid was directed towards CTP.

To aid in raising awareness or to advocate with donors for the use of cash, the Cash Learning Partnership (CaLP) has created a quick guide to field advocacy for CTP, "Making the Case for Cash."²¹

ASSESSMENT AND ANALYSIS

At this stage, you have conducted your initial scan and have a general sense that CTP may be a viable option. You have also confirmed that the donors in your area typically fund CTP. Now, what do you do?

In this section, we will take you through the four critical assessments and analyses that are instrumental for choosing *which type* of CTP may be most appropriate in your context. Although CTP can be a great tool in emergency and recovery response, it is not *always* the right one. The **needs** and **market assessments** – as well as analyses of **security** and **governance and social dynamics** – will help you uncover the range of CTP responses appropriate to your scenario.

Many of these assessments and analyses take place at the same time. Team members will need to conduct surveys with households, vendors and others to carry out the needs and market assessments. To complete the analyses of security and governance and social dynamics, it is advantageous for teams to hold a preliminary discussion on what is already known. Following this, teams should carry out additional data collection to fill in gaps in knowledge and/or to verify or challenge assumptions. This data collection step can often be completed by adding questions to the needs or market assessment household surveys.

Needs Assessment

Your first step in evaluating opportunities for CTP is to conduct a needs assessment. A needs assessment is a systematic process for determining the gaps between current conditions and desired conditions. With regards to CTP, it is used to understand the most urgent needs of your target population – food, shelter, clothing, medical care, etc. – and the population's ability to meet those needs.

Based upon your local context and constraints (road conditions, availability of staff, security, vehicles, etc.), it could take as little as two days to complete a needs assessment in an emergency situation. If you know very little about the context – or your situation allows for more in-depth analysis – a longer assessment may be necessary.

The needs assessment is critical to ensure the design of your program is appropriate. The amount you provide, and how and to whom you provide it, is based upon the results of your needs assessment. Below are some key questions to answer in a needs assessment, their implications and some methods, tools and resources that may be used in gathering this information. The questions below are meant to guide teams' discussions; they are not the specific questions you would ask during an assessment survey.

A selection of needs assessment tools can be found in Annex H: Assessment/Analysis Tools.

21 "Making the Case for Cash: A Quick Guide to Field Advocacy in Cash Transfer Programming," CaLP, (Oxford: CaLP, July 2011), <http://www.cashlearning.org/resources/library/30-making-the-case-for-cash-a-field-guide-to-advocacy-for-cash-transfer-programming-screen-version>

NEEDS²⁰

Key Questions	Implications
<ul style="list-style-type: none"> • What was the impact of the shock on food and income sources, or on other assets essential to community survival and livelihoods? Have different groups (age, sex, ethnicity, etc.) been affected in different ways? For example, is there a sudden increase in female-headed households? 	<ul style="list-style-type: none"> • Determines the degree of damage and needs of the people in the affected area. Different groups in the same area may have different needs, which may affect program design.
<ul style="list-style-type: none"> • Does the target population currently have sufficient funds/income to adequately meet their food and other basic needs? Are people currently working either in their normal livelihood or an alternative one? 	<ul style="list-style-type: none"> • Shows whether people require additional assistance through CTP, and whether CFW may risk pulling people away from their traditional livelihoods.
<ul style="list-style-type: none"> • What strategies are different groups of people using to cope with food or income insecurity? What impact do these have on livelihoods and dignity? Has there been an increase in migration, child marriage or prostitution? 	<ul style="list-style-type: none"> • Shows what coping mechanisms (positive and negative) for emergencies already exist and helps gauge their effectiveness.
<ul style="list-style-type: none"> • What are people likely to spend cash on? What are the top priorities for the target population? Do they have a preference for cash or in-kind assistance? 	<ul style="list-style-type: none"> • Determines whether cash distribution would be appropriate and desired by the targeted population.

Methods/Tools/Resources

- Key informant (semi-structured) interviews with a wide range of stakeholders such as households, private sector, government, NGOs.
- Review of existing literature from government agencies or other organizations operating in the field.
- Seasonal calendars disaggregated by sex and age. (It may also be necessary to disaggregate by other community divisions.)
- Coping Strategies Index.
- Household expenditure profiles.
- Interviews and focus-group discussions with producers, vendors and household members conducted with each gender separately, as men and women may have different priorities.

Market Assessment

In addition to a needs assessment, you will also need to conduct a rapid market assessment. If staffing and

²² Key questions within this and the following tables were adapted from Pantaleo Creti and Susanne Jaspers, eds., *Cash Transfer Programming in Emergencies* (Oxford: Oxfam GB, 2006).

other logistical support allows, it is advisable to begin the market assessment one to two days after your needs assessment. This allows you to focus your market assessment on the goods that are likely to be in high demand or are crucial to recovery (as identified during your needs assessment.) One approach is for teams to focus the market assessment on a “basket of goods” that program participants are likely to purchase.

Overall, a market assessment is used to assess the ability of the market to respond to increased demand; to determine the amount of access people have to the market; and to uncover whether the current problem is a supply-side one (insufficient goods available) or a demand-side one (people lack money to purchase goods or lack physical access to reach them). Knowing the potential of the market to meet demand – and understanding any market access issues – can significantly influence program design. The results of a market assessment affect whether you use CTP or in-kind aid; whether you work with beneficiaries, vendors or both; and whether your program will support local markets or negatively impact them. Please note that it is critical to speak with both consumers and suppliers to understand how CTP may affect local prices and to inform program activities.

As we mentioned earlier, assessments are frequently and informally redone throughout the program lifecycle. It is good practice to conduct price monitoring of key goods within two weeks of cash distributions or voucher redemptions to help the team determine whether CTP is negatively affecting the market. Additional information on proper post-distribution monitoring can be found in the relevant Implementation Guide.

A selection of market analysis/assessment tools can be found in Annex H: Assessment/Analysis Tools.

Minimum Requirements for Market Analysis in Emergencies

Before beginning your market assessment, it is highly recommended that you read CaLP’s “Minimum Requirements for Market Analysis in Emergencies,”²³ a guide to market analysis published in 2013. The minimum requirements focus on four thematic areas: scope of assessment, analysis, data collection and monitoring and evaluation (M&E). Each thematic area includes action points, tips, key issues to avoid and practical illustrations to help ensure credible assessment. Mercy Corps was a key partner in their development.

MARKETS	
Key Questions	Implications
<ul style="list-style-type: none"> Are markets in the affected area operating and accessible for the full range of target participants? Are essential items available in sufficient quantity and at a reasonable price? Are there any restrictions on the movement of goods? 	<ul style="list-style-type: none"> Determines if CTP may be a viable option. If markets are inaccessible, vendors are not well-stocked or movements of goods are restricted, CTP may not be appropriate. Instead, in-kind distribution may be more suitable until markets become more functional.

23 Louis Austin and Sebastien Chessex, “Minimum Requirements for Market Analysis in Emergencies,” (Oxford: CaLP, 2013). *Mercy Corps’ Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/MinReqMarketAnalysisEmergenciesCaLP.pdf>.

<ul style="list-style-type: none"> • Can the flow of goods adjust to meet market demand and keep prices stable? Are traders able and willing to respond to an increase in demand? 	<ul style="list-style-type: none"> • Uncovers whether the market can sustainably and affordably supply needed goods.
<ul style="list-style-type: none"> • Is the market competitive? Is the number of suppliers large enough in relation to the number of buyers to keep prices balanced? 	<ul style="list-style-type: none"> • Predicts if prices would remain balanced after an influx of cash. If the market is not competitive, sellers can manipulate prices and CTP should be approached with caution. This also creates the type of power imbalance that can lead to exploitation.
<ul style="list-style-type: none"> • What are the risks that an injection of cash into the economy will cause inflation in prices of key products? 	<ul style="list-style-type: none"> • Helps uncover the risks of inflation. If risks are high, CTP may not be appropriate since it could create price instability for the whole community.
<ul style="list-style-type: none"> • Is food available nationally and locally in sufficient quantity and quality? 	<ul style="list-style-type: none"> • If food is not available in sufficient quantities, CTP is unlikely to address the needs of the affected population when food is their major concern. Either in-kind distribution or Food-for-Work may be more appropriate until this is resolved.
<ul style="list-style-type: none"> • Will normal seasonal fluctuations and harvest cycles impact food availability? 	<ul style="list-style-type: none"> • Determines if/when the population will be most vulnerable in terms of food security, as well as when food availability might increase. If there are peaks in food insecurity, these may also correspond with peaks in exploitation of program participants.
<ul style="list-style-type: none"> • Do government policies or other factors affect food availability? 	<ul style="list-style-type: none"> • Identifies obstacles that may prevent people from accessing food.

Methods/Tools/Resources

- Interviews and focus-group discussions with vendors and business associations, if available. Vendor capacity surveys.
- Market observations.
- Price monitoring of select goods.
- Interviews with finance providers.
- Secondary data on the scale of the local economy, remittance flows or other financial data.
- National and local statistics.
- Agricultural calendars.
- Market Information and Food Insecurity Response Analysis (MIFIRA) framework.
- Emergency Market Mapping and Analysis (EMMA).
- Rapid Assessment for Markets (RAM).

Security Analysis

Security factors have an important influence on whether CTP is a viable option and what type of disbursement mechanism is most appropriate (see “Determining the Disbursement Mechanism” at the end of this chapter for more information.) If the security risks are too great to be mitigated by various delivery options, such as vouchers or e-payments, you may need to switch to in-kind distributions or another form of humanitarian aid. Security must also be regularly assessed throughout the life of the program to track contextual changes.

SECURITY	
Key Questions	Implications
<ul style="list-style-type: none"> Is there freedom of movement? Are people safely accessing markets? Does access differ for men/boys/women/girls and/or marginalized groups? 	<ul style="list-style-type: none"> Helps identify whether access is restricted for certain groups. If people cannot access the market, then CTP may not be appropriate. Fairs or in-kind distributions may better meet needs.
<ul style="list-style-type: none"> What are the risks of cash distributions being seized by elites or armed elements? Are any safeguards available to reduce this risk? 	<ul style="list-style-type: none"> Assesses the level of security/insecurity in the target area. Determines whether CTP can be implemented and various risks that may need to be mitigated based upon who is targeted.
<ul style="list-style-type: none"> Are people using cash for routine purchases? Is it safe to travel with cash? 	<ul style="list-style-type: none"> Analyzes the risks of moving or distributing cash.
<ul style="list-style-type: none"> How do these risks compare with the risks posed by in-kind alternatives to cash (i.e., is cash more vulnerable or, alternatively, is it easier to hide)? Among men/women/boys/girls? Among marginalized groups? 	<ul style="list-style-type: none"> Determines the security considerations relevant for cash vs. in-kind.
Methods/Tools/Resources	
<ul style="list-style-type: none"> Internal team discussion and analysis. Interviews with local authorities on local laws and with businesses on how cash is moved. Interviews with target groups including men, boys, women, girls and marginalized groups about local perceptions of security and ways of safely transporting, storing and spending money. 	

Governance and Social Dynamics Analysis

In addition to security considerations, other factors affect the appropriateness of CTP, including formal and informal governance structures; local traditions; and social dynamics and norms. Analyzing these issues helps us understand how internal power dynamics may affect who receives money, how it is spent or the potential for CTP to exacerbate internal tensions. This analysis can also highlight the potential for corruption, exploitation or diversion. Governance and social dynamics analysis should be done concurrently with the security analysis to ensure that you have evaluated all environmental factors.

Governance is the process of decision-making and the implementation of those decisions. Governance can be called “good governance” when those systems and processes are accountable, transparent, just, responsive and participatory. Social dynamics are the relationships in the community that influence how community members interact with each other. Social dynamics can shift based upon internal or external influences, such as the introduction of cash to certain members of the community or even to certain family member. It is important to understand a community’s social and gender dynamics to ensure that the introduction of CTP has minimal to no negative effects on that community.

Governance and social dynamics must be analyzed at multiple levels and with diverse groups. The tables below separate **community-level analysis** and **household-level analysis**. Additionally, it is critical to ensure that the perspectives of diverse groups are included, so make sure to consult with a wide array of community members,

including those from different social, ethnic, political and socio-economic groups. Please remember that topics in the tables are below are meant to guide the team's internal discussion about what is already known and what data needs to be gathered. *They should not be posed to program participants in this exact format, because these topics may be sensitive.*

GOVERNANCE & SOCIAL DYNAMICS: COMMUNITY-LEVEL ANALYSIS	
Key Questions	Implications
<ul style="list-style-type: none"> • What social groups exist in the community and how do they interact? How does the community interact with and/or support vulnerable households? What are traditional sharing/relief systems, if any? Is the community currently receiving aid, or has it previously received aid? 	<ul style="list-style-type: none"> • Creates an understanding of what groups exist in the community and their interactions. May help identify marginalized groups. Prevents programming that would disrupt traditional community support systems. Determines whether aid has been given and its effect on the community.
<ul style="list-style-type: none"> • Who are key decision makers at the community level? Are they trusted by all groups? Are different groups represented in decision-making bodies, including marginalized groups? Who controls resources and decisions about distribution of aid? 	<ul style="list-style-type: none"> • Indicates whether beneficiary selection and/or community project identification can be conducted in a transparent manner without undue influence. Determines the feasibility of implementing successful CTP that will benefit the entire community, rather than being diverted to elites.
<ul style="list-style-type: none"> • Are there economic, social or political tensions or conflicts, particularly over resources? What impact will cash transfers have on existing tensions? 	<ul style="list-style-type: none"> • Helps determine if there are existing conflicts and how CTP could unintentionally create or exacerbate tensions. Helps ensure inclusive benefits of CTP and program impartiality.
<ul style="list-style-type: none"> • What community or legal protection mechanisms are in place around exploitation and abuse, particularly gender-based violence and child protection? How well and by whom are these norms and laws enforced? What access do different groups have to protective services? 	<ul style="list-style-type: none"> • Helps determine whether CTP can be implemented in a way that is safe and secure for all community members.
Methods/Tools/Resources	
<ul style="list-style-type: none"> • Internal team discussion and analysis. • Interviews conducted separately with men and women. Ideally, female staff would interview female community members (and vice versa). • Focus Group Discussions (separated by sex, potentially by age, IDP/host, etc.) • Supporting opinions/information from other international NGOs active in the area. • Mercy Corps' Gender Procedures²² particularly Annex 1: Gender Analysis. • Relationship mapping.²³ • Do No Harm Framework.²⁴ 	

24 "Gender Procedures: Policy in Action," *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/GenderProcedures.pdf>.

25 "Conflict Management Group: Relationship Mapping," *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/ConflictMgmtSysRelationshipMapping.docx>.

26 "The Do No Harm Handbook: the Framework for Analyzing the Impact of Assistance on Conflict," *Mercy Corps' Digital Library* <https://mcdl.mercycorps.org/gsd/docs/HISTORY%20OF%20THE%20DNH%20PROJECT.pdf>. [Original source: Collaborative Development for Action, Inc. and CDA Collaborative Learning Projects, revised November 2004].

GOVERNANCE & SOCIAL DYNAMICS: HOUSEHOLD-LEVEL ANALYSIS

Key Questions	Implications
<ul style="list-style-type: none"> Do men and women have different priorities? How is control over resources (e.g., cash, mobile phones, food) managed within households? Who makes decisions about spending?²⁵ 	<ul style="list-style-type: none"> Increases understanding of gender divisions within households to determine the best person to target for CTP; failure to uncover this may lead to household conflicts.
<ul style="list-style-type: none"> Are women accustomed to being paid for work outside the home? How do women earn or otherwise access money? What control do women have over the money they earn? 	<ul style="list-style-type: none"> Helps identify if women may need additional support – such as training on how to use mobile phones for cash transfers – which men may not. In CFW programs, assesses if there is a need to establish separate activities for women.
<ul style="list-style-type: none"> How far are commonly used marketplaces and financial institutions from the target population? How often do people travel there? How long does it take to get there? What are the associated costs? Are there any social, logistical, or other factors that affect the ability of everyone to access markets? 	<ul style="list-style-type: none"> Helps determine cash transfer types. Helps uncover obstacles and hidden costs related to access to markets or financial institutions. Programs may need to factor in these issues when determining transfer value or type. Answers may also help determine who to target within the households.
Methods/Tools/Resources	
<ul style="list-style-type: none"> Household surveys. Interviews conducted separately with men and women. Ideally, female staff would interview female community members (and vice versa). Ensure a wide array of community members are interviewed, including those from different social, ethnic, political and socio-economic groups. Focus Group Discussions. Key Informant Interviews: INGOs, LNGOs, community leaders, women's groups associations, etc. Mercy Corps' Gender Procedures²⁶ particularly Annex 1: Gender Analysis. Seasonal calendars . Daily activity charts divided by men and women – possibly also girls and boys – and sub-divided by season. 	

²⁷ Spending decisions may vary by type of resource. For example, women may make decisions about the household food budget, while men may make decisions about farm inputs.

²⁸ "Gender Procedures: Policy in Action," *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/GenderProcedures.pdf>

PROGRAM LOGIC AND OVERALL OBJECTIVE

Program logic is the tools and framework you use to connect a program's goal with the means for achieving that goal. Program logic also explains the theories of change you expect to accomplish and encompasses the creation of the Results Chain or Logical Framework²⁹ with an overall objective.

Whether used immediately following a crisis or during recovery, CTP remains a methodology and not a sector itself. As such, CTP can be used as an intervention in any type of program. *Your overall objective drives the type of CTP used* and should be based upon the needs of the affected population and the appropriateness of using cash in that community. We assume you are already coordinating program design with the Economic and Market Development team within the Technical Support Unit (TSU). When using CTP in sectors other than economic recovery – such as food security and WASH – it is also advisable to coordinate program design with other, relevant TSU teams. All TSU teams and their contact information can be found on The Hub.³⁰

CTP in emergency relief and early recovery is often used with one or more of the following four objectives below:

- **Meeting Basic Needs** – The objective is to help people meet their immediate, basic needs by supplying them with cash (or vouchers). Food, non-food items and other essential goods are readily available in the markets, but beneficiaries do not have the means to purchase them (usually from loss of income). Typical examples of this would be when farmers lose their crops and income due to flooding or drought or when people have been displaced by conflict or natural disasters, causing a loss of employment or income.
- **Jumpstarting Economic Recovery** – The objective is to speed up local economic recovery by increasing cash flow in communities, revitalizing local markets and restoring basic economic functions following a crisis. Short-term cash transfers help prevent program participants from selling assets or engaging in other negative coping mechanisms. For example, following the 2010 earthquake in Haiti, cash transfers helped families purchase rice locally, which supported restoration of the local rice market. This objective may also include restoration of livelihoods or economic assets destroyed during a crisis.
- **Rebuilding Infrastructure/Assets** – Often used in the context of CFW, the objective is to provide short-term income support while improving public assets. Projects are chosen according to their usefulness, their ability to facilitate recovery and their ability to provide unskilled work

CTP be used in a variety of sectors, including:

- Shelter
- Food security, health and nutrition
- Education
- Early recovery
- WASH
- Protection
- Climate change

It can also be designed with more than one objective. For instance, in Haiti, Mercy Corps' program met basic needs by increasing household purchasing power and helped restore local markets, since program participants purchased rice locally.

29 "Program Management Manual," <https://mcdl.mercycorps.org/gsd/docs/ProgramManagementManualPMM.pdf>

30 "Technical Support Unit," *Mercy Corps' Digital Library*, <https://thehub.mercycorps.org/node/3831>

opportunities to a large segment of the affected population. Typical CFW projects may include clearing irrigation canals, improving or repairing roads, repairing or cleaning schools, fixing water and sanitation systems and planting greenbelts.

- **Encouraging Stability** – After a large-scale emergency, governments may use CTP to keep an impacted population from migrating or abandoning their communities in search of jobs. Cash interventions may also make a community less likely to experience the effects of social breakdown, such as increased crime, rioting or looting. However, the short-term nature and impact of cash programming needs to be taken into consideration when using CTP to promote stability.

GEOGRAPHIC AND PROGRAM PARTICIPANT IDENTIFICATION

Since resources are limited, it is important to clarify *who* you will help through CTP. This can be done by focusing efforts on a particular region (geographic identification) and/or by limiting participation to certain groups (program participant identification). The approach you choose will be based on your program's objectives. Below, we will take you through common identification considerations, as well as key issues related to vulnerability criteria and working with displaced groups.

During the initial response to an **emergency**, especially a sudden-onset disaster, the quick provision of cash transfers is often more important and cost-effective than investing in careful program participant identification. In those situations – where nearly all households in the targeted community have suffered similar losses – **blanket distribution** of cash transfers is often appropriate. If resources prevent you from reaching all people affected, choose a strategic geographic area (a village, town or district) and cover all of the households in that particular area.

If a **targeted response** will best fulfill program objectives – for example, if a specific set of producers has lost income due to a drought – **setting criteria** for participation is critical. Identification criteria should always be linked to your program's objective. Criteria may be context-specific (e.g., households with food shortages); based on vulnerability (e.g., female-headed households); or driven by specific groups (e.g., displaced people). Criteria should be specific, yet simple enough to quickly verify participants and to prevent claims of unfair selection. Criteria should also be well-publicized through training efforts such as community meetings, public posting and other transparent methods of communication. In addition, communities should have the opportunity to help define selection criteria, including adding or removing criteria.

Program participant type will depend on the aim of the program. If the program objective is to meet basic needs, selection should be at the household level. If the program objective is to restore livelihoods, selection should be at the individual level or member-of-an-association level (e.g., fishermen, traders, etc.) You will likely have a good idea of the affected population before determining the program objective. Once you have set your program objective, however, you will have an opportunity to further shape your process for selecting program participants.

In the aftermath of a crisis, multiple channels exist for determining program participants. Common options include using lists provided by the UN, the central government, local government, partner organizations or community leaders, or by identifying those previously involved in agency programming. If you are working from a list not created by Mercy Corps, you should complete a **program participant verification exercise**. For participant verification, choose between 5-15% of the total number of participants on the list for each

neighborhood/village with which to conduct a short household survey. The purpose of the survey is to determine that the named program participant still lives at that address and still meets the selection criteria. Before verification, it is often prudent to explain selection criteria at a community meeting that includes local leaders. This public announcement of criteria allows marginalized groups – who may not be on official lists – to self-identify and request to join the list. Any type of meeting like this should always be held in a sensitive way to avoid exacerbating existing tensions.

Selecting the “Most Vulnerable”

In CTP, Mercy Corps often targets the most vulnerable households. Criteria for what constitutes the “most vulnerable” may vary depending upon the country and community. In general, the most vulnerable households often meet one of the following criteria: child-headed, female-headed, elderly-headed, disabled-headed, extreme income poverty, extreme asset poverty, member of a marginalized group, disaster- or conflict-affected or displaced.

Selecting the most vulnerable households can be misinterpreted by partner organizations, community leaders, or Mercy Corps staff to mean that the most vulnerable *person* in each household must be listed as the program participant. This is not necessarily the case. The most vulnerable person in a household could be an elderly person or a person with a disability. That person may have difficulty traveling to the market or bank, activities that are often part of CTP. As such, naming them as the program participant could place an unnecessary burden on them. Instead, consider whether another trusted household member may be a more appropriate as the registered participant. Likewise, although women are often targeted for CTP, in some situations naming women as the program participant may increase their risks.

Practical matters such as mobility and security need to be taken into account to minimize risks to program participants. Holding discussions on these matters with representatives of the selected group will help you ascertain what is appropriate. (Many of these issues are uncovered through the governance and social dynamics analysis highlighted earlier.)

Balancing Displaced and Host Community Populations

After a crisis, displaced populations may be hosted by community members in a new location, causing social dynamics to change. When this occurs, it is important to look at the ratio of displaced persons to host persons and consider the vulnerability criteria of each for program participation. There are two main ways of selecting program participants in this type of scenario. The first is to create vulnerability criteria for households based upon need. Participants are then selected using these criteria, regardless of whether they are displaced or hosting. The second way – and the one most common within Mercy Corps – is to determine a target number for both host community and displaced households (e.g., 50% displaced/50% host, or 90% displaced/10% host). While host community households may not be as vulnerable as the displaced, it is often prudent to include both in a program. Host community households are likely supporting the displaced in some way – either personally or through shared community resources. Including a mix of participants in your program can reduce the burden on the host community and potentially decrease tensions over shared resources.

Decision Tree: Which Type of CTP to Use?

In “Types of CTP” (Chapter 1), we introduced you to the general forms of CTP. Having conducted your assessments and analysis – and with an understanding of your program’s objectives and your target population – you are well-positioned to decide which specific type of CTP is most suitable. Below is a breakdown of common advantages and disadvantages to each type. It is important to carefully weigh these, as well as their timing and feasibility, when choosing a CTP type.

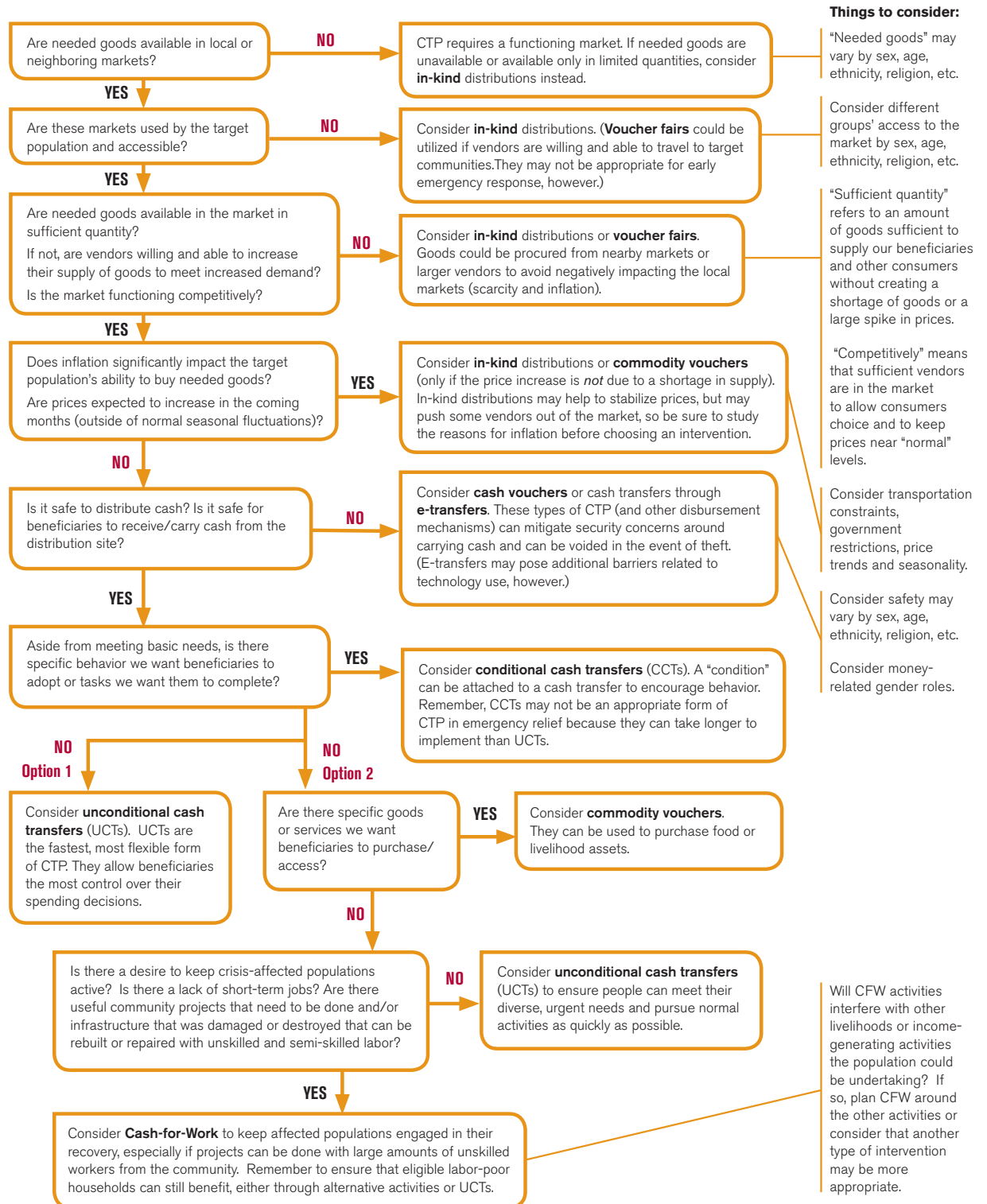
In addition, *please remember to review local income/employment tax considerations for Mercy Corps and program participants* when deciding between transfer types. Certain CTP types may create tax burdens for participants, thereby eroding the value of assistance. (See “Setting the Transfer Amount” below for a real-life example of how tax policy affected the frequency of disbursement in a UCT program in Tajikistan.)

CASH TRANSFERS ²⁹	VOUCHERS	CASH-FOR-WORK (CFW)
Advantages		
<ul style="list-style-type: none"> • Quick to distribute and circulate. • Minimal involvement of implementing agency at point of trade. • Low administration costs. • Most flexible form of CTP and Mercy Corps’ preference. 	<ul style="list-style-type: none"> • Can be directed towards specific items to be purchased. • Security risks are sometimes lower than for CFW or cash transfers. • Voucher exchange can be monitored. • Agency can assume hardships associated with minor inflation/ devaluation. 	<ul style="list-style-type: none"> • Easier to select participants than vouchers or cash transfers. • Creates community assets. • Keeps participants engaged in recovery. • Easier to determine CFW wages than cash transfer/ voucher amounts.
Disadvantages		
<ul style="list-style-type: none"> • Difficult to monitor usage after transfer. • Selection and registration are difficult because cash is desirable to everyone. • Difficult to prevent anti-social uses of cash (e.g., alcohol or tobacco purchases). 	<ul style="list-style-type: none"> • High administration costs, including significant staff time. • Risk of forgery. • May create a parallel economy through resale of vouchers. • May need regular adjustment by agency to protect from inflation. • Can take four to six weeks or more to organize. 	<ul style="list-style-type: none"> • High administration costs. • Some of the poor or food-insecure households may not be able to participate (e.g., elderly, ill, labor-poor households.) • Can take up to six weeks to organize and procure necessary supplies or services. • May interfere with labor markets or other household activities or priorities.

31 This table and the decision tree following were both adapted from Creti and Jaspers, eds., *Cash Transfer Programming in Emergencies*.

Now that you understand some advantages and disadvantages of specific CTP interventions, you may want to use the following decision tree to determine which CTP type is most appropriate. This is not meant to be your sole framework for choosing your CTP intervention; rather, it is a visual aid that synthesizes many of the topics we cover in narrative form. If you find it useful, great! If not, that is okay, too. Only you and your team can truly design the most appropriate CTP intervention given your local context.

DECISION TREE



SETTING THE TRANSFER AMOUNT

You have determined your program's objective, your targeting criteria and your CTP type. Now, you can set the transfer amount.³² Setting this amount, and determining the frequency of payment, should be directly tied to your program's objective. Additional factors to consider include are: if the transfer amount should vary between recipients; if it should be adjusted during the life of the program; and if it should be given all at once or in installments.³³

To set the CTP transfer amount, consider the following:

- **Your program's objective:** Transfer amounts are often set in terms of gaps. If the objective of your program is to meet basic food needs, the transfer amount should equal the gap between what food people need and what they can provide for themselves without resorting to negative coping mechanisms.³⁴ To calculate this, estimate what the household currently has available, including "unseen" sources of income such as remittance flows, what households are able to do via positive coping mechanisms and what the gap is. In an example using food: to set the amount, you would determine the price for a standardized "basket of goods" that fulfill the program's objectives, keeping in mind the current local market prices. The transfer amount would ideally cover the gap between what households are able to procure themselves and an amount slightly above this "basket of goods." This would allow households to reestablish their basic needs and possibly begin saving as preparation for future shocks or expected price increases.
- **Fixed or variable transfers:** The transfer amount can be the same for all recipients or can vary based upon certain criteria. While it is simpler to give a fixed amount regardless of household size, it may be more equitable to take the size of the household or type of program participant into account. For example, if the program objective is to help businesses recover assets to restart economic activity, you may want to calculate how much it will cost to purchase different assets for different businesses and set transfer amounts based upon the range of those costs. One caution: the more detailed the decision-making is on the transfer amount, the more administrative work staff will need to perform to verify costs, household sizes, needs or other factors.
- **Frequency of transfers:** The frequency of a cash transfers should be based upon the program's objectives and security for participants and staff, as well as cost-efficiency. Typically, interventions meeting basic needs use relatively frequent transfers, while those geared towards shelter or livelihoods recovery will be larger and less frequent. Gender issues also should be taken into account, as women may benefit from small, regular transfers.³⁵ However, what may be an ideal frequency may also be influenced by local law or traditions. In Tajikistan in 2008, for example, the Bill and Melinda Gates Foundation-funded Livelihoods Recovery Project opted to make a large, single transfer, rather than multiple smaller ones, to avoid program participants owing a 39% tax on multiple transfers. (In this case, a single, "humanitarian assistance" transfer was not taxable.) It is important to take local tax and banking laws into consideration during planning.

32 The method for determining CFW wages varies significantly from the one described in this section for setting the transfer amount for all other types of CTP. In general, CFW wages are set slightly below local market wages to avoid displacing laborers from long-term employment. Detailed guidelines for determining this can be found in the Cash-for-Work Implementation Guide.

33 Harvey and Bailey, 49.

34 "Guidelines for Cash Transfer Programming," *International Red Cross and Red Crescent Movement*, <http://www.ifrc.org/Global/Publications/disasters/finance/cash-guidelines-en.pdf>.

35 Harvey and Bailey, 52.

- **Adjusting for inflation:** The transfer amount can vary depending upon price fluctuations. It is important in program budgeting to build in a contingency between current prices and the worst-case scenario based upon seasonal and historical prices. It is also important to monitor local prices and adjust the transfer amount as necessary to account for major changes. In cases of extreme inflation, you may need to reassess whether CTP is still the appropriate mechanism to achieve your program objectives.

As with all types of programs, coordination is critical, so coordinate with other agencies implementing CTP in the same area and with the government. Differences in the amount of cash transfers or procedures and timing among different implementers may create disputes, negatively affect local markets and create unreasonable expectations. For an assessment on four agencies' coordination efforts implementing CTP, see "The Inter-Agency Impact Assessment of the Cash Transfer Programs in West Sumatra,"³⁶ summarizing the lessons learned from Mercy Corps, Catholic Relief Services, Oxfam GB and Save the Children.

Common Mistakes in Setting Transfer Amount³⁵

- Not setting the transfer amount based upon the program objective (e.g., calculating it based upon food needs when the transfer is meant to cover a range of basic needs, including food and other crucial supplies.)
- Only basing the transfer amount on what would have been distributed if in-kind assistance had been provided.
- Not considering that households may be able to meet some of their needs on their own.
- Not taking into account how the costs of goods and services are likely to change during the program lifecycle (including seasonal shifts.)
- Only obtaining the price of goods or labor wages in one part of the program area when they may differ in others.
- Not including transportation costs or fees associated with receiving the transfers.



Pakistan – Julie Denesha for Mercy Corps

36 Martin Aspin, "Inter-Agency Impact Assessment of the Cash Transfer Programs in West Sumatra," (May 2010). *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/InterAgencyImpactAssessmentCTPwSumatra.pdf>.

37 Based on Harvey and Bailey, 50.

DETERMINING THE DISBURSEMENT MECHANISM AND PROVIDER

Now that you have chosen your CTP type, it is time to determine the *way* in which cash will reach your program participants. This is called the **disbursement mechanism**.

Disbursement mechanisms are the methods program participants use to access cash or goods. They can be as basic as direct payments of cash to participants by program staff, or as technologically sophisticated as e-transfers of commodity vouchers via a participant's mobile phone. Any disbursement mechanism will have benefits and drawbacks. Your goal is to choose the disbursement mechanism that reaches your target population quickly, safely and economically, without creating an undue burden. Some general considerations in evaluating disbursement mechanisms include the availability of potential providers and location of its branches/offices, implementation costs, and program participants' preference and level of familiarity with various mechanisms.³⁸ (The disbursement mechanism should not be confused with the mechanism for reimbursing vendors for vouchers redeemed by program participants.)

A **direct disbursement mechanism** is one in which Mercy Corps team members directly make payments to program participants or directly distribute a document/card to participants (which is then redeemable for cash or goods.) An **indirect disbursement mechanism** is one in which Mercy Corps contracts with a third party organization/institution to deliver the cash, voucher, e-transfer, etc. to the program participant. Examples of possible third party institutions include formal/information financial institutions, mobile service providers or local NGO partners.³⁹

Identifying appropriate, safe methods for delivery and distribution of payments relies heavily on findings from your initial assessments and analyses. Below, we cover the most common disbursement mechanisms and providers.



Haiti – F. Coupet/Mercy Corps

Financial Service Providers

If functioning financial institutions are located in or near your target communities and a large percentage of your target population is already “banked,” a financial service provider may be able to manage direct payments into individual or group bank accounts. Even if program participants are not currently accessing financial service providers, new accounts can be established at an individual level, and sometimes at an association or community-level. Using the local financial system reduces the workload for Mercy Corps, eliminates the security risk of Mercy Corps staff carrying cash, reduces the risk of corruption and may result in improved tracking and reporting.

³⁸ For additional evaluation of disbursement mechanisms see “Summary of Issues” (Chapter 9) and “Key Criteria for Assessing Cash Delivery Options” (Annex B) of Paul Harvey, Katherine Haver, Jenny Hoffmann, and Brenda Murphy, “Delivering Money: Cash Transfer Mechanisms in Emergencies,” CaLP, (London: Save the Children UK, 2010). <http://www.cashlearning.org/downloads/delivering-money---cash-transfer-mechanisms-in-emergencies2.pdf>

³⁹ This is a contractual arrangement (not to be confused with a subaward) where Mercy Corps contracts with a local NGO to distribute to program participants identified by Mercy Corps, or to identify and distribute to program participants with eligibility criteria defined by Mercy Corps. This is generally done when security does not allow for Mercy Corps to conduct the distribution directly.

The following options can be used to distribute cash through a financial institution:

- **Individual Accounts:** Individual accounts give program participants maximum control over when they withdraw their cash. They also afford a measure of security to the participants (who are not forced to keep their payments in cash) and the program team (who do not directly handle cash). The disadvantages are the additional banking cost to participants, the logistics of setting up the accounts (including identification requirements), the trips required to complete paperwork and the potential discomfort to participants if this is a new process. It is important to make sure that this methodology does not exclude some targeted groups, such as illiterate, elderly or youth populations.
- **Group Accounts:** Group accounts can be used for payments targeting a group, such as a community or business association, or when participants prefer to pool their transfers (e.g., when program participants appoint one person to travel to the bank on their behalf, or want to avoid individual bank fees). The advantages of group accounts are that fewer accounts need to be set up. Disadvantages include increased difficulty in tracking individual receipt of cash transfers and increased risk of corruption. Some banks or bank branches may not offer group accounts.
- **Check Distribution:** If cash delivery carries security risks, distributions may be in the form of checks or vouchers redeemable at a financial service provider. Instead of establishing bank accounts, program participants are able to safely withdraw cash with a program-distributed check. This method offers security to the recipients and to the program team, and allows for more accurate distribution of cash. A disadvantage is the cost of printing and distributing the checks, as well as the staff time required. Issues may arise from spelling of names and identification requirements to cash the check. Financial service providers may also charge program participants check cashing fees.
- **Financial Institution Delivery:** Local financial institutions may, in some locations, be contracted to deliver cash transfers directly to program participants at project sites. The advantage is that it may provide “cash-in-transit” insurance safeguarding Mercy Corps against transport security risks. However, this service is not available in all areas and is usually the most expensive method of cash distribution.

If you choose to work with a financial service provider, make sure that program participants receive basic financial skills training to use their account, as well as a detailed description of all fees associated with the account and requirements for accessing the account (e.g., bank book, national ID card, etc.). A contract should be established with the institution detailing: the terms of payment; service fees; financial responsibility in the event of fraud or errors; how the institution will verify identity; the timing and quantities of transfers; and reporting responsibilities.



Indonesia – Mercy Corps

Alternative Institutions

In areas where formal financial institutions are inaccessible or do not exist, intermediaries such as post offices, vendors/traders, money transfer companies (such as *hawalas*), remittance companies, security companies or other alternative institutions may be an option for direct cash or check/voucher distribution. If this option is selected, it may be helpful – if staffing and security allow – to have Mercy Corps staff attend distributions to monitor the process and address any issues that may arise. A contract will need to detail: the terms of payment to the intermediary; the commission and any fees for the service; responsibility for security; financial responsibility in the event of theft or errors; how beneficiary identities will be verified; the timing and quantity of transfers; and reporting responsibilities to Mercy Corps and to the government, as required.

Direct Distribution

If other options are not feasible, payments can be made directly by Mercy Corps program staff or a local partner. This has the benefit of reducing risk of money diversion in the payment process. However, direct distribution of cash transfers may create security risks for both the program participants and Mercy Corps staff. Direct distribution should be considered as one of the last disbursement options. You will find recommendations to mitigate risks associated with it in the Cash Transfer Implementation Guide.



Kenya – Bija Guttoff/Mercy Corps

E-Transfers

Electronic payment methodologies (such as mobile money/wallets, mobile vouchers, mobile banking and ATM/debit/credit cards) can also be good vehicles for cash transfers. While there are clear benefits in terms of the security they provide and the speed with which transfers can be disbursed, it is absolutely essential that programs utilizing e-transfer technologies devote sufficient time to educating program participants on their use and on sensitizing the community and participating vendors. Participants who are illiterate or innumerate will have difficulty using this technology and may rely on family or community “helpers” to receive their transfer.⁴⁰

Through our commitment to the Better than Cash Alliance (see Annex C: External Resources), Mercy Corps has agreed to utilize e-transfer methodologies when appropriate. Further best practice recommendations and implementation guidelines for e-transfers can be found in the E-transfer Implementation Guide.

40 “MasterCard Worldwide and Mercy Corps: ELEVATE Phase I Report,” *Mercy Corps’ Digital Library*, 2013, <https://mcdl.mercycorps.org/gsd/docs/MasterCard2012NepalDREPSLELEVATEph1Rep.pdf>.



Haiti – Erin Wildermuth/Mercy Corps

Program Profile: **Mobile Money**

Immediately following the 2010 earthquake, Haiti experienced severe cash shortages. This constrained remittance payouts and severely limited savings withdrawals, affecting millions of Haitians' basic economic activities. As markets began to recover, it was clear that cash-based interventions would be widely used in emergency response and early recovery programming. Mercy Corps partnered with OpenRevolution to conduct an assessment, and it was determined that mobile transfers were feasible and banks and other actors could act as the cash-in/cash out points.⁴¹

With USAID funding, Mercy Corps piloted three separate mobile money transfers projects between December 2010 and June 2011. Money was transferred electronically as vouchers (for food or non-food items) and as UCTs. Overall, Mercy Corps reached and registered a combined target group of 8,937 beneficiary households and 100 vendors with over USD 2.8 million transacted through the mobile channel. Some important lessons learned came from this project: namely that in nascent environments, mobile money – while safer than traditional cash transfer mechanisms – is not necessarily cheaper, especially if the payment system needs to be built. Additionally, program participant usage of the mobile services after the program ended was minimal. While the program hoped 25% of participants would continue, in reality only 0.5% did. Explanations included insufficient time spent training participants on the additional advantages of mobile money outside of the program's aims.

⁴¹ "Cash-in" refers to putting value on a mobile wallet at a merchant-agent; "cash-out" refers to transferring stored value in a mobile wallet to a merchant-agent who then provides physical cash. From "Performance Report, HIFIVE Award #20," *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/docs/USAIDHi52010HaitiMobileMoneyFinalRep.pdf>.

CHAPTER 3:

ADDITIONAL CONSIDERATIONS

In this chapter, we will cover other considerations that affect CTP, including partnership, gender, youth, government, and urban settings. The topics we highlight are not limited to a particular program phase; rather, they should be considered throughout the program lifecycle. They affect your program design, program set-up and implementation and the design and implementation of your M&E system. For example, targeting and data collection strategies differ from urban to rural settings. Gender considerations infuse every aspect of CTP, including how you staff for implementation. And it is virtually impossible to implement CTP without the cooperation of local government officials, so thinking through the role they will play in your program is essential.

PARTNERSHIPS

Local Partners

In an emergency, local civil society groups are frequently capable of rapid small-scale mobilization. They can often have better access to remote populations in insecure environments or in areas unsafe for expatriate travel. They also have a more in-depth knowledge of local communities and practices, including awareness of social dynamics, and have the trust of local populations.

While there are clear advantages to partnering with local organizations, additional time, effort and staff may be required for local partner training and oversight. Because CTP often has stricter documentation requirements, it is important to carefully consider partnerships and partners' capacity to meet these requirements as well as your ability to oversee their work. It is also critical to clarify the roles of the lead and partner agencies – as well as exit strategies – with CTP. The budget and workplan should reflect the extra time and effort required for managing, monitoring or mentoring a local partner.

Mercy Corps has found that some local agencies hold a targeting bias toward particular groups or toward their former clients. When deciding on a partner, make sure they understand your targeting criteria and basic Do No Harm principles. A mix of gender, ethnic and religious representation within partner organizations can increase our ability to effectively serve populations. A program participant verification exercise carried out by Mercy Corps after partners have selected participants can also help to reduce bias. Additional guidance on partnering with civil society, business and government groups can be found in Mercy Corps' Local Partnership Guide.⁴²

Private Sector Partners

The private sector is involved in CTP in three main ways. First, and most importantly, it plays an active role by providing the goods and services purchased or redeemed by program participants. The private sector also plays a significant role in providing invaluable information on the market system, supply chain and participants purchasing patterns, and can be a key partner in the early detection of market distortions. Finally, private sector partners can be engaged as providers facilitating the disbursement of cash or vouchers.

42 "Local Partnerships: A Guide for Partnering with Civil Society, Business and Government Groups," Mercy Corps' Digital Library, <https://mcdl.mercycorps.org/gsd/docs/MCLocalPartnershipsGuide.pdf>.

To be effective in an active program role, private sector partners will require training on program objectives, program methodology and their tasks and responsibilities. It is important, when selecting and training private sector partners, to clarify the rules, how payments will be made and what reporting requirements they have. Many donors require documentation of cash transfer amounts and program participant documents that private sector partners need to collect in order to receive payment. These details need to be clearly articulated at program start-up and then monitored to avoid challenges.

Good engagement principles should be followed in building and sustaining private sector relationships. These include incorporating appropriate incentives to satisfy partners' particular interests, recognizing the balance between our program objectives and their commercial goals and undertaking appropriate due diligence prior to establishing a partnership to ensure that any reputational or programmatic risks are acceptable. We must formalize our partnership to ensure common understanding and transparency between partners. Consult with the Finance and Compliance Team on which mechanism is required to accomplish this. Additional guidance on engaging with the private sector can be found in the Private Sector Engagement Toolkit.⁴⁴

A new and important aspect of CTP is the management of beneficiary data collected by implementing agencies and their private sector partners, particularly as it relates to e-transfers. As we collect beneficiary data, we must be careful that we do not inadvertently put beneficiaries at risk by compromising their data through identity theft. To help organizations address data security challenges, CaLP has issued "Protecting Beneficiary Privacy: Principles and Operational Standards for the Secure Use of Personal Data in Cash and E-Transfer Programs."⁴⁵

Data Protection

A new and important aspect of CTP is the management of beneficiary data collected by implementing agencies and their private sector partners, particularly as it relates to e-transfers. As we collect beneficiary data, we must be careful that we do not inadvertently put beneficiaries at risk by compromising their data through identity theft. To help organizations address data security challenges, CaLP has issued "Protecting Beneficiary Privacy: Principles and Operational Standards for the Secure Use of Personal Data in Cash and E-Transfer Programs."⁴¹

GENDER

Studies have shown that women are more likely than men to reinvest resources to improve household welfare. As a result, many cash transfer programs target women to increase the likelihood that the entire household will benefit. Recent research suggests that, in some cases, cash may empower women, increasing their household decision-making responsibilities and authority in the allocation of cash transfers.⁴⁶ However, this remains highly contextual. In societies where gender roles are strictly defined

43 Koko Sossouvi, "Protecting Beneficiary Privacy: Principles and Operational Standards for the Secure Use of Personal Data in Cash and E-Transfer Programs," (Oxford: CaLP 2013), <http://www.cashlearning.org/downloads/calp-beneficiary-privacy-web.pdf>.

44 "Private Sector Engagement Toolkit," *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/Docs/PrivateSectorEngagementToolkit.pdf>

45 Koko Sossouvi, "Protecting Beneficiary Privacy: Principles and Operational Standards for the Secure Use of Personal Data in Cash and E-Transfer Programs," (Oxford: CaLP 2013), <http://www.cashlearning.org/downloads/calp-beneficiary-privacy-web.pdf>.

46 Catherine Arnold, with Tim Conway and Matthew Greenslade, "Cash Transfers Literature Review," *Department for International Development (DFID)*, 40, <http://r4d.dfid.gov.uk/PDF/Articles/cash-transfers-literature-review.pdf>

and enforced, women may not retain control over money, so providing cash directly to women may lead to disputes or even violence. In some environments, women may have limited mobility and may be restricted to participating in traditional community activities. Also, women and girls may or may not be regular participants in the local market economy.

If this is the case, women may not be able to readily participate in CTP without accommodation being made for local cultural norms. For example, to accommodate women, CFW programs may allow them to work in exclusively female work crews or assign socially-acceptable tasks such as cooking lunches for laborers, child care, carrying water or guarding supplies. When targeting women, it is necessary to have a thorough understanding of their roles and the social relations between genders. Much of this can be uncovered through the governance and social dynamics analysis highlighted in “Assessment and Analysis” (Chapter 2).



Pakistan – Julie Denesha for Mercy Corps

Program Profile:

Two Approaches to Gender in CTP

In 2010 after major flooding, Mercy Corps Pakistan included women in CFW programs in ways that were considered “appropriate” to their local communities. Since women do not typically perform physical work in view of the public, they were able to participate by cleaning up and repairing enclosed public venues, such as meeting halls and schools. Women were also assigned projects within their community, since they typically do not travel outside of their village. Female participants also worked fewer hours than men to ensure program participation did not disrupt their other household responsibilities.

While programs are often tailored to accommodate traditional roles for female participants, emergency situations can also be a catalyst for change. In Iraq in 2010, it was also considered inappropriate for women to conduct physical labor in public. Responding to this, Mercy Corps Iraq appointed female CFW participants as supervisors. They were paid a higher wage than their male counterparts and were responsible for determining where male crews would work, what they would clean and tracking attendance. Supervisors were also required to monitor and verify payments to CFW participants through daily attendance sheets. When there was a dispute in attendance, the women would provide explanations to verify or correct the sheet. Mercy Corps Iraq program staff continuously monitored the situation of the female supervisors to ensure they felt safe and secure and that their new roles were not having a negative effect.

Some key considerations/tips for incorporating gender implications into CTP include:

- Transfer amounts and frequency can shape who uses the transfer and for what: smaller, frequent payments are often used by women for daily household needs, while larger, one-time or infrequent payments may be used by men for livelihoods depending on the local culture.
- In designing CTP interventions, always take into consideration the safety of accessing the market or financial institution, and who is most likely to make that trip. It may make sense to select preferred vendors or financial institutions in centrally located areas where women are present in the public space.
- In some countries, women are less likely to have formal identification documents than men. This may affect whether payments can be made through a bank or other formal financial institution. It may also

mean that Mercy Corps should build in the time and costs associated with providing all participants with program-specific identification.

- In some locations, women may have lower literacy rates than men; this may make their participation in e-transfer or voucher programs more difficult. It may also increase their risk of exploitation. If this is the case, extra support and training should be built into the program schedule and budget.

In addition to programming for the inclusion of female participants, it is essential that you consider gender equity when staffing for CTP. In particular, gender-balanced teams are more adept at facilitating faster, more efficient and more inclusive assessment work and post-distribution monitoring activities. Women and girls may be more comfortable speaking to female staff, especially when discussing sensitive issues that arise in questions about vulnerability, money and access to resources. It is possible to make accommodations that take into consideration cultural norms for female staff in the various countries where we work. For example, if teams are experiencing difficulties recruiting female staff because they would be required to travel outside their families' comfort zone, Mercy Corps can budget, plan for and provide per diem for a male family member to travel with the female staff member (but not to participate in the work tasks themselves). Also, some transportation methods selected for staff, such as motorbikes, may decrease the ability of female staff to move safely around the area, depending upon local norms.

Tensions surrounding the role of women as recipients of aid are not unique to CTP. Additional guidance on equally engaging women and men and girls and boys can be found in Mercy Corps' Gender Policy⁴⁷ and Gender Procedures.⁴⁸

YOUTH

Programs may need to make special considerations when working with youth in CTP. Young program participants may have different priorities, responsibilities and challenges than older ones. For example, young people may be inexperienced in handling and managing cash and may require additional mentoring and guidance. Conversely, they may be much more adept at managing the technology required for e-transfers than older program participants. Young women often have the least access to goods and services as well as the weakest voice in decision-making processes. As such, social dynamics and context should be taken into special consideration during the program design and planning phases.

With regards to CFW participation and age minimums, Mercy Corps' current guidelines allow for young people aged 15 years and older to participate, as long as they are not leaving school to do so. These guidelines will be reviewed and communicated across the agency once updated.

Whether young people are participating in CFW or are participants of other types of CTP, special provisions should be put in place to eliminate or reduce their risk and to ensure protection.⁴⁹ **Child safeguarding** is a concept that reaches beyond child protection to include the additional aims of preventing the impairment of children's health and development and ensuring that children are growing up in circumstances consistent

47 "Mercy Corps' Gender Policy," <https://mcdl.mercycorps.org/gsd/docs/MercyCorpsGenderPolicy.pdf>

48 "Mercy Corps' Gender Procedures," <https://mcdl.mercycorps.org/gsd/docs/GenderProcedures.pdf>

49 All Mercy Corps team members are required to complete the Code of Conduct training, located on Mercy Corps' E-Learning site. For additional information on Protection from Sexual Exploitation and Abuse (PSEA) – including minimum operating standards – visit the PSEA Task Force: <http://www.pseataaskforce.org>

with the provision of safe and effective care, as well as protecting children from maltreatment.⁵⁰ Mercy Corps is currently updating its internal policies around child safeguarding to make sure we are meeting international standards.

CTP AND THE GOVERNMENT

It is important to have a solid understanding of government fiscal and economic policies and institutions and to keep local government stakeholders informed of your CTP program. It is also critical to understand the local tax structure and how program participants can be affected. The registration practices of local businesses, the rules they must follow and how growth of those local businesses occurs are all issues that can influence CTP. These may also influence the selection criteria for vendors and how payments are made. Local laws and policies around formal and informal financial institutions and mobile banking are important considerations when determining disbursement mechanisms.

If possible, it is best practice to include local government officials in some aspects of the decision-making process with regards to CTP. Inclusion might be around selection of CFW infrastructure projects for rebuilding/repair or input into the amount of CFW wages or transfers in UCTs. It is equally important to understand each country's policies around the various types of CTP. For instance, during the Syrian refugee crisis in Lebanon from 2012–13, the Government of Lebanon permitted CFW projects but did not allow UCTs. This is in contrast to the Government of Jordan which, during that same period of time, preferred cash transfers and vouchers to CFW programs. Additional guidance on engaging with local, regional and national government can be found in Mercy Corps' Guide to Good Governance Programming.⁵¹

URBAN SETTINGS

Urban settings can be ideal locations for CTP. There, markets are likely to be more diverse and integrated, and offer a wider variety of goods and services. Financial institutions are often clustered in urban areas and are able to provide more complex services, including e-transfers. However, urban settings also have challenges associated with CTP that differ from those in rural settings. The density and heterogeneity of populations in urban settings can make participant selection particularly difficult. Even finding the most vulnerable in an urban setting can be hindered by their absence from government lists. While rural responses typically target an entire village, in urban areas agencies may be incapable of meeting the needs of all those affected. The “haves” and “have nots” reside in close proximity, creating a potentially volatile dynamic that needs to be carefully managed during selection.⁵² Government coordination is often more complex, exacerbated by the layers of government representatives present in urban settings, and potentially weaker connections between representatives and their constituents. To avoid conflict, clear targeting criteria and community awareness-raising are particularly important in urban settings.

For best practice related to implementing CTP in urban environments, please review CaLP's “Cash Transfer Programming in Urban Emergencies: A Toolkit for Practitioners”.⁵³

50 “What is the difference between safeguarding and child protection,” *UK Department for Education*, <http://www.education.gov.uk/popularquestions/a0064461/safeguarding-and-child-protection>

51 “Guide to Good Governance Programming,” Mercy Corps' Digital Library, <https://mcdl.mercycorps.org/gsd/docs/MCGoodGovernanceGuide.pdf>.

52 Tiare Cross and Andrew Johnston, *Cash Transfer Programming in Urban Emergencies: A Toolkit for Practitioners* (Oxford: Cash Learning Partnership, 2011), xi.

53 “Cash Transfer Programming in Urban Emergencies: A Toolkit for Practitioners,” <http://www.cashlearning.org/resources/library/251-cash-transfer-programming-in-urban-emergencies-a-toolkit-for-practitioners>

CHAPTER 4:

CASH TRANSFER PROGRAMMING IMPLEMENTATION

Different CTP methodologies require different set-up processes, monitoring and documentation. For that reason, specific details on implementing each type of CTP are provided in the Implementation Guides contained within Part II of this Toolkit.

- Cash Transfer Implementation Guide: *coming soon*
- Cash-for-Work Implementation Guide: *coming soon*
- Voucher and Fair Implementation Guide: <https://mcdl.mercycorps.org/gsd/docs/VoucherFairGuide.pdf>
- E-Transfer Implementation Guide: <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>

For general guidance on program implementation, please see Chapter 5 in Mercy Corps' Program Management Manual.⁵⁴

CHAPTER 5:

COMMUNITY ACCOUNTABILITY REPORTING MECHANISMS AND MONITORING AND EVALUATION

Community accountability reporting mechanisms (CARMs) and monitoring and evaluation (M&E) work in partnership with all phases of the program lifecycle. They help determine whether activities are responsive to needs and if the program's objective and intended outcomes are being achieved. We have agency-level commitments of accountability to our program participants and M&E is a program management minimum standard. Additionally, CARMs and M&E help us deliver better, more impactful programming.

COMMUNITY ACCOUNTABILITY REPORTING MECHANISMS (CARMS)

When implementing CTP, program staff must consider the most appropriate and convenient methods for program participants to provide positive and negative feedback. CTP must have a minimum of one feedback mechanism, although two are ideal. Feedback mechanisms can vary depending upon local capabilities. They may include a well-publicized phone number for reporting fraud or abuse, SMS, email, a locked box for paper feedback, individual surveys and/or interviews. When choosing between different mechanisms, remember that at least one should provide participants with a way to contact Mercy Corps directly. Feedback should be processed by a designated team member who has been trained in confidentiality and processing feedback. Ideally, this person is not directly involved in implementing the program. In areas where gender considerations require heightened attention, it may be prudent to train both a female and

⁵⁴ "Program Management Manual," <https://mcdl.mercycorps.org/gsd/docs/ProgramManagementManualPMM.pdf>.

male staff member in processing complaints. If one complaint mechanism involves a program implementer – as is typical – then the secondary mechanism should bypass team members directly involved in program implementation (e.g., it may route to an M&E team member).

For information on designing and implementing community complaint mechanisms, see Mercy Corps' Community Complaint Mechanisms Guidelines.

MONITORING AND EVALUATION

Monitoring determines if a program is on track and identifies problems along the way. It can also provide valuable data to uncover whether payments are reaching the targeted participants, how cash is being used and the effect of cash programming on local market activity. Evaluations assess the impact of the cash transfers on participating households and vendors.

Many of the considerations in monitoring and evaluating CTP are not unique to cash. Similar to all humanitarian interventions, monitoring and evaluation procedures should be in place to measure: the process (How well are we doing the work?); the design (Is the transfer value appropriate? Is the disbursement mechanism right?); the context/assumptions (How are price changes affecting the program? Is the security situation better or worse than we anticipated?); the results/outcome (Who got what?); and the impact (What did people do with the cash? What were wider impacts on livelihoods and local economies?)⁵⁵

Many of these questions are answered through post-distribution monitoring; details for conducting post-distribution monitoring by CTP type can be found in the Implementation Guides.

Mercy Corps' DM&E-in-a-Box⁵⁶ provides concrete tools and tips around M&E for any program type. Additional information on developing your program's logical framework and indicator plan can be found in Chapters 3 and 6 respectively in Mercy Corps' Program Management Manual.⁵⁷

55 Lesley Adams and Paul Harvey, "Learning from Cash Responses to the Tsunami: Monitoring and Evaluation," Issue Paper 6 (London: Overseas Development Institute, September 2006), 2.

56 "DM&E-in-a-Box," *Mercy Corps' Digital Library*, <https://mcdl.mercycorps.org/gsd/cgi-bin/library?a=p&p=dme>.

57 "Program Management Manual," <https://mcdl.mercycorps.org/gsd/docs/ProgramManagementManualPMM.pdf>.

CHAPTER 6:

END-OF-PROGRAM TRANSITIONS FOR CASH TRANSFER PROGRAMMING

Remember in emergency response, CTP is usually designed to be a short-term intervention. During the set-up and planning phase, it is important to define a clear exit and/or transition strategy for CTP. Withdrawal criteria should be determined by program objectives and made clear to program participants. Some CTP programs fill a very short-term need and will end once program participants can support themselves. Other programs may transition into follow-on programming that addresses longer-term needs and opportunities, such as sustainable employment programming. If that is your program's intention, it must be considered during the initial planning phase, and CTP should be intentionally designed to transition into other interventions and partnerships.

Referring back to the CTP objectives highlighted in “Program Logic and Overall Objective” (Chapter 2), below are some common end-of-program considerations:

- **Meeting Basic Needs:** If the primary aim of CTP is to provide program participants a means to meet basic needs and inject cash into the local economy, cash transfers should cease once normal income-generation activities resume and markets reach the requisite level of self-sufficiency. It is not always necessary to transition to another type of programming under this objective. Sometimes, the purpose is simply to get people through the crisis until their normal activities can resume and they can support themselves again. In chronic crises, such as conflict settings, it can be easy to fall into a trap of perpetual CTP. To avoid this, the program team should carefully consider how people will meet their needs once the program ends, and what support the program should provide to help prepare them.
- **Jumpstarting Economic Recovery:** Once local markets have been re-established to the point where they are able to meet local demand, transitioning into economic recovery and development is a logical next step. If cash transfers are being used as a transitional activity during early economic recovery – rather than as an emergency activity to meet immediate needs – they can be integrated or overlapped with financial education, life-skills training, business planning and enterprise development, financial access and/or formation of community lending and savings groups. This is also an ideal situation to consider using CTP as a vehicle for empowerment of disadvantaged groups. A word of caution: it can sometimes be very difficult to find funding for this early recovery period, as many agencies have an emergency focus or development mandate and early recovery slips into the gray area in between. However, when possible, these activities can be extremely valuable for long-term resilience.
- **Rebuilding Infrastructure/Assets:** With CFW, the program should phase out after the activities have reached their set targets. This is typically after the designated infrastructure has been rebuilt or repaired, but may also be after program participants have completed a certain number of days worked. It is important to make sure that a long-term maintenance mechanism is created for infrastructure or assets. This is often a donor requirement as well. To the extent possible, always ensure full public handover and celebration of the completed projects. If appropriate, the program can donate the program's tools and work safety equipment to the community. If infrastructure needs remain, or if there is a desire to conduct additional community projects for the purpose of building civil society, transition CFW into more traditional community infrastructure projects using mobilization methods.

- **Encouraging Stability:** As the situation begins to normalize or stabilize, the program should shift from CTP to recovery and development activities that would provide long-term sustainability within the community, such as youth development, livelihoods or conflict mitigation programming to address the underlying causes of the insecurity. Disaster preparedness or resiliency planning might be another option to help the community better prepare for new or repeated crises.

The transitions highlighted above are not an exhaustive list. End-of-program transitions will depend upon the local context as well as your overall program objective. Additional guidance on end-of-program transitions can be found in Chapter 7 of Mercy Corps' Program Management Manual.⁵⁸ The relevant TSU team can also provide assistance in developing your End-of-Program Transition Plan during your program's set-up and planning phase.

CHAPTER 7: CONCLUSION

Cash transfer programming is an important resource in the toolbox of intervention options in food-insecure, disaster-affected and post-conflict areas. As we have seen, it can be used as a methodology in programs to help people meet their basic needs and re-establish their livelihoods. CTP allows people the freedom to choose how they rebuild their lives outside the constraints of a one-size-fits-all solution. Its effectiveness and flexibility has made it an increasingly common element of humanitarian assistance. On its own, CTP can be tremendously helpful in a crisis period to help people cope while maintaining their dignity and self-determination. As the first step in a more in-depth Mercy Corps intervention, CTP can provide important information on longer-term needs, opportunities and partnership opportunities, and can lay the foundation for a broad recovery and development strategy.



Yemen – Cassandra Nelson/Mercy Corps

58 "Program Management Manual," <https://mcdl.mercycorps.org/gsd/docs/ProgramManagementManualPMM.pdf>.

ABOUT MERCY CORPS

Mercy Corps is a leading global humanitarian agency saving and improving lives in the world's toughest places.

With a network of experienced professionals in more than 40 countries, we partner with local communities to put bold ideas into action to help people recover, overcome hardship and build better lives. Now, and for the future.



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Cover photo:
Yemen — Cassandra Nelson/Mercy Corps

ANNEX A:

GLOSSARY

Some of the definitions below were collected from the Methodology Guide. Others were gleaned from on-line dictionaries such as Wikipedia.com, thefreedictionary.com, and businessdictionary.com.

Asset: a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide future benefit. Within CTP, an asset may refer to a household asset (such as jewelry, furniture, vehicles, food, etc.) or a livelihoods asset (such as seeds, tools, sewing machine, livestock, etc.). Livelihoods assets can also be called “productive assets.”

Cash transfer programming (CTP): refers to all programs where cash (or vouchers for goods or services) is directly provided to beneficiaries; it describes all the various mechanisms of cash transfers, including cash-for-work and vouchers, used to implement programs.

Cash transfer: direct payments of money to a recipient; may also be referred to as a “cash grant.”

Cash-for-Work (CFW): a CTP program type that pays beneficiaries for unskilled and skilled labor performed on projects that build or repair community assets or infrastructure.

Cash voucher: a piece of paper or coupon which provides beneficiaries with access to nearly any identified good or service from a vendor participating in the program; may also be referred to as “value voucher.”

Commodity voucher: a piece of paper or coupon which provides beneficiaries with access to pre-defined commodities or services that can be exchanged with any vendor participating in the program.

Condition: a limiting or modifying circumstance. Within CTP, conditions are used when implementing agencies want to *influence the behaviors or practices of beneficiaries* before distributing money. Conditions are used within CCTs; beneficiaries must fulfill designated requirements before they receive money. However, once they receive that money, they are free to spend it as they wish. Conditions are not ways in which implementing agencies restrict *what* beneficiaries purchase (see “restriction.”)

Conditional cash transfer (CCT): a CTP program type where a beneficiary must complete a condition – usually by demonstrating a behavior (such as keeping a child enrolled in school) – to receive a cash transfer. CCTs do not restrict *what* people may purchase.

Demand: an economic principle that describes a consumer's desire, willingness, and ability to pay a price for a specific good or service; demand refers to how much (quantity) of a product or service is desired by buyers.

Disbursement mechanism: a method for transferring or disbursing funds; within CTP, disbursement mechanisms can include formal financial institutions (such as banks), informal financial institutions, the implementing agency (if money or vouchers are handed out directly), e-transfer mechanisms, and others.

Economic recovery: the rapid, tailored support for the livelihoods, enterprises, and economies affected in the wake of a crisis as defined by the Minimum Economic Recovery Standards from the SEEP Network. (See <http://www.seepnetwork.org/> for more information.)

E-transfer (or “electronic transfer”): a disbursement mechanism that involves the electronic transfer of money or vouchers from the implementing agency to the beneficiary. E-transfers include access to cash through mobile money; to goods/services through mobile vouchers; or payments made via smart cards (i.e., ATM, credit or debit cards).

Fair: (See “voucher fair” below.)

Hawala: an informal money transfer system based upon the performance and honor of a large network of money brokers; it operates outside of or parallel to, tradition banking, financial channels, and remittance systems.

Inflation: a persistent increase in the general price level of goods and services in an economy over a period of time.

Key informant(s): a few individuals selected on the basis of criteria such as knowledge, compatibility, age, experience, or reputation who provide information about their local context. Within CTP, for example, this might be the head of the traders’ union within a particular marketplace.

Linkage(s): The connections made between market actors to buy, sell, or otherwise work together for their mutual benefit. Improving and expanding these linkages can expand networks and increase market participation and integration.

Livelihoods: a means of securing the necessities in life; in CTP, livelihoods often refer to the activities people conduct in order to generate income (for example, driving a taxi or breeding chickens for sale.)

Market: a set of arrangements by which buyers and sellers are in contact to exchange goods or services; the interaction of demand and supply.

Market development: an approach that facilitates the development of systems that increase incomes and access to goods and services while reducing the effects and risks of disaster, conflict or other shocks.

Market system: the larger group of actors and activities necessary to make a market work, including supporting services and infrastructure, rules, and the enabling environment (for example, business regulations and transportation networks.)

Mobile money: digital currency which is stored in an electronic wallet on a mobile phone.

Mobile voucher: a form of mobile transfer used to collect goods (or services) but not cash where authentication relies on a mobile phone.

Multiplier effect: an economic concept that describes how an increase in some economic activity starts a chain reaction that generates more activity than the original increase.

Post-distribution monitoring (PDM): a monitoring process specific to CTP that examines how efficient the distribution was, as well as the impact of the distribution (such as how funds were spend, food consumption levels, coping mechanisms, etc.) PDM will also check for levels of fraud and/or corruption.

Redemption: the process of exchanging a coupon (or voucher) for a good or service. Within CTP, voucher redemption occurs when beneficiaries trade their vouchers for goods/services with participating vendors.

Restriction: something that restricts, a limitation or regulation. Within CTP, restrictions are used to influence *what* beneficiaries purchase or to prevent them from purchasing certain goods, typically alcohol, tobacco products, and other “anti-social” items. A restriction is not a “condition” for receiving a transfer.

Smart card: a plastic card containing a computer chip that can be used to purchase goods and services or perform other operations requiring data stored on the chip. Within CTP, smart cards are typically used to transfer money or vouchers.

Supply: an economic concept that describes the total amount of a specific good or service that is available to consumers.

Unconditional cash transfer (UCT): a type of CTP program where money is transferred to a program beneficiary simply by that person qualifying for participation within the program’s scope; this is in contrast to CCTs, where beneficiaries are required to “do something” to receive a transfer. Like CCTs, however, once beneficiaries receive the money, UCTs do not restrict *what* people may purchase.

Value voucher: (*see “cash voucher”*)

Voucher fair: a venue where formal or informal traders collect to supply needed goods and provide competitive prices, quality, and quantity for voucher redemption.

ANNEX B:

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<https://mcdl.mercycorps.org/gsd/docs/MercyCorpsAccountabilityPrinciples.docx>

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Introducing Mercy Corps’ Vision for Change,

<https://mcdl.mercycorps.org/gsd/docs/IntroV4Conepager.doc>

Local Partnerships: A Guide for Partnering with Civil Society, Business, and Government Groups

<https://mcdl.mercycorps.org/gsd/docs/MCLocalPartnershipsGuide.pdf>

“Market-Driven” Strategic Principles,

<https://mcdl.mercycorps.org/gsd/docs/MarketDrivenStrategicPrinciples.pdf>

MEL Tip Sheet: The Logical Framework

<https://mcdl.mercycorps.org/gsd/docs/MELTipSheetLogicalFramework.pdf>

Private Sector Engagement Toolkit

<https://mcdl.mercycorps.org/gsd/docs/PrivateSectorEngagementToolkit.pdf>

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ANNEX C: EXTERNAL RESOURCES

This section was published in November 2013 and will be updated on a yearly basis. We have profiled key organizations involved in CTP, as well as relevant and thought-provoking CTP publications. Please join Mercy Corps' CTP Connect site and the CaLP Dgroups site (see below) for more up-to-date information on best practice, lessons learned, and research results.

Organizations involved in CTP

Below, we have profiled the top organizations involved in developing and disseminating best practice related to CTP.

The Cash Learning Partnership – CaLP - <http://www.cashlearning.org/english/home>

A first call for any information related to CTP. The Cash Learning Partnership (CaLP) maintains an up-to-date and extensive library of resources for CTP (including many of the external resources referenced in The Methodology Guide) and frequently provides training on CTP. CaLP grew out of the ODI partnership in the 2004 Indian Ocean Earthquake and Tsunami¹ and was founded to improve the quality of cash transfer programming across the humanitarian sector. Its five steering committee members include Oxfam GB, the British Red Cross, Save the Children, the Norwegian Refugee Council, and Action against Hunger/ACF International. Mercy Corps regularly contributes to CaLP's initiatives through participation in research and working groups related to CTP; dissemination of best practices and lessons learned; and active discussions on their DGroups website (see below.)

CaLP hosts cash learning discussions on the DGroups' website (<http://dgroups.org/>). Sign up for the CaLP or EMMA Dgroups to engage in lively, relevant discussions with other CTP practitioners.

Overseas Development Institute (ODI) - <http://www.odi.org.uk/>

The Overseas Development Institute's (ODI's) Humanitarian Policy Group is one of the largest and most influential teams of researchers and professionals working on humanitarian issues. The group is dedicated to improving policy and practice in the humanitarian sector through analysis, dialogue, and debate. Cash transfer programming is a key strand of their livelihoods and food security research.

¹ Mercy Corps was a key partner in this initiative in Banda Aceh, Indonesia and Sri Lanka.

A part of ODI, the Humanitarian Practice Network (HPN) is a forum for humanitarian workers and policymakers to exchange ideas and experiences. HPN publishes the Good Practice Review (GPR) papers, providing guidance on any number critical humanitarian issues, including *Cash Transfer Programming in Emergencies* by Paul Harvey and Sarah Bailey. For additional information on HPN, visit: <http://www.odihpn.org>.

Better than Cash Alliance - <http://betterthancash.org/>

The “Better than Cash Alliance” was founded by USAID, The Bill and Melinda Gates Foundation, Citi, VISA Inc, Ford Foundation, UNCDF, and the Omidyar Network. The Alliance’s goal is to accelerate the adoption of electronic payment systems (e-transfers) by providing technical assistance to governments and by banking the unbanked. Mercy Corps is a member organization.

SEEP and their Minimum Economic Recovery Standards (MERS) -

<http://www.seepnetwork.org/minimum-economic-recovery-standards-resources-174.php>

SEEP is a global network of 130 members working to combat poverty through promoting inclusive markets and financial systems. In 2010, they released the second version of the Minimum Economic Recovery Standards (MERS) that are a companion guide to the 2011 Sphere Standards. The MERS articulate the minimum level of technical and other assistance to be provided in promoting the recovery of economies and livelihoods affected by crisis.

SEEP also hosts as MERS-in-Action page on their website - <http://www.seepnetwork.org/mers-in-action-pages-20108.php> – that includes some interesting documents/research.

Local and Regional Procurement (LRP) Learning Alliance - <http://www.lrpalliance.org/>

The LRP Learning Alliance was formed to support learning and best practice in LRP programming.² In contrast to food aid shipped from the US, LRP programming supports battling hunger through the local and regional procurement of food, as well as through the use of cash and vouchers. The Alliance website hosts a Community of Practice, and contains tools and resources for LRP implementation.

Food Security and Nutrition Network - <http://www.fsnnetwork.org>

The Technical and Operational Performance Support (TOPS) program, funded by USDA and USAID from 2010-2015, was established to strengthen the ability of Food for Peace (FFP) grantees to deliver high quality food aid. As part of this initiative, TOPS supports the Food Security and Nutrition Network (FSN Network), a web-based resource for practitioners to share

² Mercy Corps is an Alliance member.

knowledge and collaborate. Cash and voucher resources can be found within their “Cross-cutting program design” section.

CTP Publications

CTP Implementation Guides and Toolkits

Action Contre la Faim (2008). *Implementing cash-based interventions: A guideline for aid workers*

http://www.actionagainsthunger.org.uk/fileadmin/contribution/0_accueil/pdf/Implementing%20Cash-based%20interventions%20-%20A%20guideline%20for%20aid%20workers.pdf

An early implementation manual designed by ACF with helpful references and tools.

Creti, P. and Jaspers, S., eds (2006). *Cash Transfer Programming in Emergencies*, Oxford: Oxfam GB.

This is an early rendition of implementation guides for cash transfers. It provides a good foundation for implementation strategies.

Cross, T. and Johnston, A. (2011). *Cash Transfer Programming in Urban Emergencies: A Toolkit for Practitioners*, Oxford: Cash Learning Partnership.

http://www.cashlearning.org/downloads/resources/calp/CaLP_Urban_Toolkit_web.pdf

A CaLP-commissioned guide specifically addressing CTP implementation in urban settings. Annex 2 includes a complete list of tools and templates.

Harvey, P. and Bailey, S. (2011). *Cash Transfer Programming in Emergencies, Good Practice Review 11, Humanitarian Practice Network*. London: Overseas Development Initiative.

<https://mcdl.mercycorps.org/gsd/docs/CashTransfersEmergenciesHPN2011.pdf>

An excellent resource guide to CTP in emergency settings. Much of this was used to inform Mercy Corps' own Methodology Guide.

International Federation of Red Cross and Red Crescent Societies (2007). *Guidelines for Cash Transfer Programming*

http://www.icrc.org/eng/assets/files/other/icrc_002_mouvement-guidelines.pdf

Another early CTP guide put out by IFRC.

Rauch, E. and H. Scheuer (2007) *SDC Cash Workbook: A practical user's guide for the preparation and implementation of Cash Projects*. Bern: Swiss Agency for Development & Cooperation.

www.sdc-cashprojects.ch/document.php?itemID=945&langID=1

General CTP

Adams, L. and Harvey, P. (2006). *Learning from Cash Responses to the Tsunami: Issue Papers 1-6*. ODI Humanitarian Policy Group, London: Overseas Development Institute.

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http://www.cashlearning.org/downloads/resources/calp/Delivering%20Money%20-%20cash%20transfer%20mechanisms%20in%20emergencies_2.pdf

This compilation of potential disbursement mechanisms thoroughly in explains their individual benefits, impacts, and procedures.

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E-transfers and CTP

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http://betterthancash.org/wp-content/uploads/2012/09/HMMI_-_Plugging_Into_Mobile_Money_Platforms_FINAL.pdf

Aker, J., Boumnijel, R., McClelland, A., and Tierney, N. (2011). Zap It to Me: the Short-term Impacts of a Mobile Money Cash Transfer Program. CGD Working Paper 268. Washington, DC: Center for Global Development.

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ANNEX D:

DONORS SUPPORTING CASH TRANSFER PROGRAMMING

This section was published in November 2013. We have made every attempt to provide you with current donor trends and practices regarding CTP. Despite this, CTP is a rapidly changing field and this section is updated on a yearly basis only. With this in mind, please use the information below as general guidelines and visit the individual websites of the various donors profiled here to get the most up-to-date information. This is not intended to be an exhaustive list of all donors funding CTP.

Institutional Donors

United States Aid for International Development (USAID)

USAID is supportive of CTP and has funded multiple CTP initiatives through OFDA and FFP. Recently, they have focused on expanding the use of e-transfers through mobile platforms.

USAID Office of Foreign Disaster Assistance (OFDA)

OFDA has emphasized a number of preconditions for cash transfer programming in emergency contexts. Full guidelines for OFDA proposals – including when CTP would be funded – are captured on pages 179-180 in their “Guidelines for Proposals:”

http://www.usaid.gov/sites/default/files/documents/1866/guidelines_for_proposals_2012.pdf

Please note:

- Proposals for food vouchers – or cash transfers intended overwhelmingly for the purchase of food – are not generally considered for USAID/OFDA funding as these are under the mandate of USAID’s Office of Food for Peace (FFP).
- USAID/OFDA will not fund CFW programs for work people would normally do on their own (such as planting crops on private property, for example).

USAID Office of Food for Peace (FFP)

Food for Peace currently provides cash transfers for local and regional procurement of food commodities, food vouchers, and cash transfers for the purchase of food, typically when US-purchased Title II food cannot arrive quickly enough to meet urgent needs. A large portion of food aid reform has centered on increasing money for CTP, and all recent Administrations have looked into expanding CTP options. For additional information, please visit:

<http://www.usaid.gov/who-we-are/organization/bureaus/bureau-democracy-conflict-and-humanitarian-assistance/office-food>

Humanitarian Aid and Civil Protection department of the European Commission (ECHO)

An increasing number of humanitarian projects funded by ECHO include the distribution of cash and vouchers. ECHO requires partners to consider the wide number of cash distribution mechanisms to carefully assess and select the most efficient and effective one, including a decision tree to support response analysis.¹ They have specific policies around the use of cash and vouchers in emergencies, which are explained in their guidelines, “Use of Cash and Vouchers in Emergency Response:”

http://ec.europa.eu/echo/files/policies/sectoral/ECHO_Cash_Vouchers_Guidelines.pdf

UK Department for International Development (DFID)

DFID is a leading donor in cash-based responses and recognizes the value of CTP in relief and recovery. As of June 2011, it defined its role as being: to support cash transfers through the bilateral program; engagement with multilateral agencies and international fora; and in generating and disseminating evidence.² With a strong commitment to build upon “international momentum” and utilize evidence to influence implementation choices, DFID is actively searching to fill key gaps in understanding, including how integrated approaches can more effectively tackle poverty, the impact on CTP on health and education outcomes, and the political economy of scaling up CTP. DFID has no specific policies on the use of cash or vouchers.

See their “Cash Transfers: Literature Review” for more information:

<http://r4d.dfid.gov.uk/PDF/Articles/cash-transfers-literature-review.pdf>

Swiss Agency for Development and Cooperation (SDC)

SDC is a leading donor in the use of cash in humanitarian assistance, implementing directly and collaborating with partners. In general, SDC uses timely, one-time cash injections as support to IDP and host families, for livelihood recovery programs, for housing reconstruction programs, and in Cash-for-Work scenarios. From their experience, “there is clear evidence that the provision and direct distribution of cash during and after [sic] emergencies can be highly appropriate to empower the victims and increase their coping ability.”³

They have developed their own “Cash Workbook and Toolkit⁴” and maintain a specialists section on cash projects within their main website’s section on “Operational Resources”

(<http://www.sdc-cashprojects.ch/>). Although this website is no longer actively managed, it houses SDC-specific tools and resources, as well as links to other resources on CTP.

¹ “The Use of Cash and Vouchers in Humanitarian Crisis, Ref. Ares(2013)317021,” *DG ECHO Funding Guidelines* (March 2013), 5. http://ec.europa.eu/echo/files/policies/sectoral/ECHO_Cash_Vouchers_Guidelines.pdf.

² “Cash Transfers: Literature Review,” *DFID Policy Division* (2011).

³ “About Cash Transfers,” *SDC*, http://www.sdc-cashprojects.ch/en/Home/About_Cash_Transfers.

⁴ “Cash Workbook and Toolkit,” *SDC*, http://www.sdc-cashprojects.ch/en/Home/SDC_Cash_Workbook.

Multilateral Donors

United Nations Agencies (WFP, UNICEF, UNHCR, OCHA)

Some major UN agencies use cash transfer programming regularly, including the World Food Program (WFP), UNICEF, and UNHCR. By 2015, WFP expects almost a third of its assistance programs to be delivered in the form of cash, vouchers, and new kinds of “digital food.”⁵ In 2011 alone, WFP programmed a total of US\$208 million in distributions using cash or vouchers.⁶

WFP has produced a “Cash and Voucher Manual” as well as a primer on “Cash and Food Transfers” that concludes the debate has now moved from “cash vs. food” to “cash and food” in some emergency contexts. WFP is also developing its own systems and procedures for utilizing electronic transfer mechanisms.

Cash and Voucher Manual (2009):

http://foodsecuritycluster.org/c/document_library/get_file?p_l_id=224242&groupId=120482&folderId=196617&name=DLFE-11131.pdf

Primer: Cash and Food Transfers (2007):

http://www.wfp.org/sites/default/files/OP18_Cash_and_Food_Transfers_Eng%2007.pdf

Private Donors

Only a few private donors focus any of their funds specifically on cash transfers. MasterCard Worldwide and Visa have dedicated funding to testing or scaling up digital transfers. However, many individuals, foundations and corporations are willing to fund projects that include cash-for-work, vouchers or other transfers. For example, the Bill & Melinda Gates Foundation frequently funds emergency response projects that meet basic humanitarian needs while also using transfers as part of a recovery strategy.

General background on Mercy Corps’ relationships with various corporations and foundations can be found on TRAC (<https://trac.mercycorps.org/user>), Mercy Corps’ web-based tracking system for private sector partners.

⁵ “Cash and Vouchers for Food,” *World Food Programme* (Rome: UNWFP), April 2012, <http://documents.wfp.org/stellent/groups/public/documents/communications/wfp246176.pdf>.

⁶ “Cash and Vouchers for Food,” *WFP*.

ANNEX E: TIP SHEETS

TIP SHEET #1: Collecting Signatures/Fingerprints from Program Participants

Collecting signatures/fingerprints from anyone participating in a program (program participant, vendor, etc.) is a routine aspect of program implementation. Since signatures/fingerprints are used to verify that something took place – a training, provision of ID, or receipt of cash or vouchers – it is imperative to collect them correctly.

If possible, collect signatures first. To collect signatures correctly:

Step 1: Ensure that you have a signature box large enough to accommodate signatures (or fingerprints). Print a sample copy and test a signature and large fingerprint in the signature space.

Step 2: Ensure the team has all the required supplies: several pens (in case they break/run dry) and a fingerprint pad and ink (for participants who cannot sign.) Blue and black ink are the preferred colors.

Step 3: Every participant who is able should sign their own name on the document. No one should sign on their behalf. Some illiterate people are able to sign their own name, but they usually will not sign their name in the same way more than once. To account for the slight variations in their signatures, a note should be made near their name or in a “Note to File” stating that “Participant #X is illiterate,” or “semi-literate.”

If participants are unable to sign their signature, fingerprints are a legitimate substitute. To collect fingerprints correctly:

Step 1: Provide clear guidance to participants on how to correctly complete the fingerprint process. Accuracy and efficiency improves when this happens.

Step 2: Use a thumb or finger, but be consistent (e.g., everyone in line uses their left thumb). If a participant is unable to use the same finger as everyone else (i.e., missing finger, scarred finger, etc.), they may use a different finger, but this should be noted near their name or in a “Note to File” each time it occurs.

Step 3: Make sure there is sufficient ink on the fingerprint pad. Too much ink will create an unreadable blob of ink on the document. Too little ink will make the fingerprint too faint or record only a partial print. Press the entire fingerprint gently onto the fingerprint pad, not just the tip of the finger. (The small circle made by the tip of the finger is not a permissible fingerprint). Gently roll the finger from left to right one time only. Rolling the finger more than once will collect too much ink.

Step 4: Gently place the participant’s inked finger in the correct signature box/line on the document and roll the finger from left to right one time only. **Do not press too hard** or the print will smudge.

Contingency Planning

Scenario 1: If a participant is unable to sign her/his name or provide a fingerprint,¹ a representative from their family or their community may sign or fingerprint on their behalf. This must be noted next to their name on the document or put into a “Note to File.” If a “Note to File” is made, the document and the participant in question must be identifiable, as well as the name of the person signing on the participant’s behalf and that person’s relationship to the participant.

For example, *“At X event on Y date, Participant Z was unable to remove her gloves for cultural reasons to sign the attendance document; therefore, her son, (son’s name), signed/fingerprinted on her behalf.”*

Scenario 2: Always carry sufficient ink in the event a fingerprint pad runs dry.

Scenario 3: If an event is running behind or where queueing causes security concerns, team members or community leaders may want to sign on everyone’s behalf to avoid delays. **This is not acceptable or appropriate and should be clearly communicated prior to the event.** Tardiness or security issues are never acceptable reasons to forgo collecting signatures. If security is an issue, the event may need to be rescheduled or moved to a more secure location.

Scenario 4: Similar to Scenario 3, when program participants are confused by how the signature/fingerprint process works, team members or community leaders may be anxious to speed up the process by signing on their behalf. Again, this is not acceptable or appropriate and should be clearly explained prior to collection.

Scenario 5: For whatever reason, signatures were not collected at the time of the event or signed sheets are lost. Do not sign on behalf of the participants after the fact; this is worse than not collecting the signatures or losing the document. Instead, prepare a “Note to File” to explain which event occurred and which signatures are unavailable. Include other documentation to demonstrate the event took place (monitoring reports from the event, photographs of the event, post-event monitoring, etc.).

¹ This may be the case with a woman who cannot remove her gloves for cultural reasons or a person missing a limb.

TIP SHEET #2: How Do I Handle Absences or Substitutions During Distribution?

Life happens. While the cash or vouchers we provide to program participants are critical for their households, participants may be unable to attend a distribution. People become ill, must travel for a family emergency, and receive offers of employment. How do you handle distribution when your carefully-laid plans hit a snag? Three potential solutions include:

- Registering alternates alongside program participants
- Creating a system to accept substitutes/alternates on the distribution day
- Conducting a smaller distribution, at a later date

Registering Alternates alongside Program Participants

If you know early on that program participants may not be able to attend every distribution, consider registering an alternate alongside them. All required information for the program participant is also required for the alternate, and the Participant Registration List must be adapted to include this. Alternates must also attend all required events for program participants (e.g., trainings).

During distribution, if the program participant is unable to attend, the alternate can accept the distribution on her/his behalf when the primary participant's name is called. The alternate must follow the same procedures as all other program participants (e.g., showing ID, etc.)

The advantage to registering alternates in advance is that all verification information is prepared prior to distributions. The primary drawback is that it may double the size of your Participant Registration List and any Distribution Forms. Collecting more data increases the chance of mistakes: for example, the program participant may be erroneously entered as the alternate. Monitoring efforts may also increase.

Allowing Substitutions on the Distribution Day

If participants unexpectedly need to miss a distribution, they may send a family member to the distribution in their place. To allow for on-the-spot substitutions, you must have created a process for handling substitutions prior to distribution.

Some potential approaches include:

- Instructing program participants to provide a signed letter to their substitute, as well as their ID, to show at the distribution.
- Having a community representative verify the relationship between the substitute and the program participant.
- Asking other program participants to verify the relationship between the substitute and the program participant and the reason for the program participant's absence (i.e., the program participant recently gave birth, is ill, etc.)

Any process you choose must include a way to positively identify the substitute and verify that s/he has permission from the program participant to collect the distribution on her/his behalf.

The advantage to this approach is that it is flexible and agile. The risk is that a person posing as a substitute may collect the program participant's distribution without her/his legitimate consent, since conclusive confirmation can only happen the next time the program participant appears.

Holding Make-up Distributions

If you are uncomfortable allowing substitutions or alternates on distribution day, you could choose to arrange a second, smaller distribution for those unable to attend the main distribution. Alternatively, participants who were unable to attend the primary distribution could arrange to pick up the distribution at a Mercy Corps office or from a team member when that person makes a site visit to their area. In either case, the original Distribution List would need to be collected from Finance to record participants' signatures, or a smaller Distribution List would need to be created for the make-up distribution.

Both options allow Mercy Corps team members to plan – either for a make-up distribution or subsequent meeting. However, in a program that is already administratively challenging – such as a voucher program – adding additional steps could be overwhelming for implementing teams.

TIP SHEET #3: How to Identify and Respond to Significant Market Price Increases

Regular market price monitoring is a crucial part of cash transfer programming (CTP). Once your monitoring procedures are established and data is regularly being collected and analyzed, how do you know if a price change is “significant”? When you investigate the causes for price changes, what are you looking for? How do you respond to those causes once they have been identified? This Tip Sheet will help you answer these questions.

Identifying Significant Price Changes

In many of the places we work, prices change frequently. Not every price change should be investigated, however. Price changes that *should* be investigated are major price changes in a single week/month¹ or any unexpected steady increases and decreases over time. This change may be for a single commodity, like beans or fuel, or for many or all commodities. If in one week/month, you notice a price change greater than 10-15%, you should investigate its cause, unless the change is normal for the area.

Let's explore two scenarios, one which would be considered a “significant” increase, and one which would not.

Scenario 1: In Market A, the average price of rice is \$2/kg and for the first three weeks, with a price change no greater than \$0.05 each of these weeks. In Week 4, the price increases to \$2.50/kg (a 25% increase.) This change is significant and should be investigated, since, previously, the price for rice in Market A fluctuated no more than 3%.

Scenario 2: In Market B, the average price of rice is \$2/kg, and for the first three weeks of monitoring, prices range from \$1.80 - \$2.75/kg. (This is normal for this market over the past 24 months.) In Week 4, the price increases to \$2.50/kg (a 25% increase as well.) While this change is large, it is not abnormal based upon historical price monitoring. In this scenario, the change would not be investigated.

During your baseline market price survey, you collected average high and low season prices. If you begin to see gradual increases or decreases over time, compare these prices to the seasonal averages. When you record higher prices heading into the lean season or lower prices during the harvest season, these fluctuations are likely normal and should not be investigated unless they are 10-15% higher/lower than the seasonal averages. If the price change is atypical for the season, it should be investigated.

You may see slight price increases immediately following cash or voucher distributions. This is something to monitor, but not necessarily a problem so long as the changes are not severe or prolonged. If price increases are unexpected or hold for a long period of time, they should be investigated to understand if they are a result of CTP.

Investigating Price Changes

If, based on the criteria above, you have determined the price changes are unusual, it is time to investigate them. There is no single method for investigating price changes. Your initial task is to understand whether the problems are supply-side or demand-side problems. Keep in mind that you will need to hold

¹ This will depend on how often you are monitoring price data (i.e. weekly, bi-weekly, or monthly).

conversations beyond those with vendors in your local market. You may want to speak to wholesalers at your marketplace, as well as those at regionally or at-source marketplaces. Local or regional authorities may also provide additional insight into the situation. For instance, if the price increases are caused by supply-side issues from a fire at the main port's warehouse, authorities may be able to tell you the government's contingency plan and when the port should be up and running again. If the problem is caused by skirmishes along the supply route, they may be able to tell you when they expect the road to be cleared for travel.

Supply-side problems - such as a price increase due to a shortage of goods – can be potentially harmful when implementing CTP. CTP could exacerbate these by increasing demand/competition for scarce commodities, increasing prices and potentially leading to inflation. Demand-side problems – such as a price decrease due to a lack of purchasing power and excess of goods – may benefit from the cash influxes provided by CTP. Keep in mind, however, that this benefit will only be felt in small markets. If a market is very large and your program is only a fraction of its total business, CTP will likely have little, if any, effect.

- **Supply-side Problems:** If there is a supply side problem in the market, you will likely observe a difference in the quantity of goods available in the market and on shop shelves. This is true whether it is a shortage for one commodity only (e.g., rice) or for all goods. If there is a significant price increase for only one commodity, rather than many, this likely indicates a supply-side issue, especially if the good in question is an essential good (e.g., food, water). Supply-side increases may be caused by secondary commodities, such a change in the price of fuel, transportation or storage costs, new taxes, etc., so it is important to consider this while investigating causes. Also investigate the goods' source when looking at supply-side increases. Price spikes may occur only for goods traveling long distances, across borders, or through conflict areas; while other, locally-produced goods experience no change in price or decrease in price. Changes in the source market, however, can permanently affect prices. In 2012, in South Sudan, almost all goods in northern South Sudan came from Sudan. When the Sudan-South Sudan border closed that year, the source market switched from Sudan to Uganda, permanently increasing prices overnight.
- **Demand-side Problems:** With demand-side problems, you may notice the same amount of commodities in the market, or an increase in commodities, but a reduction in the normal amount of shoppers in the marketplace. You may also notice that the price of essential goods remains the same, while prices for luxury goods decrease.

Keep in mind that supply-side and demand-side problems may occur at the same time. Prices for luxury goods may decrease while prices for essential goods spike.

Responding to Price Changes

You have investigated price changes and understand their cause. Now what? The answer is: it depends.

If price changes in the market were caused by demand-side issues (i.e., reduced incomes), then you likely saw prices falling. In this case, CTP can help support the local market by increasing demand, especially in markets recovering from a crisis.

If the price changes were caused by supply-side issues, then CTP may exacerbate the problem by increasing demand in a market with insufficient goods. In this case, carefully consider your program's effect or future effect on the market.

If your program operates in very large markets and/or the amount of money you are introducing to the market is a small fraction of the market's overall business, you may choose to proceed with CTP anyway, if you can meet your program's objectives and not do harm. You may also want to complement your CTP with activities which improve supply, if applicable. If supply-side problems are due to the secondary commodity market (fuel, transportation costs, etc.), you may choose to support these markets by implementing activities such as fuel vouchers, which may help stabilize prices and keep them manageable for both vendors and program participants. If the closure of trade routes has prevented the movement of goods, special transport permits for essential items may help open up transportation.

However, if your program operates in markets that are vulnerable or small, or if you will be introducing an amount of cash that is significant in relation to that market's total amount of business, you may consider switching to another methodology (such as in-kind distributions of goods purchased from another area) to avoid negatively impacting the entire community.

If both supply- and demand-side problems are affecting pricing, you may want to combine CTP support to households with supply-side market support to vendors to help markets recover and stabilize.

TIP SHEET #4: Conducting Final Evaluations of Cash Transfer Programs

Within Mercy Corps, we generally refer to an external evaluation as an evaluation led by an expert external to the agency, usually a private consultant. Team members and partners, however, often assist the external consultant in data collection and analysis, both for logistical reasons as well as to maximize learning. Please check your M&E Plan and donor requirements to determine which type of evaluation must be conducted for your program.

Any evaluation should use specific evaluation questions to address each of the standard evaluation criteria. The five evaluation criteria are: relevance, effectiveness, efficiency, impact, and sustainability. These criteria were created by the Organization for Economic Cooperation and Development (OECD) in 1991 as part of general evaluation principles. Together these five criteria are widely viewed as the cornerstones for quality evaluations of development programming, particularly for mid-term and final evaluations.

Each of the criteria covers multiple concepts and ideas which need to be addressed in the evaluation. The program team should develop project-specific evaluation questions under each of the criteria to ensure that all of the important concepts are covered. These evaluation questions are then used to design the evaluation methodology, draft the data collection tools, and structure the analysis of the findings. Examples of these evaluations questions are included on the next page. Note that these example questions are generic and should be made more specific to better fit your project's context.

Evaluation questions form the basis for the evaluation's Scope of Work (SOW). An evaluation SOW is a plan for preparing for, conducting, and following up on an evaluation. It conveys clear directions to the evaluation team, defines roles and responsibilities and includes details needed to develop the more detailed evaluation plan and methodology. It should be developed whether the evaluation is internal or external. An evaluation is like a mini-project. Good evaluations begin with a good evaluation design (or SOW). Refer to the MEL Tip Sheet: Evaluation Scope of Work for more information.

Almost all types of evaluations will involve an endline study, using the same tools as those used for the baseline study to compare results and determine to which changes the program has contributed. The choice of other evaluation methods will depend on the type of program, resources available, and the type of questions the evaluation is trying to answer.

In order for an evaluation to contribute to increased program quality, evaluations findings should be clearly documented and circulated broadly within Mercy Corps and among other stakeholders, as appropriate. The evaluation report should include a description of the evaluation methodology, findings, recommendations and lessons learned. The report should directly answer the evaluation questions and convince the reader with findings, quotes, numbers, and further interpretation and explanation as needed. In order to make the evaluation findings more accessible, identify creative ways to communicate findings and increase interest in reading the evaluation report. Consider circulating a one-page document with key findings that would be useful for different audiences or developing a short narrated presentation which can be circulated as an audio-visual complement to the report.

SCOPE OF WORK EXAMPLE: FINAL EVALUATION

Program to be Evaluated:	Kenbe-La (Hang in there) Giving choices to earthquake survivors outside of Port-au-Prince
Donor:	USAID – Food For Peace
Location:	Haiti (Central Plateau, Lower Artibonite)
Timeframe:	SOW to be completed over the period of August 30th – November 15th, 2011; lump sum payment due once final report is submitted
Application Deadline:	ASAP
Contact:	Martina Bennett Design, Monitoring & Evaluation Specialist Mercy Corps Haiti mbennett@ht.mercycorps.org

1) Program to be Evaluated:

Mercy Corps Haiti

Kenbe-La (Hang in there) Giving choices to earthquake survivors outside of Port-au-Prince

Funded by USAID – Food for Peace

Implemented between June 30th, 2010 and September 30th, 2011

2) Purpose of the Evaluation

This will be an end-of-program evaluation of Mercy Corps' "Kenbe-La (Hang in There): Giving choices to earthquake survivors outside of Port-au-Prince" program in the Center and Lower Artibonite Departments of Haiti. Kenbe-La is a Local and Regional Procurement (LRP) program, funded by USAID Food for Peace, and focuses on meeting the urgent food security needs of 20,000 internally displaced households and host households in Artibonite and Central Plateau by providing vouchers redeemable in local markets for basic food commodities. The program distributes vouchers worth \$50 per month over a period of 8 – 9 months to buy their choice of the following staple foods including rice, beans, oil and maize. They can purchase from local vendors, who must be formally registered with the government to participate. Mercy Corps also piloted an innovative mobile money program in collaboration with private phone and banking companies, which allows for people to easily transfer funds to vendors in a safe and fast manner.

The intention of the evaluation is to assess to what degree the program and methodology have been successful in achieving the established results and specific objectives; evaluate the efficiency, effectiveness and sustainability of cash transfer programming; and compare the various cash transfer modalities (vouchers/m-money) implemented by Mercy Corps in the Center and Artibonite Departments of Haiti and within the objectives of USAID/FFP. Information gained will be used in order to establish better practice and help formulate new interventions. This evaluation is to serve as an opportunity for learning, growth and reflection for program staff and stakeholders. The evaluation should be participatory to maximize the learning opportunities of Mercy Corps in the review of program achievements, monitoring, logistics and strategic approaches.

More specifically, the evaluation should:

- 1) Determine the degree to which the program objectives and indicators as identified in the proposal were met. In other words, the principal objective of the evaluation is to determine the **effectiveness and the fulfillment of contractual obligations** as per Mercy Corps' agreement with USAID/FFP.
- 2) Evaluate the **efficiency of implementation** in terms of approach chosen and resources available and used (targeting criteria; cash transfer value; vendor selection; delivery mechanisms; monitoring system), and **compare the two modalities (vouchers and Mobile Money)** and evaluate the **appropriateness of the response**.
- 3) Determine the **impact of using cash transfers on the food security** of the displaced and host families in the Center and Lower Artibonite Departments in Haiti.
- 4) Evaluate the **wider impact** of the response in terms of the direct beneficiaries, wider communities and markets, **including as possible the 'multiplier effect'**.
- 5) Provide a clear **document of the lessons learned** with reference to the available program materials for both an internal audience and an external audience to include program stakeholders and donors.
- 6) Make **recommendations to future programming in the region including possible economic recovery programming**, focusing on the following areas: a) the ongoing food/livelihood insecurity situation in the Center & Artibonite Departments; b) response analysis in the Center & Artibonite Departments (including a review of context indicators, market conditions, response analysis and risk analysis); c) analysis of the conditions under which market-based, food voucher or cash transfer programming should be implemented again in order to have the intended effects.

3) Background:

In mid-February 2010, the Government of Haiti estimated that the January 12 earthquake killed 230,000 people, and left an estimated 700,000 displaced within the Port-au-Prince area, and nearly 600,000 more displaced to other parts of the country (including over 250,000 estimated to have arrived in Center and Artibonite). Mercy Corps carried out assessments in January and February 2010, which demonstrated that the international community, in the face of massive needs in and around Port-au-Prince, had largely ignored the needs of the host communities, which lie further afield but were nonetheless being overwhelmed by this influx of displaced people arriving with no resources or means of support.

Without proper assistance, many of the displaced may return to Port au Prince, where resources and opportunities are severely limited, while host families will suffer from depleted resources after assisting the displaced in the time of need. Anecdotal evidence suggested IDP returns to Port au Prince were already underway, making immediate support in host communities urgent to create an incentive for IDPs to decide against returning to what are likely to be more difficult living conditions in the capital.

A multiagency emergency market mapping assessment of the bean sector noted that the sudden drop in consumer income due to the earthquake quickly led to a drop in credit availability for merchants within the bean market chain, and identified the risk that producers would, in response to decreased demand, reduce their production quantities for the May/June harvest.¹ The assessment team recommended immediate interventions to support the recovery of food market chains. An assessment of host families in Bas Artibonite found that the majority of them have continued to rely on markets to obtain food after the earthquake, though many families are rationing consumption within the household to stretch limited resources.² Only ten percent of potential beneficiaries surveyed reported having received food aid to date. Meanwhile, markets were functioning in both Artibonite and Central Plateau, though their viability was being stretched as small-business owners struggle in the face of sharply decreased purchasing power. Mercy Corps' survey of retailers in the targeted areas found that most were able to receive replenishment stock within six days after placing an order, a timeframe consistent with before the earthquake, and can therefore meet increased demand without increasing prices.

Given these conditions, the use of a market-based voucher system was determined preferable to expanding direct in-kind food distribution. Vouchers would allow beneficiaries to access food through existing market actors, support the quick recovery of small businesses in the food market chain, and help spur local production by increasing the purchasing power of beneficiaries, in order to increase demand for locally produced goods. It also directly complemented the existing Mercy Corps USAID/OFDA-funded programming in Central Plateau, which assisted IDPs and host communities through cash-for-work opportunities and direct cash transfers for the most vulnerable host families. The design of the Kenbe-la program also specifically accounted for the coverage of food insecure populations by USAID/FFP-funded single-year and multi-year assistance programs already operating in the targeted areas.

Mercy Corps proposed nine months of food distributions to provide adequate time for participating households to transition into new livelihoods or find employment in their new communities. ACTED's study of displaced populations found that the majority of hosted families were working prior to the earthquake, and in some regions 80% are now unemployed in their host communities. Given the already high unemployment rates in the host communities, the loss of assets of IDPs and the trauma experienced, the transition would take time. In addition, Mercy Corps' field assessment in preparation for this proposal revealed that 33% of the targeted households had not planted this season leaving them unprepared to adequately feed the expanded households. Nine months also has the potential to create a pull factor and incentive for households to remain in Central Plateau which would reduce the stress on Port au Prince where conditions in displacement camps are overcrowded, insecure and where many camps risk flooding during hurricane season.

Mercy Corps targeted 20,000 beneficiary households (100,000 individuals) in two rural areas, lower Artibonite and Central Plateau, where high numbers of IDPs settled after the earthquake. The program also aimed to directly benefit 135 small business owners in local markets in the targeted areas.

The main project objectives can be seen below:

Objective 1: Increase household food security and incentive of IDPs to stay in host communities

1 http://www.fews.net/docs/Publications/Haiti_EMMA_Report_2010_beans.pdf, accessed 04 May 2010.

2 ACTED, *Diagnostic des Besoins des Populations D'accueil et Déplacées Du Bas Artibonite*, April 2010.

Objective 2: Support the quick recovery of small businesses in the food market chain, contributing to local employment

Objective 3: Spur local production by increasing the purchasing power of beneficiaries, thus increasing demand for locally produced goods, and not disrupting market prices for locally produced food items

In order to meet the project objectives, Mercy Corps distributed vouchers, redeemable from local stores, for US\$50 worth of grain, cooking oil and beans. Illustratively, this would allow a recipient to purchase 20 kg of rice, 4 kg of red beans and 1 gallon of oil every month. The quantity and value of vouchers was identical for all household units regardless of size and is based on Sphere standards for a family of five to purchase about 50 percent of monthly kilocalorie requirements.

The program also aimed to distribute vouchers once per month over a nine month period. Vouchers were to be disbursed weekly to households from various zones so that redemption is staggered to ensure that participating vendors are not overwhelmed. Recipient households were able to choose from among at least five participating vendors in their location, and a maximum of 25 merchants in larger, urban areas. This competition has ensured that affordable price points and quality levels have been maintained. Similarly, Mercy Corps sensitized the program with potential vendors through a series of open meetings in the three major population centers (Hinche, St. Marc and Mirebalais) and meetings in minor population centers along the Mirebalais and St. Marc corridor and the Mirebalais and Hinche corridor. Vendors were informed about the overall program, the role and responsibilities of the vendors, and Mercy Corp's criteria for selecting participating vendors. Vendors were then asked to sign an MOU understanding they will be liable for all government obligations and to participate in Mercy Corps organized monitoring and evaluation (M&E) efforts. On a bi-weekly basis, merchants have redeemed the used vouchers with Unibank. This schedule has ensured that merchants have had adequate cash flow to maintain on-going, adequate inventory.

In lieu of using printed vouchers in the Lower Artibonite Department, Mercy Corps has launched the use of mobile money through a partnership with Mercy Corps Haiti's Economic Recovery Program, Haitian telecommunication company, Voila, and the financial service provider, UNIBANK. Mercy Corps Haiti's Economic Recovery Program has received funding from USAID's Hi-Five program to provide technical support and develop programs, which experiment with the use of mobile money to bring financial services to the poor.

During the Kenbe-La beneficiary mobilization meetings, beneficiaries are explained the basic objectives of the program and then receive a Voila SIM card and telephone. Mercy Corps staff make an electronic transfer of credit on the Voila website to each of the beneficiary's unique SIM number. The beneficiaries learn how to set up their secret code to their account and how to make financial transactions with Kenbe-La mobile money vendors through an electronic messaging of secret codes and purchase amounts. Once the credit has been transferred and the transaction has been confirmed via an electronic message, the food products are exchanged. The vendor then proceeds to UNIBANK to cash out the credit on his mobile money account. This has proven to be a very innovative and efficient approach to exchange of goods in the context of a humanitarian aid project. Mercy Corps provides phones and SIM cards to each beneficiary and vendor. This adds value to the overall service as well as to improve communication and monitoring. Mercy Corps' approach aims to create minimal market disruptions while maximizing benefits at all levels of the value chain. FEWS NET and CNSA are monitoring market prices for staple commodities twice each week in major markets, including Hinche and Mirebalais in Central Plateau and St. Marc in Artibonite.

Mercy Corps had requested that FEWSNET train its team regarding monitoring practices so Mercy Corps can monitor smaller markets in addition the major markets. This monitoring has provided an independent and early warning system should prices increase.

4) Existing Sources of Program Information

- Grant Agreement
- Baseline Survey Reports (Central Department and Artibonite)
- Quarterly donor reports
- Program organizational chart and position descriptions
- Program detailed implementation plan
- Program database including information on program beneficiaries, distributions/transactions monitoring, monthly household monitoring surveys, vendor's surveys, complaints registries, etc.
- Program support folders that include forms used, documentation systems, and procedures
- Host Families and Shelter Working Group protocols and other relevant documents
- Market price data from FEWS NET (Famine Early Warning Systems Network, CNSA (National Coordination of Food Security)), and data collected on smaller markets by Mercy Corps Haiti.

5) Evaluation Questions

i) **To what degree were the program objectives and indicators as identified in the proposal met?**

- How successful was the program in meeting its Strategic Objectives? What achievements were made toward meeting indicator targets, as compared to the baseline?
- What are the strengths and weaknesses of the program design and implementation, i.e. measured results and perceived outcomes vs the aims and targets of the Kenbe-La Program?

ii) **Was the implementation in terms of approach chosen and resources available and used (targeting criteria; cash transfer value; vendor selection; delivery mechanisms; monitoring system) efficient and appropriate of the response? Was the mobile money modality more efficient than voucher systems?**

- What were the advantages/disadvantages to the food voucher/mobile money approach chosen? Given local context - was the voucher/mobile money approach an appropriate modality for this intervention?
- What is the experience of the beneficiaries, including their preferences on modes of assistance delivery, i.e. did they prefer cash transfers via Mobile Money or vouchers, would they prefer to receive in kind?
- Was the time synchronization and coordination of the Kenbe-La program with other Mercy Corps interventions (CfW/Cash transfers, Market Fairs, Cholera Prevention) in the area appropriate to ensure highest possible impact?

iii) **What has been the impact of using cash transfers on the food security of the displaced and host families in the Center and Artibonite Departments, Haiti? Have the food rations**

impacted displaced beneficiaries' decision to stay in the project locations?

- Are families consuming, more, less or the same amount (and/or more nutritious mix) of food as prior to the earthquake?
 - During the time of the program, have families obtained means to ensure their longer-term food security?
- iv) **What are the secondary market effects of using cash-based voucher/mobile money programming as a recovery modality, with specific reference to market and multiplier effects? Who are the main beneficiaries of these secondary impacts and what are the potentially positive and negative impacts are on the market of such an intervention?**
- Are there any quantifiable secondary economic impacts that may be clearly attributed to the program? Have the markets been able to adequately respond to this rapid influx of cash?
 - How have prices changed in general in local markets? Were prices influenced by the program's restrictions (i.e. vendors' knowledge that beneficiaries have one month to redeem their vouchers)?
- v) **What are the secondary effects of using cash based voucher and mobile money systems as a recovery modality on the community and in terms of choice and dignity of the beneficiary?**
- Were there any negative impacts on the communities due to the voucher systems or other reasons attributed to the program (i.e beneficiary selection, ownership over purchased goods, targeting host versus residents families etc)
 - Are there additional direct or indirect benefits from cash based voucher projects that are not currently being captured?
 - Which improvements should be included for subsequent operations?

6) Evaluation Methods

This is an evaluation that will be led and facilitated by an external evaluation consultant. The consultant should define an appropriate methodology and analysis method to address the evaluation questions that may use the following tools:

- **Facilitated workshop** with key program staff to reflect on program implementation, challenges and successes;
- **Field visits** to the implementation areas;
- **Interviews** with key program stakeholders, including program technical advisors, private sector actors, community leaders, government officials and beneficiaries;
- **Focus group discussions** and interviews with field staff, sample beneficiaries and non-beneficiaries and with other stakeholders including private sector actors;
- **Observations**;
- **Quantitative questionnaires** for beneficiaries, non-beneficiaries and other stakeholders to serve as an End-Line Survey for which to compare to baseline results;

- **Documentation review** e.g. progress, monitoring reports, existing data and review of Mercy Corps' relevant systems.

Data will be entered into a database for analysis by the Consultant and Haiti evaluation team members. Preliminary findings will be presented for discussion with the program leadership and other interested staff and stakeholders of Mercy Corps' Haiti operations prior to the departure of the evaluator from Haiti to ensure the team feels ownership over the findings and can provide feedback. Resulting recommendations will be included in the evaluation report.

7) Team Composition and Participation

Mercy Corps is looking for an External Consultant with the following qualifications:

- At least a master's degree in planning, monitoring and evaluation, economics or social sciences
- At least 8 years of documented experience in evaluation of emergency programs, including food security, cash transfer programs and/or market-based programming
- Knowledge of cash transfer and food security programs in post emergency
- Knowledge of cost benefits analysis for cash transfer programs
- Extensive experience in working with governments, USAID, local authorities, beneficiaries
- Demonstrated analytical, writing and computer skills
- Excellent knowledge of English and French and/or Haitian Creole

The evaluation team will consist of an External Consultant (Lead Evaluator with expertise in cash transfer programs, monitoring and evaluation systems and methodologies), 2) Danielle de Knocke van der Meulen (Mercy Corps Haiti Deputy Country Director), & 3) Martina Bennett (Mercy Corps Haiti Design, Monitoring & Evaluation Specialist). The evaluation team will also include 11 field staff members, and a translator.

8) Procedures: Schedule and Logistics

Deadline	Activity	Stakeholder
9/6/11	External Evaluator arrives in Haiti	Consultant
9/7/11	Facilitate orientation / meeting with organization's field office leadership and key staff: clarify expectations and desired outcomes, review and confirm activity and logistics plan, etc. Retooling of methodology and data collection tools if necessary.	Consultant
9/8/11	Field test survey tool	Consultant, Evaluation team
9/9/11	Train Enumerators/Surveyors on data collection instruments (Endline Survey)	Consultant, Evaluation team

9/10/11 – 9/22/11	Implement Endline Survey (Enumerators continue with surveys for 12 days, led by M&E Officers)	Consultant, Evaluation team
9/10/11 – 9/20/11	Consultant spends 3 days in Mirebalais, 3 days in Hinche, and 3 days in Saint Marc doing focus groups and key informant interviews	Consultant
9/21/11 – 9/22/11	Consultant spends 2 days in Port-au-Prince conducting key informant interviews with other NGOs and MC staff	Consultant
9/23/11 – 9/28/11	Data Analysis and Preparation of Initial Findings	Consultant
9/29/11	Conduct debrief meeting with MC Staff, stakeholders/ partners to review preliminary evaluation findings and review first draft of evaluation report	Consultant, Country Staff
9/30/11	External Evaluator departs Haiti	Consultant
9/30/11 – 10/31/11	Prepare draft evaluation report outlining evaluation process, program achievements, constraints, lessons learned, recommendations, next steps/ action plan and submit for comments	Consultant
11/15/11	Final Report Due	Consultant

9) Reporting and Dissemination Requirements

The final evaluation report will not exceed 35 pages, including annexes. Copies of the report will be provided to the in-country management team (Danielle, Viorica and Martina), the headquarters program support team (Amy Hause), the headquarters DME support staff (Gretchen Shanks), the Economic Growth and Market Development Technical Unit (Diane Johnson), the Food and Nutrition Technical Support Unit (Penny Anderson), USAID/FFP, and the digital library/Clearspace. The summary will be translated locally for program staff and a summary will be prepared for other program stakeholders.

The final evaluation report shall be structured in accordance with the following guidelines:

- **Cover Page w/ photo**
- **List of Acronyms**
- **Table of Contents** which identifies page numbers for the major content areas of the report.
- **Executive Summary** (2 to 3 pages) should be a clear and concise stand-alone document that gives readers the essential contents of the evaluation report, previewing the main points in order to enable readers to build a mental framework for organizing and understanding the detailed information within the report. In addition, the Executive Summary helps readers determine the key results and recommendations. Thus, the Executive Summary should include: major lessons learned; maximum of two paragraphs describing the program, summary of targets and intended outcomes; areas of meaningful

under or over achievement; and possibly a few lines describing the action plan developed to follow up on evaluation recommendations and how the evaluation report will be disseminated.

- **Methodology:** sampling method including strengths and weaknesses of method used, inclusion of stakeholders and staff, rough schedule of activities, description of any statistical analysis undertaken, including justification and software package used. The discussion of any random sampling used should include details on how the random respondents were identified and invited to participate. This section should also address constraints and limitations of the evaluation process and rigor. The methodology section should also include a detailed description of data collection techniques used throughout the evaluation.
- **Results:** Think about how best to organize this based on the evaluation questions. In some cases, it is helpful to organize the report against project objective, but in other cases it may make more sense to organize the report against evaluation questions.
- **Synthesis, Recommendations and Lessons Learned:** This is space for the evaluation team to think about the data and results, and make concrete recommendations for current or future project improvements/changes, pull out organization lessons learned, and generally comment on data and results. Everything presented in this section must be directly linked back to the information presented in the Results section of the report. Ideally, items discussed here will not be completely new to the reader, but rather will refer to previous discussions. Recommendations that are not directly tied to Results can be included in an Evaluator Comments section for the report.
- **Annexes:** data collection instruments in English and translation; list of stakeholder group with number and type of interactions; SOW, qualitative protocols developed and used, any data sets can be provided in electronic format, any required photos, participant profiles or other special documentation needed.

10) Follow Up

As laid out in the schedule in Section 8 of this SOW, Danielle, Amy and Martina will lead the program staff in the development of an action plan based on the findings and recommendations of the evaluation. Program staff participating in the evaluation will be responsible for presenting key findings and recommendations to the larger Mercy Corps staff and for summarizing results for informants and other stakeholders. Copies of all instruments and data used and gathered during this evaluation will be provided to Martina Bennett for use and dissemination among the Haiti team and to Gretchen Shanks for use and dissemination at headquarters.

ANNEX F:

CASH TRANSFER PROGRAMMING CAPACITY STATEMENT

[If your team will be using this document for external distribution, we recommend that you reformat using Mercy Corps' standard Fact Sheet template. The template can be found on Mercy Corps' brand identity site: <http://identity.mercycorps.org> (login: mercycorps; password: courage05).]

With over a decade of experience in 24 countries, Mercy Corps has established itself as a leader in cash-based initiatives integrating market-driven principles. Mercy Corps has designed and implemented cash transfer programming in rural, urban, post-disaster, post-conflict and food-insecure environments. Adapting to a variety of cultural and security factors, Mercy Corps has distributed over USD \$275 million in partnership with communities, civil society groups, the private sector, and local and national governments. These programs have dramatically improved food security, economic recovery and development, and livelihoods for hundreds of thousands around the globe.

Following two decades of conflict and instability, 1.3M people in **Somalia** have been displaced by violence. This insecurity was compounded by famine after several years of missed rainfall. Despite improved rainfall in 2011-12, the famine caused massive displacements, interrupting livelihoods and economic activities. Over 2.5M Somalis are food insecure. Mercy Corps responded with a USD \$4.6M program funded by USAID/OFDA and private donors to inject cash into affected populations and address water sanitation and gender issues within IDP camps. Fifty-five thousand beneficiaries have been reached through cash-for-work (CFW) activities to repair damaged infrastructure, including river banks, marketplaces, and irrigation canals. In the most recent quarter, over USD \$110,000 was paid in wages. In addition, 20 livelihoods cooperatives were formed to benefit women and youth; each cooperative was provided a conditional cash grant and equipment totaling approximately \$2,750 for business start-up after attending training.

The population of eastern **Democratic Republic of the Congo** has been deeply affected by years of conflict, causing massive displacement, destroying livelihoods, eroding human capital, and damaging community infrastructure including schools, financial institutions and markets. Under a two-year USD \$4.2 million USAID/OFDA award, Mercy Corps assisted displaced populations and host communities through complementary cash-for-work (CFW) and cash transfer programming, helping people meet urgent needs while supporting local markets. In 2012, the CFW program benefited over 2,400 individuals who earned a consistent daily wage; on average, beneficiaries earned a total of USD \$80. CFW projects included the rehabilitation of primary schools and markets, benefitting over 50,000 community members. Beneficiaries used their wages to rebuild household assets, make household repairs, pay school fees and medical expenses, and buy food and other basic needs.

In January 2012, an armed conflict in northern **Mali** displaced nearly 350,000 people. Mali had already suffered through several years of drought and food insecurity; the political crisis further exacerbated these fragile conditions. Faced with such turmoil, people were forced to incur debt just to purchase food. Mercy Corps responded with a USD \$1.6M program funded by USAID/OFDA to provide cash vouchers to families to purchase food and other basic needs in eight villages in Gao region, one of the hardest hit. Cash vouchers were chosen given the lack

of financial institutions and the region's insecurity. Over 31,464 beneficiaries were able to purchase, hygiene products and other basic goods with the vouchers, freeing up what little money people had to purchase seeds and other agricultural inputs, clothes, healthcare fees, and repay debt.

In **Nepal** in 2013, Mercy Corps delivered food and cash vouchers using a mobile voucher system with support from MasterCard Foundation. Beneficiaries redeemed their vouchers at stores registered with Mercy Corps and equipped with phones. Vendors are often reluctant to participate in voucher programs because of delays in payment. In Nepal, the mobile platform reduced vendor reimbursement time from two days to two hours. Additional e-transfer mechanisms will be piloted and tested in the Democratic Republic of Congo in 2013-2014.

Mercy Corps revised its Cash Transfer Programming Toolkit in 2013 to better assist teams in assessing, designing, implementing, and monitoring cash programs. Through the Cash Learning Partnership (CaLP) Mercy Corps participates in working groups and discussion forums to continually improve our experience and expertise in cash transfer programming.

ANNEX F:

UTC AND CCT CAPACITY STATEMENT

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With over a decade of experience in 24 countries, Mercy Corps has established itself as a leader in cash-based initiatives integrating market-driven principles. Mercy Corps has designed and implemented cash transfer programming in rural, urban, post-disaster, post-conflict and food insecure environments. Adapting to cultural and security factors, Mercy Corps has distributed over USD \$275 million working with communities and civil society groups, private sector partners and national and local governments. This has resulted in improved food security, economic recovery and development, and livelihoods for hundreds of thousands around the globe. Mercy Corps has experience with a range of CTP types, including unconditional and conditional cash transfers (UCTs and CCTs).

In 2008, in **Tajikistan**, devastating winter conditions destroyed food stores in a country already facing food insecurity. In response, Mercy Corps implemented the Livelihoods Recovery Program funded by The Bill and Melinda Gates Foundation. The USD \$700,000 program provided critical, one-time cash transfers to 1,269 vulnerable households, coupled with financial education which created 800 household spending plans leading to more effective household expenditures. Complementary programming included community infrastructure projects, disaster risk reduction training, and the creation of Village Development Councils. The cash transfers, however, were critical to helping vulnerable households survive the winter hunger season and make tailored investments in livelihood strategies to stabilize their future.

In 2011, armed conflict in the Abyei Administrative Area (a disputed area between Sudan and **South Sudan**) caused the displacement of over 110,000 people. Displaced households lost both food stores and the income from their harvest as they sought safety elsewhere. Those who remained in the area saw many of their harvests destroyed by flooding in September 2011. Mercy Corps' Market-Oriented Rehabilitation of Agricultural Livelihoods (MORAL), funded by ECHO, aimed to address these food security issues by supporting 750 households through a hunger gap which had doubled in length due to conflict and flooding. To complement World Food Programme (WFP) rations covering 50% of households' daily food needs, MORAL distributed CCTs to help beneficiaries meet additional needs without selling their food aid to do so. Households were required to attend financial literacy training as a condition of receiving the transfer; the condition was built into the program to encourage efficient management of resources during an extended hunger gap. After the first transfer, 95% of household interviewed purchased sorghum. After the second transfer, only 56% of households did, demonstrating how – as the transfers continued – household priorities shifted from food to other priorities such as clothing, shoes, small livestock and shelter. Forty-seven percent of households were even able to save a portion of the transfer, which increased resilience against future shocks.

The **Central African Republic (CAR)** is one of the poorest countries in the world and has recently been wracked by conflict and political turmoil. The Ouaka Prefecture is one of the

country's most food insecure areas and is also home to over 30% of those displaced by the conflict. Although markets are functioning again, conflict-affected populations need support to rebuild their livelihoods. As part of an OFDA-funded program, in 2013, Mercy Corps will form "resilience groups" comprised of youth and adults; resilience groups will be trained and supported to identify and conduct income-generating activities that will increase their resilience to withstand shocks. Following the completion of vocational training and individualized workplans, group members will receive a CCT of approximately USD \$98 to conduct start-up activities. Post-distribution monitoring will be done following the transfers to assess actual supplies purchased by recipients relative to their original plan. Program agents will regularly follow up via bi-weekly field visits and provide technical assistance to beneficiaries as they engage in their income-generating or vocational activities.

In **Niger**, in partnership with four US and European Foundations, Mercy Corps implemented "Responding to the Food Crisis in Niger" (PROSAZ) from May 2012 through July 2013. The program was designed to enhance food security, economic resilience and economic recovery for vulnerable households in Ouallam, one of the areas suffering most from the slow onset food crisis. Late rains and damage from insects at the end of 2011 left 70%-100% of farmers with no crops to harvest. Those events exacerbated an already-deteriorating food security situation, which had affected over 6.5 million in the country. In addition to activities aimed at restoring livestock assets, PROSAZ was designed to provide both **unconditional cash transfers** (UCTs) and cash-for-work (CFW) activities to help 1,800 of the most vulnerable individuals meet basic needs. CFW activities were implemented at the start of the program. However, due to a national law banning CFW activities during the growing season, remaining CFW funds were redirected to UCTs. Ultimately, over USD \$140,000 was transferred to beneficiaries, with households receiving an average of USD \$114 per month. Evaluation results demonstrated the additional cash increased households' access to food by 23%; 100% of respondents' daily food consumption increased from two meals per day to three meals per day. The cash injection helped beneficiary households meet nutritional needs during the lean season and positively impacted their ability to initiate fieldwork for the 2013 agricultural season.

Mercy Corps revised its Cash Transfer Programming Toolkit in 2013 to better assist teams in assessing, designing, implementing, and monitoring cash programs. Through the Cash Learning Partnership (CaLP) Mercy Corps participates in working groups and discussion forums to continually improve experience and expertise in cash transfer programming.

ANNEX F:

VOUCHER CAPACITY STATEMENTS

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Mercy Corps has established itself as a leading NGO in market-integrated relief utilizing cash-based initiatives. Mercy Corps has a wide range of experience implementing voucher programs in post-disaster, post-conflict and food insecure rural and urban environments. Mercy Corps has implemented large-scale voucher projects in countries as varied as **Mali, Yemen, Ethiopia, Indonesia,** and **Zimbabwe**, adapting to cultural and security factors and working in partnership with communities and civil society groups, private sector partners and national and local governments.

In 2012, Mercy Corps worked to meet emergency food needs and build resilience in **Mali** through a one-year cash voucher program targeting 12,000 of the most vulnerable individuals in the Ansongo District of the Gao region. With USD \$1,650,000 funding from OFDA, "Response to Food Security Needs in Northern Mali" was implemented to respond to the political instability that had exacerbated existing food insecurity in the country. Vouchers were selected because of the lack of operational banking infrastructure in Gao and the area's insecurity. They were also a means to incentivize vendors to increase their activities in the target area. Cash vouchers were used to purchase food, hygiene products and other basic goods, freeing up what little money people had to purchase seeds and other agricultural inputs, clothes, repay debts and get access to healthcare.

In **Yemen**, Mercy Corps implemented a commodity voucher program for the purchase of food in three districts in an effort to combat food insecurity, severe malnutrition and asset depletion as a result of the political and economic shocks to the country. The USD \$500,000 Taiz Emergency Food Program (TEFP), funded by Food for Peace (FFP), began implementation in April 2012. The program benefited 8,965 of the most vulnerable households. Food vouchers were designed to meet 30% of the households' monthly caloric needs through the purchase of wheat flour, kidney beans, rice and oil.

Under a \$16,934,000 award from OFDA, Mercy Corps helped revitalize unstable local markets and address food insecurity in **Ethiopia**, a result of ongoing climatic changes and the 2008 global food crisis. To protect livelihoods in the near term, a voucher system was designed to increase access to seed inputs for agro-pastoralists, to stabilize cereal prices and to help offset the higher food costs in local markets. A series of eight seed fairs were held, creating market linkages between buyers and small-scale local seed sellers.

Mercy Corps responded in all of the disaster-affected districts following the 2009 West Sumatra earthquake in **Indonesia**, where over 200,000 homes were damaged. As part of a larger emergency response program funded by DFID, Mercy Corps implemented the GBP £313,511 (roughly USD \$490,000) "Shelter Vouchers for Emergency Relief in Sumatra Barat" program." Over four thousand households received assistance in the form of vouchers valuing IDR

700,000 (roughly USD \$74), which were redeemed for shelter material in local stores. In addition to helping affected households rebuild their homes, the voucher program also allowed participants to redirect money they would have spent on construction goods to other items. Fifteen percent of participants indicated that the money was used for consumption needs; others covered school fees or purchased additional building material.

Following the devastating effects of the 2007/2008 floods in **Zimbabwe**, populations in the Chipinge District experienced increased pressure on local resources due to displacement and recurrent cycles of drought. Host communities were sharing their already tight resources with displaced households (IDPs) who lacked reliable livelihoods and depended on handouts, casual labor or petty trade. From 2011-2012, Mercy Corps implemented the \$250,000 ENABLE program to increase agricultural productivity and build livelihoods resiliency in vulnerable households in these areas. The intervention involved several stages of the market chain, including vouchers for agricultural inputs to farmers, training and microfinance linkages for agrovendors. The vouchers were tiered with 100% subsidy for the most vulnerable and a 50% subsidy for the productive poor. Ninety-seven percent of the vouchers were redeemed at the respective agro dealers, the 3% of the vouchers which were not redeemed were mainly for a fertilizer with limited supply.

In 2013, Mercy Corps revised its Cash Transfer Programming Toolkit to better assist teams in the assessment, design, implementation and monitoring of cash-based programs, including vouchers.

ANNEX F:

CASH-FOR-WORK CAPACITY STATEMENT

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Mercy Corps has been a pioneer in the use of cash-for-work to assist crisis-affected populations in rebuilding their lives and communities. From early interventions following the Indian Ocean Tsunami to large-scale CFW programs, over the last decade, Mercy Corps has programmed in urban rural, post-emergency and complex conflict regions. CFW has been successfully utilized by Mercy Corps in such diverse contexts as **Haiti, Afghanistan, Iraq, Pakistan, South Sudan, Somalia** and **Niger**. We implement CFW activities in ways that are sensitive to gender issues in the communities where we work. Qualified engineers, when necessary, support our CFW infrastructure projects to ensure critical community infrastructure needs are being met, as well as the safety of CFW participants.

The USD \$100M Palestinian Community Assistance Program (PCAP), funded by USAID, began in 2010 and will continue through 2014. Mercy Corps, in partnership with CRS, CHF and five others, is responding to urgent humanitarian needs in the **West Bank** and **Gaza** through improved access and delivery of basic services, strengthened capacity of the private sector, improved social conditions, and the best practice models underpinning these interventions. Within this broad umbrella, PCAP includes a CFW component to provide short-term wages to some of the most vulnerable individuals within the target area. CFW projects implemented under PCAP vary from road repair to sewing sheets for local hospitals. Both men and women are included in CFW activities, and Mercy Corps ensures projects for both groups are culturally appropriate. By June 2013, 3,300 individuals had benefited from CFW participation through PCAP. Since the livelihood assets of farmers and fisherman have been particularly affected by the conflict, CFW projects rehabilitating their assets were prioritized, as well as those essential to the delivery of public assistance, including healthcare and education facilities.

From 2009-2011, Mercy Corps, in partnership with Save the Children (US), implemented large-scale CFW programs in northern **Afghanistan**, designed to benefit vulnerable households. Funded by USAID, the USD \$10M Food Insecurity Response for Insecure Populations (FIRUP) focused on increasing income and food access for urban and peri-urban residents who had been especially hard-hit by the global food crisis and rising cost of living in country. The program was granted an additional USD \$28M, expanding into four additional provinces (encompassing both rural and urban households). In 2010, the program was renamed the Community Development Program – North (CDP-N), to better reflect a shift in focus to labor-intensive community development projects designed to promote temporary employment and income-generation opportunities. CDP-N received an additional USD \$32M in funding (total program USD \$70M); activities were designed to mitigate damage from natural disasters, improve economic infrastructure, and provide vocational training. Over 111,600 people participated in the program, building 3,900 projects directly benefiting 700,000 community members.

In 2010, massive flooding displaced 20.5 million people throughout **Pakistan**. Mercy Corps responded with a CFW program in some of the hardest hit areas of Sindh province. The USD \$5M USAID/OFDA-funded program employed approximately 27,500 beneficiaries over 12 months in the construction and rehabilitation of community-identified infrastructure projects. Projects included road repair, irrigation canal repairs, and rehabilitation of damaged schools and public meeting places. Mercy Corps staff worked in partnership with community leaders to determine the most vulnerable households to participate in CFW activities. Beneficiaries worked in two shifts of 21 days each and were paid twice per shift via check. Both men and women were included in program activities through culturally appropriate work. Where possible, persons with disabilities were also included in the program through equipment repair assignments.

In **Niger**, since 2011, Mercy Corps has been helping pastoralists and agro-pastoralists cope with the recurrent droughts that have led to devastating harvest and animal losses. The PASTORAL program, funded by USAID/OFDA, included a 60-day CFW component to mitigate extremely high levels of food insecurity through a cash injection to over 2,000 vulnerable households. During the 2012 rainy season, the Government of Niger halted all CFW activities to enable farmers to focus on tending their crops. In response, Mercy Corps shifted to providing unconditional cash transfers to meet the food needs of 2,000 households during their fieldwork and harvest (July-October).

Six years of armed conflict had a devastating effect on **Iraq**. Unemployment in some areas was estimated to be as high as 60%. Through a USD \$15M USAID/OFDA-funded program, Mercy Corps completed 104 projects between 2009-2011, 19 of which were CFW programs benefitting nearly 7,500 participants. CFW participants were provided with training as well as tools and safety equipment, which they were allowed to keep following their assignments to assist them in the future in finding work. Many of the CFW participants were internally displaced persons (IDPs) who earned what they called “a dignified wage.” For many, it was more money than they had been able to earn in casual labor for months, and for some, years.

Mercy Corps revised its Cash Transfer Programming Toolkit in 2013 to better assist teams in assessing, designing, implementing, and monitoring cash programs. Through the Cash Learning Partnership (CaLP) Mercy Corps participates in working groups and discussion forums to continually improve experience and expertise in cash transfer programming.

ANNEX F:

E-TRANSFERS CAPACITY STATEMENT

[If your team will be using this document for external distribution, we recommend that you reformat using Mercy Corps' standard Fact Sheet template. The template can be found on Mercy Corps' brand identity site: <http://identity.mercycorps.org> (login: mercycorps; password: courage05).]

Electronic transfers (e-transfers) allow humanitarian assistance to reach beneficiaries efficiently and securely through digital payment systems. Mercy Corps has deployed mobile money and mobile vouchers – two forms of e-transfers – in some of the world's most challenging operating environments.

In **Haiti** after the 2010 earthquake, Mercy Corps partnered with Voilá, a mobile phone company, and UNIBANK to develop Haiti's first mobile money system (T-Cash). Mercy Corps beneficiaries were provided with mobile phones and T-Cash electronic accounts. Each month, beneficiaries received a mobile transfer of approximately USD \$50 that could be redeemed for food items at registered T-Cash affiliate agents. Seven thousand-eight hundred beneficiaries completed over 20,000 transactions using their T-Cash mobile wallets. Mobile money payments improved food security of families affected by the earthquake and relieved the pressures host families endured supporting friends and families who had been displaced by the disaster. The program also boosted local economic activity by increasing sales at local businesses. T-Cash won a "Scaling Award" from the Bill and Melinda Gates Foundation's Haiti Mobile Money Initiative for expanding access to mobile financial services in rural areas.

In conflict-ridden **Somalia**, Mercy Corps regularly employs e-transfers to deliver cash to vulnerable populations. Currently, unconditional cash transfers are being used to meet the urgent needs of 2,500 ultra-poor and labor-poor households in the Lower Juba region. Plagued by deteriorating humanitarian conditions, the market and livelihood structures in the area have collapsed. With over USD \$800,000 in funding from UNICEF, Mercy Corps will deliver three monthly USD \$75 cash transfers through a mobile money platform to poor and vulnerable IDP and host community members, improving their household income and food security. The use of mobile money transfers (MMT) allows Mercy Corps to overcome the significant security risks associated with cash transfer programming in Somalia, both for the agency and for those receiving assistance

The semi-nomadic residents of **Uganda's** Karamjoa region have long endured chronic hunger, disease, and food insecurity. Through the EC-funded LINKAGE program, Mercy Corps works closely with local government to improve agriculture infrastructure through cash-for-work (CFW) projects. These projects have immediate impact by providing over 840 workers with an injection of cash while improving conditions for productive agriculture. LINKAGE CFW participants build water catchments and post-harvest infrastructure and are paid via Airtel's mobile money service. Distributing payments through local Airtel representatives offers efficiency and security in a project implemented over a wide geographic area with security risks. To date, over 280M Ugandan shillings (USD \$83,000) has been injected into the local communities through direct payments to 716 CFW participants and purchases of CFW project materials.

Mercy Corps is also experienced in using mobile vouchers, an e-transfer mechanism that can be deployed where mobile money systems are nonexistent. In **Nepal**, Mercy Corps delivered food and cash vouchers using a mobile voucher system with support from MasterCard Foundation. Beneficiaries redeemed their vouchers at stores registered with Mercy Corps and equipped with phones that accepted vouchers as payment. Mobile voucher systems offer security and efficiency benefits. Vendors are often reluctant to participate in voucher programs because of delays in payment. In Nepal, the mobile platform reduced vendor reimbursement time from two days to two hours. Additional e-transfer mechanisms will be piloted and tested in the Democratic Republic of Congo in 2013-2014.

Mercy Corps is at the forefront of industry efforts to transition from paper- and cash-based delivery systems to e-transfers. Currently, we are developing an “E-transfer Implementation Guide,” a set of robust procedures to assist implementers in assess e-transfer needs, engaging with private sector providers, and training local participants. Amongst peer organizations, we are a member of the Better than Cash Alliance, formed to accelerate the adoption of e-transfer systems, and active contributors to discussions on best practice in e-transfers through the Cash Learning Partnership (CaLP).

ANNEX G:

CASH TRANSFER PROGRAMMING PROFILES

[If your team will be using this document for external distribution, we recommend that you reformat using Mercy Corps' standard Fact Sheet template. The template can be found on Mercy Corps' brand identity site: <http://identity.mercycorps.org> (login: mercycorps; password: courage05).]

1. Mercy Corps Niger Bill and Melinda Gates Foundation Global Food Crisis Response (GFCR), September 2008 – April 2010 Commodity Vouchers/Poultry Fairs USD \$135,525 /USD \$406,437, or 33% of Niger's GFCR budget

I. Context

From 2007 to 2008, the world watched as rising food prices contributed to a significant increase in food insecurity, particularly among the poorest populations. According to the International Monetary Fund, global food prices increased 43% from March 2007 to March 2008. At the beginning of the crisis, the Food and Agriculture Organization (FAO) predicted that 37 countries faced imminent food crisis, with consequences including malnourishment, starvation, and civil unrest.¹

Niger ranked 182ND out of 182 countries in the 2007 Human Development Report and 176TH in terms of GDP per capita.² With the increase in food prices, over two-thirds of the population was at immediate risk of going hungry. Families coped with the higher food prices by eating fewer meals of lower nutritional value. In addition to the insecurity presented by higher food prices, poultry farming had not yet recovered from the avian flu threat of 2006. Therefore poultry was not available to serve as a supplementary income or as a source of protein for many families.

Mercy Corps has operated in Niger since 2005 with a goal to mitigate suffering through public health activities and improve access to capital and jobs, thereby improving incomes.

II. Interventions

Mercy Corps partnered with the Bill and Melinda Gates Foundation to implement a \$2.7 million Global Food Crisis Response program in five countries; more than \$400,000 of that fund was directed to programming in Niger. The Niger component focused dually on the immediate ability to access food as well as medium- and longer-term solutions to develop more sustainable food and agricultural systems.

¹ "Soaring Food Prices: Facts, Perspectives, Impacts and Actions Required," FAO.
http://www.fao.org/fileadmin/user_upload/foodclimate/HLCdocs/HLC08-inf-1-E.pdf.

² "Human Development Report 2007/8", United Nations Development Programme.
http://hdr.undp.org/en/media/HDR_20072008_EN_Complete.pdf.

In Niger, project objectives initially included: addressing the short-term needs of 28,000³ vulnerable individuals in 4,000 households, and reducing the vulnerability to future food security shocks by laying the groundwork of stronger livelihoods for the beneficiaries. To address short-term needs, Mercy Corps distributed vouchers to be redeemed for five hens, micro-nutrients, and veterinary products, totaling a transfer value of \$47 per household, with an overall estimated net economic value of \$188,000.

Along with vouchers, Mercy Corps partnered with a local NGO, Action pour la Gestion Integree des Ressources (AGIR), to organize and train 21 poultry producer groups to develop and implement commercial market strategies, including establishing relationships with wholesale suppliers.

III. Implementation

As a first component of project implementation, Mercy Corps provided technical training and distributed vouchers to increase poultry production. The project team followed a certain series of steps:

- Preliminary activities focused on establishing partnerships with local and administrative authorities to create a participatory process for beneficiary selection. The selection process included a series of community meetings, during which the beneficiaries agreed upon the definition of “vulnerability.” It was established from the outset that only women would participate in the project, especially women heads of household, as they could use the hens and eggs for feeding their children. Four thousand beneficiaries were selected from 160 villages. The villages had been under Mercy Corps’ coverage area since 2006, a part of its Community Health and Livelihoods program.
- Mercy Corps developed a training agreement with the Government of Niger’s veterinarian extension services. Three-day trainings were organized throughout the beneficiary villages; both beneficiaries from that village and the general public were invited to attend the trainings. A total of 6,004 people were trained on topics such as poultry nutrition, health, hygiene and shelter needs, and how to recognize and treat common poultry diseases.
- Mercy Corps distributed vouchers and sponsored 36 village trade fairs for beneficiaries to select their hens, purchase medical supplies, and network with one another. Due to budgetary savings⁴, Mercy Corps was able to purchase all the desired items for a total of \$27.20 per household, rather than the previously estimated \$47. Therefore, the agency was able to provide vouchers to an additional 980 households, benefitting a total of 4,980 households (34,860 individuals⁵) rather than the 4,000 households initially

³ The average household size in Niger is 7. In the final report, there was a mistake in the calculation and the family size was reported as 9 instead of 7. For the purposes of this profile and by the request of the country director, the correct figure has been included here.

⁴ Budgetary savings resulted from positive fluctuations in exchange rates and from the purchase of veterinary products in bulk.

⁵ The average household size in Niger is 7. In the final report, there was a mistake in the calculation and the family size was reported as 9 instead of 7. For the purposes of this profile and by the request of the country director, the correct figure has been included here.

targeted. The additional beneficiaries were chosen through a lottery, but they all met the vulnerability criteria and had participated in the trainings. Additionally, five roving roosters were provided to each of the 160 villages.

Given the large quantity of hens needed, Mercy Corps first attempted an open tendering process for supplier selection. Only a few suppliers were able to meet the tender request, and many of those suppliers were reluctant to accept vouchers as payment, preferring instead to be paid up front. With this information, the hen procurement strategy was changed. Mercy Corps met with local elected and traditional authorities to request their help establishing relationships with suppliers in the targeted areas. Several suppliers agreed to redirect a portion of their hen sales to the targeted areas, and Mercy Corps was able to meet the quantity requirements.



Distribution of Vouchers

BON D'ACHAT VOLAILLES						
MercyCorps		N° 005011				
Nom, Prénoms et Adresse du fournisseur		Date de Validité		Date d'Acquisition des Volailles		
Produits	Nbre prévu	Nbre reçu	Coût unit FCFA	Coût Total FCFA	Remarques	
POULES						
COQS						
Nom, Prénoms et Village de la Bénéficiaire				Signature		N° ID
Autorisation du Superviseur PFA			Responsable de la Distribution			
Nom et Prénoms	Signature	Date	Nom et Prénoms	Signature	Date	
Midou Amadou						
Distribution : L'original au Bénéficiaire, Rose conservé avec registre						

A GFCR poultry voucher

During the first community fair, poultry suppliers brought live poultry; however, due to extreme temperatures and an unexpected outbreak of a poultry disease, it was quickly determined that this methodology was not viable. Mercy Corps adjusted the voucher redemption system. The fairs were instead used as an information-sharing forum only, allowing for the cultivation of business linkages between consumers and suppliers, after which vouchers were exchanged for hens on an individual basis. The fairs also served as an opportunity for the veterinarian extension agents to conduct brief refresher courses on best practices for poultry-raising.

Mercy Corps coordinated with government veterinary extension services to provide a large-scale poultry vaccination campaign in the target areas, covering both poultry distributed through the project and other poultry farmers owned, to avoid the spread of disease. In their entirety, these interventions increased access to food through the production of eggs and chickens, and the income earned through the sale of chickens.

IV. Results Measurement

The original target was to increase the net economic worth of each of the 4,000 household by \$47 for a total value of \$188,000. The actual distribution of vouchers increased the net economic worth of 4,980 households (100% women-headed) by \$27.20 (58% of original per HH target) for a total value of \$135,525 (72% of the original total value target). This result below the original target can be explained by several factors: 1) the changes in exchange rate; 2) savings

made in veterinarian products when purchased in bulk; and 3) the decision not to provide more than five hens to each individual beneficiary to ensure that they could actually care for them. Through the income created by poultry production and trade, households were able to leverage longer-term investments to guard against future vulnerability. This included investments in agricultural and livestock assets, education, savings and loans, and trade. Overall, the voucher intervention demonstrably increased short-term entitlements to food, education, healthcare, and financial assets to face future shocks.

Poultry production helped households meet basic needs as well as increase savings and resiliency in the longer-term. For example, more than 50% of the beneficiaries used their hens to produce guinea fowl, which is more resistant to illness and fetches a market price around 60% higher than traditional hens. Approximately 30% diversified their animal flock by investing in sheep or goats with the income earned from the production and sale of eggs and chickens. The training and assistance provided to beneficiaries through the program contributed to a greater capacity to engage in healthy and profitable poultry production. Focus group discussions mentioned the increased capacity: “Before the training, I did not know how to treat a sick hen, and when one was ill we were forced to slaughter it or sell it for a reduced price. Now...we can heal our chicken.” In addition, the producer unions formed as a result of the program successfully accessed new markets directly, forged relationships with wholesalers and established successful points of sale, which will lead to more sustainable long-term outcomes combined with healthier livestock.

V. Best Practices/Recommendations

- Early assessments made it clear that the intervention of promoting poultry production was relevant to the target population. This relevancy contributed to sustainability and secondary market effects through poultry trade and other purchases. To fully capture the benefits, it is recommended that cash transfer programs **conduct a thorough analysis of the secondary market effects**.
- After initially conducting live animal fairs with little success, Mercy Corps quickly adjusted the process. Ongoing monitoring ensures adjustability and allows for more dynamic and successful implementations. It is recommended that **program design include flexibility** for mid-program adjustments.
- Working through community animal health workers to develop a training module created **a forum for technical service providers to share best practices**. As such, future projects should facilitate the establishment or strengthening of animal health surveillance systems to build resilience to shocks.
- The intervention of promoting poultry production built upon traditional knowledge and practices, strengthening relationships with government veterinarian extension services. Future projects should **integrate veterinary services within the livestock value chain** as an early-stage intervention.
- Sensitizing and training communities in poultry as a business was not a focus of the original plan, but proved to have a great impact. It is recommended that future poultry

production activities **include more time and resources dedicated to building savings** as an additional means to resiliency.

For more detailed information on this program and its impacts, please refer to the following documents:

GFCR Final Report

<https://mcdl.mercycorps.org/gsd/docs/Gates2008CNNSSGFCRPhaseIFinalReports.pdf>

GFCR Lessons Learned Documentation

<https://mcdl.mercycorps.org/gsd/docs/Gates2008GlobalFoodCrisisReviewLessonsL.pdf>

Global Programming Lessons Learned, GFCR

<https://mcdl.mercycorps.org/gsd/docs/DMGlobalProgLessonsLearnedGFCR2010.pdf>

2. Mercy Corps Pakistan

USAID Office of U.S. Foreign Disaster Assistance

Recovery for Displaced Populations in Hosting Communities, June – September 2009

Unconditional Cash Transfers

USD \$936,990

I. Context

In early 2009, a peace deal was signed with the local Taliban in Swat District. By mid-April, however, the deal was in ruins and the Taliban from Swat had captured Buner District, leading to widespread fear among the local population. This pressure forced the government to take action. On May 8, 2009, the Pakistani Prime Minister declared war on the Taliban. Heavy fighting took place between the government forces and insurgents in Buner, Lower Dir, and Swat Valley. To avoid the conflict, the majority of the local population moved to the Mardan and Swabi Districts, crossing about 130 kilometers of hilly terrain. By the end of May 2009, the number of displaced had grown to more than 3 million.

The Pakistani Government was unable to support the growing number of Internally Displaced Persons (IDPs) and appealed to the international community for assistance. Over 80% of the IDPs were living in public buildings, including schools, or staying with host families. Many had fled with no resources and were relying on host communities, which were increasingly strained by the needs of the IDP population. The IDPs were displaced in peri-urban areas that had not suffered from the recent conflict or from a natural disaster.

Mercy Corps has worked in Pakistan since 1986 with a primary focus on improving health and public facilities, and providing work opportunities to revitalize communities. Mercy Corps' response to the 2009 humanitarian crisis was to help IDP and host families cope with immediate needs via unconditional cash transfers.

II. Interventions

Rapid assessments revealed the most critical needs were: food, clothing, and basic household items. The displaced move to areas unaffected by the conflict where markets were functioning as normal and large supplies of the most-needed items were located. Mercy Corps determined the most appropriate response option was to directly address the target populations' lack of spending capacity.



Due to security concerns, vouchers were originally suggested, but the local markets consisted of small, non-networked shops, the displaced were spread across a large geography, and the range of needed items was vast. Cash was prioritized to provide maximum flexibility for program beneficiaries, both in terms of what they could purchase and where they could shop. The cash transfer amount of PKR. 3,600 – roughly USD \$45 per family – was established as an adequate amount for the purchase of emergency household items, based on prevailing market prices and comparing estimates with multiple INGOs.

III. Implementation

The official relief system – managed by the Pakistani Government and the UN – was concentrated on IDPs in camps. For that reason, Mercy Corps targeted geographic areas with the highest concentration of IDPs living with host families. To reduce the risk of conflict and financial burden of host families, the program also targeted host families as beneficiaries. In total, 15,000 IDPs and 5,000 host families participated.

Mercy Corps considered various distribution methods, including direct cash distribution, distribution through *hawala*,⁶ or the use of commercial banks. Ultimately, Mercy Corps chose to work with a local commercial bank, Allied Bank of Pakistan. The bank was well-known, had multiple branches covering the target area, and was interested in partnering. Since security was a concern, the cash transfers were distributed as checks.

A single account was opened in the Islamabad branch, and the bank provided Mercy Corps-labeled checks at cost. (An example is below.) Allied Bank agreed to waive their check-cashing fee as a public relations measure and to demonstrate their assistance to the IDPs and host families. The bank ensured that local branches in the target areas would maintain sufficient cash balances; they were also instructed to cash Mercy Corps checks with no additional paperwork requirements beyond verification of identification.



A Mercy Corps-labeled Allied Bank of Pakistan Check

Local government and community officials assisted in the location and verification of IDPs and host families. IDPs were registered for the program with a form of identification, or

⁶ An informal value transfer system based upon the performance and honor of a huge network of money brokers; it operates outside of or parallel to, tradition banking, financial channels, and remittance systems.

through community verification in cases where identification papers had been lost. Registered IDP and host community households received tokens; two days following registration, they attended pre-determined distribution sites to exchange the registration tokens for their bank checks. Male and female heads of households attended separate distributions to adhere to local cultural norms (which prohibited unrelated women and men from gathering together in public places). The recipients provided signatures or thumbprints as proof of receipt. Mercy Corps recorded the serial number of the check next to each beneficiary's signature. Beneficiaries were then given a check which they could cash at the Allied Bank branch of their choice. To avoid overloading bank branches, checks were made active on a staggered timeline. Mercy Corps also worked with the Pakistan National Postal Service to pilot a distribution of 100 postal vouchers to test an alternative system. However, the vast bureaucracy of the Pakistani Postal Service made this an unfeasible disbursement mechanism.⁷



Beneficiaries, holding tokens, wait to receive their checks.

Some IDPs and host families returned their checks to Mercy Corps and requested that those funds be given to others in greater need, illustrating that community support systems still exist in times of displacement.

⁷ "Final Report: Immediate Recovery for Displace Populations in Hosting Communities," *Mercy Corps' Digital Library*. <https://mcdl.mercycorps.org/gsd/docs/USAIDOFDA09ImmediateRecoveryIDPHostingCommFR.pdf>, page 8.

IV. Results Measurement

Market monitoring showed no visible increases in prices, and this was largely due to the scale of the market relative to the amount of cash disbursed.

A survey was conducted to assess how the cash was utilized after disbursement as well as the beneficiaries' satisfaction with the process. Four hundred and forty beneficiaries were surveyed, 75% were men and 25% were women, across 14 locations (at 95% confidence interval). The survey demonstrated that food was the most common item purchased with the transfers. Medicine, clothing, kitchenware, and debt repayment followed. Of the 21.4% who said they had repaid a loan with the transfer, the loan had generally been for the purchase of food and other essential items. Kitchenware and bedding were the items most-often mentioned as needed following the program, positively demonstrating the shift in beneficiaries' priorities from food (and further indicating that need had been met). Recipients overwhelmingly cited the cash had not been enough to meet all their needs. While this is a common reaction at the end of a program, if it had come as a response during the routine monitoring following the first distribution, the Mercy Corps team would need to reexamine whether the transfer amount was sufficient to meet needs. Beneficiaries were satisfied with the process; 85% of beneficiaries waited an hour or less to receive their check, and nearly 96% reported they had no problems when cashing their check.

V. Coordination

Decisions were made early based upon a snapshot market analysis and determination of overall needs. This approach allowed the IDPs to receive cash approximately 10-14 days after their displacement. The close partnership between local financial institutions, community groups, and local government accelerated program implementation, which was completed within six weeks.

The local government and community officials were involved in the process of verifying IDPs who had lost identification. This lent validity to the process and discouraged fraud.

The project was applauded for its success, and OFDA requested that Mercy Corps organize a workshop to share its experience and best practices with other organizations. The one-day workshop involved 22 staff from 12 organizations, including OFDA.

VI. Best Practices/Recommendations

- Given that the local markets were functioning, and the affected population had specific, yet varying needs, a cash-based response was appropriate in this context. As several operational bank branches existed in the targeted area, using bank checks was an effective and safe method for delivering assistance. The program was a direct response to understanding the market system in the area of crisis. Conducting a **market assessment** is essential; doing so early and making rapid decisions based on that assessment results in a timely and more impactful response.
- As with the distribution of food or non-food items, **organization of the distribution of checks** was critical. Staff and volunteers need to be trained on the documentation and

process behind it. It is also important staff and volunteers are able to communicate in a clear and concise manner, the distributions process so there are no misunderstandings.

- By working closely with Allied Bank senior executives and branch managers, Mercy Corps was able to ensure a smooth check-cashing process for most beneficiaries (96%). This **relationship with the bank** needs to be established with the bank managers and each branch at the outset to ensure a smooth process for the beneficiaries. A MOU to detail roles/responsibilities is essential.
- Mercy Corps discovered that not all families were able to reach the check distribution points at the appointed time. This was generally due to families not hearing about the distribution, moving from their initial displacement site, or misplacing the token. Therefore, it is critical to **schedule follow-up** distributions to reach those who did not receive their checks during the first round.
- The program was made faster through a **simple targeting process**. By not assigning multiple levels of criteria, the execution of cash distribution was accelerated. When possible, programs should avoid additional, complicated targeting criteria, particularly when affected populations are largely equally affected by displacement.
- The program **targeted host families** in addition to the IDPs, which encouraged host family assistance to IDPs and reduced their financial burden. This reduces community strain and potential resentment and reduces the chance of further crisis by increasing poverty levels of other-wise unaffected host families.

For more detailed information on this program and its impacts, please refer to the following documents:

Program Final Report

<https://mcdl.mercycorps.org/gsd/docs/USAIDOFDA09ImmediateRecoveryIDPHostingCommFR.pdf>

DFID Training Presentation, Cash Transfer Programming in a Humanitarian Crisis

<https://mcdl.mercycorps.org/gsd/docs/CashTransferProgHumanCrisisMay2010DJohnson.ppt>

3. Mercy Corps Sri Lanka Bill and Melinda Gates Foundation

Global Food Crisis Response (GFCR), September 2008 – April 2010

Commodity Vouchers/Seed Fairs

USD \$66,835/USD \$396,675, or 17% of Sri Lanka's GFCR budget

I. Context

In 2008, food prices were on the rise around the world; Sri Lanka's dietary staples of rice and dhal more than doubled in price. While the middle classes responded to the price increases by purchasing lower-quality food, some low-income Sri Lankans were forced to sacrifice entire meals. Food prices inflated so rapidly the government revised the expenditure-based poverty line upward from \$18/person/month to \$27.

Sri Lanka was largely self-sufficient in rice production, but the country still relied on some imports to meet national requirements. These imports became less available as major exporters began to restrict their sales. Mercy Corps identified that an increase in agricultural production would more sustainably decrease the food insecurity faced by vulnerable Sri Lankans, but a more immediate response was required in the short-term.

Mercy Corps Sri Lanka had been operational since 2005 with a focus on creating public and private partnerships to promote peaceful coexistence, economic opportunities, and access to services for vulnerable communities.

II. Interventions

Mercy Corps partnered with the Bill and Melinda Gates Foundation to implement the \$2.7 million Global Food Crisis Response (GFCR) program in five countries, including Sri Lanka. The program focused on the immediate access to food, and medium- and longer-term solutions for developing sustainable food and agricultural systems.

Quality seeds were not easily accessed in the target region of Batticaloa, so farmers had few options. They often traveled up to 40 km to buy from recognized suppliers or relied on local middlemen who marked up prices and often provided seeds on credit. To increase access to high-quality seeds, Mercy Corps provided beneficiaries with seed vouchers.

The project targeted 2,250 vulnerable farming households, selected by agreed-upon vulnerability criteria. Families were chosen based upon their size, registration with the national poverty alleviation program, and income levels. Female-headed households, families with less than three acres of land, and those with little access to seeds were also considered vulnerable and therefore eligible for inclusion in the program.

III. Implementation

A fair was organized to create linkages between 225 farmer organization representatives and five national seed suppliers. The fair provided an opportunity for beneficiaries to learn about various types of seeds and create linkages with quality seed suppliers. The information provided included:

- Characteristics and various classifications of seed paddy

- Selection of seed paddy based on climatic conditions
- Prices of seed paddy
- Cultivation methods, weed control and pest and disease control
- Training and marketing facilities available via seed companies

Following the initial fair, each target group participated in one-day trainings, in collaboration with the Department of Agriculture. The trainings refreshed skills in paddy production, which was especially beneficial for recent IDP returnees. Basic lessons of rice production and harvest techniques were provided, focusing on the use of improved seeds and environmentally-friendly techniques. Following the trainings, beneficiaries received vouchers worth USD \$34.90 each, equal in value to six bushels of registered paddy for two acres of land.

IV. Results Measurement

Individual beneficiaries received vouchers worth the equivalent of 1.4 month's income for an individual at the poverty line. In total, recipients were able to purchase enough seeds to plant 2,019 acres of paddy land.

Voucher distribution occurred over two seasons and immediately impacted the farmers; households were able to eat the rice that had been saved as seed, and the amount of cash they needed to buy farming inputs decreased. Consequently, the families could redirect their money to purchases other than seeds. Most beneficiaries used the newly-available cash for agricultural purposes; more than 50% purchased farm inputs such as pesticides and fertilizers. Twenty percent invested in more land for cultivation. Fifteen percent of beneficiaries redirected their money to health, and 15% redirected the money to education.

V. Coordination

The initial fair was made possible through the collaboration of local government and the local agriculture department. The Ministry of Agriculture was also involved as a resource for beneficiaries.

The sale of certified paddy in Sri Lanka is controlled by the Agrarian Service Center (ASC). In an effort to strengthen the systems already in place – and following Mercy Corps' procurement processes – ASC was chosen to manage the voucher redemption for paddy seed, and all purchases were disbursed through ASC.

VI. Best Practices/ Recommendations

- Timing was a crucial component of the response. Mercy Corps understood the agricultural seasons and timed the program to place at the beginning of the lean season, avoiding asset depletion. **Future programs should conduct an early assessment, including seasonal calendars, to determine appropriate timing.**
- The **targeting process should be closely monitored** to capture unintended social impacts. Mercy Corps found the original targeting criteria, which were derived from value chain assessments, did not incorporate the impact of ethnic relations. Community members notified Mercy Corps that certain minority groups had been excluded. With an emphasis on continued monitoring, the project was able to adjust the targeting.

- Market linkages are building blocks that transform value chains to better serve the interests of all stakeholders and to better serve the poor. Through a combination of stakeholder meetings, voucher schemes and trade fairs; Mercy Corps facilitated linkages between input suppliers, producers, traders, extension agents and various other market actors. Cash transfer programming should be considered as a subsidy and designed to **encourage market linkages and on-going transactional relationships**.

For more detailed information on this program and its impacts, please reference the following documents:

GFCR Final Report

<https://mcdl.mercycorps.org/gsd/docs/Gates2008CNNSSGFCRPhaseIFinalReports.pdf>

GFCR Lessons Learned Documentation

<https://mcdl.mercycorps.org/gsd/docs/Gates2008GlobalFoodCrisisReviewLessonsL.pdf>

Global Programming Lessons Learned, GFCR

<https://mcdl.mercycorps.org/gsd/docs/DMGlobalProgLessonsLearnedGFCR2010.pdf>

4. Mercy Corps Tajikistan Bill and Melinda Gates Foundation Livelihoods Recovery Program, March 2008 – March 2009 Unconditional Cash Transfers \$266,750/\$700,000, or 38% of total program budget

I. Context

By early 2008, Tajikistan had spent months suffering from extreme winter conditions. Such drastic conditions had not been seen for over 80 years and were exacerbating the normal winter energy crises and food shortages. Most rural Tajik families store their food for winter and spring under their homes, which can generally be relied upon not to freeze. Yet the extreme weather conditions of 2007-2008, coupled with little to no electricity, resulted in the loss of food stores, livestock, and other assets among rural inhabitants.

Potatoes, pumpkins, pears, canned preserves and livestock were among the most impacted assets, and every household was affected. The situation was worsened by its timing: during this time of year, the Rasht Valley and other surrounding districts become completely isolated, and residents rely solely on food stocks to survive.

Since 1994, Mercy Corps has been working to help communities in Tajikistan reduce the potential for violent conflict and improve the health of women. Mercy Corps responded to the severe cold and subsequent food shortages to help communities meet their short-term economic and food security needs.

II. Assessment

The Mercy Corps team conducted a survey in six districts to assess household losses relative to the prior year with regards to food quality, quantity, and stores. Additional questions addressed health, livestock assets, and access to remittances. The survey was conducted with 10 households in each of the six districts, for a total of 60 households.

The surveys revealed that meal consumption patterns had changed drastically from the prior year. Of those surveyed, 40% had eaten only one hot meal the previous day; 60% stated their diet was not normal for that time of year; and 96% reported the quality of food available was poorer than it had been one year prior. In Sughd, 72% of parents surveyed reported their children under five years old were not getting enough to eat.

Mercy Corps' main objective was to support communities to meet their short-term economic and food security needs, and to improve economic resilience and food security over the medium-term. In addition to the creation of Village Development Councils, community infrastructure projects and capacity building efforts, Mercy Corps supported the communities in meeting their short-term economic needs through unconditional cash transfers.

Cash transfers were chosen as a means of support because markets in the region were functioning with a reasonable availability of food and household items. One-time cash transfers were provided to the most vulnerable households: USD \$150/per household in Sughd and USD \$250/per household in the Rasht Valley. The difference in transfer amount was based upon the

needs and cost of goods in the respective areas. The project was implemented by Mercy Corps in Rasht Valley. In Sughd, Mercy Corps teamed up with a local NGO partner, EHIO, to implement the program.

III. Intervention

Wealth Ranking for Beneficiary Selection

Participatory poverty analyses were undertaken to identify the most vulnerable households. Wealth ranking was used to map each house in the village in terms of access to, and availability of, resources—financial, physical and social. Families were categorized from “rich” to “poorest.” It was ensured that the majority of households participated in the ranking exercise. The beneficiary lists were cross-verified with government records, which eliminated some families and included others. A total number of 1,267 households were supported within the two districts.

Household Economic Planning

Initial discussions with participating households revealed many regularly accrued debts to supplement their limited income, and they often had unplanned expenditures, resulting in inefficient use of their resources. In addition to direct cash transfers, Mercy Corps trained beneficiaries in Rasht Valley to develop household income and expenditure plans.

Economic Planning Training

In the Sughd region, EHIO provided economic training for one member of each participating household. In the rural villages of Zafarabad, beneficiaries received guidance from EHIO on how to use cash productively, specifically on how to steer their income towards income-generating activities rather than spending only on consumption.



A Mercy Corps team member conducts economic planning training.

Disbursement

The banking system was chosen for disbursement of the cash transfers. In Rasht Valley, transfers were made through individual bank accounts, newly-opened at First MicroFinance Bank. Some beneficiaries benefited from the assistance project team members provided them in securing government-issue identification, essential to opening their bank account.

In Sughd, EHIO had not budgeted for the additional expense of individual accounts and the process of providing documentation, so individual accounts were not opened. AgroInvest Bank opened one account and distributed the cash transfers according to a detailed beneficiary list provided by EHIO. Those unable to visit the bank due to old age or disability received the cash in their own homes through visits made by bank officials, along with project team members and community members.

IV. Results Measurement

Post-distribution surveys were conducted among a random sample of 42 recipient households. The survey reported the recipients' experiences with the overall process. All survey respondents expressed confidence in the use of the banking system, yet half reported minor peripheral issues in withdrawing their funds. For instance, some were inconvenienced by the distance to the bank and having to pay relatively high transport costs. One hundred percent received the full amount of their cash transfer; none reported having faced extortion or tax-related repercussions as a result of receiving cash assistance.

After receiving financial planning training, beneficiaries in Sughd reported using a portion of their cash transfer to generate future income by investing in microenterprise ventures. One man reported he finally understood he could, "use money to generate money." Final monitoring of actual expenditures compared to household plans revealed that, although livelihood assets were the biggest planned and actual expenditure, more money was spent on food than had been anticipated. On a scale of 1 to 5, interviewees unanimously rated the program in terms of how useful it was to them as a 5, extremely useful.

V. Best Practices/ Recommendations

- By utilizing two different methods of banking, the project team determined, while the process of opening individual bank accounts was more time-intensive, it provided greater transparency and security. If feasible, **it is recommended that individual** (rather than group) **bank accounts are used.**
- If the intervention is meant to contribute to financial inclusion, it is important **to measure the on-going use of bank accounts by beneficiaries.** It is also recommended this monitoring be incorporated into future programs which use financial institutions as the disbursement mechanism.
- **Training methods had an impact.** In general, beneficiaries who were trained in income-generation activities used a portion of their transfers towards this activity. Beneficiaries should not only be properly sensitized to the program, but should also receive some financial education.
- Wealth ranking was an effective method of selection. It allowed the communities to decide which households were the most vulnerable and to define the classification within the local context. When feasible, **participatory processes for beneficiary targeting are recommended.**
- **Cash was preferred** over the distribution of food or non-food items. This allowed beneficiaries to choose their own livelihood strategy.
- A single program can produce a complex range of benefits, which promotes the transition from relief to development. This can be achieved in less than one year, as it was in this program, with the **development of community organizations and a focus on community infrastructure projects.**

For more detailed information on this program and its impacts, please refer to the following documents:

Report Field Visit, Winter Freeze Assessment

<https://mcdl.mercycorps.org/gsd/docs/Gates08TajikistanWinterFreezeAssessment.pdf>

LRP First Quarterly Report

<https://mcdl.mercycorps.org/gsd/docs/Gates08TajikistanLRPWinterqrMarJune08.pdf>

LRP Second Quarterly Report

<https://mcdl.mercycorps.org/gsd/docs/Gates08TajikistanLRPWinterqrJulySep08.pdf>

LRP End of Program Report

<https://mcdl.mercycorps.org/gsd/docs/Gates08TajikistanLRPWinterFinalRep.pdf>

Final Evaluation of the Livelihood Recovery Programme

<https://mcdl.mercycorps.org/gsd/docs/Gates08TajikistanLRPWinterFinalEval.pdf>

5. Mercy Corps Indonesia

UK Department for International Development

WASH and Shelter Vouchers for Emergency Relief in Sumatra Barat (October 2009 – January 2010)

Commodity Vouchers

313,511 GBP or ~ \$489,673

I. Context

The West Sumatra earthquake, on September 30, 2009, measured 7.6 magnitude and destroyed houses and other infrastructure in the Padang Pariaman district. Confirmed fatalities exceeded 700 people. Over 100,000 homes were severely damaged, and another 100,000 suffered moderate or slight damage. Essential infrastructure had also incurred substantial damage. Mercy Corps was at the forefront of a coordinated joint assessment by a consortium of NGOs, along with OCHA and local government, and was well-positioned to implement effective and time-sensitive disaster relief programming to the worst-affected communities. Mercy Corps responded in all five disaster affected-districts. Through a two-year disaster risk reduction program, we also targeted emergency assistance in two districts where we had ongoing programming.

Mercy Corps has worked in Indonesia since 1999. We address the root causes of poverty and improve the quality of life for urban and coastal communities affected, not only by hazards and conflicts, but by ongoing and entrenched barriers to economic development.

II. Interventions

The Mercy Corps WASH and Shelter Vouchers for Emergency Relief program was created as part of a larger emergency program funded by DFID, which included the distribution of reconstruction kits, rainwater harvesting kits, hygiene kits, and hygiene promotion activities. The shelter component had two phases: the first was the distribution of reconstruction kits, and the second phase was a follow-up distribution of vouchers for shelter material.

While households did not have sufficient funds to fix or rebuild their entire house, vendors selling construction material in the area were open for business. Mercy Corps designed an intervention to provide commodity vouchers for building material, such as roofing, plywood, nails and cement. Vouchers supported the reconstruction of homes, but they also boosted the economy by involving local vendors.

The voucher program provided beneficiaries with flexibility to choose the building materials they needed, as not every household had the same needs. The building material vendors benefited from the program with daily sales during the voucher redemption period 300% above normal sales figures.

III. Implementation

The criteria for household selection were based upon the damage classification of the main living structure, as established by the district government. Houses eligible for participating in the voucher program were classified as 'Badly Damaged' in the two target sub-districts. The government verified their data from the district level to the local level, and Mercy Corps verified a smaller selection of houses. Additionally, Mercy Corps performed an assessment of the

market situation. Initially, 5,000 households were to be targeted, but after the market assessment and data verification, the final number of beneficiary households was revised to 4,138.

Vendors were chosen for their location and their ability to provide the most-demanded goods. Out of 15 vendors invited to participate in the voucher program, seven vendors agreed to participate—three in one community and four in the other. Each vendor was verified to have the capacity and the supply to provide necessary building materials for the number of beneficiaries in their area. A Memorandum of Understanding (MoU) was signed with each vendor outlining the terms. One member from each household received a booklet of nine vouchers, worth IDR 700,000 in total, roughly \$74. Two denominations (IDR 100,000 and IDR 50,000) were provided for flexibility in purchases. To avoid fraud, the creation and the distribution of the vouchers involved security precautions at every stage. These included having the vouchers printed in Jakarta on watermarked paper, producing the vouchers in sealed packages, and limiting access to the vouchers until the time of distributions.



Vouchers were color-coordinated based upon their value.

Mercy Corps held several meetings with community heads to discuss the voucher program in their area. Data regarding the extent of damage to houses was verified, and Mercy Corps explained the distribution and redemption processes.

Vouchers were distributed at seven distribution points, divided between the two districts. From a total of 4,138 vouchers prepared for distribution, only five were unclaimed. Beneficiaries were required to show an approved form of identification to claim their voucher, and under certain conditions, vouchers could be collected by beneficiary representatives. During distribution, the head of each village stood with Mercy Corps staff to oversee the process.

Beneficiaries were given five days to redeem their vouchers with the pre-selected vendors. Mercy Corps teams were stationed at each vendor's store to verify the validity of the vouchers presented. Shopkeepers recorded sales on carbon copy receipts, giving a copy to beneficiaries and another to Mercy Corps.

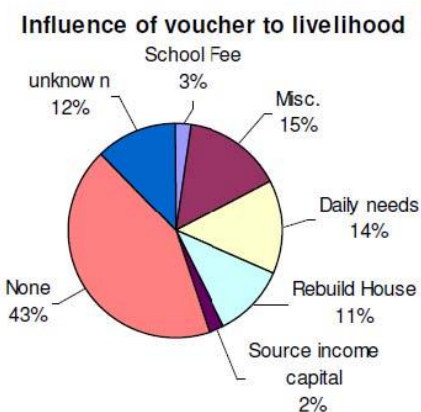
Beneficiaries had two options at the time of redemption: to take possession of their purchases

immediately, or to leave the items with the vendor for collection at a later date. Many beneficiaries chose to leave their goods with the vendor, as they were not prepared to rebuild or repair their homes during the redemption period. In a few cases, vendors had run out of supplies or were too busy to prepare the goods for delivery during the redemption period. The flexibility was beneficial to both the vendors and households.

Vendors were paid through bank transfers, which were meant to be completed three working days following the redemption period. As no vendors used the same bank as Mercy Corps, the inter-bank transfer took longer than originally anticipated. Also, the redemption period occurred over a holiday weekend, and the bank transfers did not happen until the banks reopened.

IV. Results Measurement

Mercy Corps conducted an impact assessment in two villages, which analyzed the effect of the program on beneficiaries and vendors. Information was collected from 10%, or 410, of the



program’s beneficiaries through the use of a standardized survey. Overall, the program was well-received by the community. Building material prices were identified as normal by 97% of those surveyed. The majority of beneficiaries purchased corrugated iron sheeting for its ease of use and long-lasting properties. Cement was also commonly purchased, though often left with the vendor for dry storage until ready for use by the household.

Three months after the program’s completion, only 41% of those surveyed had used all of the material purchased through the voucher program. Many were storing the materials themselves; a few had left their materials with the vendor for later use. Fifty-nine percent of respondents reported they would not start repairs on their homes until

six months after the earthquake, while 38% were in the process of repairing their homes.

One objective of the impact assessment was to measure the effect of the program on household income and spending. Forty-three percent did not experience a significant change to their spending patterns. Fifteen percent indicated the money they would have allocated to building materials was instead used for consumption needs, as the vouchers supplied the needed building material. Some used their newly-available cash to purchase additional building materials, cover school fees or supplement their income.

V. Best Practices/ Recommendations

- Given the short time frame of the program, Mercy Corps transferred the responsibility of beneficiary sensitization to the community leaders. While this saved time, it had an impact on the program, as beneficiaries did not fully understand the terms and conditions for voucher redemptions. While these issues were addressed, it became clear that **more time should be spent on the sensitization process** in order to avoid misunderstandings between Mercy Corps, vendors, government officials and beneficiaries.
- The data used by Mercy Corps was from the local government level, and it had been

verified by the government at the district level, sub-district level, village level and sub-village level. Despite the verifications, some heavily-damaged houses were not included. This oversight and Mercy Corps' lack of independent verification of 100% of households left out some households in need of assistance while including others with less damage. **Independent data verification is essential** as government data is not always correct.

- The voucher redemption days took place during three holidays. This primarily affected reimbursement payments to the vendors, as banks were closed on those days. Vendors were also hindered when their inventory was low, as the larger suppliers in Padang were closed for the holidays and unable to deliver additional supply. The **timing of future programs should pay close attention to any events or holidays** which could impact implementation.

For more detailed information on this program and its impacts, please refer to the following documents:

Final Report: WASH and Shelter Vouchers for Emergency Earthquake Relief in Sumatra Barat

<https://mcdl.mercycorps.org/gsd/docs/DFID2009IndonesiaVouchersFinalR.pdf>

West Sumatra Emergency Response Voucher Program Summary and Impact Assessment Report

<https://mcdl.mercycorps.org/gsd/docs/WestSumEmerVchProgSumImpactReportPanjitresnaArief.pdf>

Inter-Agency Impact Assessment of the Cash Transfer Programs in West Sumatra

<https://mcdl.mercycorps.org/gsd/docs/InterAgencyImpactAssessmentCTPwSumatra.pdf>

ANNEX H: **ASSESSMENT/ANALYSIS TOOLS**

Needs Assessment

SRGE Rapid Assessment Tool (2011):

<https://mcdl.mercycorps.org/gsd/docs/SRGERapidAssessmentTemplate.xls>

An easy, rapid needs assessment tool created by the Strategic Response and Global Emergencies Team (SRGE) that can be built upon and/or modified depending upon your local context. As currently constructed, this tool touches on all sectors. It can be adjusted to concentrate on those most relevant to you.

MIRA (Multi-cluster/Sector Initial Rapid Assessment) from OCHA/IASC (2012):

https://docs.unocha.org/sites/dms/CAP/mira_final_version2012.pdf

A complicated tool; despite this, we include it here because it gives a great overview of how and why to conduct a thorough needs assessment, as well as the secondary review (excellent best practice!). Although presented as a tool that can be carried out in as little as 72 hours, this is unrealistic for Mercy Corps given our team sizes and the geographic areas we are often asked to cover.

SRGE/MC Iraq Needs Assessment Tool (2013):

<https://mcdl.mercycorps.org/gsd/docs/NeedsAssessmentToolIraq.xls>

A needs assessment tool used by MC Iraq for the Syria response. This is an example, not a template. We include here because it is a comprehensive needs assessment questionnaire done via iFormBuilder (to allow electronic data collection via tablet or smartphone.) Teams would need to adapt this for their individual use, but it serves as a great example of what types of questions to ask during your assessment. When drafting your questions, note that some may require follow-on questioning to get at why something is happening. For example, if one question asks, “Are you able to access credit to purchase goods?” the next question may ask, “Why or why not?” Answers to these follow-on questions will help you understand that vendors only give credit to family, that certain ethnic groups may not be able to access credit, etc. It is critical to understand both the “what” and the “why.”

ACF’s Identification of Vulnerable People in Urban Environments: Assessment of Sustainable Livelihoods and Urban Vulnerabilities (2011):

<http://www.actionagainsthunger.org/publication/2011/02/identification-vulnerable-people-urban-environments-assessment-sustainable>

This is a complicated tool and would be too complex to pick up quickly in an acute (rapid onset) emergency. It is best to familiarize yourself with it before a crisis if you think you may want to

use it, because it can take some time to process. Teams could even try gathering some of this information for regular programs or for a baseline for a crisis. Page 53 onwards includes the template.

Market Analysis/Assessment

ICRC Rapid Assessment for Markets (RAM):

<https://mcdl.mercycorps.org/gsd/docs/ICRCRapidAssessmentforMarketRAM.pdf>

Building off EMMA, this rapid market assessment tool is meant to be carried out over 4-5 days, rather than 3-4 weeks. It was created by the International Federation of Red Cross/Red Crescent Societies in August 2013. Since it was just unveiled, there is not yet internal expertise.

ICRC Market Assessment Guidelines (MAG):

<https://mcdl.mercycorps.org/gsd/docs/ICRCMarketAssessmentGuidanceMAG.pdf>

The Market Analysis Guidance (MAG) suggests processes and tools aimed to integrate market analysis into the different phases of the project cycle, taking the existing Red Cross and Red Crescent (RC/RC) Movement's technical documents into account whenever possible. The MAG was commissioned and developed together with the RAM (see above), which is designed to provide a quick, basic understanding of markets within the first few days of a shock. The MAG gives continuity to the RAM, allowing for more detailed analysis and providing a more solid foundation for making market-related program decisions. The time span of the MAG extends from two weeks to one year post-crisis.

Emergency Market Mapping and Analysis Toolkit (EMMA) (2010):

<http://emma-toolkit.org/>

The current version of EMMA was launched in 2010 funded by USAID/OFDA. EMMA was designed as a tool that can be used by non-experts in the field after a rapid onset emergency to quickly analyze and better understand the local market system in order to more effectively determine appropriate response options, including CTP. A typical EMMA can take 2-5 weeks to implement, depending on the number of sectors assessed. While the complete EMMA can only be managed by a trained EMMA lead, many of the individual tools are useful for needs and market assessments. In 2011, a Leader's Guide was released with best practice tips to assist EMMA leads with implementing this tool in the field. If your country wants to complete an EMMA, please contact the Economic and Market Development Team for a list of EMMA leads: <https://thehub.mercycorps.org/node/1191>

LRP Learning Alliance MARKit Toolkit:

(The MARKit is still under development and expected to be published in December 2013. An informational paper can be requested from the EMD or FHN TSU teams.)

Markets, particularly in crisis situations, can be volatile. Major changes in food prices risk undermining even the most well-planned food security interventions, inadvertently causing harm. Recognizing the potential for market impact, local regional procurement (cash, voucher and local purchase) food assistance programs regularly collect price information for key commodities. Yet many programs lack the capacity to analyze prices, limiting real time decision-making and response. While substantial investments have been made to build market assessment and analysis into project design, there are few resources to support market monitoring. Designed for use by field staff, MARKit is a toolkit to help program managers set up a market monitoring system for cash, voucher, local purchase and traditional food assistance programs to (a) improve food security outcomes and (b) ensure Do No Harm.

Economic and Market Development Technical Support Unit (EMD TSU) Market Analysis Resource Guide 2013):

Resource Guide: <https://mcdl.mercycorps.org/gsd/docs/MarketAnalysisResourceGuide.pdf>

Market Analysis Resources:

<https://mcdl.mercycorps.org/gsd/docs/MarketAnalysisResources.xlsx>

The EMD-maintained Market Analysis Resource Guide – and corresponding spreadsheet – is a list of market analysis tools and resources vetted by Mercy Corps' Economic and Market Development Team. They are updated and evaluated on a quarterly basis, and categorized based upon the Diagnostic Framework common to Making Markets Work for the Poor (M4P) approach. (The spreadsheet includes many of the assessment tools highlighted here.)