WORKING WITH MARKETS AND CASH
STANDARD OPERATING PROCEDURES AND GUIDANCE NOTES

October 2013

Humanitarian Department, Oxfam GB
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Definition of key terminologies used in these SOPs:

Cash transfer modalities
Refers to the different types of cash transfer programmes i.e. cash grants (conditional as well as unconditional), cash for work and vouchers (cash/ value and commodity).

Cash payment mechanisms
Refers to the financial system utilised for making payment to beneficiaries eg. Banks, post office, micro finance institution, remittance company etc.

Cash delivery instruments
Refers to the instrument used for making the actual payment of cash to the beneficiaries eg. Bank cheque/ draft, postal order, direct cash, smart card, mobile phone etc.

Cash/Value voucher
A paper or plastic card that can be exchanged for cash or commodities up to a certain amount/value at specified local shops/traders. The traders are paid by the contracting agency upon production of these vouchers or evidence of exchange between the trader and beneficiaries

Commodity voucher
A paper or plastic card that specifies the commodities (and sometimes their amounts/numbers) that can be exchanged against the voucher from specified local shops/traders.

Cash grant
A sum of cash given to beneficiaries at a regular interval over a period of time or paid in lumpsum. Cash grants can be unconditional also, especially if the grant is given to ensure beneficiaries are able to meet a range of needs.

Cash for Work
Refers to a form of conditional cash grant that requires beneficiaries to fulfil the condition to ‘work’. Cash for work is different from employment generation because the primary purpose of cash for work is to transfer income/resource to people and ‘work’ is a secondary purpose or a means to achieve the primary purpose.

Partners or Implementing Partners
Refers to those agencies Oxfam plans to implement (including local NGOs / CSOs) in a humanitarian response and with whom Oxfam has signed a ‘Partnership Agreement’. This does not include private sector actors used for delivering cash or in-kind goods to beneficiaries or to local partners.

Market Assessment/analysis
The process of assessing and understanding the key features and characteristics of a market system so that predictions can be made about how prices, availability, and access will develop in future; and (in the case of EMMA) decisions made about whether or how to intervene to improve humanitarian outcomes.

Market Baseline
Critical information on the existing market system, i.e. market environment – institutions, rules, norms and seasonal and historic trends in availability and prices; market chain – market actors their numbers & volumes they trade in and their linkages and power relations; and key infrastructure inputs and market support services. This also includes information on differential access and control of women and men on different parts of the market systems at different times as consumers and as producers.

Market Mapping
Pictorial representation of the market system and its analysis.

Market
Any formal or informal structure (not necessarily a physical space) in which buyers and sellers exchange goods, labour or services for cash or other goods. The word ‘market’ can simply mean the place in which good or services are exchanged. Markets are sometimes defined by forces of supply and demand, rather than geographical location e.g. “imported cereals make up 40% of the market”.

Market system
A market system is a network of market participants or actors, many buyers and sellers – not only one chain – supported by infrastructure and services, interacting within a context of institutions or rules that shape the actors’ trading environment. A market system involves a market or value chain, the market services (e.g. transport, finance, information, extension services) provided to support the chain, and the environment (e.g. infrastructure, natural or policy environment) that enables or disables the functioning of the chain.

Market monitoring
The process of collecting information on pre-identified indicators on the functioning of the market system based on a time schedule, i.e. weekly, bi-monthly, monthly etc.

Gender analysis
An analysis of power relations between the social category of women and men in the context of relevant institutions, i.e. family, community, religion, state and markets. Such analysis enables in understanding differential roles; rights, access and control over productive assets; decision making powers of women and men and opportunities/spaces to change power dynamics.

Social Relations analysis
A study of society that analyses the location and movement of power between different social groups i.e. men, women, elderly, children, ethnicity, sexual orientation etc and institutions i.e. family, religion, state, markets.

Pure Trader
Pure Traders are those which are acting only as suppliers of either goods or services to Oxfam, but who are not also beneficiaries to our intervention and project activities.

Beneficiary Trader
Refers to small and medium local traders that are identified as also impacted by the humanitarian crisis and whose recovery can strengthen market functioning and increase the availability of basic goods and service for the target group.
Introduction

In the past decade and specifically since 2009, Oxfam’s humanitarian portfolio has seen a significant growth in the use of cash and vouchers as a response tool. In 2009, CTPs were merely 2.5% of the overall humanitarian spend in OGB. Over the years, cash and voucher programming has become an established response option for the EFSVL sector and since 2010 onwards, CTPs are regularly considered as one of the response options within WASH and shelter sectors. Evidence points to a similar trend in other INGOs and UN agencies.

As a humanitarian tool, cash and vouchers have a great potential to change the way humanitarian aid is delivered to respond to the multiple and diverse needs of crisis affected women and men. As cash transfer programmes continue to grow within Oxfam and are no longer considered as small pilots, it is important to lay down procedures that will ensure consistency of process and clarity of roles and responsibilities of all members of the response team.

Purpose of these SOPs & process

The purpose of these SOPs is to provide humanitarian teams, across the different departments and sectors, a structured overview of how CTPs can be designed and implemented within Oxfam’s humanitarian programmes. It is meant to improve the working of a team by giving direction on key roles, responsibilities and steps to be undertaken to ensure a timely and quality CTP through the project cycle. It also meant to give a common understanding on what is the “good enough” process to follow during an emergency response. By doing so, they are intended to give greater clarity and confidence to humanitarian teams to implement CTPs and ensure improvement in critical management responsibilities.

These SOPs are not designed to replace existing policies and procedures in Oxfam. Specifically, it may be noted that these SOPs do not replace the “Finance guidelines on cash transfer programming” that were developed in 2011. In fact, they complement the finance guidelines by providing the mandatory procedures for humanitarian teams to follow for implementing a CTP. The finance guidelines go into greater detail on the processes for ensuring compliance to finance standards and should be referred for additional technical and financial guidance. There are a few areas where the finance guidelines and SOPs do not match e.g. some roles and responsibilities. In such cases the SOPs will take precedence over the finance guidelines because these SOPs incorporate the learning generated from the application of finance guidelines in humanitarian contexts.

These SOPs are designed for humanitarian response programmes only and may not be relevant for development programming. Although these SOPs are written for use by Oxfam GB, they can be useful to OI affiliates as well and can be used in joint responses. As such, these SOPs have been developed in consultation with all the different departments/teams involved in a humanitarian response with a view of making CTPs more timely and efficient. The process of developing these SOPs included detailed interviews in March/April’13 with region, country and HQ based humanitarian staff. A core group comprising Technical/Programme, Logistics, Finance, Programme Management, Security and Gender teams was set up to provide regular and theme specific inputs to the SOPs at different stages of its development. The draft SOPs were shared with HSPs during and after the HLF in May 2013 to elicit detailed feedback.

Scope

Cash and vouchers are tools/instruments to achieve desired goals and not outcomes in themselves. These SOPs will look only at what is specific to CTPs with general references to the expected steps of the humanitarian programme design and implementation, as described in Oxfam humanitarian dossier and handbook. This document is not a technical document either and therefore it is not within the scope of the document to give guidance on specific technical issues. However, the document refers humanitarian teams to guidance documents and support mechanisms for specific details on specific themes e.g. targeting or market assessment.

These SOPs are applicable during preparedness planning/analysis and use in emergency responses following rapid-onset disasters or slow-onset chronic humanitarian situations. They cover the whole project cycle from the preparedness phase to the exit. The transition period is covered in the exit part. These SOPs indicate the steps to be followed for the design and implementation of CTP, whether implemented directly by Oxfam or by a partner. If implemented by a partner, the capacity of the partner to implement a CTP will need to be assessed prior to any agreements and relations managed in-line with the OiB partnership policy. The PM of the humanitarian programme should identify a focal point (ideally the CTP team leader in the country) to work closely with the partner team to ensure the different steps described in these SOPs are implemented. More details can be found in the partner section of the SOP.

Cash interventions can take numerous forms, for the purpose of the SOPs, the term CTP refers to the following cash transfer modalities:

- Cash Grant (conditional or unconditional)
- Cash-for-Work (CFW)
- Commodity and Cash Vouchers (commodity or value / cash)

Target audience

These SOPs are relevant for all sectors and teams that are directly or indirectly engaged in humanitarian response. They target the technical sectors (WASH, EFSL, MEAL, gender, protection and security), the support departments (Finance, Logistics, Funding and Audit) and shall give the managers and humanitarian coordinators an overview of the shared responsibilities to help coordinate the CTP response. These SOPs stipulate that the humanitarian team for CTP responses must comprise: a Finance Manager/Officer, a Logistic Manager/Officer, a Technical/Cash Team Leader and a Programme Manager/Humanitarian Coordinator. The levels of the roles must be defined based on the categorisation of the crisis and the complexity of the CTP. However, in all contexts the ‘CTP core team’ must include staff from Finance, Logistics, Technical/ Programme and Management functions. For the cross-cutting issues such as gender and security, there should at least be a country focal point on which the CTP core team can rely for support. It will be the Programme Managers responsibility to ensure that the cross cutting issues are appropriately addressed in CTPs as and when relevant. Obviously teams will differ in structure and competencies, depending on the scope, scale and location of the emergency response.

These SOPs are written for all humanitarian staff at HQ, regions and countries who are involved in the design and implementation of humanitarian interventions.

How to use these SOPs

These SOPs follow the project cycle management format i.e. Preparedness, Assessment & Design, Implementation, Monitoring & Evaluation and Exit. They comprise sections that will help the reader to find all the necessary information on CTPs:

- Flow charts on Market systems and scenarios for CTPs.
- Responsibilities of the CTP core team and key questions for every step of the PCM. These are handy charts that can be printed and easily shared.
- Detailed SOPs for reference on roles & responsibilities and necessary steps in each step of the PCM. In addition, this section points the reader to relevant documents and support services to address specific challenges/issues. It contains tables with information that can be printed and downloaded to give a quick snapshot on relevant topics.
- Annexes: This section presents ready for use templates/formats, important reading during design and implementation of the CTP.

It is recommended that the CTPs be read in full by all humanitarian staff prior to a crisis. Different elements of the SOPs can then be pulled out for reference during an emergency. It may be noted that these are mandatory procedures and therefore they must be followed in all CTPs.
WORKING WITH MARKETS AND CASH
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WORKING WITH MARKETS AND CASH

Figure 1: Market systems and scenarios for CTP

Key processes for shopping access
- Partnership agreement
- INGO/Implementing agencies
- Local/Community coordination
- Beneficiary coordination
- Beneficiary coordination

Delivery process
- Cash delivered to beneficiaries
- Local trader(s) supply
- Support to selected local traders who supply

Delivery agent
- INGO/
- Partner NOT trader
- Beneficiary

Process
- Competitive
- Decentralised
- Beneficiary

Figure 2: Summary of responsibilities of CTP core team in designing and implementation of CTPS

Designing and Implementation of Cash Transfer Programming

- Identifying
- Co-ordination
- Final
- Co-ordination

Risk analysis
- Needs assessment
- Baseline with logs
- Gap analysis

Feasibility
- Pre-agreement
- Direct distribution

Market assessment
- Data
- Risk analysis
- Targeting & registration
- Forecasting

Preparation
- Setting up
- CTP
- CTP modality
- CTP

Security
- Security
- Security
- Security

Supporting modality
- Support for beneficiaries
- Beneficiary selection
- Beneficiary selection

Necassities
- G1 Cash Grants
- G2 Vouchers
- A1 Cash Grants
- A2 Cash grants &
- A3 Vouchers

Red Channel
- Local Area Market
- Local Area Market
- Local Area Market

Green Channel
- Local Area Market
- Local Area Market
- Local Area Market

Amber Channel
- Local Area Market
- Local Area Market
- Local Area Market

Sustaining:
- Sustaining
- Sustaining
- Sustaining

Coordinating:
- Coordinating
- Coordinating
- Coordinating

Partner capacity
- Partner capacity
- Partner capacity
- Partner capacity

Delivering:
- Delivering
- Delivering
- Delivering

Evaluation
- Evaluation
- Evaluation
- Evaluation

Monitoring
- Monitoring
- Monitoring
- Monitoring

Regulations
- Regulations
- Regulations
- Regulations

Policy
- Policy
- Policy
- Policy

Partners:
- Partners
- Partners
- Partners
Figure 3: CTP in Programme Cycle Management

**CONSIDER: PREPAREDNESS**
- Have you completed the preparedness steps?
  - Have you completed the needs assessment (separately with women and men)?
  - Are markets and security assessment done?
- Have you made a decision cash and/or in-kind for combination of both?
- Have you selected a CTP modality (or combination)?
- Have you selected a payment mechanism and instrument?
- Do you have a complete CTP core team for implementing CTPs (i.e. PM, Logs, Fin and Prog)?
- Have you communicated the decision to your team, community and local authorities and other affiliates?
- Have you decided the implementation framework? Will it remain be operational or work through partners?
- Have you included all justifications and necessary costs (including HQ and regional support costs) in your proposal?
- Have you developed and set up MEAL and Exit plans?

**CONSIDER: ASSESSMENT AND DESIGN**
- Have you done the CTP risk assessment?
- Do you have a baseline (including market baseline)?
- Is there a gender and social relations analysis in-country?
- Is the humanitarian team (including local partners and affiliates) trained to design and implement CTP?
- Have you access to recent partner capacity assessments?
- Are you part of any coordination mechanisms that can potentially lead on CTP coordination?
- Do you have a list of potential third party for CTPs and have you worked out any pre agreements with them?
- Do you have access to learning from previous CTPs in the country?
- Do you have stocks of vouchers, sample contracts/ MOUs etc?

**CONSIDER: IMPLEMENTATION**
- Are all stakeholders aware of your exit plans?
- Have you thought of linking the CTP with other sectors for the long-term programmes (resilience building)?
- In the previous CTP documented and what is the dissemination plan?
- Have you prepared your final narrative and financial report?
- Has the evaluation team done and what is the feedback from women and men beneficiaries?
- How will the learning of this project feed into contingency plans?

**CONSIDER: MONITORING AND EVALUATION**
- Have you set up a confidential complaint mechanism that can be easily accessed by women and men?
- Have you budgeted for a mid-term review and/or RTE?
- Are you monitoring the market, analysing and feeding back the information regularly?
- Have you identified process and outcome indicators for the MEAL?
- Does the Post distribution monitoring suggest a change in strategy?
1. PREPAREDNESS AND CONTINGENCY PLANNING

Inclusion of CTPs in Contingency and Preparedness Planning

STANDARD OPERATING PROCEDURE: INCLUSION OF CTP IN CONTINGENCY PLANNING and Preparedness Planning

Steps:
- Complete a CTP Risk Assessment
- Complete a Baseline Assessment
- Complete a Market Baseline
- Complete Gender and Social Relations Analysis
- Ensure Market Monitoring
- Assess Cash Payment Mechanisms and Suppliers
- Finalise Contingency Plan
- Assess Partner Capacity
- Plan and ensure Capacity Improvement to respond to emergencies – internal
- Plan and Ensure Capacity Improvement to respond to emergencies – partners
- Participate actively in CTP coordination mechanisms
- Document Organisational Readiness for CTP Programming

Guidance Notes on this SOP: Inclusion of CTPs in Contingency and Preparedness Planning

Oxfam’s experience in humanitarian contexts underscores the importance of investing in planning and institutional preparedness to enable country teams to embark on a timely and efficient response.

1.1. CTP risk assessment

As contingency plans become the norm at country level, part of preparedness measures should be to integrate CTPs in the contingency planning and response scenarios. As a minimum requirement, the CTP risk assessment form (Annex 1) should be completed and key questions (below) answered. It may be noted that conducting a risk assessment is good practice in any form of programming, be it cash-based or in-kind programming. The risk assessment should at a minimum consider answering the following questions:

- **Appropriateness:** Is a CTP politically/socially/culturally acceptable by government and communities within the local context? Is a CTP equal or more efficient than in-kind aid to achieve the desired results of the programme? As mentioned elsewhere in the document, cash is a tool, therefore, adequate care must be taken to ensure that CTPs are not implemented as an end in themselves. Is there an analysis of gender and social relations at country level that can contribute to understating appropriateness of a CTP?

- **Feasibility:** Is a CTP logistically possible, timely and cost effective and are there competent partners or availability of service providers (no matter how small they are)? Do local markets have the capacity to supply basic needs / targeted goods in quantity and quality in response to the CTP?

- **Functioning of market system and trends:** What are the trends in the markets and how are they likely to change in case of a crisis? How will a CTP impact (positively/negatively) on women and men and their long term relationship with markets for accessing essential commodities and labour? Is there differential access and control of women and men to the local market systems during different times of the year?

- **Payment mechanisms and controlling fraud:** What are the payment mechanisms locally available that ensure speed and accountability, while reaching all vulnerable groups? How will the risk of fraud be limited? What are the legal provisions related to financial service provision and use in the country? What are the service charges and capacity of these mechanisms to deliver CTPs at various scales (large – above 20,000 beneficiaries, medium 10,000-20,000 beneficiaries and small – below 10,000 beneficiaries)?

- **Security assessment:** Is the payment mechanism safe for Oxfam and partner staff and for the beneficiaries, especially women? How can a CTP be considered as “safe programming” for beneficiaries? What mechanisms can be established to protect sensitive beneficiary information? How will you ensure that women and other vulnerable beneficiaries are protected from exploitation or abuse of power by Oxfam/partner and third party staff?

- **Accountability to beneficiaries and non beneficiaries:** What is the preference of women and men? What mechanisms can be put in place to reduce exclusion error? How will the beneficiaries and non beneficiaries be informed about the programme objectives and targeting mechanism? How will the beneficiary and non beneficiary complaints be addressed?

The above comprise five parts of the risk assessment form. Ultimate responsibility of ensuring the completion of the risk assessment lies in the hands of the Programme Manager or Humanitarian Programme Coordinator.

1.2. Baseline assessment

Baselines are an important aspect of any process to measure change in the lives of women, men and children. They can be used by humanitarian teams to understand the situation before the disaster, the change in entitlements of the affected population and size of the gap in needs. In crisis prone countries the pattern of disaster suggests that particular geographical areas affected by crisis on a periodic basis. This should be the starting point for baseline information collection. While some information can be collected soon after the disaster, most information is best captured before the crisis, especially information related to social relations and market supply chains. As it is likely that the technical team leader and logistics manager may not exist in a country team prior to a humanitarian response, therefore, it is the responsibility of the Humanitarian Coordinator or the PM to ensure that baseline information is collected for the contingency plans. This can be done by requesting the regional or HD advisors for support. Technical team leaders will be responsible for ensuring a baseline assessment is conducted in the early stages of the response.

1.2.1. Market baseline and market monitoring

As part of preparedness and as a component of the baseline assessment (paragraph above), it is recommended to carry out market baselines for key goods and services corresponding to basic needs that Oxfam will seek to address in case of crisis. This will inform the contingency plans, the CTP risk assessment as well as provide answers to the questions:
1.2.2. Gender and social relations analysis

A gender analysis should already pre-exist at country level and be accessible, either as an annex to the Oxfam contingency plan or through the Country Director. Oxfam believes that it is paramount for the success of any humanitarian response (whether in-kind or in-cash) to understand the gender power relations and other social dynamics in the affected or disaster prone areas. Cash is an extremely powerful tool to reinforce or change power relations, therefore, a CTP designed without any gender/social analysis can do harm to socially excluded groups. A weak/poor analysis may cause the failure of the project or increase the risk for women and further magnify the inequalities between men and women. At the same time, a well informed CTP can release (albeit temporarily) stress within households and contribute towards supporting women through longer term efforts to changing gender power relations at the household and community level.

If a gender/social relations analysis is not available, it is the responsibility of the Programme Manager or Humanitarian Programme Coordinator to make sure that at least a good quality gender analysis is done, especially if CTPs are considered for the near future. The analysis should include:

- Analysis of whether and why women at different stages of their lifecycle are (or are not) especially vulnerable to poverty and shocks and what exacerbates the risks for women during an emergency;
- Understanding the specific needs of women and men at different stages of their lifecycle, before and after the crisis;
- Understanding the role of women and men in relation to, access to water, food and cash as well as control over decision making on their utilisation. Including the role played by either gender to cushion the impact of shocks. For example: Women reducing their food consumption or disproportionately sharing the impact of shocks within the household at times of crisis;
- Men and women’s access to financial services (both formal and informal) and the disruptions/blocks they face;
- Analysis of the differences in coping capacities of men and women, including male and female headed households; and
- Understanding polygamous households and division of resources and assets between different wives;
- Understanding power dynamics and the way money is divided, controlled and used within household and the preferences/preferences/priorities of women and men within the household.

For additional information about gender and CTPs, refer to Gender in Oxfam’s Humanitarian Programmes – A Pocket-sized Guide.

1.3. Capacity Improvement to respond to emergencies

Interviews conducted as a part of the SOPs development highlighted that the lack of understanding and knowledge in Markets and Cash based programming is a key challenge. It was also mentioned that the pressure on staff during emergency response does not allow adequate time for capacity building. It is well known that well trained staff can make a significant contribution to the quality and efficiency/effectiveness of any programme.

Markets and Cash based programming being relatively new areas of work for many teams, it is important that such trainings are imparted as part of preparedness. This is especially important for the Cash core team members i.e. logistics, finance, programme and managers. Several training options are available:

- The e-training modules on CaLP website: http://www.cashlearning.org/docebo/
- CaLP level 1 and level 2 trainings are announced in the events calendar of CaLP and can be accessed by registering on http://www.cashlearning.org/upcoming-events/event-listings;
- CaLP level 1 training material is freely available and can be used to train your team: http://www.cashlearning.org/resources/training-level-1;
- Oxfam’s training material on market analysis and CTPs for non-foodies;
- Emergency Markets Mapping and Analysis training can be applied online by following this link: http://emma-toolkit.org/training/upcoming/;
- Oxfam’s training material on market baselines and CTPs;
- Oxfam training material for Finance managers on ‘Finance guidelines for CTPs’. 
In addition, HD can organise tailor made trainings for specific needs of teams. Sharing training opportunities with the team and supporting the organisation of training is the overall responsibility of the Human Resources Manager. As an initial starting point, all newly recruited staff working on CTPs should be automatically added to the CALP mailing list.

1.4. Partner capacity assessments:

In many countries, Oxfam works in partnership with local organisations. As a part of CTPs preparedness, it is extremely important to build capacity of partners for future responses. Partners are often already engaged in long-term development programmes and it should be possible to access from the Country Director any existing capacity development plans and strategic fit assessments that can inform on the suitability of partners for markets and cash based programming. If there is no partner capacity assessment the Programme Manager should task the Technical Team Leader to work with the partnership team/programme officers/ and finance manager to ensure a minimum capacity assessment is carried out. Partnership selection would look at various issues ranging from their fit with Oxfam’s mandate and their ability to follow humanitarian principles. In case of CTPs, partnership selection must include the following minimum information:

- What is the history of the partner in implementing CTPs or other distribution programmes? Do they have appropriate finance capacity and systems to support a CTP? Are there any previous assessments or examples of programme and finance monitoring reports?
- Is the technical and operational (including financial management) capacity of partner staff adequate enough to implement and monitor CTPs?
- Does the partner organisation have any experience in monitoring and understanding market trends?
- In insecure areas, a partner’s ability to manage the security of their staff and programme must form part of the “good partnership conversation”. We must be confident that the partner takes their security management responsibilities seriously, even though we do not necessarily expect the partner to use the same security management frameworks or tools as us. We must not encourage partners to undertake projects in locations we will not travel to ourselves because of high risks, unless we can clearly determine how the partner will do it safely.
- In case a partner is deemed appropriate on all other counts, investments must be made by the country team to train key partner staff in markets and cash programming. These are listed in the previous section.

1.5. CTP coordination mechanisms:

CTP coordination mechanisms are not standardised and do not always exist. Minimum coordination efforts will be to engage with UNICEF, FAO and WFP14 (the ISAC cluster leads for WASH and Food Security) and OCHA (responsible for overall humanitarian coordination). If CTPs are part of the overall response planning the Programme Manager should task the technical team leader to actively seek inter-agency coordination. In large scale emergency responses it should be possible for the Technical Team Leads to access the projects within the sector specific Consolidated Appeal Process (CAP),15 which will give the humanitarian teams an understanding of the overall scale of CTP in the country and an indication of the expected level of coordination required. Coordination should at least begin with the active members of the CALP steering committee16 and relevant UN agencies. In CTPs, coordination can help in:

- Coordinating among agencies on payments/size of transfer for similar activities;
- Sharing experiences and learning from others – especially important in areas where CTPs are a relatively new response option;
- Evidence generation through joint M&Es for advocacy and strengthening programmes;
- Information on who is doing what in which geographical areas;
- Creation of scale and a platform/basis to negotiate with service providers;17
- Conducting joint feasibility of CTPs and cash delivery mechanisms.

Coordination with external actors is, as usual, the responsibility of the PM. However, when discussions in coordination meetings relate to technical issues, the coordination function should be delegated to the Technical Team Leader.
2. ASSESSMENT AND DESIGN: AFTER THE SHOCK OR ONCE THE CRISIS IS STARTING

STANDARD OPERATING PROCEDURE: MARKETS AND CASH IN PROJECT ASSESSMENT AND DESIGN

Guidance Notes on this SOP: Assessment and design
Unlike in-kind humanitarian programmes, the core business support functions (such as logistics, finance) must be part of joint planning and implementation early on in the operation and must therefore be considered a part of the “core team”. It is essential for the PM to ensure that his/her team has an understanding of all steps in cash programming and they are clear on roles and responsibilities and their involvement in informing decision-making.

It is important to stress that, if the preparedness is well implemented, then rapid assessments are often sufficient to decide whether cash and market based assistance is the most appropriate and feasible response. It is the responsibility of the Technical Team Leader to ensure that the data/information is reliable enough to design the programme.

2.1. Needs assessment
These SOPs do not cover assessment tools. For more guidance refer to the specific tools used by each sector, such as the EFSVL 48-hours tool.[4] HECA joint assessment tool, HEA or the IASC coordinated needs assessments.[19] All humanitarian responses must be based on a broader technical needs assessment conducted by a multi-disciplinary team, including a gender specialist. This needs assessment should give a clear picture of the needs of women, men and children and corresponding response options.

The coordinated needs assessment should aim to identify the affected groups (wealth and social), their specific needs, quantify the gap in their needs (food, water, livelihood assets), the projected duration of this gap in needs and make clear recommendations on how the response aims at covering those gaps. While the needs assessment helps in defining the overall aim and expected results of the intended humanitarian response, the market assessment contributes in deciding the response modalities and potential combinations (please see the section on market assessments below).

2.2. Market assessment
For a CTP, market assessments are an integral part of response analysis. The market assessment is extremely important to assess the feasibility of the CTP as well as the choice of cash transfer modalities. The key purpose of market assessments is three-fold:

- to limit the risk of interventions doing harm;
- to increase the effectiveness and efficiency of humanitarian responses;
- to strengthen interventions by identifying new avenues to support existing market structures.

By market assessment we understand the minimum market information required to make programmatic decisions.[20] While important to conduct, the market assessments should not delay the design and delivery of a CTP, therefore the extent and depth of a market assessment depends on the phase of the response (and more specifically the stability of the market after a crisis and the information needed to design the response). It is possible to conduct a rapid markets assessment in the first phase of an emergency. For example, the EFSVL 48 hour tool integrates the necessary market information to design a first phase CTP.[21]

The market assessments (for CTPs or in-kind responses) determine whether the need (and therefore the gap in needs) can be met through facilitating the function of local markets. The market assessment should provide adequate information to the technical teams to determine the value/size of the transfer and the number of instalments of transfers to the beneficiaries. This part of the market system analysis is the responsibility of the Technical Team Leader. When a market baseline has been carried out by Oxfam or any other agency, this step will only consist in the update of the market maps and response analysis.

2.3. Response Analysis: Appropriateness of cash
After completion of the need and market assessments the team now has the information to decide on whether an in-kind response or a CTP response or a combination of the two is most appropriate. Market support might also be identified as an indirect response modality to foster response effectiveness as well as impact on economic recovery.

The Technical Team Leader is responsible for presenting the overall analysis of the assessment findings and recommendations to the Programme Manager. This response decision should be agreed by the CTP core group (Finance, Logistics and Programme) prior to presenting the results. It ultimately remains the responsibility of the Programme Manager to communicate the decision up the management line.

Below is the decision tree to support in deciding whether CTPs are an appropriate response option.
2.4. Security assessment

In most contexts, country level security assessments will pre-exist and there should be a security management plan in place. However, given its flexibility, the use of cash can raise security concerns or risks for both Oxfam/partner teams and beneficiaries. It is therefore the responsibility of the Programme Manager to make sure these specific risks are assessed and understood. While increased security risks may not rule out this programme implementation method, it is important to know of and, where possible, mitigate these risks.

The security risk assessment should review each modality and payment mechanism being considered and detail specific risks in regard to each. Oxfam’s security risk assessment approach can be used for that. A question that arises regularly is the use of armed guards by cash delivery agents (e.g. mobile banks) to deliver cash to the ‘doorstep’ of beneficiaries. This is considered as indirect use of armed guards under OI security protocol, and therefore not allowed without seeking prior permission. On the contrary, the presence of armed guards in usual bank branches for CTP payments is not considered indirect use of armed guards. The distinction here is that in the case of mobile banks the cash delivery agent employs guards specifically for Oxfam’s work and the women and men benefitting from the service are Oxfam beneficiaries only. Any untoward incident could not only jeopardise staff/beneficiary security, but could also cause reputational risk. Whereas a bank branch serves Oxfam beneficiaries, as well as their usual clients and positioning armed guards in bank premises is normal practise. This should be covered in the security risk assessment.

If mobile banks using armed guards are being considered. The Programme Manager should:

- Make OI policy clear to the cash delivery agent and emphasise that armed guards should be used as a deterrent only;
- Ensure that armed guards maintain a safe distance from the beneficiary population and Oxfam and partner staff;
- Ensure that Oxfam staff do not travel in the same vehicle as the armed guards or in a convoy with them.

The use of armed guards by banks or remittance companies at their own premise (where they deal with other clients as well) is exempt from this policy.

2.5. CTP risk assessment: appropriateness and feasibility of cash transfers

The CTP risk assessment (see above) should be completed during the needs assessment, if not already part of the contingency plan. If included in the contingency plan, the PM should make sure it is up to date and relevant to the decision-making needs.

The market assessment and security assessment, as described below are part of the CTP risk assessment. Some parts of the risk assessment will only be filled after both of these assessments are completed. These assessments feed into the risk assessment by giving a clear understanding of the potential areas of risk for CTPs and how the risk can be minimised. Keep in mind that the risk assessment form is not a formal form to be filled, but rather a document that summarises all the questions and risks that should be considered before deciding whether to opt for a CTP or an in-kind response; to decide on the CTP modality and for the decision on the payment mechanism and instrument. As a minimum requirement, the PM must ensure that a basic matrix outlining potential risks and options available to mitigate these risks is completed. As a result of the risk assessment the feasibility (and conditions of feasibility) of a CTP will be concluded.

2.6. Decision on cash transfer modality

Once the decision has been made for responding with a CTP, the CTP modality(ies) should be chosen. This decision should be informed through a consultation with the CTP core group (Finance, Logistics, Programme and PM), but the decision should be taken by the Technical Team Leader. Before taking...
a final decision separate consultations with women and men in the beneficiary communities must taken place to ensure that women and men agree with the CTP modality. Don’t forget that the response can be a combination of modalities, either one transitioning into another or two modalities implemented in parallel. For example: CFW should always budget for a portion of the cash as a grant to groups unable or unsuitable to work. The PM should expect the Technical Team Leader to set a review date for considering the continued appropriateness of the CTP. This could be in the form of a mid-term review or in-line with the steps in PCM. The table below provides a glimpse of the advantages and disadvantages of the different CTP modalities to support in choosing the most appropriate CTP modality:

### Table 1: Advantages and disadvantages of CTP modalities

<table>
<thead>
<tr>
<th>Modality</th>
<th>Circumstances when used</th>
<th>Potential Advantages</th>
<th>Potential Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional cash transfers</td>
<td>Cash transfers generally appropriate, security situation adequately stable, project objectives do not restrict expenditure to specific goods and services</td>
<td>Minimal administrative burden, generally more cost efficient than vouchers, can support women in playing a more stronger economic role in households and can support their economic and social empowerment</td>
<td>Recipients may spend money in ways not linked to project objective, cash may be controlled by other members, if women who are not engaged in household decision are chosen as the targets</td>
</tr>
<tr>
<td>Conditional cash transfers</td>
<td>Specific needs have to be met (e.g., shelter, small businesses)</td>
<td>Agency can influence recipient expenditures to promote project objectives</td>
<td>Requires staff to verify conditions have been met, recipients may have other priorities for which they would prefer to use cash</td>
</tr>
<tr>
<td>Vouchers</td>
<td>There are security concerns around distributing cash that may be mitigated by using vouchers, there are concerns that cash may be spent in anti-social or unhelpful ways, to ensure adequate quantity and quality of products are purchased by recipients</td>
<td>Recipients do not directly handle cash (if a security concern), quality of goods and prices can be monitored, agency can easily influence recipient choice and promote certain practices</td>
<td>Can limit recipient choice, requires more planning, preparation and sensitisation, traders not involved in the project may be disadvantaged, traders may manipulate prices (since recipients have limited choice on where to purchase), recipients may have other priorities for which they would prefer to use vouchers</td>
</tr>
<tr>
<td>Cash for Work</td>
<td>Public or community works are required, equipment, technical assistance and supervision can be provided, population has capacity to undertake work, capacity to maintain assets is created</td>
<td>Can create community assets or facilitate emergency response (e.g., rubble clearance), potential for skills transfer, promotes community mobilisation and solidarity</td>
<td>Disruption of labour markets can take away time from other activities, may exclude those without capacity to work, including labour poor households, may exclude women with restricted mobility</td>
</tr>
</tbody>
</table>

2.7. Decision on cash payment mechanisms

The identification and assessment of cash payment mechanisms is the responsibility of the logistic manager and should take place after the selection of the CTP modality with support from Finance Manager and Technical Team Leader. If however, commodity vouchers have been selected as the CTP modality, the cash payment mechanism (to redeem the cost of the voucher) from Oxfam will be the responsibility of the Finance Manager with support from logistics and programme.

The decision for selecting the cash payment mechanism should consider the following (all this information should already be in the CTP risk assessment and the coordinated need assessment):

- **Objective of the project**: If the objective is to provide life saving relief, then the speed and reliability of the response to target the most in need will be a major deciding factor. However, if the programme is responding to a slow onset longer term emergency need - such as food or water access over the drought period - then there may be a more secure and sustainable means for delivery which is possible/appropriate. CTP can enable early recovery and the PM should task the Technical Team Leader to identify ways to responsibly transition from a CTP towards a more sustainable gender empowering based market approaches.

- **Experience of cash delivery agents**: The selection process should assess whether cash delivery agents have previous experience of implementing CTPs and at what scale (e.g., for social protection or previous emergency response) and seek feedback from other agencies that may have worked through these agents.

- **Security and safety**: Consider the level of physical safety for staff, partner and women and men beneficiaries.

- **Controls and risks**: It is extremely important to identify and control risks such as beneficiary verification to control exclusion errors, donor/govt regulations to minimise the risk of negative fallout etc. Similarly, the use of technology exposes beneficiaries to unforeseen risks related to data protection and this risk must be addressed before distribution is initiated (see section 3.3 and 3.5 for details).

- **Speed**: Consider funding flows, proximity of delivery points, sensitisation and registration time, payment processing times, system breakdowns (mobile networks, internet etc.).

- **Acceptability and reach to vulnerable groups**: Ensure convenience and acceptance at a community/individual level.

- **Scale**: Consider effectiveness of different options of operating at the scale of the programme and geographical access to affected areas.

- **Flexibility**: Ensure ease with which chosen option can be adjusted to vary size and frequency of payment amounts.

If there is risk of delivering cash directly - instruments (vouchers, cheques, smart cards) provide a layer of risk control and easy to follow audit trail. Decisions on which instruments to use will firstly depend on the payment mechanism selected. Consideration must always be given to the amount of time required both to set them up and to have them ready for redemption, and to the level of beneficiary familiarity and comfort versus the urgency of beneficiary need for the cash transfers. Whatever mechanisms and instruments are chosen, it is imperative that the CTP core team work closely and decisions are made in close consultation with each other. At the least, finance and programme staff must feed into the final decision.

The table below presents the commonly used cash delivery mechanisms to support the decision making. This table is not exhaustive and provides guidance on some payment mechanisms.
### Table 2: Comparative advantages of the cash payment mechanisms

<table>
<thead>
<tr>
<th>Payment Mechanism</th>
<th>Possible Advantages</th>
<th>Possible Disadvantages</th>
<th>Suggested Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Accounts</td>
<td>Safer than direct cash</td>
<td>May be costly by transaction to the beneficiaries if they have to travel long distance</td>
<td>Repeated payments</td>
</tr>
<tr>
<td></td>
<td>Fast if we have existing bank account</td>
<td>to receive the cash</td>
<td>Longer term project to empower</td>
</tr>
<tr>
<td></td>
<td>Transfer risk of theft to 3rd party</td>
<td>Longer set up times and expensive where there is no banking infrastructure</td>
<td>beneficiaries</td>
</tr>
<tr>
<td></td>
<td>Flexible times for beneficiaries</td>
<td>Profitability motive - not aligned to organisational aims</td>
<td>When banks commit to the process</td>
</tr>
<tr>
<td></td>
<td>Economic empowerment of beneficiaries</td>
<td>Sometime documentary requirements are often beyond our target beneficiaries</td>
<td>When complemented with financial</td>
</tr>
<tr>
<td></td>
<td>Not labour intensive for organisation</td>
<td>Require financial literacy</td>
<td>capacity building or similar</td>
</tr>
<tr>
<td></td>
<td>Accurate and provide audit trail</td>
<td>Cost of maintaining or closing the bank account during or after the project for the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Can be relatively cheap e.g. lower service charge</td>
<td>beneficiary.</td>
<td></td>
</tr>
<tr>
<td>Mobile Phone Providers</td>
<td>Safe and usually discreet way of transferring cash</td>
<td>Possession of a mobile phone by beneficiaries (or cost of distributing some)</td>
<td>Repeated payments</td>
</tr>
<tr>
<td></td>
<td>Transfer risk of theft to 3rd party</td>
<td>Inequitable gender access to mobile phones</td>
<td>Areas where banks and post offices</td>
</tr>
<tr>
<td></td>
<td>Flexible times for beneficiaries</td>
<td>Possible error - sending to wrong or dormant account</td>
<td>not prevalent</td>
</tr>
<tr>
<td></td>
<td>Option to retain some cash in e-wallet</td>
<td>Longer set up times</td>
<td>When banks are more</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Set up costs</td>
<td>expensive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Theft of phones/airtime</td>
<td>Areas with good mobile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High commission</td>
<td>coverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mobile network can be erratic</td>
<td>Technologically developed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loss of donor identity</td>
<td>countries/countries where the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>methodology exists</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Where payment visibility is not</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>required.</td>
</tr>
<tr>
<td>Traders</td>
<td>Low initial and transaction costs</td>
<td>Poor record keeping by trader</td>
<td>Repeated payments</td>
</tr>
<tr>
<td></td>
<td>Quick access to assistance for beneficiaries</td>
<td>Transaction costs for the traders</td>
<td>Areas with good post office</td>
</tr>
<tr>
<td></td>
<td>Build strength of local market system</td>
<td>Defrauding of beneficiaries or donor by traders</td>
<td>coverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Additional field and finance staff required for prompt reconciliation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initial trader lack of interest</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Can be logistically time consuming</td>
<td></td>
</tr>
</tbody>
</table>

### Table 2: (continued)

<table>
<thead>
<tr>
<th>Payment Mechanism</th>
<th>Possible Advantages</th>
<th>Possible Disadvantages</th>
<th>Suggested Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct cash distribution</td>
<td>Quick to initiate - can be implemented with no 3rd party involvement</td>
<td>Increase safety risks for staff and beneficiaries</td>
<td>One off payments in rapid</td>
</tr>
<tr>
<td></td>
<td>Quick access to cash for the beneficiaries</td>
<td>Waiting times for beneficiaries</td>
<td>response emergencies</td>
</tr>
<tr>
<td></td>
<td>Variable and flexible locations</td>
<td>Labour intensive</td>
<td>Failing banking and electronic</td>
</tr>
<tr>
<td></td>
<td>No transaction costs</td>
<td>Time consuming planning, verifying, documenting process</td>
<td>infrastructure</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Small scale pilots to test</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>the effectiveness of CTP in</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>context</td>
</tr>
<tr>
<td>Post Office</td>
<td>Safer than cash</td>
<td>Longer set up times</td>
<td>Repeated payments</td>
</tr>
<tr>
<td></td>
<td>Good at maintaining audit trail</td>
<td>Set up costs if new system</td>
<td>Areas with good post office</td>
</tr>
<tr>
<td></td>
<td>Transfer risk of theft to 3rd party</td>
<td>Delays due to lack of cash flow</td>
<td>coverage</td>
</tr>
<tr>
<td></td>
<td>Flexible times for beneficiaries</td>
<td>Labour intensive</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Often in line with government policy</td>
<td>Time consuming planning, verifying, documenting process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Often seen as a service rather than profit motive</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer Companies (incl</td>
<td>Safer than cash</td>
<td>Longer set up times - contract and ID cards</td>
<td></td>
</tr>
<tr>
<td>smart cards)</td>
<td>Experts in the business of transferring money</td>
<td>May be illegal in some countries</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transfer risk of theft to 3rd party</td>
<td>Expensive commission</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexible times for beneficiaries</td>
<td>Long waiting times after rapid onset - low capacity to accommodate high number of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Option to retain some cash on cards</td>
<td>beneficiaries in short period of time</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profitability motive - not aligned to organisational aims</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: OGB Finance guidelines for CTPs, 2011

### 2.8. Communication of the decision

Once all aspects of the CTP design (i.e. CTP modality, cash delivery mechanism and the instrument) are agreed, the decision should be communicated to the larger team by the HPC/PM. It is important to clearly explain the rationale for the decision to all team members. It is the responsibility of the PM/HPC to:

- Ensure that Human Resources team is aware and that any additional capacity required is sourced quickly.
- Ensure that financial systems and controls are up to date and able to make 3rd party payments or have cash available for timely payments.
- Ensure Technical Team Leaders and Funding team are aware, so that they can consider the CTP in further proposal writing and grants.
- Ensure all members involved in the response are aware with regard to funding opportunities and resource requirements.
2.9. Proposal writing and budgeting:

In addition to the normal components of a proposal, all CTP proposals must include the following information:

- **Frequency of the transfer and the total duration of the CTP**: Will this be a one-off transfer of funds or will the transfer be monthly and how long will the programme continue? When writing the proposals, consider:

- **CTP risk assessment findings**: Including the 5 risks related to: Appropriateness, Market systems and trends, Finance, Security and Accountability;

- **Choice of modality**: A clear justification for the choice of modality should be included;

- **Choice of payment mechanism**: It should be described in detail, including the controls in place to ensure its accountability and the security of beneficiaries and staff (Oxfam and partners);

- **Size of the transfer**: How this was calculated and what needs people are expected to meet with this transfer; will the transfer be index-linked (i.e. will the size of the transfer change based on factors such as market prices);

- **Monitoring and evaluation plan**: This needs to include process and outcome monitoring (in particular monitoring the delivery mechanism and use of cash) and the complaint mechanism (including impacts on gender power relations); market monitoring and output/outcome monitoring (see Monitoring & Evaluation section for more guidance). In CTPs, it is not enough to just gather this information. The information must be included in a monitoring plan, analysed and made available to the programme team on time in order to take corrective actions before it is too late;

- **Gender**: The minimum data collection should have sex disaggregated data and relevant information on gender needs, roles and responsibilities and power relations. This is essential for all Oxfam work, as the analysis will give us a better understanding of gender power relations and inform the design of a CTP, so as to do no harm and contribute to reducing gender injustices. Refer to Annex 2 Gender in Oxfam’s Humanitarian Programme: A Pocket-sized Guide for guidance;

- **Flexibility**: As for any other humanitarian response proposals, ensure that all early proposals include flexibility (where possible), to allow adjustments towards the changing needs of beneficiaries/availability and cost of commodities/services. This is particularly relevant if the proposal is being developed in the first phase of the emergency, when the information on needs and the CTP risk assessment results will not yet be clear;

- **Procurement rules derogations**: Where the project will aim also at benefiting the local markets, derogation from donors might be required to allow splitting orders between a number of suppliers/traders (for more details see paragraph 3.1 on traders selection). Internally this might require a decentralised procurement process to multiple traders. In the case of decentralised procurement, there will need to be an internal derogation authorised in the form of a Waiver (See GMAP section 4 for further instructions). Where the project is funded by an institutional donor, please also ensure that you get a derogation in writing approved from the donor(s) and attach this to the internal waiver when it is submitted. This ensures that we don’t have subsequent queries during audits/reviews internally and externally as to the reason for the decentralisation of procurement. Where approval is not sought, this puts the organisation at significant risk of funds disallowed. A CTP will typically be less resource heavy in relation to warehousing and commodity management but there may be additional costs. Always consider budgeting for:

- **Start up costs**: can be particularly heavy if CTPs have not previously been run in country. This could be due to cost of experienced staff; use of technology for registration of beneficiaries, data management, and transfer of cash;

- **Inflation**: This is especially relevant if the project will be delivered over a longer period of time and if households are expected to receive monthly transfers. In more volatile economies this can often be difficult to forecast. NB: It may be worth setting an inflation limit (e.g. 10% of the CTP cost in donor currency), beyond which the appropriateness of cash must be reconsidered;

- **Voucher printing costs**: Although not high for basic voucher, it may increase for more secured vouchers (with hologram, or for electronic vouchers). Also, voucher programming in some contexts may require organising fairs and this could involve additional costs and time;

- **Transfer fees**: If partnering with any third party, it may be possible to negotiate a low or free transfer fees directly with the financial institution or via the coordination group. This could typically amount to a fee of between 2% and 7% per transfer. It may also be more cost effective to negotiate a flat rate charge per beneficiary. As the scale of the CTP increases costs are saved this should be reflected in the transfer fees. There has in recent years been a greater focus on corporate social responsibility (CSR) of the private sector. This could also be explored for cost saving and sharing of technological innovations;

- **Staffing**: A CTP requires different skill sets and different activities compared to in-kind programme. It is therefore important for each of the department/sector heads to have a clear overview of his/her team responsibilities. The following table provides guidance on staffing for different scale of CTPs. Please note, that the staff would also depend on the complexity of the programme and this may mean that a relatively small scale but complex CTP will require more staff, whereas a large scale programme that is implemented through partners may require less staff at Oxfam level. The country Human Resources Manager should be involved in this exercise;

- **Training**: It is mandatory for the Technical/CTP Team leader to be trained and experienced in CTPs. It is the
responsibility of the PM to ensure that all members of the CTP core team and other support staff receive training related to CTPs (such as, CTP finance guidelines for finance staff, CalP Level 1 and 2 for programme staff and managers). The costs of training should be included in the relevant budgets and can be decided as per the need identified and level of staffing. The PM must ensure that all staff have access to and use the CTP SOPs during the response;

• **Documentation and sharing of lessons learnt** The CTP is still an evolving humanitarian response tool. Technological innovations and programme learning are making options more accessible for humanitarian teams to implement CTPs in difficult contexts, so it is important for the lessons learnt, budgeted for and shared.

Ensuring donor compliance will be the responsibility of the Funding Coordinator; with most of the Donors, the respect of Oxfam procedures will be sufficient to ensure compliance with Donor requirements. As UN agencies, particularly WFP and HDR continue to improve their guidelines and procedures on CTPs; these agencies should be considered as potential sources of funding. It is the Funding Coordinators’ responsibility to ensure Oxfam is complying with their requirements.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Recommended staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large scale i.e. Above 20,000 beneficiaries</td>
<td>1 Technical coordinator, 4 Cash team leaders, 1 logistics manager, 1 Finance manager and if needed 1 finance officer</td>
</tr>
<tr>
<td>Medium scale i.e. between 10,000-20,000 beneficiaries</td>
<td>1 Technical Coordinator, at least 2 Cash Team Leaders, 1 logistics officer, 1 finance manager</td>
</tr>
<tr>
<td>Small scale i.e. below 10,000 beneficiaries</td>
<td>1 Cash Team Leader, 1 finance officer, 1 part time logistics officer</td>
</tr>
</tbody>
</table>
3. IMPLEMENTATION

**STANDARD OPERATING PROCEDURE: 3RD PARTY SELECTION – PURE TRADERS**

Steps:
- Compare and Analyse different Payment Delivery options in the market
- Agree procurement criteria for the chosen delivery option
- Agree who will assess quotations / bids against the chosen criteria (the ‘Procurement Panel’)
- Follow the standard Procurement Process as described in GMAP (Section 4) for the value of the purchase
- Where necessary, ensure any derogation from procurement process is authorised in writing both externally (donors) and internally (waiver) before completing the purchase.
- Prepare and sign the Purchase Order and Contract with the Pure Trader
- For advice and support on this process please email lodadvise@oxfam.org.uk.

**STANDARD OPERATING PROCEDURE: BENEFICIARY TARGETING AND REGISTRATION**

Steps:
- Create a Database
- Agree Identification Methods
- Agree Authentication Method
- Agree Monitoring and Complaints Mechanisms
- Store Securely Beneficiary Information
- Communicate with beneficiaries

**STANDARD OPERATING PROCEDURE: COORDINATION WITH OTHER ACTORS**

Steps:
- Coordinate with others actors on rates, coverage areas and delivery activities
- Standardise rates / levels of cash grants
- Cash for Work – Coordinate on types of work, daily rates
- Coordinate training efforts and capacity development
- Coordinate advocacy towards governments, donors, and aid organisations
- Agree on a minimum set of common M&E indicators

Guidance Notes on this SOP: Implementation of CTP

**3.1. Third Parties (or ‘Traders’) in Markets and Cash Programming**

**3.1.1. Types of Traders**

Oxfam classifies third parties we work with in a number of different ways. It is crucial to be clear on the different definitions below and know when to apply the appropriate ways of working and processes.

**Implementing Partner**
For the purposes of this document, a ‘Partner’ will refer to those we are implementing with including local NGOs / CSOs in a response and with whom we have signed a ‘Partnership Agreement’. This does not include private sector actors here.

The selection of implementing Partners will be treated in the section 3.2 while the present section concentrates on Traders (Pure and Beneficiaries) as described below.

**Pure Traders** are those which are acting only as suppliers of either goods or services to Oxfam, but who are not also beneficiaries to our intervention and project activities. Essentially, these are our ‘normal’ suppliers of any size, who are trading by themselves after a humanitarian shock. These may include, for instance:
- Financial institutions (banks / small microfinance institutions / remittance companies)
- Mobile phone companies
- Post offices
- Suppliers of NFIs (for instance those with whom we have entered a voucher arrangement)

**Beneficiary Trader** In contrast, a Beneficiary Trader is one which is identified as also impacted by the humanitarian crisis. As shown in figure 1 we have assessed that the market has some capacity but needs support, also called ‘market support’ (or ‘indirect support through markets’: short-term targeted support to market actors that restore the market system after a crisis) to supply the goods / services to the beneficiaries. In this case, in addition to addressing key needs of vulnerable groups, the project supports certain specific third parties because they have been affected by the crisis and need to recover their economic activities. Support to these market actors aims to benefit the target group by strengthening market functioning and increasing the availability of basic goods and services for the target group.

In this situation, Beneficiary Traders will be identified in the following scenarios:
- Beneficiary Traders receive Support
- Beneficiary Traders receive Support and we select them as a Cash Delivery party
- Beneficiary Traders receive Support and we select them as a Commodity Delivery party (cash and / or commodity vouchers)

The type of 3rd parties selected (Pure trader or Beneficiary Trader) for a CTP depends first on the degree of market functioning, and then on the different 3rd parties available, their comparative advantages, and the expected results of the project.

**3.1.2 The three operational channels**

As a consequence, there are three channels in selecting Traders for a CTP, depending on the market functionality. These channels are assessed per commodity and can vary considerably for different commodities / services. For instance, we may assess the market and find that we are in the Green Channel (see below) for one Food item, the Amber Channel for Hygiene kit items and the Red Channel for water simultaneously. So our market strategy and intervention is commodity dependent, not across the market / programme as a whole.

For further support and advice on these processes, including example criteria to assess bids, please email lodadvise@oxfam.org.uk.

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GREEN CHANNEL: The local area market has the capacity to supply the commodities/services to the quantity and quality required to address the target group’s needs.

- In this case, Traders do not need support (or ‘market support’) to deliver goods and services. The selection of third parties/Traders will depend on their availability, comparative advantages and needs of the project.
- If the delivery of cash is not done either directly by Oxfam or by implementing partners, the third parties are Pure traders;
- The Pure traders will deliver cash (G1) and/or goods and services (G2) – i.e. through cash and/or commodity vouchers depending on the cash delivery mechanism chosen for the CTP.
- Because the local market functions, ‘normal’ competitive procurement processes are possible (as described in GMAP Section 4). In some cases, we may decide to split the requirements into smaller volumes, resulting in multiple, smaller competitive procurement processes (rather than one big single tender for instance). This is to allow smaller traders to compete for the trade and to be able to award business to vendors whose income chain more closely links to the economy of the beneficiaries (see below).
- In case where Pure traders are expected to deliver cash, security needs to be assessed before any CTP activity and it, as a result of the security assessment, it is determined that the security risk may be lowered by portioning the spend, then we would complete internal waiver and an external derogation as described previously.

AMBER CHANNEL: The local area market has some capacity but needs support to supply the commodities/services to quantity and to quality to address target groups’ needs.

- If the delivery of cash is not done either directly by Oxfam or by implementing partners, there will be 4 ways of working with Traders:
  - There are third parties/Traders that have the capacity to deliver cash (A1), they do not receive market support, they are Pure Traders and a decentralised procurement process may be applied as described below. In the case where traders that supply the needed goods and services do not have the overall sufficient capacity to cover beneficiaries needs, we may identify a group of ‘Beneficiary Traders’ (via a Beneficiary Selection process) as well as normal ‘Pure Traders’. Our market strategy can then follow three different modalities:
    - (A1) The 3rd parties are beneficiaries of market support. There might be conditionalities, but cash delivery or commodity/service supply are not conditions of the support they receive. This will happen where analysis has concluded that support to these 3rd parties will strengthen market functioning and contribute to the availability of basic goods and services for which the target group is receiving cash grants or CFW. This is usually combined with a delivery of cash by other traders that have the capacity to deliver that cash (as described just above).
    - (A2) The 3rd parties are cash delivery agents as well as beneficiaries of market support;
    - (A3) The 3rd parties are beneficiaries of market support, and at the same time, they provide goods/services to the target group, against cash and/or commodity vouchers, as a conditionality to the support they receive;
- In case where Pure traders are expected to deliver cash, security needs to be assessed before any CTP activity and if, as a result of the security assessment, it is determined that the security risk may be lowered by portioning the spend, then we would complete internal waiver and an external derogation as described previously.

RED CHANNEL: The local area market does not have capacity even with support, the supply of goods and services needs to be done from ‘outside’ markets (meaning, geographically and economically outside of the affected zone).

- There are third parties/Traders that have the capacity to deliver cash (A1), they do not receive market support, they are Pure Traders and a decentralised procurement process may be applied as described below. In the case where traders that supply the needed goods and services do not have the overall sufficient capacity to cover beneficiaries needs, we may identify a group of ‘Beneficiary Traders’ (via a Beneficiary Selection process) as well as normal ‘Pure Traders’. Our market strategy can then follow three different modalities:
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- In case where Pure traders are expected to deliver cash, security needs to be assessed before any CTP activity and if, as a result of the security assessment, it is determined that the security risk may be lowered by portioning the spend, then we would complete internal waiver and an external derogation as described previously.

The response cannot rely on the local market. The 3rd parties are from the country or the nearby regions/districts and they supply goods to Oxfam or Partners, as ‘Pure Traders’. If local traders have the capacity, then other modalities (above) will be chosen.

3.1.3 Processes to work with third parties/Traders per type.

The process of 3rd party selection and engagement depends on the type of Trader.

Pure traders

The Logistics Manager is in charge of the selection of Pure traders with expertise (for example from the Technical team leader) specifically relating to that commodity/service in setting selection criteria and assessing the bids, samples etc.

In cases where the market or certain market actors (G1, G2, A1) have a certain capacity (green and amber channels), the project will also intend to support local economy recovery and aim at spreading the economic impact of the ‘business’ (purchase order) over a number of small scale 3rd parties/Traders in the implementation area. In this case, the procedure will be decentralised to smaller, competitive bidding processes:

- Within the standard procurement procedure (refer to GMAP section 4), the criteria ‘building on local markets’ becomes a first order (‘always’) criteria allowing the splitting into a number of orders and subsequent contracts. This requires pre-approval externally and internally. If approved, the procurement process thresholds are then applied to the smaller, portioned volumes and spend value. For instance, instead of doing a single tender for a commodity such as timber with one £100,000 tender process, we might identify that the timber traders immediately to the affected area contribute to the local economy (i.e. not owned outside by bigger companies in the capital, so that funds are injected back immediately into the local economy), so we decide to split the business and advertise instead for 10 processes at £10,000 each, following the competitive quotation process described in GMAP for this level. If, after advertising, we are unsuccessful or have a failed process, we may then ask for an additional waiver to award business directly, but this must be justified and following a failed competitive attempt.
Signing contract with the third party:
As for any other purchase process, once the service provider has been selected, Logistics will draw up a contract with the provider. This will always include a Purchase Order and may also often include an accompanying written agreement.

The minimum content of the contract should be:
- Duration of agreement
- Cost and type/quality of the service
- Clear division of responsibilities between the third party and Oxfam
- Provisional calendar for critical dates (distribution, reconciliation)
- M&E systems and information that are required
- Code of conduct (including that related to data protection or beneficiaries Annex 7)

For templates and support please email logadvise@oxfam.org.uk

Beneficiary Traders
Where the 3rd party/service provider is a beneficiary (here called ‘Beneficiary Trader’), a beneficiary selection process will be followed, the trader selection form will be used and an MoU will be signed, entailing the service provision as well as the support that the trader is receiving.

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3.2 Partners
Oxfam believes in working with local partners for emergency response in order to improve the overall country capacity to respond to disasters and improve the timely access to disaster affected areas. All partners should have undergone capacity and strategic fit assessments during the preparedness phase. This assessment usually includes assessing partners’ capacity to deliver a CTP and must include the completion of risk assessment to review the fraud risks and financial controls. If no assessments have been done previously, the PM should ensure that the partnership team and in their absence the Finance Manager with the support of the Technical Team Leader and long term development staff will conduct a rapid review of the capacity of the target partner to deliver a CTP. Following the findings and recommendations of this review, the PM representing the humanitarian team and a partnership representation should agree on the partnership approach for the CTP.

If it is agreed that partners have the capacity to implement a CTP, the different sectors (logistics, finance and programme) will determine the level of support the partner will need and communicate this to the PM. It is the responsibility of the PM to ensure that humanitarian action does not compromise the long term relationships with the partners.

In cases where partners are not considered adequately equipped to deliver a CTP, Oxfam can still work closely with partners to ensure access to communities, scale up of human resource and short term staff capacity development. Involving the selected local partners early on in the decision-making processes will ensure the roles are clearer and the capacities to deliver a quality response are clearly articulated. Different partnership arrangements can be made in consultation with the local partner organisation to implement a CTP depending on the existing capacity at the partner level. It is the responsibility of the PM/HPC to communicate this arrangement clearly to the partners and to the team. If there is an existing relationship with the partner for development programming, the national staff engaged in partnership management must be involved in the decision making process.
3.3 Targeting and beneficiaries registration

Targeting is a step of every emergency programme; therefore the process for a CTP should not be any different. However, cash is of high value and interest to everyone, so the targeting may be more challenging than in-kind support. This is particularly the case when the chosen CTP modality is cash grant. Cash for Work is considered in many instances as self-targeting, as people interested and able to work for a relatively low wage are most probably the ones that are in the most difficult socio-economic position. Even so, each modality should be given the same high attention to prevent local elites from exploiting their position and/or other for personal gains. Most importantly it is important to ensure that those in need are not excluded. In general the focus of targeting must be on reducing exclusion errors.

Targeting is based on the overall goals of the humanitarian response and is the responsibility of the Technical Team Leader. Following principles must be followed:

- Selection criteria must be clearly defined and articulated to women and men in the response locations, staff, partners, third parties and donors
- Community involvement in defining criteria and selecting beneficiaries is key to increase acceptance and transparency of the targeting process.
- Cash being of high interest, consider the implication of specifically targeting women with cash distributions and always use the findings of the gender analysis to inform your decision for targeting.
- The registration of the targeted beneficiaries is also the responsibility of the Technical Team Leader, but the process and system should be designed with the support and consultation with the Finance and the Logistic Managers. The decision should be based on the specific CTP modality and payment mechanism chosen. It is important for improving efficiency that the humanitarian team in country use the same agreed system.

The usual steps of the registration system consist in:

- Creating a database: It is important to be clear at the outset on the critical information needed for distribution, reconcile information and identify the targeted beneficiaries. This will vary based on the modality and payment mechanism chosen. Care must be taken to ensure that basic minimum/necessary information is collected from beneficiaries to control the misuse of sensitive personal information by various stakeholders. It is important to make sure that the team collecting the information knows why this information is needed, so they can explain it clearly to the communities (e.g. when payment will be made via mobile phone, when collecting phone number, staff should explain why the number is being collected, to avoid being given the number of a relative or neighbour). This database will be the source of the information included in the beneficiary register and used during distributions.

- Agree identification methods: This could be done by ID card or biometric details; or through identity confirmation by a community leader; or a combination. You should also consider the requirement of service providers, measures to reduce risk of inclusion errors and the time needed to create beneficiary ID cards if required for the delivery mechanism. The humanitarian team should follow the legal system in the country, but also recognise that in many places women may not have formal identification or ID could have been lost in the disaster. In such cases, the Technical Team Leader is responsible for developing mechanisms that can allow marginalised groups to access the CTP programme. For example, Oxfam ID cards can be prepared on the basis of a relatives national ID card or register joint beneficiaries.

- Select method of authentication: Methods include by signature, biometrics, PIN number, password and/or visual authentication or through a village committee.

- Data protection and storing beneficiary information: The database may contain signatures, biometrics, ID numbers, password etc. that are considered as sensitive personal information. It is the responsibility of the PM/HPC to ensure classification, safe storage and safe disposal of this information. It is important to be aware that banks and other financial institutions are exposed to US regulations on terrorism which means that any bank who wishes to deal in US currency will have to work through a US bank which is likely to be very risk averse in its dealings in high-risk areas. In conflict affected countries, it is possible that all financial institutions involved in a cash transfer programme will want to check recipients of funds against sanctions and terrorist lists. It should be clear in the banks Terms and Conditions whether or not they retain the right to undertake such a check and whether they expect Oxfam to conduct this check. In such cases, the process should be for the Logistics Manager to check for this in the Terms and Conditions when engaging the third party so that we know in advance the degree of checking that the third party will undertake or will expect us to do the “know your client” checks. It is the responsibility of the PM/HPC to assess the risk of misuse of information by the third party in cases where sensitive personal information on beneficiaries is shared with them. The Logistics Manager will be expected to support the PM/HPC in this decision making process. In case of confusion, the HPC/PM must contact the legal team in Oxford for advice.26 In general it is important for the Logistics Manager to ensure that the third party contract includes the clause on confidentiality of information.

- Communication with beneficiaries: All through the targeting and registration process, communication with beneficiaries and non beneficiaries must be maintained to provide clarity on selection criteria as well as programme design, share information on the processes and dispel misconceptions/misinformation about the programme. This is the responsibility of the Technical Team Leader. In contexts where it is necessary to share beneficiary information with third parties, the Technical Team Leader must communicate this to the beneficiaries in a clear and sensitive manner. This communication should be transparent and inform beneficiaries the reasons for sharing information and the potential risk to them.

Data protection and related communication is a new and developing area not just for CTPs, but in-kind...
humanitarian response as well. CaLP has developed ‘Code of Conduct for e-transfers’ for agencies engaged in CTPs and Oxfam recommends all its staff and partners to follow these.

3.4 Share of responsibilities during direct or partially direct distribution of cash

There are several critical areas to watch during the implementation phase, especially in case of direct cash distribution, the cash handling aspect should be extremely clear:

- Technical team staff are responsible for registering the beneficiaries and are not responsible for directly distributing cash. Their role on the day of distribution is to ensure people are aware of steps in the distribution process, know their entitlements and address complaints, support beneficiaries in understanding and following the payment system. In the case of Oxfam directly distributing cash, it is the responsibility of the Finance Manager to ensure the preparation of the cash for distribution;

- In case of direct implementation without a third party, the finance team is responsible for handling the cash. The finance team will be responsible for preparing the cash for distribution, for example arranging sealed envelopes with cash prior to the distribution. The Finance Manager will assign the necessary number of relevant staff to be responsible for distributing the cash;

- In case of large number of beneficiaries logistics team may have to play the role of crowd management, ensuring that the site of cash distribution has enough space to accommodate all the beneficiaries, secure place for keeping and distributing cash, availability of water and shade for the beneficiaries. The logistics team must work with the programme and finance team to work on an exit plan in case of problem/insecurity at the time of distribution. There should be sign off and agreement at each stage of cash being released for the field trips and when any un-distributed cash is returned to the office. Apart from the overall share of responsibilities [Fig 2], see the share of responsibilities for implementation phase in Figure 5.

3.5 Working in insecure areas

Increasingly CTPs are being implemented in security challenged environments that proves the versatility of cash and vouchers as a response option that can be used in any context. However, the operational context poses two specific challenges (i) delivering the cash to beneficiaries in a safe manner; and (ii) monitoring the process and impact of the CTP. Usually Oxfam works through local partners in areas where there is a restriction on Oxfam staff to travel. Partners play a very crucial role in these contexts and must therefore be adequately equipped to design and implement CTPs in such locations with little or remote assistance from Oxfam staff.

While identification of beneficiaries and registration processes would be similar to those used for in-kind transfers, the distribution of cash can be more simple and secure in case of CTPs. The choice of third party can play a crucial role in such contexts and these must be decided on a case to case basis by the CTP core team. Oxfam’s experience in such context indicates that remittance companies are usually present in such environments to transfer remittances from diaspora and they are a popular mechanism for cash transactions by beneficiaries.

The advancement in money transfer technologies such as smart/pre paid cards, online money transfer through banks can be extremely useful for Oxfam to deliver cash to beneficiaries. In dealing with third parties in insecure areas, the contract/MOU must include additional features to reduce the risk of fraud at the delivery end. This could be done by working with partners to agree on a ways of working with the third party and could include features such as beneficiary identification mechanism to ensure that the intended beneficiaries receive the cash, spot checks by partner or Oxfam staff (when possible), photo/video documentation of distribution process etc. In addition, it is important to develop an accountability mechanism that empowers beneficiaries with information and allows for easy registration of complaints such as direct phone access to key Oxfam staff for complaints, identification of independent monitors (unrelated to beneficiaries, partners or third party etc. It is the responsibility of PM/HPC as the overall lead for the response to ensure that the above guidance is followed by the CTP core team.

3.6 Coordination

Coordination is the responsibility of the PM, but can be delegated to different team members depending on the type of coordination meeting (e.g. Technical Team Leader to attend Technical Working Groups). There are different levels of coordination to consider: among the different affiliates and the external coordination. Depending on the existing coordination mechanisms at country and field level, coordination groups may be used to:

- Create ground to bargain rates and area coverage with the service providers;
- Standardise rate and possibly type of work for Cash For Work or level of cash grants;
- Coordinate training efforts and capacity development;
- Coordinated advocacy towards donors, governments and aid organisations;
- Agree on a minimum set of common M&E indicators for evidence building.
4. Monitoring and Evaluation

Figure 5: Share of responsibilities – Direct distribution

<table>
<thead>
<tr>
<th>Role</th>
<th>Key Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logistics</td>
<td>- Ensure there are correct number and amount of vouchers BEFORE DISTRIBUTION</td>
</tr>
<tr>
<td>Distribution team</td>
<td>- Distribute cash/vouchers</td>
</tr>
<tr>
<td>Programme</td>
<td>- Validate vouchers prior to payment</td>
</tr>
<tr>
<td>Management</td>
<td>- Redeem the vouchers</td>
</tr>
<tr>
<td>Finance</td>
<td>- Place money in envelopes for each beneficiary</td>
</tr>
<tr>
<td></td>
<td>- Withdraw exact amount and denomination of cash needed</td>
</tr>
<tr>
<td></td>
<td>- Design the vouchers</td>
</tr>
<tr>
<td></td>
<td>- Check cash amount distribution to beneficiaries</td>
</tr>
<tr>
<td></td>
<td>- Check beneficiary identification</td>
</tr>
<tr>
<td></td>
<td>- Place beneficiary register</td>
</tr>
<tr>
<td></td>
<td>- Inform beneficiaries</td>
</tr>
<tr>
<td></td>
<td>- Prioritise certain groups (pregnant women, etc)</td>
</tr>
<tr>
<td></td>
<td>- Refer complaints to the complaint desk</td>
</tr>
<tr>
<td></td>
<td>- Explain process of distribution to beneficiaries</td>
</tr>
<tr>
<td></td>
<td>- Post distribution monitoring</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role</th>
<th>Key Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Identify distribution team (excluding programme staff)</td>
</tr>
<tr>
<td></td>
<td>- Ensure everybody understands their roles &amp; responsibilities</td>
</tr>
<tr>
<td></td>
<td>- Validate distribution site</td>
</tr>
<tr>
<td></td>
<td>- Inform relevant local authorities</td>
</tr>
<tr>
<td></td>
<td>- Set up distribution site</td>
</tr>
<tr>
<td></td>
<td>- Vehicle movement and security/evacuation plan for distribution site</td>
</tr>
<tr>
<td></td>
<td>- Check quality of products in case of commodity vouchers</td>
</tr>
<tr>
<td></td>
<td>- Seek feedback from beneficiaries on distribution process</td>
</tr>
<tr>
<td></td>
<td>- Check beneficiary identification</td>
</tr>
<tr>
<td></td>
<td>- Make sure ONE of the team deal with complaints in isolation</td>
</tr>
<tr>
<td></td>
<td>- Redeem the vouchers</td>
</tr>
<tr>
<td></td>
<td>- Validate distribution site</td>
</tr>
<tr>
<td></td>
<td>- Feedback from beneficiaries on distribution process</td>
</tr>
</tbody>
</table>

SUZI O'KEEFE
4. MONITORING AND EVALUATION

STANDARD OPERATING PROCEDURE: MONITORING AND EVALUATION

Steps:
- Develop a complaint and beneficiary accountability mechanism
- Develop MEAL plan that creates or utilises existing baseline information for monitoring purposes
- Ensure market monitoring is a part of the MEAL plan
- Conduct an end line evaluation

Guidance Notes on this SOP: Monitoring and Evaluation Monitoring, Evaluation, Accountability and Learning (MEAL) framework should be put in place for all humanitarian projects and these should support Oxfam’s accountability to its beneficiaries and donors. However as CTPs are highly visible and attract considerable interest, therefore it is critical to establish strong and transparent MEAL framework specifically for CTPs. At a minimum the MEAL framework must include mechanism for beneficiary accountability, baseline, monitoring plan (including market monitoring) and evaluation.

4.1 Complaint and beneficiary accountability mechanism

As for any other projects, it is key to implement a confidential complaint mechanism and to offer a variety of channels for complaint. It is not enough to ensure that beneficiaries and non-beneficiaries are aware of the existence of complaints mechanism but it is important that they know how to access it.

It is also good practice to set-up a complaint desk at the distribution site, isolated from the main site so people can be referred there.

Access and user friendliness of the complaint mechanism for both women and men should be considered, for example: a woman beneficiary may not feel comfortable to talk to a man at the complaint desk? A central point for recording the complaints and documenting how complaints were resolved must form a part of the minimum procedure for the CTP complaint and accountability mechanism. The OI MEAL minimum requirements should be referred for guidance on the different types of accountability/complaint mechanisms. Set-up of an appropriate complaint mechanism and communication of complaints is the responsibility of the Technical Team Leader or of the MEAL team if there is one. The PM will be responsible for authorising any actions resulting from complaints and will be needed to directly intervene if the complaints lead to increasing risk to Oxfam or partner staff.

4.2 Baseline creation and Monitoring

It is important to recognise that a CTP is one of the many response options to deliver humanitarian assistance to disaster affected women and men. The objective of a CTP will never just be to deliver cash, but it will be to improve outcomes relating to food security, water, shelter and public health. It is therefore important to establish a baseline that is relevant for measuring the programme outcomes. Ideally, baseline information on gender power relations and market systems should be collected as a part of the preparedness and utilised at the time of crisis. In case this does not exist, please refer to section 1.2 for guidance.

Progress towards the programme objective should be monitored as usual by collecting both qualitative and quantitative data. Development of appropriate indicators and monitoring them is the responsibility of the Technical Team Leader or of the MEAL team if there is one. When using a third party for the delivery of the project, consider how you can incorporate their data collection system into your MEAL framework. The project logframes are the main documents to inform directly the minimum requirement for CTP monitoring and overall MEAL framework. The MEAL teams with support from the Technical Team Leader will be responsible for determining the balance between process and outcome monitoring and planning timely post distribution monitoring activities.

In the absence of a MEAL team the Technical Team Leader will determine the scale and scope of the monitoring, which should as a bare minimum include post distribution monitoring (PDM) and monitoring of process during the distribution and mid-term review. Monitoring the process will give the humanitarian team an opportunity to improve future rounds of cash transfer, whilst monitoring the outcomes is vital to ensure that by the end of the programme the humanitarian team can confidently demonstrate whether they have achieved the planned objectives.

Additional information that may be needed in CTPs are:

**Quantitative data:**
- How the money was spent (e.g. through a prioritisation of types of expenditure);
- Total expenditure patterns at household level;
- Tracking of market prices and availability of essential commodities (terms of trade, food, water, NFIs and labour) for the duration of the CTP;
- CTPs effect on filling the gap in needs e.g. food, water, shelter, including information on quality of these;
- Number of women and men reached.

**Qualitative data:**
- Perceptions towards targeting system;
- Perceptions towards cash/vouchers compared to in-kind aid;
- Perceptions towards the modality and payment mechanism and instrument chosen;
- Impacts of CTP on community relations;
- Perceptions of the target group and specifically from women beneficiaries on the impact of CTP on their lives;
- Transformation in market systems, livelihood systems, ownership and management of assets as a result of a CTP.

Additionally, some information for financial monitoring must be collected to control the risk of fraud. These could include undertaking spot checks (e.g. cash
counts), cross checking the lists of beneficiaries who received cash/vouchers versus the original selection lists, reconciling the total funds disbursed for the cash transfer versus the actual amount distributed/returned etc.

4.3 Market monitoring

Market monitoring during a CTP is under the responsibility of the logistic team (as it is during the preparedness phase). At the stage of humanitarian response, the Logistics Manager and the Technical Team Leader may agree to split the market monitoring responsibilities by focusing on specific markets that they can easily access. Market monitoring is key for us knowing the average price of the basket of goods that people are expected to be able to buy, and whether or not the grant is still adequate. It also allows ensuring that the CTP is not causing inflation and to monitor the price of a day’s labour to assess the wider impact of the project on the local economy. The technical team should support the logistics team in the design of the tools for market monitoring, monitor village markets and the regular analysis of the data.

Approach:

- Monitor prices and availability of key commodities in the village and regional market;
- Monitor the quality of commodities and services to ensure programme needs can still be met (NB: this is particularly important for voucher programmes);
- Compare these prices to other sources of information on regional and national prices, in order to assess what other factors may be impacting on price changes;
- Wherever possible, coordinate with other agencies on price monitoring.

If prices are rising:

- Consider whether the CTP is the cause of any of the price increase and if so reconsider whether the programme is appropriate;
- Consider changing monthly cash transfer amount to compensate for inflation;
- Look for other externalities which may be the prime drivers;
- Assess whether non-beneficiaries are struggling at the expense of beneficiaries;
- Assess the feasibility / appropriateness of rebuilding of infra-structure in the post-emergency period.

4.4 End line Evaluation

All CTPs must budget for and conduct an end line evaluation to assess the impact of CTPs on lives of women and men. As CTPs have a strong potential to rejuvenate the local economy, transform power relations and build resilience of communities to future shocks, it is important to study these as a part of the end line evaluation. The findings of the end line evaluation must be fed into all future contingency planning in the country and as such shared with in regions and countries to adopt best practises and control repetition of mistakes.
Guidance Notes on this SOP: Exit

In any humanitarian response, the exit strategy should be thought through right from the start of the PCM. This is no different for CTPs however, given the attractiveness of cash to many it is important to ensure that the communities, the authorities and the potential third party are involved in the designing of the exit strategy and know about it long in advance and are regularly communicated the plans to exit. The Technical Team Leader is responsible for deciding the length of CTPs and advise on ways to transition away from a CTP. The Technical Team Leader is responsible for clearly communicating the exit process to beneficiaries and non-beneficiaries.

A CTP may well be applicable across many sectors in a development environment, and where opportunities exist, can be scaled-up to meet social protection objectives, however these SOPs can only highlight the need to consider the exit strategy early on and apply it to programme documents. If there is a considerable shortfall in funds for a CTP, following the initial response, it is the Programme Managers responsibility to ensure CTP advocacy is raised. The procedures used should be communicated to the coordination team so that they can choose to include CTPs in future proposals if appropriate.

Depending on the context, you may want to document the project. CTPs are still considered as “new” in a lot of different contexts, therefore documenting the success and challenges faced during the programme can be useful to the country and regional teams for advocacy on CTPs, updating country contingency plans and so on. In addition to the local and national sharing platform, it may be worth sharing a copy with CaLP for further dissemination to other practitioners.

Like for any other project the final report is the responsibility of the Programme Manager, who should work closely with finance and funding when preparing the final narrative report. Finance Manager should prepare the final financial report and include all incurred costs and committed costs. This report should be reviewed by programme staff to ensure completeness and coherence with narrative report (e.g. on number of transfers). In emergencies, distributions are often funded by multiple donors, therefore it is important to be very clear which cash transfer programming locations are associated with which donors. Finance and funding are responsible for ensuring donor compliance on all transactions, and that all documents are in place to ensure a full audit trail for the CTP.
Preparedness
Annex 1 CTP risk assessment form (included as attachment)

Assessment and Design
Annex 3 Guidance Note: Obtaining Authorisation to Use Armed Escorts/Guards: An Exception to the DI Security Protocol (included as attachment)

Implementation
Annex 4 CaLP Minimum requirements for Markets assessments (English version; French version)
Annex 5 Banking infrastructure assessment form (See annex of Finance Guidelines on Cash Transfer Programming)
Annex 6 MoU with bank (sample) (Included as attachment)
Annex 7 CaLP guidelines for e-transfers and principles and operational standards for secure use of personal data in cash and e-transfer programmes
Annex 8 DI Dossier MEAL minimum requirements (English version)

Exit
Annex 9 CTP finance exit checklist (See annex of Finance Guidelines on Cash Transfer Programming)

Annex 1: Cash Emergency Preparedness (CEP) Risk assessment

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<tr>
<th>Country:</th>
<th>Date of Assessment:</th>
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<tr>
<td>Assessment done by:</td>
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This risk assessment form is designed to assess 6 types of common risks associated with cash and in-kind programming: (i) Risk to the safety and security of staff and beneficiaries; (ii) Risk of fraud and diversion by non-beneficiaries; (iii) Risk of leakage of confidential information; (iv) Risk related to market systems and their disruption; and (v) Risk of misinformation or political capture.

**GENERAL**
Are you aware of any problems in the existing or previous Cash Transfer Programmes (CTP) implemented by Oxfam, its partners or other agencies in country?

How are/were these problems addressed?

Given the above what is the level of risk that you anticipate?

**Overall Assessment - General**

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<thead>
<tr>
<th>Low (1)</th>
<th>Medium (2)</th>
<th>High (3)</th>
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**RISK TO SAFETY AND SECURITY OF BENEFICIARIES AND STAFF**
What is the political context where CTPs are likely to be implemented? If it is a context of armed conflict, has the political context been considered as a part of contextual analysis?

Do any of the programme processes expose beneficiaries (especially socially excluded groups) to risk of theft/looting/coercion? Please explain the risk clearly.

Does our programme design increase women’s exposure to violence in the household? If so, how?

Does the design of the programme expose Oxfam/partner staff to risk of threat to life, theft or coercion?

Does the design of the programme increase chances of women’s sexual exploitation by Oxfam/partner staff or third party?

Can these risks be eliminated/mitigated? If yes, explain how?

Given the above questions, what level of risk do you think CTP present to the safety & security of beneficiaries and staff?
Country:  
Date of Assessment:  
Assessment done by:  

<table>
<thead>
<tr>
<th>Overall Risk Assessment - Safety &amp; Security</th>
<th>Low (1)</th>
<th>Medium (2)</th>
<th>High (3)</th>
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### Annex 1 (continued)

#### Risk Related to Market Systems and Their Disruption

What do you know about the impact of previous crisis on the markets? How long did they take to recover? If CTPs were implemented previously by Oxfam or others, what was the effect on prices and the ability of traders to maintain supply of adequate quality and quantity of commodities?

Does a market baseline for essential commodities exist with Oxfam or other agencies?

Have you completed a rapid market analysis for all relevant geographical areas and commodities to study the impact of the crisis on the market system?

Does the analysis suggest that there are local markets which have suitable quality and quantity of goods to enable CTP?

Does the evidence suggest that a scale up to meet the demand is possible by existing traders in case of an emergency?

Are the markets in selected areas working competitively for essential commodities required by men and women in time of crisis?

Have you checked on the seasonal trends in market prices for essential commodities? Have you set up a market monitoring/price tracking system?

Is there a real risk of significant inflation because of monopoly or low supply/disruption in the supply chain or policy barriers? Can the risk of inflation be mitigated? And how?

### Overall Risk Assessment - Market Disruption

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<thead>
<tr>
<th>Overall Risk Assessment - Market Disruption</th>
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## Annex 1 (continued)

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<td>Assessment done by:</td>
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### RISK OF FRAUD/DIVERSION BY NON BENEFICIARIES

- How will cash or vouchers be delivered to beneficiaries? Does this delivery mechanism involve handling of cash by Oxfam or partner staff?
- Have you put adequate controls to ensure that cash is not diverted by Oxfam or partner staff? Are all staff aware of this mechanism?
- Do you have a policy on whistle blowing? Are all staff members aware of this policy?
- Have you developed controls to ensure that vouchers are not reproduced by non beneficiaries?
- Have you set up controls to ensure appropriate quality and quantity of commodity is delivered against vouchers?
- Are the legal provisions in the country on financial service provision by non-state actors conducive for cash transfers?
- Do you have a mechanism of beneficiary identification for cash distribution? In case of elderly, physically challenged persons, children or women in certain cultural contexts, do you have the provision of a registered second recipient?
- Are the cash delivery agents/third party clear on the paper work expected by Oxfam for final payment?
- Have you informed beneficiaries that no one must be paid a part of their cash for registration in the programme or for cash delivery?

### RISK OF LEAKAGE OF SENSITIVE INFORMATION

- Do you have plans to create a database of beneficiary information and its safe storage?
- Does a market baseline for essential commodities exist with Oxfam or other agencies?
- Do any of the programme implementation processes involve sharing sensitive beneficiary information with third party? If so, does the third party contract include a clause on maintaining confidentiality of beneficiary information?
- Are the beneficiaries aware that their information may be shared with others? Do we have their consent?
- Do you have a plan to destroy beneficiary information once the project is over?

Given the above, what is the level of risk of leakage of sensitive information?

**Overall Risk Assessment - Leakage of sensitive information**

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### OVERALL ASSESSMENT

#### GENERAL

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<th>Low (1)</th>
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#### RISK TO SAFETY AND SECURITY OF BENEFICIARIES AND STAFF

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<th>Low (1)</th>
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#### RISK OF MISINFORMATION/ POLITICAL CAPTURE

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<th>Low (1)</th>
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#### RISK RELATED TO MARKET SYSTEMS AND THEIR DISRUPTION

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#### RISK OF LEAKAGE OF SENSITIVE INFORMATION

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### TOTAL SCORE

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<th>Low (6 or under)</th>
<th>Medium (7 to 12)</th>
<th>Medium (7 to 12)</th>
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**Comments and Recommendations on the assessment**

Signed: ____________________________  Signed: ____________________________  Signed: ____________________________

HPC / FPM  Technical Team Leader  Finance Manager

Signed: ____________________________  Signed: ____________________________

Logistics Manager  Security Officer
Annex 3: Authorisation form for the use of armed guards

GUIDANCE NOTE: OBTAINING AUTHORISATION TO USE ARMED ESCORTS/GUARDS:

An Exception to the OI Security Protocol

Approved April 25th 2011 by the OI HR Taskforce

Revised October 2012

Introduction

The use of armed protection may affect Oxfam’s image, reputation and others understanding of our programme. It may lead to the perception that Oxfam is not an independent actor but is associated with a particular armed group (state or non-state), which may, in turn, lead to Oxfam being seen as a legitimate target or may increase the likelihood of collateral damage. Although justifiable in some contexts, it may add to the erosion of independent and impartial action and may lead to increased insecurity in the future. Armed protection is only compatible with Oxfam programmes in exceptional circumstances.

When assessing the use of armed protection, Oxfam policy, principles and values must be considered.

1. Affiliates agree not to use armed guards and that staff will not carry or take up arms. Arms will not be permitted in Oxfam vehicles or on Oxfam premise.
2. In situations of armed conflict, Oxfam must only consider the use of military means (logistics, security etc) as a last resort in increased insecurity in the future. Armed protection is only compatible with Oxfam programmes in exceptional circumstances.
3. When assessing the use of armed protection, Oxfam policy, principles and values must be considered.
4. The use of armed protection may affect Oxfam’s image, reputation and others understanding of our programme.
5. Armed protection is only compatible with Oxfam programmes in exceptional circumstances.

Exceptions to the protocol may be considered and authorised, according to the process outlined, when there is a compelling programme reason, when the threat is largely banditry, not political, when an acceptable provider is available and when the deterrent will be effective. Exceptions may be sought for a specific time period (if long-term, it must be reviewed annually at a minimum), for a specific project or for a specific one-off activity. However, in extreme and time critical situations, the use of armed escorts for emergency relocation and evacuation may be authorised by the most senior staff member present.

Process

A written request must outline in brief (using the attached template):

1. Context analysis
2. Risk analysis
3. Impact on Oxfam’s image and acceptance
4. Procedures for the use of armed protection
5. Recommendations

The request must be:

1. Discussed and agreed by CLT.
2. Agreed by all affiliates present, according to their own line management procedures.
3. Sent by the Country Director (through the line management) to the Managing Affiliate Executive Director to authorise.
4. Authorisation will take place as rapidly as possible, and will be prioritised.
5. The ED will advise other Affiliates present of the specific circumstances of the authorisation

Once Authorised, the ED will advise other Affiliates present of the specific circumstances of the authorisation

A template is attached with more detail. Each box is free text – but please keep it brief.

Annex 3 (continued)

Key Issues to be Considered and Outlined in Request

Context Analysis

Key overall context, events and trends, including main security issues

A short description of the Oxfam programme including the level of programme need

The impact on our programme if we do not use armed protection

Is there a compulsory requirement to use armed protection? (e.g. the Somaliland government will only authorise international staff travel, outside the capital, with armed escorts)

What security strategies are other INGOs using, who have similar principles and values to Oxfam?

Risk Analysis

Why is armed protection necessary? What are the threats and risks in the environment, and is Oxfam specifically vulnerable to them?

Is armed protection an effective safeguard against the threats and risks? Will it increase or decrease the risk for Oxfam and others?

Is armed protection required for long-term, routine use or for a specific project or activity? How often will armed protection be used?

Who will provide the protection? National police force, national army, a rebel group, UN civilian police or UN military troops, hired militia, a commercial security company? Is there any information on their past performance and behaviour and anything that can be learned from this?

Do we have to pay for it? Will payment raise ethical and economic concerns?

Do we need to enter a contract? How can that contract be terminated?

What is the impact on others if Oxfam uses armed protection?

Management

1. What are the qualifications of armed protection?
2. Who does the armed protection report to? What is their chain of command? Who has line management, including disciplinary authority?
3. Is Oxfam responsible for managing the armed protection?
4. Who is liable in case of injury or death resulting in use of force?
5. Are the escorts/guards aware of humanitarian principles? Is induction or training required?
6. Is there any mechanism in place for reporting compliance issues?

What indicators will be used to define the continuing need for armed protection? This should be considered a temporary solution and exit solutions outlined

Impact on Oxfam’s Image and Acceptance

Context Analysis

What will be the impact on our acceptance strategy?

How will communities perceive the armed protection?

Is armed protection compatible with independent and impartial action in this case?

Will the armed protection improve the security of staff, but not that of the general population? Is that acceptable?

What is the visibility of the armed protection?

1 Unless authorised by the Executive Director of the Managing Affiliate, following a collective risk analysis and decision by all Affiliates present. The ED will advise other Affiliate EDs present of the specific circumstances of the authorisation
2 As Per SCHR and VOICE position papers on humanitarian military relations.
Annex 3 (continued)

<table>
<thead>
<tr>
<th>Procedures</th>
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<tbody>
<tr>
<td>What are the rules of engagement: shoot/don’t shoot; safe weapons handling, when and how they will be used?</td>
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<tr>
<td>Which vehicles will be used; will they be in front or behind Oxfam vehicles (never in the same vehicle as staff)</td>
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<tr>
<td>Are there common communication procedures? Will they have access to Oxfam communication tools?</td>
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<tr>
<td>What type of equipment is to be used (modern firearms of a calibre appropriate to the context?</td>
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<tr>
<td>Are they clearly identified (e.g. uniform)</td>
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<tr>
<th>Oxfam Discussions</th>
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<tr>
<td>Has this request been discussed by all affiliates present in-country?</td>
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<tr>
<td>Has this request been agreed by CLT</td>
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<tr>
<th>Recommendations</th>
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<tbody>
<tr>
<td>Recommendation to use armed protection outlining key relevant issues (as above), including frequency of proposed use</td>
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<tr>
<td>Description of procedures to be put in place</td>
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<tr>
<td>Timeline for the use of the armed protection and for a review (minimum annually)</td>
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<tr>
<td>A recommended exit strategy (e.g. indicators to decide if the armed escorts/guards are still required)</td>
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Annex 6: Memorandum of understanding with bank

**AMENDED MEMORANDUM OF UNDERSTANDING**

**BETWEEN:**

**OXFAM GREAT BRITAIN IN ETHIOPIA**

P.O. Box 849

DIRE DAWA - ETHIOPIA

AND

**COMMERCIAL BANK OF ETHIOPIA, DECHATU BRANCH**

P.O. BOX 298

DIRE DAWA - ETHIOPIA

FOR THE IMPLEMENTATION OF CASH TRANSFER TO REGISTERED BENEFICIARIES HOUSEHOLDS IN SHINILE & AYISHA WOREDA

UNDER THE

SHINILE DROUGHT EMERGENCY RESPONSE PROJECT

Amended ON SEPTEMBER 16, 2011
2.0 RESPONSIBILITIES OF CBE

CBE agrees to provide Oxfam GB with the services in accordance with agreed project modalities, work plan and procedures as reference and annex to the agreement. The services shall comprise of the following:

2.1 Provide adequate vehicles, security, cashiers / tellers with staff who are able to speak Somali language so as to ensure quick/fast, safe and effective distribution of cash.

2.2 Insurance of Cash in Transit – CBE shall insure cash and staff for the operation. For the purpose of this agreement, all cash of cash distributed. The payment will be calculated according to the actual number of beneficiaries receiving the cash, irrespective of the amount per agreed fee structure adjusted as per actual costs on commission charges of 5 Ethiopian Birr (ETB) per beneficiary served.

3.0 RESPONSIBILITIES OF OXFAM GB

Oxfam GB will be responsible for:

3.1 Providing to CBE the details of lists of names registered beneficiaries for each Kebeles/locations – Oxfam GB shall mobilize, identify, verify and register all eligible beneficiaries for the cash transfer. Oxfam GB shall provide 3 hard copy of signed name of beneficiaries’ registration form and an electronic copy of name of beneficiaries cash payment form 72 hours before cash distribution date.

3.2 Together with representative from the CBE, identify and get approval of sites for cash distribution at each Kebele. Approval of the distribution site shall be by the Woredas/Kebeles government administration.

3.3 Draw and provide to CBE detail cash distribution plan. Oxfam GB shall advise the bank of the official personnel placed with the responsibility to instruct the bank on payment dates. This shall be by e-mails and signed hard copy to designated bank focal person not later than 72 hours before cash distribution date. For security reasons the plan shall not be shared beyond a designated few people at CBE.

3.4 Ensure that beneficiaries’ community are present on the day of cash distribution.

3.5 Ensure that there is adequate funding for the operation of cash transfer process – Oxfam GB shall pay CBE commission as per agreed fee structure adjusted as per actual costs on commission charges of 5 Ethiopian Birr (ETB) per beneficiary served. The payment will be calculated according to the actual number of beneficiaries receiving the cash, irrespective of the amount of cash distributed.

3.6 Staff Training on the operation, distribution forms, Oxfam values and code of conduct, roles and responsibility of each party and the procedures shall be done with Oxfam GB field staff prior to the first operation.

3.7 Inform CBE at least 3 days (72 hours) in advance on the volume of cash need for distribution. The, exact date and time for cash distribution will be communicated 1 day in advance to avoid security incidences/risk.

3.8 Oversee the management of cash transfer and post distribution monitoring.

3.9 Coordination and networking - to invite CBE & Woreda officials to participate in monitoring and evaluation of the project whenever needed.

4.0 FEE STRUCTURE AND PAYMENT:

4.1 Oxfam GB shall pay commission to CBE at the rate of (twenty) 20 ETB per beneficiary in shinile woreda and (thirty) 30 ETB per beneficiary in Aysa Woreda served by CBE. The payment of commission to CBE shall be done after completion of each cycle of monthly cash distribution to registered beneficiaries in all Kebeles. The payment will be prorated to actual beneficiaries reach out or served by CBE.

4.2 Payment will be effected upon submission of all bill/invoice by CBE. It will be the responsibility of Oxfam to review and approve the bill. Upon having Oxfam’s approval (by the bank signatories), CBE will receive instruction to deduct from Oxfam’s account.

4.3 Any other costs such as insurance, security, transport and staff allowances shall be covered by CBE.

4.4 The fee structure is deemed complete and no additional categories of costs that may be incurred by CBE in fulfilling its obligation in this operation shall be included unless agreed upon between Oxfam GB and CBE in writing.

5. DURATION OF THE MoU

5.1 This revised agreement takes effect from the date of the last signature and covers the cash transfer period for 2 months, 16th September 2011 up to 15th November 2011. There after the MoU will be amended or terminated unconditionally. Should Oxfam GB wish to extend the duration of the agreement, Oxfam GB shall submit to CBE a written proposal for renewal of this agreement, CBE will respond to such proposal within five (5) days following the receipt and inform Oxfam GB in writing whether or not CBE desires to renew the agreement.

6.0 GENERAL OBLIGATION

6.1. The parties to this MoU will take all reasonable steps to resolve any disputes amicably.

6.2 The Programme Manager Oxfam GB together with CBE Bank Manager will take full role and responsibility in resolving disputes.

6.3 A notice for Dissolution of MoU shall be sent by either party who wishes to dissolve the MoU and there must be seven days notice before the dissolution.
In the presence of Witness

For Oxfam GB

For CBE

For Oxfam GB

For CBE

Date: Friday, 06 December 2013