



CASH & VOUCHER TECHNICAL WORKING GROUP DISCUSSION PRIMERS

INTRODUCTION

The purpose of this document is to provide guidance to Cash and Voucher Technical Working Groups (TWGs) on possible issues for TWG discussion. Arranged in alphabetical order, these nine issues are:

3W AND OTHER DATA COLLECTION	p.2
ACCEPTABILITY OF CASH	p.3
ACCOUNTABILITY AND TRANSPARENCY	p.4
ASSESSMENTS	p.5
CASH IN SECTORAL AREAS	p.6
CONTINGENCY PLANNING AND PREPAREDNESS	p.7
HARMONISING RATES AND GRANT SIZES	p.8
MONITORING AND EVALUATION	p.9
PAYMENT METHODS AND DELIVERY AGENTS	p.10
ANNEX I: EXAMPLE TOR FOR TECHNICAL WORKING GROUP	p.11

Each issue is written up as a ‘discussion primer’ and outlines: 1. Why this issue is important; 2. some possible discussion points; and 3. suggested outputs or decisions that need to be taken. When using these guides, **please do not work through them sequentially, but prioritise them based on your context.**

There are also a number of other issues which may be considered by TWGs. These include:

- Child protection
- Coordination and advocacy with donors
- Coordination and advocacy with government
- CTP in an insecure context
- Gender and generational issues

Finally, these discussion points are not exclusive for TWGs but may be used to guide the content of any cash and voucher related event, including learning events, presentations to stakeholders, or cash-related components of other working groups or clusters.

These guides are intended to be a ‘living document’ and we hope to update them as new experience is gained and lessons learned. Please feel free to contact us with feedback or suggestions at: info@cashlearning.org. For more resources on cash transfer and voucher programming, to download guidelines or case studies, or to find out about trainings in CTP, please visit our website: www.cashlearning.org.

3W AND OTHER DATA COLLECTION

Why this issue is important

In humanitarian responses, the Cluster Leads are responsible for humanitarian coordination including ensuring the complementarity of humanitarian response using tools such as the 3W (who does what where). As a tool, the 3W is important in avoiding unintentional duplication of work by different agencies. The 3W also allows stakeholders, including affected communities and local governments, to identify gaps in responses.

Given that cash and vouchers are not sector specific and are a 'tool' rather than an objective in itself, the information about responses should be reported to their respective Clusters. E.g., Cash for shelter should be reported through the Shelter Cluster. If 3W formats do not permit the reporting of cash responses, the TWG should advocate for changing reporting formats, rather than having separate reporting processes for cash. Separate reporting for in-kind and cash responses risks overlaps.

TWGs may choose to collect data on CTPs used by various agencies, e.g., on grant size, payment rates, modalities, payment methods and delivery agents. However, the focus of the data collection should be for learning, harmonisation and improving ways of delivering cash. Substantive responsibilities of ensuring leadership and accountability in sector responses must remain with the Cluster Leads.

Possible discussion points

- Who is doing what where for CTPs?
- Within sector responses, how are cash responses currently reported as compared to in-kind responses? Does this reporting ensure that there is no overlap between cash and in-kind responses that serve to meet the same objective?
- What role can the TWG play in ensuring that cash responses are reported appropriately?
- What data should be gathered by TWGs, and what reporting should occur? E.g., Partners, volumes, payment method, modality, conditionalities.
- What opportunities are there to share learning about CTPs between various Clusters?

Suggested outputs

- 3Ws within Clusters include reporting of cash responses
- A database of features of CTPs

Further information

OCHA. Generic Terms of Reference for Cluster Leads

ACCEPTABILITY OF CASH

Why this issue is important

Cash is a new mode of delivery in many contexts. In-kind support, such as the distribution of food aid, is often a more familiar form of assistance. In some contexts, local authorities and partners are cautious about cash, and may refuse such an intervention. Reservations about cash (versus in-kind) include increased perceived risks of theft, fraud and diversion with cash; risk of inflation or market disruption; potential 'moral hazards' or misuse of cash; creating unrealistic expectations; or less visibility associated with a cash rather than in-kind distribution.

Such reservations may reflect conservatism, culture or valid concerns. The TWG can play a role in improving the acceptability of cash through joint communication, lobbying and messaging.

Possible discussion points

- What role can the TWG play in improving the acceptability of cash?
- Are there any difficulties relating to acceptability, and from whom are these concerns?
- What preconceptions are there? What are the concerns raised? Are they due to real or perceived risks? How can we mitigate these risks and address the concerns?
- Why do people prefer in-kind responses? E.g., familiarity, habit, organisational structure. How can we counter such tendencies and get cash to be routinely considered as an option?
- Who do you need to influence to improve the acceptability of cash, and who can help us influence? Can the TWG support in bringing various stakeholders together to address concerns?
- Are the shared communications materials that can be developed to promote cash? These may include information sheet regarding cash, case studies, videos of interviews with beneficiaries or results of post-distribution monitoring.

Suggested outputs

- An agreed communications strategy (be it formal or informal) regarding the potential benefits of cash.
- Information sheets, stakeholder meetings, and communications materials

Further information

CaLP, 2011. Making the Case for Cash: Advocacy in CTP

ACF November 2007. *Chapter 2. The Theory of Cash-Based Interventions*. Implementing Cash-Based Interventions - A Guideline for Aid Workers. Action Contre la Faim, Food Security Guideline, Technical and Research Department.

ACCOUNTABILITY AND TRANSPARENCY

Why this issue is important

As CTPs are novel and often attract considerable attention, it is important that all agencies consider accountability and transparency in their CTP programmes. Key accountability and transparency issues to be considered in CTPs (as with in-kind distributions) include:

- Targeting beneficiaries, particularly inclusion or exclusion errors.
- Acceptance of CTPs and appropriateness of CTP modality (cash/cheque/voucher) and delivery mechanism (direct cash, ATM, mobile banking etc.),
- Accessibility of CTP to most vulnerable members of the target group (e.g. women, disabled persons, the elderly, illiterates).
- Communication with beneficiaries and the broader community about the CTP. E.g., on targeting criteria, grant size, purpose of the grants.
- Appropriateness of grant size, and plans to monitor and revise grant size with inflation or volatility in food prices.
- Cost efficiency (for beneficiaries as well as for the organization) of meeting needs with CTP.
- Impact on local economies and market systems (positive and negative).
- Corruption or diversion of funds.
- Staff capacity and safety.
- Complaints and feedback mechanisms and how these will be responded to.

TWGs can have a key role in sharing best practice, lessons learnt, formats and communications materials for use in promoting accountability and transparency. More advanced TWGs may want to consider having member agencies agree on minimum standards in accountability and transparency. Members may also want to pool resources to have a common complaints hotline or staff training workshops.

Possible discussion points

- What are the key issues and challenges in accountability and transparency for CTPs in this response?
- What approaches have agencies used to ensure accountability and transparency in their CTPs?
- What opportunities are there to share best practice, lessons learned, formats and materials?

Suggested outputs

- Approaches, best practice, lessons learned and formats are shared by agencies

Further information

The 2010 HAP Standard in Accountability and Quality Management

2011 Sphere Handbook (www.sphereproject.org)

CaLP, 2011: Communicating CTP to Communities

ASSESSMENTS

Why this issue is important

Assessments, such as rapid assessments, market assessments and recovery assessments, are the basis from which CTPs are designed. Assessments are undertaken by individual agencies or as part of interagency joint assessments. A TWG could support assessments in a number of ways:

- Share results of assessments at the TWG. This allows for shared learning, and leaves more time for implementation.
- Identify gaps in assessments findings, and coordinate to fill in gaps of information.
- Ensure that assessments do not overlap in scope and geographical area.
- Organise joint interagency assessments in order to pool resources and harmonise methodology.
- Agree on methodology, checklists and formats in order to have harmonised and comparable data.
- Promote best practice in assessments. E.g., Inclusion of finance and logistics staff in assessments.
- Share information about training conducted in assessment methodologies. E.g., In EMMA, MIFIRA, HEA, HLS.
- Ensure that information from national and other surveillance systems, such as FEWSNET, GIEWS, CFSAM and VAM are shared.

Possible discussion points

- What assessments have been conducted? E.g., rapid, market or recovery assessments conducted by individual assessments or as joint assessments.
- What opportunities are there to share this information amongst the TWG – written or in presentations?
- What are the information gaps that remain? What further assessments need to be conducted based on these information gaps, and what role can the TWG play in this?
- What opportunities are there for there to be standard indicators and methodologies used in assessments so that data is comparable?
- What opportunities are there to share information on training opportunities in assessment methodologies?
- What opportunities are there for joint assessments among TWG members and other agencies?

Suggested outputs

- Key findings from assessments are shared among TWG members and others
- Overlap in assessments is minimised
- Improved harmonisation of assessments through agreed methodologies, checklists and formats, where possible.
- Identification of training being offered in assessment methodologies, and informing TWG members as appropriate.

Further information

CaLP, 2010. *Chapter 4. Assessment*. Delivering Money - Cash Transfer Mechanisms in Emergencies. The Cash Learning Partnership. The Save the Children Fund.

DG ECHO, March 2009. *Subsection 2.3.2. Assessments*. The Use of Cash and Vouchers in Humanitarian Crises - DG ECHO Funding Guidelines. European Commission Directorate-General for Humanitarian Aid - ECHO.

CASH IN SECTORAL AREAS

Why this issue is important

Cash transfers are a mechanism for providing resources for all sectors. Some examples of use of cash and vouchers in emergency response and recovery include:

- Immediate and basic needs, including food and non-food needs
- Improved nutrition, including dietary diversification
- Improved access to education, including for school fees, uniforms and other expenses
- Improved access to health services, including transportation costs
- Livelihoods, including protecting assets, restocking or debt repayment
- Reconstruction of shelters, including temporary and transitional shelters.

Although cash can be used in a range of sectors, it has most commonly been used in food security and livelihood responses. There are several opportunities for the TWG with regards to CTP across the sectors, and these have been integrated into the 2011 Sphere handbook. In support of this, the TWG can:

- Work with various Clusters to ensure that CTP is considered as a response option.
- Share learning in CTP across the Clusters. E.g. Lessons learned on payment methods, delivery agents and monitoring and evaluation.
- Promote best practice in CTP in various Clusters.
- Harmonise approaches in CTP as appropriate. E.g., in communications, monitoring and evaluation, etc.

Possible discussion points

- Are market assessments included in multisectoral assessments? Alternatively, are results of market assessments shared across the Clusters?
- Is CTP currently being considered as a response option for various sector responses?
- What opportunities are there to promote CTP as a response option in various Clusters?
- What opportunities are there to share learning and best practice about CTPs between various Clusters? E.g., Learning on payment methods and delivery agents.

Suggested outputs

- Key findings from market assessments are shared across Clusters
- CTP is considered as a response option in various sector responses
- Best practice and cross-learning on CTP is shared between various Clusters

Further information

IFRC, 2008. Case Study: Rebuilding homes and livelihoods in Jamaica after Hurricane Dean.

<http://www.cashlearning.org/files/CaseStudies/146200-case-study-Jamaica-EN.pdf>

IFRC, 2007. Case Study: Rebuilding Lives with Shelter Grants, Bangladesh 2007.

<http://www.cashlearning.org/files/CaseStudies/Bangladesh,%20shelter%20cash%20grants,%20Sidr.pdf>

Oxfam GB, 2010. Case Study: The Haiti Earthquake: An Urban Solution.

<http://www.cashlearning.org/files/CaseStudies/Haiti.pdf>

CONTINGENCY PLANNING AND PREPAREDNESS

Why this issue is important

Time and resources are needed to develop the networks and mechanisms to deliver money to populations in need. Some of the necessary steps include: understanding potential delivery agents and payment methods, negotiating agreements with delivery agents procuring materials and equipment (such as vouchers, cards, POS scanners or phones) and training staff and partners. Depending on the context and payment methods, this may mean a lead time of 3-6 weeks before money is delivered. However, much of this work can be done prior to an emergency. This preparedness not only reduces lead time, but can also improve the quality and effectiveness of a response.

Prior to an emergency, a TWG can promote preparedness in a number of ways:

- Discussing preparedness plans for the TWG in the case of an emergency, particularly to promote coordination, acceptability, timeliness and scalability of responses.
- Sharing agencies' contingency and preparedness plans relating to CTP
- Sharing and reviewing information to contribute to better contingency and preparedness plans, such as:
 - Any assessment information (e.g., HEA, EMMA) or other information (e.g., FEWSNET, GIEWS) that can provide baseline pre-disaster contextual information and data.
 - Information on delivery agents and payment methods, including details on advantages, disadvantages and appropriateness for vulnerable groups.
 - Lessons learnt from past responses.
- Sharing formats and tools for CTPs (E.g. for assessment, registration or M&E).
- Sharing information training and capacity building opportunities for staff, partners and delivery agents.
- Identifying potential gaps in future responses, and working to address the gaps.

Possible discussion points

- What contingency and preparedness plans exist for agencies?
- What information can we share to promote our preparedness? E.g., assessment data, delivery agents and payment methods, lessons learnt
- What is the TWG's preparedness plan for an emergency?

Suggested outputs

- Agency contingency and preparedness plans are shared.
- Information and training opportunities to promote preparedness are shared.
- The TWG's role in an emergency and its preparedness plan is articulated.

Further information

Delivering Money - Cash Transfer Mechanisms in Emergencies. CaLP, 2010. *Chapter 5. Timing, Preparedness and Partnerships.*

HARMONISING RATES AND GRANT SIZES

Why this issue is important

Where possible, agencies should harmonise daily rates for cash-for-work (CFW) and the amounts of some grants¹. Harmonising rates should help to reduce the potential for challenges that widely varying different rates and grant sizes may cause amongst community members and local authorities. Vastly different rates / grant sizes or working conditions may create jealousies and conflict, particularly if the villages, districts or tribes neighbour each other. In extreme circumstances, it may cause a migration of people from one area to another to take advantage of better rates and grant sizes.

Because of this, harmonising rates is an urgent priority for the TWG for the early stages of a response. This is so that there can be adequate communication to communities, local authorities, government agencies and donors about the rates and grant sizes.

There are a number of factors to consider when setting a rate. These include what the legal minimum wage is in the country, and what the market rate for labour is. In some contexts, there are compelling reasons to set the rate at lower than the market rate so that only people who are not able to access other work do CFW. However, in contexts where the market rate is exploitative and does not allow people to meet their basic minimum food or other needs, then the TWG may want to consider a higher rate.

Even following a rate being set, the TWG needs to have a mechanism in place to regularly review this rate. In contexts where there is inflation or price volatility, a price surveillance system (of both food prices and market labour rates) should be put in place to inform the TWG's decision making.

Possible discussion points

- What is the legal minimum wage in the country?
- What is the market rate for the labour? That is, what are the typical unskilled and skilled daily labour rates at various times of the year? Does this differ for women and for men?
- What are the demands for labour at various times of the year? Does it differ for women and men?
- How much does it cost for a family to meet minimum food and/or non-food needs?
- Is there inflation or volatility in prices? If so, how much?

Suggested outputs

- Harmonised daily rates for skilled and unskilled labour for CFW for each area.
- If possible, harmonised grant sizes for grants serving the same objective. E.g., grant per head of cattle de-stocked.
- An agreed mechanism / method for adjusting the grant size or rates as needed on the basis of inflation.

Further information

Implementing Cash-Based Interventions - A Guideline for Aid Workers. ACF, November 2007. *Subsection 3.1.3.4. Setting the size of the entitlement and 3.1.3.5 How much and how to pay for labour?* (pp. 69-76)

Cash-Transfer Programming in Emergencies. Oxfam GB 2006, Creti, Pantaleo and Jaspars, Susanne (eds). *Chapter 4. How to implement cash-for-work programmes.*

¹ The size of a grant depends on the objective it serves to achieve, such as cash for family food basket, de-stocking, re-stocking, or agricultural recovery. Grant size should not be the same regardless of the purpose. However, for the same purpose, organisations should seek to harmonise the grant size. For example, a standard de-stocking grant per head of cattle.

MONITORING AND EVALUATION

Why this issue is important

The monitoring and evaluation (M&E) of a CTP includes activity and output tracking, post-distribution monitoring (PDM), market monitoring (including price surveillance), real time evaluations (RTEs) and evaluations. At a minimum, the TWG can have the following role in supporting M&E:

- Promote best practice by agencies through encouraging agencies to share their M&E guidelines, methodologies and formats.
- Sharing results of M&E between agencies. E.g., Findings of PDMs, RTEs or price surveillance.

TWGs that are more advanced may also choose to consider the following:

- Harmonising methodologies, format and indicators so that data is collected is comparable. E.g., using an interagency food basket monitoring system to adjust grant sizes as appropriate and to advocate to governments and donors.
- Interagency M&E inputs. E.g., An interagency RTE to pool resources and promote cross-learning between agencies.
- Organising training in M&E for member agencies.

Agencies working together in a TWG may also want to consider sharing information and resources to look at the broader issues associated with CTPs. The following are examples of questions that may be considered (from DG ECHO Funding Guidelines):

- The relative merits and risks of alternative cash distribution systems in various contexts
- The implications of different resource transfer options on control over resources at the intra-household level including women and children.
- The extent of inflationary impacts and consequences and adequacy of contingency options.
- The role of cash and vouchers in fostering early recovery and the transition towards longer-term development.

Possible discussion points

- What are various agencies doing for M&E? What opportunities are there to share guidelines, methodologies and formats used by various organisations?
- What opportunities are there to share findings from M&E, in written or presentation form?
- What opportunities are there for harmonised methodologies, formats and indicators? What opportunities are there for interagency M&E inputs?
- What opportunities are there to promote response-wide learning using M&E information?

Suggested outputs

- M&E guidelines, methodologies and formats are shared by agencies
- Findings from M&E are shared by agencies

Further information

The Use of Cash and Vouchers in Humanitarian Crises - DG ECHO Funding Guidelines. DG ECHO, March 2009. *Subsection 2.3.5. Evaluation.*

Implementing Cash-Based Interventions - A Guideline for Aid Workers. ACF, November 2007. *Chapter 3.3. Monitoring / evaluation of cash-based interventions.*

Guideline for Cash Transfer Programming, ICRC and IFRC., 2007. *C6 Practical tool 6: Post-distribution monitoring.*

PAYMENT METHODS AND DELIVERY AGENTS

Why this issue is important

Payment methods refer to how cash is delivered to a beneficiary, and may include methods such as direct cash, cheque, phone banking or ATM card. The delivery agent is the actor that provides this payment, be it a bank, phone company, money dealer or the NGO itself.

Within each context, each payment method and delivery agent has its advantages and disadvantages, risk and opportunities. Establishing a payment system with the partner delivery agent is often a learning and problem solving process. By sharing experiences and learning on the payment method and delivery agents, the agencies participating in the TWG should be able to avoid repeating mistakes and to improve the timeliness and effectiveness in delivering cash. TWGs could also coordinate to ensure there is no saturation of any particular payment method / delivery agent.

Possible discussion points

- What payment methods and delivery agents are various agencies using or considering? What are the specific issues around each payment method? E.g., registration challenges, protection of personal data, possible exclusion of vulnerable groups. What has the learning been from using these payment methods and delivery agents?
- What payment methods are not yet being used and need to be considered?
- Is there a risk of saturation of any particular payment method or delivery agent? E.g., too many people going to banks, or phone banking vendors having insufficient cash flow to cater for the needs of various agencies.
- What are the characteristics of the various delivery agents? E.g., cost, coverage, transparency, reliability, security, reputation, etc.
- How accessible are the various payment methods to vulnerable groups? Are there opportunities for improving accessibility or ensuring protection of certain groups?
- What are the opportunities for the TWG to work together to negotiate with delivery agents for improved services or reduced charges? This may include setting up more points of payment
- What are the lead times for setting up the various payment methods? What advance preparations can be done to reduce lead times, especially in areas where it is known interventions are likely to be required?

Suggested outputs

- Information sharing from various NGOs about the payment methods and delivery agents they are using. This may be in the form of informal short presentations or a more formal presentation.
- Information is collated in matrix of different delivery methods and agents.
- Joint negotiation with delivery agents regarding the delivery of cash.

Further information

Delivering Money - Cash Transfer Mechanisms in Emergencies. CaLP, 2010. *Chapter 3. The Payment System.*



ANNEX I: EXAMPLE TOR FOR TECHNICAL WORKING GROUP

The following is a sample TOR for a technical working group on cash and vouchers. This is intended to be a guideline in creating a TOR specific to the needs of any TWG, and should be adapted accordingly to reflect the context of work. If the TWG is new, this could be on the agenda for the first meeting.

The Technical Working Group will:

- Share information and coordinate communication regarding cash and voucher programming.
- Develop a set of guidelines on common practices within the context of providing assistance through the use of cash and vouchers.
- Develop a broader policy framework for the use of cash and vouchers under the do no-harm framework.
- Respond to both technical and policy issues of its members and provide guidance and direction that addresses the request.
- Work to ensure that interventions do not overlap or in anyway negatively impact one against the other.