

# Northwest Syria Cash and Voucher Assistance Risk and Mitigation Matrix

This working document aims to outline the risks that can have an impact on Cash and Voucher Assistance programming in Northwest Syria and to identify mitigation measures that can help aid agencies address these risks.

The document was developed by the Northwest Syria CVA Risk and Mitigation Taskforce, under the umbrella of the Northwest Syria Inter-agency Cash Working Group. The Northwest Syria CVA Risk and Mitigation Taskforce is led by GOAL Syria and Takaful Al Sham.



Takaful Al Sham



## List of Abbreviations

- CfW:*** Cash for Work
- CVA:*** Cash and Voucher Assistance
- CWG:*** Northwest Syria Inter-agency Cash Working Group
- FSP:*** Financial Service Provider
- IDPs:*** Internally Displaced Persons
- MoU:*** Memorandum of Understanding
- NWS:*** Northwest Syria
- OCHA:*** United Nations Office for the Coordination of Humanitarian Affairs
- SMEB:*** Survival Minimum Expenditure Basket
- SoP:*** Standard Operating Procedure
- TRY:*** Turkish Lira
- SYP:*** Syrian Pound
- USD:*** United States Dollar

# Risk Categories

*The risks that are outlined in the matrix are grouped under six categories:*

## **Financial Risk**

A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.

## **Coordination Risk**

A failure in the delivery of humanitarian assistance to targeted beneficiaries that is borne of a lack of communication between humanitarian actors operating in the same area.

## **Diversion Risk**

A risk that is associated with any activity that prevents aid from reaching its intended recipients - including fraud, financing of terrorism, money laundering, bribery, and other corrupt activities.

## **Markets-related Risk**

A factor which may negatively affect market stability and functionality - such as price volatility or commodity shortages.

## **COVID-19 Risk**

A risk related to the COVID-19 pandemic or to measures introduced to prevent novel-coronavirus infection outbreaks, such as movement or business restrictions.

## **Feasibility Risk**

A risk that affects the possibility of starting or continuing a humanitarian CVA intervention or prevents the possibility of achieving the intended outcomes of a CVA intervention.

# Impact Definitions

*The risk and mitigation matrix utilizes the following impact definitions:*

## **Little Impact (Level 1)**

No or very little impact on CVA programming; no related loss of life, no or little disruption to CVA activity schedule.

## **Moderate Impact (Level 2)**

Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.

## **Serious Impact (Level 3)**

High impact issues that may significantly affect a CVA project, but not all operations. May cause significant reputational damage and difficulties with access, but this is contained to specific areas. No related loss of life.

## **Very Serious Impact (Level 4)**

Very-high impact, serious issues which are 'red lines' for donors - may cause complete suspension of all funding and affects all CVA operations. Widespread loss of humanitarian access, related security incidents and/or conflict at a local and/or household level. Actions that are illegal under local and/or international laws and sanctions, when limited to some areas.

## **Critical Impact (Level 5)**

Extremely serious issues that can directly or indirectly cause widespread loss of life for communities and/or humanitarian workers. Potential closure of aid agencies' operations in NWS, significant reputational damage to many aid agencies and complete loss of donors or authorities' acceptance of CVA. Actions that are illegal under local and/or international laws and sanctions, when widespread.

# Likelihood Definitions

*The risk and mitigation matrix utilizes the following likelihood definitions:*

## **Very Low Likelihood (Level 1)**

The risk does not have a realistic probability of occurring (on average, less than once a year).

## **Low Likelihood (Level 2)**

The risk has reasonable probability of occurring (on average, once every six months).

## **Medium Likelihood (Level 3)**

The risk has a high probability of occurring (on average, once every two months).

## **High Likelihood (Level 4)**

The risk has a very high probability of occurring (on average, once a month).

## **Very High Likelihood (Level 5)**

The risk is extremely likely to occur (on average, more than once a week).

# Risk Level Calculation Table

Each risk that is enlisted in the matrix is assigned a risk level in accordance with the calculation table below:

		RISK LEVEL				
I M P A C T  L E V E L	5 - Critical	5	10	15	20	25
	4 - Very Serious	4	8	12	16	20
	3 - Serious	3	6	9	12	15
	2 - Moderate	2	4	6	8	10
	1 - Little	1	2	3	4	5
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
		LIKELIHOOD LEVEL				

<b>Financial</b>	
1	A contracted FSP is banned by a donor and/or by local authorities.
2	A: Theft or loss of cash by the FSP. B: Refusal by the FSP to distribute the cash after payment up front by the aid agency.
3	Smaller USD denominations - such as 5, 10, 20, and 50 USD banknotes - are unavailable or are of poor quality.
4	Decreased availability of cash in project locations, leading to inability by FSPs to cash out or to deliver cash assistance due to low cash liquidity or insecurity in the area.
5	FSPs increase the cost of services to account for new safety and security measures.
6	Regulations on financial transfer routes from Turkey are changed or new regulations are introduced, impacting the feasibility and/or timeliness of CVA programming.
7	Allegations or evidence emerge that an FSP distributed counterfeit USD banknotes.
<b>Coordination</b>	
8	Failures in beneficiary selection process due to lack of proper community engagement and documentation verification.
9	People with disabilities, women, and older people are excluded from CfW schemes as a result of poor programme design, or refrain from applying to CfW schemes because of cultural norms about the specific CfW activities that are chosen.
10	Social tensions increase as a consequence of uncoordinated CVA programme targeting.

<b>Diversion</b>	
11	Beneficiaries are pressured into paying taxes or fees, or making other payments out of their aid transfers, in relation to CVA.
12	FSPs demand higher transfer fees to meet the mandatory registration requirements imposed by local authorities.
13	Beneficiary lists are corrupted, by various actors.
14	When phone interviews or other remote verification methods are utilized for beneficiary identification, the capacity for doing robust assessments made possible by face-to-face interviews may be lacking, increasing the frequency of inclusion and exclusion errors.
<b>Markets-related</b>	
15	The closure of borders and/or key markets creates problems in supply for other markets and industries, leading to product shortages, price increases, smuggling of goods, and pressure on CVA programmes to respond to needs of in-kind assistance recipients.
16	Prices rise in voucher programmes due to collusion between contracted traders.
<b>COVID-19</b>	
17	COVID-19 outbreaks lead to reduced FSP activity.
18	Movement restrictions caused by a disease outbreak or household quarantine orders limit the ability of beneficiaries to attend CVA distributions and/or access markets.
19	The distribution of CVA is prohibited in order to limit risk of infections at distribution sites and in markets.
20	Movement restrictions are imposed in camp or non-camp settings to prevent COVID-19 outbreaks.
<b>Feasibility</b>	
21	The distribution of CVA is not approved by donors or is prohibited by local authorities.

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Financial	<b>A contracted FSP is banned by a donor and/or by local authorities.</b>	Aid agencies are not able to deliver cash and voucher assistance.	2	2	4
		Impact on agency extends beyond CVA activities and leads to operational or systems-associated costs.			
		Delays emerge in project implementation.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Identify other FSPs that can also deliver the cash to beneficiaries and/or vendors.</li> <li>• Aid agencies should vet FSPs, including by conducting Anti-Terrorist Sanctions Checks (ATSC) and other due diligence, and monitor that they are not on sanctions lists or donor blacklists.</li> <li>• If possible, contract with FSPs who have a record of working with other aid agencies and being approved by donors.</li> <li>• Some donors and/or partners may also vet FSPs that are used by downstream partners.</li> <li>• CWG to request REACH to carry out ad-hoc assessments to support pre-emptive, evidence-based advocacy on issues which may lead to blacklisting of FSPs.</li> </ul> <b>If risk occurs</b> <ul style="list-style-type: none"> <li>• Deliver using in-kind while aid agencies try and identify other FSPs.</li> <li>• Consider a shift in modalities or using a combination of modalities</li> <li>• Refer the community to another aid agency who can help deliver assistance, with support from the CWG on the identification of other CVA actors.</li> </ul>			<b>Descriptors</b> <p><b>Financial Risk:</b> A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Low Likelihood (Level 2):</b> The risk has reasonable probability of occurring (on average, once every six months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Financial	<b>A: Theft or loss of cash by the FSP.</b>	Agency becomes unable to deliver cash and voucher assistance.	2	2	4
		Suspensions to, or delays in, CVA programming.			
	<b>B: Refusal by the FSP to distribute the cash after payment up front by the aid agency.</b>	Reputational risks emerge for the organization due to delays in implementation.			
		Tensions arise between community and the CVA implementer.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Consider 'payment after distributions:' The aid agency transfers to the FSP only after the cash is distributed. Any losses should be covered by the FSP itself, as stipulated in the contract.</li> <li>• If this risk is particularly high, plan smaller distributions so that a lower amount of cash is required.</li> <li>• Consider change of modality from cash-in-hand to vouchers or to in-kind.</li> <li>• Reassess the security environment in areas of operation.</li> <li>• Contract more than one FSP, and include among contracted FSPs those that have demonstrated capacity to deliver cash before payment by agency.</li> </ul>			<b>Descriptors</b> <p><b>Financial Risk:</b> A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Low Likelihood (Level 2):</b> The risk has reasonable probability of occurring (on average, once every six months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Financial	<b>Smaller USD denominations - such as 5, 10, 20, and 50 USD banknotes - are unavailable or are of poor quality.</b>	Suspensions to, or delays in, CVA programming.	2	3	6
		Amount of cash transferred not sufficient to meet beneficiaries' needs if rounding down or distributing portion in another currency (e.g. SYP).			
		Cash transferred may lose its value when recipients exchange it for SYP or TRY, due to extra exchange fees or unfavourable exchange rates applied for poor quality banknotes.			
		Hawala (transfer) fees increase for 50 USD and lower value banknotes, leading to higher operational costs for agencies.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Aid agencies should give adequate notice to the FSP so that the FSP has enough time to gather banknotes in the required denominations.</li> <li>• The CWG should set the coordinated cash transfer value to a level that can help avoid using smaller USD denominations.</li> <li>• Aid agencies should provide the TRY or SYP equivalent of smaller USD denominations to beneficiaries when the latter are not available.</li> <li>• Banners should be installed at distribution sites to advise beneficiaries about poor quality banknotes.</li> <li>• CWG to advocate for the volume of smaller USD denominations in circulation in NWS to be increased.</li> <li>• Distribution rounds should be combined, particularly when transferring relatively small cash values per round.</li> <li>• 'Group cash transfers,' whereby two or more families are given one transfer that combines their entitlements and share the transfer later, can be provided, if it is possible to monitor properly the process.</li> </ul>			<b>Descriptors</b> <p><b>Financial Risk:</b> A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Medium Likelihood (Level 3):</b> The risk has a high probability of occurring (on average, once every two months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Financial	<b>Decreased availability of cash in project locations, leading to inability by FSPs to cash out or to deliver cash assistance due to low cash liquidity or insecurity in the area.</b>	Cash becomes less feasible as an aid modality and focus shifts to in-kind, leading to delays in project implementation.	2	2	4
		Implementing organisations are unable to design or to scale up CVA programming.			
		Suspensions to, or delays in, CVA programming.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• REACH to carry out monitoring or assessment, on request from the CWG, on the local availability of cash so that agencies can respond to the issue before impacts emerge.</li> <li>• Stagger distributions to support availability of cash in CVA programme locations and/or cash-out points.</li> <li>• Consider using a different currency.</li> <li>• Consider a shift in modalities or using a combination of modalities (cash, vouchers, and in-kind).</li> <li>• Consider using an electronic transfer system, which may reduce the pressure on FSPs and help mitigate liquidity related issues.</li> </ul>			<b>Descriptors</b> <p><b>Financial Risk:</b> A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Low Likelihood (Level 2):</b> The risk has reasonable probability of occurring (on average, once every six months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Financial	<b>FSPs increase the cost of services to account for new safety and security measures.</b>	<p>Impact on the budget whereby 'value for money' will decrease as 'cost per client' will increase.</p> <p>Delays to implementation.</p> <p>CVA programming may shrink as funding decreases and cost efficiency gains are lost.</p>	<b>4</b>	<b>2</b>	<b>8</b>
<p><b>Mitigation Measures</b></p> <ul style="list-style-type: none"> <li>• CWG to discuss and advocate with donors on the advantages CVA has over other modalities, such as its effectiveness, even when it is not the most cost-efficient modality.</li> <li>• The FSP service delivery cost can be budgeted with a floating point.</li> <li>• CWG members to coordinate to have a pre-identified threshold for FSP service provision fees to help determine modalities and/or FSPs.</li> <li>• Long-term framework agreements can be signed with FSPs to fix the service fee through the project.</li> <li>• Common or CWG-level negotiations to be held with FSPs.</li> </ul>			<p><b>Descriptors</b></p> <p><b>Financial Risk:</b> A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.</p> <p><b>Very Serious Impact (Level 4):</b> Very-high impact, serious issues which are 'red lines' for donors - may cause complete suspension of all funding and affects all CVA operations. Widespread loss of humanitarian access, related security incidents and/or conflict at a local and/or household level. Actions that are illegal under local and/or international laws and sanctions, when limited to some areas.</p> <p><b>Low Likelihood (Level 2):</b> The risk has reasonable probability of occurring (on average, once every six months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Financial	<b>Regulations on financial transfer routes from Turkey are changed or new regulations are introduced, impacting the feasibility and/or timeliness of CVA programming.</b>	Aid agencies utilizing financial transfer routes from Turkey cannot complete their payments in a timely manner.	2	2	4
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Alternative transfer routes through hubs in neighbouring countries other than Turkey (i.e., Jordan, Iraq) can be considered.</li> <li>• Spread distributions over a longer period, with fewer beneficiaries per day.</li> <li>• CWG to advocate with FSPs via OCHA to raise the upper limit for volume of cross-border money transfers linked to the CVA programs of humanitarian organisations.</li> <li>• Better planning of distributions, with adequate notice on payment launch and transfer orders.</li> </ul>			<b>Descriptors</b> <p><b>Financial Risk:</b> A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Low Likelihood (Level 2):</b> The risk has reasonable probability of occurring (on average, once every six months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Financial	<b>Allegations or evidence emerge that an FSP distributed counterfeit USD banknotes.</b>	Cash as response modality will be less feasible	3	1	3
		The value of the assistance provided to beneficiaries will be eroded			
		Negative impact on the community-level reputation of the aid agency and/or the choice of cash as a modality.			
		Needs are not met.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Alternative transfer routes through hubs in neighbouring countries other than Turkey (i.e., Jordan, Iraq) can be considered.</li> <li>• Spread distributions over a longer period, with fewer beneficiaries per day.</li> <li>• CWG to advocate with FSPs via OCHA to raise the upper limit for volume of cross-border money transfers linked to the CVA programs of humanitarian organisations.</li> <li>• Better planning of distributions, with adequate notice on payment launch and transfer orders.</li> </ul>			<b>Descriptors</b> <p><b>Financial Risk:</b> A risk that can affect humanitarian interventions due to the lack of financial resources or the flow of financial resources, whether it is related to aid agencies, donors, or the financial market itself.</p> <p><b>Serious Impact (Level 3):</b> High impact issues that may significantly affect a CVA project, but not all operations. May cause significant reputational damage and difficulties with access, but this is contained to specific areas. No related loss of life.</p> <p><b>Very Low Likelihood (Level 1):</b> The risk does not have a realistic probability of occurring (on average, less than once a year).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Coordination	<b>Failures in beneficiary selection process due to lack of proper community engagement and documentation verification.</b>	Aid diversion of CVA.	4	4	16
		Inclusion/exclusion errors.			

### Mitigation Measures

- Ensure community members can report beneficiary selection discrepancies through the feedback mechanisms.
- Strengthen beneficiary registration and verification processes.
- Provide training on humanitarian principles and on fraud and corruption awareness.
- Include a clause on this issue in relevant MoUs.
- Ensure transparency in validation processes and community feedback mechanisms so that potential beneficiaries do not feel compelled to use wrong or fake IDs in order to qualify for assistance.
- Provide community awareness sessions on ID requirements and civil registration support.
- Diversify and strengthen relations with stakeholders and ensure community engagement in the process of setting inclusion and exclusion criteria.
- Invest in understanding local dynamics and identifying marginalized groups.

### Descriptors

#### **Coordination Risk:**

A failure in the delivery of humanitarian assistance to targeted beneficiaries that is borne of a lack of communication between humanitarian actors operating in the same area.

#### **Very Serious Impact (Level 4):**

Very-high impact, serious issues which are 'red lines' for donors - may cause complete suspension of all funding and affects all CVA operations. Widespread loss of humanitarian access, related security incidents and/or conflict at a local and/or household level. Actions that are illegal under local and/or international laws and sanctions, when limited to some areas.

#### **High Likelihood (Level 4):**

The risk has a very high probability of occurring (on average, once a month).

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Coordination	<b>People with disabilities, women, and older people are excluded from CfW schemes as a result of poor programme design, or refrain from applying to CfW schemes because of cultural norms about the specific CfW activities that are chosen.</b>	People with disabilities, women, and older people are systematically excluded from CfW because of cultural preconceptions about their capacities, which are reinforced by aid agencies in practice, and become even more vulnerable as a result.	2	2	4
		CfW project groups are less diverse and are not representative of community demographics, and projects therefore lose some of the community cohesion benefits.			
		Tensions emerge within the community, undermining social cohesion and affecting negatively community access.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Incorporate targeting-inclusion approaches within harmonized CfW guidance and within tools on targeting people with disabilities, women, and older people.</li> <li>• Incorporate guidelines that allow for age and disability disaggregation within harmonized CfW post-distribution monitoring survey templates so that inclusion can be monitored and the data collected can be used to adapt programs or in the design of the next CfW project.</li> <li>• Provide training and awareness-raising to staff on inclusion.</li> <li>• Ensure appropriate and adequate community awareness on the inclusion of people with disabilities, women, and older people in CfW projects.</li> <li>• Support the formation of community committees with representation from various groups, including people with disabilities, women, and older people.</li> <li>• Consider work-from-home schemes whereby beneficiaries are paid on the basis of output rather than attendance, to expand inclusion in CfW projects.</li> <li>• Ensure that targeting criteria is shared verbally as well as in a written form, in the languages that are used by the targeted communities.</li> </ul>			<b>Descriptors</b> <p><b>Coordination Risk:</b> A failure in the delivery of humanitarian assistance to targeted beneficiaries that is borne of a lack of communication between humanitarian actors operating in the same area.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Low Likelihood (Level 2):</b> The risk has reasonable probability of occurring (on average, once every six months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Coordination	<b>Social tensions increase as a consequence of uncoordinated CVA programme targeting.</b>	Decrease in community-level trust, leading to loss of access to targeted groups by aid agencies.	2	3	6
		Damage to reputation of CVA actors and of the CWG, which can compromise future funding.			
		Relationships with local stakeholders are affected negatively.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• The Humanitarian Response Plan should allow space for the provision of CVA in response to various types of vulnerability.</li> <li>• A comprehensive needs assessment process that can account for the different needs of IDPs, host communities, and other groups should be planned.</li> <li>• CWG members should reach out to humanitarian actors that are new in CVA, connect them with the CWG Coordinators, and encourage them to engage with the CWG.</li> <li>• Advocate with donors for flexibility on budgeted transfer values to enable better harmonization among aid agencies.</li> <li>• Utilize CWG platforms as well as field-level coordination systems such as text message groups.</li> <li>• Acquire, and follow, all existing guidance on CVA programming from the CWG and/or the clusters.</li> <li>• Donors should insist on confirmation of coordination with the CWG or the relevant cluster prior to grant proposal submissions and reference CVA recommendations put forward by the CWG or the relevant cluster.</li> <li>• Include in relevant SoPs that field staff are expected to inform management if they become aware of new CVA programmes in the agency's areas of operation.</li> <li>• All agencies that implement CVA should attend CWG meetings.</li> <li>• Invest in capacity building for community representatives on better coordination in order to receive useful and timely information when issues emerge.</li> </ul>			<b>Descriptors</b> <p><b>Coordination Risk:</b> A failure in the delivery of humanitarian assistance to targeted beneficiaries that is borne of a lack of communication between humanitarian actors operating in the same area.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Medium Likelihood (Level 3):</b> The risk has a high probability of occurring (on average, once every two months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Diversion	<b>Beneficiaries are pressured into paying taxes or fees, or making other payments out of their aid transfers, in relation to CVA.</b>	May lead to diversion of humanitarian resources, hence potentially posing the risk of donors withdrawing their support.	4	4	16
		Beneficiaries will be underserved, as the amount taxed is not taken into account when the cash transfer value is set.			
		Protection and security risks may emerge for beneficiaries who do not comply with forced payments.			
		Local groups in the same area or in other areas may also be encouraged to tax beneficiaries if risk not properly addressed.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Raise beneficiaries' awareness that the assistance is free of charge and that they are not required to pay 'fees' or 'taxes' out of it.</li> <li>• Publicly announce CVA activities, limiting local actors' capacity to control who is assessed and to impose taxes.</li> <li>• Provide information on beneficiary feedback and response mechanism.</li> <li>• Limit opportunities to tax beneficiaries by controlling local actors' involvement in programme procedures like notification of recipients and organization of distribution points.</li> <li>• Provide information on the aid agency's Code of Conduct, and regularly and clearly convey the message that taxing is not acceptable - refer to suspension clauses in MoUs and/or SoPs, and suspend activities if necessary.</li> <li>• Include questions on taxation or aid diversion, etc. in post-distribution monitoring data collection.</li> <li>• CVA activities should be announced delicately, without putting at risk CVA recipients and aid agencies by making them a target.</li> <li>• SoPs should be developed on how to manage expectations and relations with authorities while respecting humanitarian standards and on updating them regularly.</li> <li>• Awareness raising should be conducted with local actors on humanitarian principles and aid diversion prevention measure.</li> </ul>			<b>Descriptors</b> <p><b>Diversion Risk:</b> A risk that is associated with any activity that prevents aid from reaching its intended recipients - including fraud, financing of terrorism, money laundering, bribery, and other corrupt activities.</p> <p><b>Very Serious Impact (Level 4):</b> Very-high impact, serious issues which are 'red lines' for donors - may cause complete suspension of all funding and affects all CVA operations. Widespread loss of humanitarian access, related security incidents and/or conflict at a local and/or household level. Actions that are illegal under local and/or international laws and sanctions, when limited to some areas.</p> <p><b>High Likelihood (Level 4):</b> The risk has a very high probability of occurring (on average, once a month).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Diversion	<b>FSPs demand higher transfer fees to meet the mandatory registration requirements imposed by local authorities.</b>	FSPs are placed on sanctions lists.	4	2	8
		Donors may interpret the process as aid diversion, and may suspend funding.			
		Critical access issues may emerge, and these can lead to safety and security risks.			
		FSPs may suspend cash-out operations if registration fees are not covered by aid agencies.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Aid agencies to stipulate in their contracts with FSPs that they will not be liable for any costs other than FSP service charges.</li> <li>• The CWG CVA Risk and Mitigation taskforce to develop an inter-agency analysis of the situation in order to inform the broader advocacy efforts led by the CWG and/or OCHA.</li> <li>• Before the launch of the activity, relevant stakeholders and the community members should be provided with information on not paying FSPs any fees or taxes.</li> <li>• Due diligence should be agreed among cash actors working in the same area, and FSPs should sign this due diligence before they are contracted.</li> <li>• The access group's support should be sought through incident reporting and close consultation.</li> <li>• Develop a map of FSPs that are approved by all cash actors and by donors, and ensure listed FSPs' commitment to not demanding fees to meet mandatory registration requirements.</li> </ul>			<b>Descriptors</b> <p><b>Diversion Risk:</b> A risk that is associated with any activity that prevents aid from reaching its intended recipients - including fraud, financing of terrorism, money laundering, bribery, and other corrupt activities.</p> <p><b>Very Serious Impact (Level 4):</b> Very-high impact, serious issues which are 'red lines' for donors - may cause complete suspension of all funding and affects all CVA operations. Widespread loss of humanitarian access, related security incidents and/or conflict at a local and/or household level. Actions that are illegal under local and/or international laws and sanctions, when limited to some areas.</p> <p><b>Low Likelihood (Level 2):</b> The risk has reasonable probability of occurring (on average, once every six months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Diversion	<b>Beneficiary lists are corrupted, by various actors.</b>	Beneficiaries that receive assistance are not those who met the selection criteria, and the programme fails to attain its objectives.	3	4	12
		Corruption leads to tension or conflict in the community.			
		Reputation of the aid agency is damaged.			
		Activities are delayed or cancelled, targets are not achieved, and the community either does not receive assistance or receives it too late.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• The initial selection list should be monitored through a vulnerability assessment and/or verification activity carried out directly by the aid agency before the list of beneficiaries is finalized.</li> <li>• The initial vulnerability assessment and the verification of the final beneficiary list should be carried out by different teams, with the latter undertaken by third party monitors, partners, or the MEAL department.</li> <li>• Promote awareness, and systematic and coherent use, of community feedback mechanisms so that inclusion/exclusion errors can be identified.</li> <li>• Aid agencies should have an internal whistleblowing mechanism in place that is routinely promoted among their staff.</li> <li>• Initial selection lists and verification lists can be assessed by community representatives' committees, who can provide feedback and suggest changes.</li> </ul>			<b>Descriptors</b> <p><b>Diversion Risk:</b> A risk that is associated with any activity that prevents aid from reaching its intended recipients - including fraud, financing of terrorism, money laundering, bribery, and other corrupt activities.</p> <p><b>Serious Impact (Level 3):</b> High impact issues that may significantly affect a CVA project, but not all operations. May cause significant reputational damage and difficulties with access, but this is contained to specific areas. No related loss of life.</p> <p><b>High Likelihood (Level 4):</b> The risk has a very high probability of occurring (on average, once a month).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Diversion	<b>When phone interviews or other remote verification methods are utilized for beneficiary identification, the capacity for making robust assessments made possible by face-to-face interviews may be lacking, increasing the frequency of inclusion and exclusion errors.</b>	Beneficiary inclusion/exclusion errors emerge.	3	1	3
		Local actors may have more manoeuvre to alter beneficiary lists.			
		Groups who do not have access to phone and/or network coverage may be excluded.			
		Provision of incorrect information may increase, and its identification may become harder.			
		Identification of people with increased protection risks becomes very challenging, or nearly impossible.			
<b>Mitigation Measures</b>			<b>Descriptors</b>		
<ul style="list-style-type: none"> <li>• Form a close relationship with communities to ensure that concerns come to the attention of the aid agency.</li> <li>• Community feedback mechanisms, such as complaint boxes or a hotline, should be in place, providing a safe, anonymous way for community members to communicate with the aid agency.</li> <li>• Where possible, interactive channels should be used to check the accuracy of the data contained within the pre-verification identification lists, and an additional stakeholder can be included in the process.</li> <li>• Periodic information sessions on aid agency's beneficiary selection criteria, SOPs and due diligence policy should be conducted with conflict affected populations.</li> <li>• Achieve interoperability between aid agencies' beneficiary data management platforms to ensure effective information cross-checking between organizations, preventing duplications and avoiding gaps.</li> </ul>			<p><b>Diversion Risk:</b> A risk that is associated with any activity that prevents aid from reaching its intended recipients - including fraud, financing of terrorism, money laundering, bribery, and other corrupt activities.</p> <p><b>Serious Impact (Level 3):</b> High impact issues that may significantly affect a CVA project, but not all operations. May cause significant reputational damage and difficulties with access, but this is contained to specific areas. No related loss of life.</p> <p><b>Very Low Likelihood (Level 1):</b> The risk does not have a realistic probability of occurring (on average, less than once a year).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Markets-related	<b>The closure of borders and/or key markets creates problems in supply for other markets and industries, leading to product shortages, price increases, smuggling of goods, and pressure on CVA programmes to respond to needs of in-kind assistance recipients.</b>	The increase in prices of essential items may cause a rise in the SMEB and agencies may not be able to increase cash transfer values due to budget constraints, which can jeopardize the attainment of programme objectives.	3	2	6
		Feasibility of market-based programming can be hindered due to weakened markets.			
		Increase in the prices of items that are sold in local markets leads to reduced purchasing power, exacerbating vulnerabilities in turn and reducing the positive impact of CVA programming.			
		Smuggling leads to the development of a shadow economy.			
		Market quality and price controls decrease.			
		Vulnerable groups' access to markets is hampered, increasing protection risks.			
		Unmet needs deepen as aid agencies' capacity to respond shrink.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Robust, regular market monitoring should be in place to assess price and availability, and programming should be adjusted as needed.</li> <li>• If needed items are not available in the local market, deliver using a mix of modalities or switch to in-kind.</li> <li>• If border closures are causing issues, the CWG to advocate with relevant authorities through OCHA.</li> <li>• The level of coordination needed to seek supply chain support should be attained, and interventions that can enable traders and/or suppliers to maintain or strengthen their activities should be researched.</li> <li>• Consider monitoring additional demographics that can become vulnerable, with close assessment of shifts in expenditure patterns and needs.</li> <li>• Consider changing programme design, by altering modality (to respond to local price increases, currency (to respond to volatility and/or rapid depreciation), expanding CVA targeting (if in-kind assistance becomes unfeasible), engagement with vendors for voucher programming (if vendors face bankruptcy).</li> </ul>			<b>Descriptors</b> <p><b>Markets-related Risk:</b> A factor which may negatively affect market stability and functionality – such as price volatility or commodity shortages.</p> <p><b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.</p> <p><b>Medium Likelihood (Level 3):</b> The risk has a high probability of occurring (on average, once every two months).</p>		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Markets-related	<b>Prices rise in voucher programmes due to collusion between contracted traders.</b>	The value of the assistance provided to beneficiaries is eroded.	3	2	6
		Donors', communities', and authorities' confidence in, and support for, voucher-based programming is negatively affected.			
		Prices of items increase in local markets, leading to reduced purchasing power, heightened vulnerabilities, and reduced CVA programme impact.			
		Beneficiaries may exchange their vouchers for cash, with reductions in the value of the entitlement and in the effectiveness of CVA programming.			
		Termination of traders' contracts by aid agencies lead to delays in, or cancellation of, voucher distributions.			
		The purchasing power of non-beneficiary customers of contracted traders shrink.			
		Non-contracted traders are positively affected as they may attract more customers due to their lower prices.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Contract as many traders as possible in the voucher programme in order to increase competition.</li> <li>• Include information on procedures related to effecting changes in prices of products in the voucher programme within trader contracts, and explain to traders the relevant processes.</li> <li>• Include clear penalties against collusion within trader contracts.</li> <li>• Monitor and compare prices in the market frequently and periodically, including in markets that have non-contracted traders</li> <li>• Have a redemption monitoring process in place to keep an eye on the prices in the market, reporting promptly any changes.</li> <li>• Ensure that a feedback mechanism is in place and clearly advertised to communities to allow complaints on prices to be reported.</li> </ul>			<b>Descriptors</b> <b>Markets-related Risk:</b> A factor which may negatively affect market stability and functionality - such as price volatility or commodity shortages.  <b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.  <b>Likelihood Level 2 (Low):</b> The risk has reasonable probability of occurring (on average, once every six months).		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
COVID-19	<b>COVID-19 outbreaks lead to reduced FSP activity.</b>	Suspensions to, or delays in, CVA programming.	3	2	6
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Spread distributions over a longer period, with fewer beneficiaries per day.</li> <li>• Increase door-to-door distributions, if applicable.</li> <li>• Advocate with FSPs to increase their staff contingency capacity.</li> <li>• Diversify types of contracted FSPs.</li> <li>• Consider using e-vouchers or e-cash to avoid the need to hold frequent distribution meetings.</li> </ul> If Risk Occurs <ul style="list-style-type: none"> <li>• Combine two rounds of monthly distribution in one to reduce frequency of contact.</li> <li>• Shift to vouchers or in-kind aid in the interim, as a last resort.</li> </ul>			<b>Descriptors</b> <b>COVID-19 Risk:</b> A risk related to the COVID-19 pandemic or to measures introduced to prevent novel-coronavirus infection outbreaks, such as movement or business restrictions.  <b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.  <b>Medium Likelihood (Level 3):</b> The risk has a high probability of occurring (on average, once every two months).		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
COVID-19	<b>Movement restrictions caused by a disease outbreak or household quarantine orders limit the ability of beneficiaries to attend CVA distributions and/or access markets.</b>	CVA programming is no longer feasible.	2	3	6
		Suspensions to, or delays in, CVA programming.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Distribute assistance door-to-door.</li> <li>• Change the modality of assistance to in-kind for quarantined households, as they are unable to access markets.</li> <li>• Increase programme caseloads, and revisit targeting criteria to include additional groups in programming.</li> <li>• Advocate with donors to ensure acceptance of, and increase in funding for, COVID-19-response programming.</li> </ul>			<b>Descriptors</b> <b>COVID-19 Risk:</b> A risk related to the COVID-19 pandemic or to measures introduced to prevent novel-coronavirus infection outbreaks, such as movement or business restrictions.  <b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.  <b>Medium Likelihood (Level 3):</b> The risk has a high probability of occurring (on average, once every two months).		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
COVID-19	<b>The distribution of CVA is prohibited in order to limit risk of infections at distribution sites and in markets.</b>	<p>Can cause a delay in CVA activity timelines.</p> <p>Purchasing power of households may decrease, leading to an adverse effect on markets.</p> <p>Vulnerabilities are heightened.</p> <p>Reputational impacts and access issues may emerge due to delays in implementation of CVA activities.</p>	2	2	4
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Decrease the number of beneficiaries per distribution round, and hold distributions closer to communities to reduce movement.</li> <li>• Strengthen awareness raising on measures to prevent the spread of COVID-19.</li> <li>• CWG to advocate, through OCHA, for special permission from local authorities to continue CVA distributions.</li> <li>• Replace paper vouchers with e-vouchers if the agency has the capacity to do so, and top up voucher values remotely.</li> </ul>			<b>Descriptors</b> <b>COVID-19 Risk:</b> A risk related to the COVID-19 pandemic or to measures introduced to prevent novel-coronavirus infection outbreaks, such as movement or business restrictions.  <b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.  <b>Likelihood Level 2 (Low):</b> The risk has reasonable probability of occurring (on average, once every six months).		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
COVID-19	<b>Movement restrictions are imposed in camp or non-camp settings to prevent COVID-19 outbreaks.</b>	Negative impact on households who cannot access local markets.	2	2	4
		Negative impact on local traders due to reduced market activity, which leads to loss of income.			
		Negative impact on households' purchasing power due to price inflation borne of higher transportation costs.			
		Negative impact on vulnerable households who do not receive assistance as aid agencies cannot reach them.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Select traders in markets that are near the programme's area of operation (i.e. decentralise market access).</li> <li>• Diversify distribution methods and consider door to door distributions.</li> <li>• CWG to advocate, through OCHA, for special permission from local authorities to continue CVA distributions.</li> <li>• Consider using e-vouchers and/or e-cash to transfer entitlements through remote top-ups.</li> <li>• Combine two or more rounds of distributions in one if lockdown is anticipated.</li> <li>• Proactively raise awareness of FSPs about potential distribution adaptations.</li> <li>• Encourage markets to implement infection prevention measures.</li> </ul>			<b>Descriptors</b> <b>COVID-19 Risk:</b> A risk related to the COVID-19 pandemic or to measures introduced to prevent novel-coronavirus infection outbreaks, such as movement or business restrictions.  <b>Moderate Impact (Level 2):</b> Some impact, with some delays in CVA programme delivery. No related loss of life; minor related security issues; little reputational damage, which can be contained. Impact geographically limited.  <b>Likelihood Level 2 (Low):</b> The risk has reasonable probability of occurring (on average, once every six months).		

Category	Risk	Potential Impact on CVA Programming	Impact Level: (1 - 5)	Likelihood Level (1 - 5)	Risk Level
Feasibility	<b>The distribution of CVA is not approved by donors or is prohibited by local authorities.</b>	Agencies are not able to provide CVA.	4	1	4
		Needs are not met.			
		Staff safety concerns can emerge, as communities may blame aid agencies.			
		Risks to aid agencies' reputation may emerge, as they are unable to fulfil promises to communities.			
		CVA programmes' positive impact on local markets is lost.			
<b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Continue to provide information to donors on cash programming, including on appropriate currencies for CVA, to inform evidence-based decision-making.</li> <li>• Have different modality methods (voucher systems, in-kind logistics) in place so that delivery modalities can be switched if needed.</li> <li>• Ensure authorization for CVA is included in MoUs with local authorities.</li> <li>• CWG-level advocacy efforts, with common approach and shared key messages, can be useful.</li> <li>• Advocacy to broader humanitarian community on humanitarian principles, emphasizing choice and dignity, can be considered.</li> <li>• Community engagement plans should be in place to mitigate security concerns.</li> <li>• If local authorities prohibit cash or vouchers, coordinate with OCHA and the access group to advocate for support for CVA modalities.</li> </ul>			<b>Descriptors</b> <p><b>Feasibility Risk:</b> A risk that affects the possibility of starting or continuing a humanitarian CVA intervention or prevents the possibility of achieving the intended outcomes of a CVA intervention.</p> <p><b>Very Serious Impact (Level 4):</b> Very-high impact, serious issues which are 'red lines' for donors – may cause complete suspension of all funding and affects all CVA operations. Widespread loss of humanitarian access, related security incidents and/or conflict at a local and/or household level. Actions that are illegal under local and/or international laws and sanctions, when limited to some areas.</p> <p><b>Very Low Likelihood (Level 1)</b> The risk does not have a realistic probability of occurring (on average, less than once a year).</p>		