WEBINAR MINUTES

SPOTLIGHT ON THE SAHEL AND CENTRAL AFRICA: DESIGN AND IMPLEMENTATION OF CVA PROGRAMMES IN CHALLENGING CONTEXTS (FOCUS ON CENTRAL AFRICA)

Location: virtual
Date: September 29th, 2022 (12H-13H15min GMT)
Participants: 148 men and 40 women
Speakers: Danish Church Aid (ActAlliance) – Central African Republic
Danish Refugee Council - Nigeria
Social Funds STEP2 Project supported by World Bank – Democratic Republic of Congo

Justification

In response to the multiple crises, climate change and other limitations that have plagued the Central African region for several years, it is pertinent to address the design and implementation of Cash and Vouchers Assistance (CVA) to aid vulnerable households living in areas whose sources of income and livelihoods have been impacted by conflict. In addition to these elements, there are geographical and technological constraints and the ramifications of the Russian-Ukrainian crisis.

1. **Rural emergency response of DCA in the Ouaka region of the Central African Republic**

Available on recording (10min-23min)

Jean Baptiste HERAL, Global Humanitarian Advisor/DCA recalled that the DCA has been intervening since 2015 in CAR on two pillars: food security and conflict prevention and peacebuilding.

The project intervention area is in the town of Ouaka, more precisely in the sub-prefecture of Ippy, it is considered a difficult context for these following reasons:

- Area classified as IPC4 and highly volatile with 20% of its population in a situation of severe food insecurity
- Lack of infrastructure
- Unavailability of cash
- Weak telephone network
- Inflation of food prices
- Presence of road blockers and non-state armed groups.

The objective of this project is to assist rural populations on three fronts:

- Agricultural assistance and seed protection ration for 900 households
- Emergency food aid for 477 households during the lean season
- A crisis modifier

For the implementation of this project, flexibility in the choice of modalities in CVA is required, however, cash (cash money) will be preferred over coupons.

In this area of Ippy, the cash modality was possible considering the knowledge of the field and the adaptation of existing tools (**CALP Toolbox**: Mercy Corps' decision art). The choice of modality used is guided by three research axes:

- **The objective:** to support vulnerable populations, IDPs and refugees.
- **The market:** availability of cash from financial providers, availability of food products and access to the market (key information: distance between the market and the household); market assessments by communities and the project's MEAL team and a mapping of traders.

- **The context:** insecurity, inflation, and infrastructure issues

Based on these three pillars, in collaboration with the community, the project decided to restrict CVA to food vouchers based on a food tier with local preferences.

The distribution mechanism chosen is the electronic transfer (e-voucher) offline for speed and security of transactions.

The success of this project is illustrated by the feedback from the beneficiaries with a 97% satisfaction rate for the organization of the distribution and a 96% satisfaction rate for the choice of the modality.

The success factors and recommendations of this experience are based on the centrality of protection (training of key actors, civil and administrative collaboration, hybrid complaints management mechanism, community, and supplier involvement and PDM review).

2. **Cash transfers in difficult contexts: the experience of the Danish Refugee Council (DRC) in Nigeria.**

Available on recording (23mn-35mn)

The presentation by **Musa BUYINZA, Economic Recovery Officer/ DRC Nigeria**, focused on CVA in the Northeast of the country, which has been facing conflicts for several years. This area is characterized by the presence of 2.17 million IDPs and 4.1 million food insecure people. The objective of this intervention is to enable vulnerable households in conflict-affected communities to meet their basic needs and improve their livelihoods in a timely, safe, and practical manner.

In this intervention, DRC is currently implementing a CVA program in which the targeted communities are demonstrating the feasibility of this modality. The e-cash option was chosen for the following reasons:

- **Safe access is possible for beneficiaries and other stakeholders**
- **A livelihoods market assessment was conducted, and markets were found to be functional in the target areas.**

Through this intervention, two types of payment modalities were chosen:

  - Unconditional CVA - unrestricted, including food assistance & Multipurpose cash transfers.
  - Conditional CVA - unrestricted for cash-for-work programs and business grants.

The delivery mechanism used is e-cash (electronic money) which allows for real-time tracking of all transactions. Moreover, a pilot project has been underway since last year to determine the advantages and limitations of banks in CVA and to better support beneficiaries, the lessons learned from a comparative study of these two payment mechanisms showed:

  - Most FSPs are reluctant to distribute cash assistance in challenging areas.
  - Through biometric photo registration, real beneficiaries are reached thus less fraud
  - Real-time tracking ensures accountability
  - Strengthen payment through banks
  - Educate beneficiaries on the benefits of Cash transfers through banks
  - Consider a small top-up for bank transfers to cover the transfer fees
  - Last resort option is to hand out cash in hand

3. **Unconditional Cash Transfers in Rural Areas - Social Funds STEP2 Project supported by World Bank – Central African Republic**

Available on recording (35min-47min)

Yazi Tassaou Amadou, Technical Assistant for the World Bank, Partner of the Social Funds in the RDC, shared the experience of the STEP 2 Project.

The intervention areas are in the regions of North Kivu, South Kivu, Ituri, North Ubangi, South Ubangi, and Central Kasai. These areas are characterized by a precarious security situation with fragility and persistent conflict - Areas of high insecurity, frequent movement of populations - Areas that have experienced conflict - Areas with an influx of refugees - Areas with difficult access due to lack of infrastructure.

The objective of the STEP 2 project is to ensure the recovery and resilience of target communities (270,000 beneficiaries in rural areas).
Several feasibility studies were conducted to justify the relevance of the cash modality and the different mechanisms used. An analysis of response options made it possible to examine:

- The capacity and functioning of markets
- The existence of experienced and motivated FSPs to accompany the intervention
- Community acceptance of CVAs (community protection and preference - the majority prefer cash compared to a minority who prefer mobile money)

Despite the success factors due mainly to a good information system, collaboration between administrative and local authorities, good management of complaints and the experience of the actors, the Project has some challenges to overcome (available in the presentation).
Recommandations of this intervention :

- Collaborate with local authorities in security analysis
- Select FSP who have strong experience in cash distribution in high insecurity areas
- Find a strategy to track and assist beneficiaries on the move due to conflict
- Distribute cash in local currency.

Questions and Answers (Available between on the recording between 48min - 1h01min)

- **Q to DCA** – Could you restate the logic of the choice between coupons and cash? **A** :
    - Several dynamics were consulted: the objective of the project, the dynamics of the markets (precisely the capacities of the financial providers, the mobile money providers, the telephone network, the lack of cash transport company). The dynamics of **the context did not allow the design of the project to establish the CVA in cash or in e-money**
- **Q to DRC – Cite the mechanisms of e-cash transfers? Please add the practical details? A:**
    - Red Rose in partnership with UBA Bank manages the beneficiary platform. They deliver the money to the beneficiaries through electronic vouchers (e-vouchers). The bank agents travel to all payment points along with DRC staff and designated community members.
- **Q to Social Funds/DRC–** Regarding withdrawal fees, would it be possible to have direct negotiations with the FSPs as some of our participants tell us that they have had agreements with them to avoid paying much more? **A:**
    - Indeed, we are doing the same with the FSPs and so far, the highest fees are 3%.
    - In some contexts, there have been FSPs that have charged high fees, and this has delayed activities in the East of the country.
    - To remedy this, we are looking much more to the cooperatives
- **Q to DCA** – Please elaborate on the topic of securing beneficiary data and the data protection mentioned earlier? **A** :
    - Work with local and administrative authorities for information related to distribution and acceptance by different groups
    - Identification of the risk and its management in the design of the project with the involvement of the security and programming departments
    - Centrality of protection is applied throughout the project and is materialized by the establishment of a protection officer (management and prioritization of vulnerable people on sites)
    - Shortening the distance to the markets to reduce the risk of insecurity for the beneficiaries
- **Q to DRC** – What challenges have you encountered in implementing biometrics for data protection? How do you handle sensitive data in your program such as photos? **A** :
    - Our partner has photos of all beneficiaries for verification purposes, however from time to time we may be confronted with photos that are not very clear on the cards

    - In collaboration with other humanitarian actors, discussions on data protection have been initiated on International NGOs Forum.
- **Q to Social Funds/DRC**: Did you have any liquidity problems in the different banks and how did you solve it?
    - We work with banks experienced in MHTs and they have their own strategies to avoid these kinds of problems
    - The Project validates the distribution points
    - For reasons of poor planning, one bank had problems, but in all other cases, the Project was able to make payments without major problems
- **Q to all speakers**: Recommendations to cash players for CVAs in difficult contexts? A:
    - **DCA** - be honest with the communities we work with, trust them, checks and balances to avoid duplicating cases of exclusion of certain communities, and create a participatory process.
    - **DRC** - invest a lot more time looking for the FSP that is willing and able to go into difficult areas because most actors do not want to get involved in difficult contexts.
    - **Social Funds/DRC**- Involvement of communities at all levels, involvement of religious and administrative authorities.

Questionnaire results

At the end of the meeting, to gather the opinions of stakeholders and participants a survey launched at the end of the webinar yielded the following results:

1) 87% of respondents think that CALP should be much more engaged around TMs in challenging contexts
2) 85% of respondents think CALP should organize more events like this to share lessons learned and experiences.
   70% of respondents think CALP should instead support CWGs to operationalize learning in difficult access areas.
   53% of respondents think that research is needed to fill key evidence gaps
3) Through this open-ended question, participants recommended research topics related to cash transfers in difficult contexts.