

Recommendations and key messages

Learning event on risks linked to CVA – Protection of beneficiaries 29 October 2019, Douala, Cameroon

The vast diversity of risks and negative experiences shared by the workshop participants illustrated the following key facts:

- Cash and Voucher Assistance (CVA) can, in some cases, exacerbate risks inherent to humanitarian aid as well as generate specific risks that need to be better anticipated and addressed.
- In certain countries, CVA can catalyze Governments' resistance to humanitarian aid. The government then sometimes use the risks to try to access sensitive data (distribution schedules, beneficiary lists, etc). This resistance, which is particularly strong in areas where armed groups operate, is fueled by the lack of evidence on risks associated to other modalities of assistance. Yet these armed groups have sometimes themselves the control the in-kind distributions, which feed their economy. They put in place aggressive tactics to undermine assistance through CVA for a return to in-kind.
- CVA suffer from overall weaknesses of the humanitarian system, like other modalities of assistance, and we must avoid blaming them for what they only highlight. The extensive control systems being applied to CVA do render risks of fraud and protection more visible. This is positive and we must work to address these risks through the humanitarian system rather than trying to park them as linked to an assistance modality only. The role of coordinating bodies (CWG and HCT) is critical to ensure risks are documented, mitigation measures and effective control systems are put in place, and that issues are raised to the appropriate level (HQs, donors, etc.), for all assistance modalities.

Main tensions related to risks in CVA:

In the different contexts presented (Mali, Cameroon, Nigeria, CAR, Niger, DRC), while CVA are sometimes the only option for assistance delivery, participants have reported major operational dilemmas between the "Do no harm" and humanitarian aid continuity. In some cases, beneficiaries actually turn down assistance because it puts them in danger (fear of retaliation).

In addition, mitigation measures across the various risks associated with CVA can sometimes contradict each other. This explains why there are only very few replicable «good practices». However, the understanding and knowledge of these main tensions can help actors in the field make the most adequate programmatic choices according to their context. They can gauge on which side of the spectrum their context

stands and thereby keep in mind the risks they need to be more careful about.

- Sharing information with local authorities, particularly on targeting, can reassure them of the interventions' appropriateness in areas controlled by armed groups, but sometimes the same can give way to fraud and pressuring.
- Negotiating access and aid continuity often requires intermediaries, but each intermediary itself increases the risk of abuse of beneficiaries.
- Diversifying Financial Service Providers (FSPs) can help address abuse (more difficult in the case of a «monopoly»), but this is provided that one has the necessary resources to closely manage the relationship with these FSPs.
- Delegating responsibilities to FSPs with expertise (registration, reporting, etc.) can ensure a quicker and more transparent assistance delivery but can also disconnect the humanitarian organization from the beneficiaries and give FSP agents too much power without them being properly accountable to beneficiaries.
- How to define the «effectiveness» of the complaint mechanism? Is it a complaint mechanism which is most accessible by the beneficiary or one that allows most responsiveness from the humanitarian organization? Diversification of complaint mechanisms is good if they complement each other and allow a quick and appropriate response.
- Have a turnover of staff regularly can help reduce collusion risks but brings additional training and communication challenges with the beneficiaries.
- Gender issues, and the protection of women in particular, get a lot of attention, but rarely result in contextual analyzes and documentation on proven risks linked to CVA. Some specific cases from other countries are often used for program design when the context reality might show an opposite trend.

Cross-cutting recommendations to address persisting bad practices:

- Apply the same analysis and control measures to CVA and in-kind distributions, to provide evidence on risks associated with the different assistance modalities (targeting, impact on social cohesion, fraud and diversion, and violent pressures between stakeholders (staff, local authorities, armed groups, beneficiaries).
- Ensure integrated risk analyzes are conducted (support

functions and program), by modality and transfer mechanism (mobile transfer/cash/vouchers), that include consistent gender and context analyzes (including socio-economical), in collaboration with protection, gender experts and organizations working on peaceful resolution of conflicts. Dedicated and timely funding will facilitate the conduct, and regular update, of such analyzes.

- Strengthen the documentation of risks, measuring their frequency and impact, including mitigation measures in monitoring and evaluation plans, and strengthen internal audit.
- Strengthen complaint mechanisms with timely and adapted training of committees and beneficiaries, offering a variety of tools (known by beneficiaries) and allowing risk anticipation rather than reaction.
- Strengthen project communication with beneficiaries and community leaders, including on the role they can play in mitigating the protection risks to which they are exposed and the roles and responsibilities of the organization/FSPs and other intermediaries.
- Strengthen regular communication with FSPs (from project design throughout implementation, including at the decentralized level in the implementation areas and with subcontractors), on roles and responsibilities, the accountability matrix, while maintaining independent controls (regular PDMs).
- Reduce the disconnect between the teams (HQ, country office) who are most knowledgeable of the tools and good practices, who design programs and contract FSPs, and the field teams who implement (not informed enough about the projects content, the contractual clauses with the FSPs, the protocols of data management, the risk matrix, etc).
- Overcome competitiveness between organizations that hinders information sharing, evidence building, research and lessons learned. Donor support is crucial in valuing learning and experience sharing.
- Minimize the distance and intermediaries between the beneficiary and the transfer, which increases the risks of protection and risks of abuse and fraud.
- Develop flexibility to change a transfer mechanism, from one modality to another depending on contextual and operational changes, based on a dynamic analysis at the local level and the capacities of the beneficiaries.
- Establish data management policies with standard operating procedures (SOPs) and clearly defined roles and responsibilities as to whom has access/can manage which data. Provide the follow-up/training for these policies to be communicated and applied by field teams and FSPs. Use encrypted data, secure platforms (possibly different from those of the FSPs), collect only the necessary data and do not share them by email.

Specific recommendations:

In addition to common targeting challenges, CVA can create additional fraud risks in the identification of beneficiaries by the humanitarian organization's staff and FSPs, trying to get a share of the transfer (diversion of mobiles phones, Sim card trafficking, agreement between or pressure on beneficiaries or retailers, printing fake vouchers ...).

- See what can be delegated to the FSPs with a clearly defined accountability matrix.

- To avoid collusion between beneficiaries and field agents, the distribution and attribution of sim cards (original and in stock), of vouchers, etc must be managed by authorized persons within the humanitarian organization who are the ones in contact with the FSPs for the attribution of numbers.
- To prevent the addition of numbers (and hence beneficiaries), including by the staff, obtain a series of numbers specific to the program with the mobile network operator e.g. always the same four first numbers.
- Develop SOPs with clear division of tasks between the targeting and M&E teams.
- Strengthen and diversify complaint mechanisms taking into account beneficiary capacities.
- Strengthen monitoring and internal control systems (including HR).
- Inter-agency coordination e.g. between the implementing organization and the organization managing the registration/distribution site: clarify information to be shared and the persons authorized to access data.

Work with intermediaries (FSPs, mobile operators, traders) for CVA interventions adds more risk and hence a stronger need for controls. Some of the following key clauses should be included in contracts to facilitate work with these partners and reduce risks:

- *Set currency exchange rates.*
- *Clarify size of bills to be provided to the beneficiaries.*
- *Clarify what the minimum quality of products, items, should be.*
- *Clarify who is bearing the costs along the way (agent or beneficiary/organization).*
- *Include an accountability matrix, which also renders accountable subcontractors and decentralized agents, ensures their respect for beneficiaries, etc.*
- *Include clear roles and responsibilities (platform management and beneficiary data).*
- *Set a transfer schedule to ensure availability of cash.*
- *Clarify methods for evaluating partner performance.*

Role of the CWG

- 1) Sharing of bad experiences, of effective mitigation measures, good practices and lessons learned for evidence building.
- 2) Develop cash country profiles by area of CWG coverage including joint risk analyzes, by transfer mechanisms, including effective mitigation measures shared by CWG members, and contextual specificities useful for protection and acceptance. Update regularly and share with the actors wishing to implement CVA.
- 3) Connect the CWG and its members with experts from other sectors (Protection, Gender, Think-tanks, conflict resolution) to capture their expertise and better inform CVA intervention design.
- 4) Provide evidence to the HCT, work with the HCT on advocacy for advocacy on better access, in particular in cases where Governments have been blocking CVA.
- 5) Continue transfer value harmonization efforts and coordination of communication of these values to beneficiaries. ■