



WHAT'S NEXT FOR CASH?

Mercy Corps' Approach to
Cash and Voucher Assistance



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INTRODUCTION

WHY use CVA?

The recognition of CVA as a people-centered and market supportive form of humanitarian response has led to significant growth in CVA over the past 15 years. Since 2016 alone, the total amount of CVA in humanitarian programming has doubled from **\$2.8 billion to \$5.6 billion.**¹

2016 **\$2.8 billion**

2023 **\$5.6 billion**

Advantages of CVA:

- ✓ Supports markets to recover quickly from crisis by restarting or strengthening local markets.
- ✓ Pushes humanitarian actors towards people-centered design by focusing on the diverse needs of program participants.
- ✓ Allows people to buy what they need, when they need it. Within the humanitarian community, CVA is a widely accepted tool for delivering greater choice, flexibility, and empowerment to those affected by crisis.
- ✓ Provides opportunities for scale and cost efficiencies, allowing for greater reach to respond, in the context of limited funding.
- ✓ Can be layered with other response activities (such as digital, financial, mobile inclusion, and market systems programs) and facilitates economic opportunities for communities.

WHAT is cash and voucher assistance (CVA)?

CVA refers to the direct provision of cash transfers and/or vouchers for goods or services to individuals, households, businesses, or group/community participants.² Note that for the purposes of this strategy and other complementary Mercy Corps documents, the term 'cash' is also used to describe both cash and voucher programming. The terms CVA and cash are therefore used interchangeably throughout this document.



Multi-purpose cash assistance (MPCA)

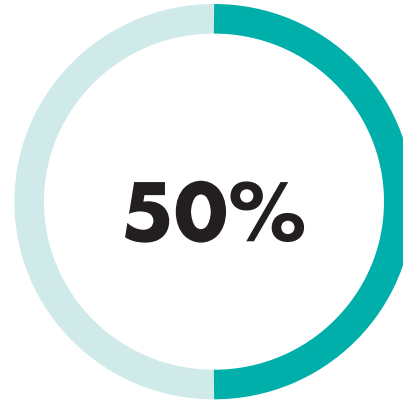
is an unrestricted cash transfer that people affected by crises can use to cover their basic needs. By nature, MPCA is the assistance modality which offers people a maximum degree of choice, flexibility, and dignity. As a basic needs tool, MPCA is the base of our cash portfolio and is core to our cash at scale approach.

CVA at Mercy Corps

Mercy Corps recognizes the potential of CVA as a tool that transfers power to people and communities affected by crisis. Our programs apply a cash first policy, whereby if CVA is feasible and appropriate for a program we consider it a primary response modality.

Mercy Corps is a recognized leader on the use of cash at scale, embracing the safe use of digital cash while ensuring that quality and accountability remain at the heart of our programs.

CVA is a core part of Mercy Corps' [Pathway to Possibility](#) (P2P) vision and strategy. It is a tool proven to strengthen the resilience and capacities of people, markets, and institutions to handle shocks, reduce risk, build more equitable and responsive systems, and improve wellbeing.



Close to 50% of all Mercy Corps programming **includes a cash or voucher component.**



In 2023 alone, **Mercy Corps has completed close to \$85 million** CVA transfers to program participants.

Our cash team

Within Mercy Corps, the cash team is a matrix unit that includes representatives from across the organization. Given the linkages between cash and economic resilience, cash within Mercy Corps is led by the Economic Opportunities team and builds on CVA programs led by country and regional teams across 44 countries.



When we consistently, efficiently, and effectively meet communities' basic needs, we create opportunities to transform their lives and set the foundations for resilience.

Mercy Corps sees its cash programs as providing this basic layer of economic security, serving as a key building block in strategies that support long-run economic opportunities, food and water security, peace, and good governance, and creating space for us to work on broader transformation within the communities we serve. Cash also helps protect individuals' and communities' assets during crises and supports business continuity.

We use our research and learning to drive change in the aid sector, to constantly improve the quality and reach of these programs, to ensure accountability, and to put communities at the core of all that we do.



This approach outlines

- How CVA contributes to Mercy Corps' wider [Pathway to Possibility](#);
- [The approach and standards](#) that we apply across our CVA portfolio; and
- The [three distinctive focus areas](#) that drive Mercy Corps' impact and sector leadership in CVA.



CVA AND PATHWAY TO POSSIBILITY

How our cash programs contribute to Mercy Corps' 10-year strategy

As a tool that facilitates access to immediate needs and strengthens longer term community resilience, our CVA contributes to [Mercy Corps' P2P 10-year vision](#).

CVA at Mercy Corps mostly occurs in humanitarian contexts and therefore sits within the 'cope' component of Mercy Corps' resilience framework. CVA and cash at scale are also core themes in [Mercy Corps' Humanitarian Response Approach](#).

However, CVA is equally relevant to both the 'adapt' and 'thrive' phases of the framework – although on a smaller scale – as the layering of additional program activities creates conditions for long-term resilience.



Mercy Corps' P2P vision

We support communities – and the most marginalized within them – to emerge from crisis in the face of conflict and climate change and build towards a more inclusive, resilient future.



ECONOMIC OPPORTUNITIES



FOOD SECURITY



WATER SECURITY



PEACE AND GOOD GOVERNANCE

Mercy Corps Resilience and CVA – Examples in Practice

Adapt: CVA improves the capacity of communities to manage future shocks and strengthens their resilience.

Example: The Ven Esperanza consortium³ in Venezuela, led by Mercy Corps (in partnership with the International Rescue Committee, Save the Children and World Vision), developed a multi-year program to provide cash transfers alongside micro-business grants, nutrition, protection, and livelihoods activities to support Venezuelan refugees in Colombia to better integrate into their hosting communities.

Since 2019, the program has supported 416,355 vulnerable people with MPCA and provided 96,000 children and community members with complementary nutrition services.

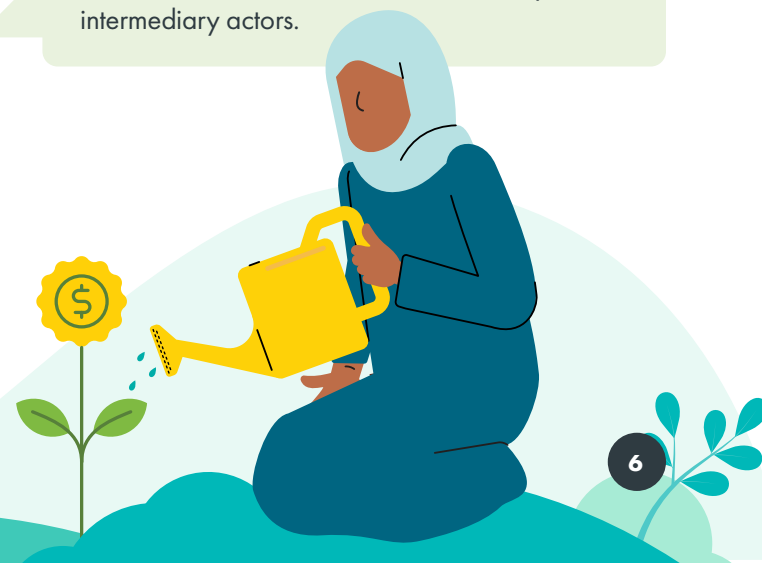
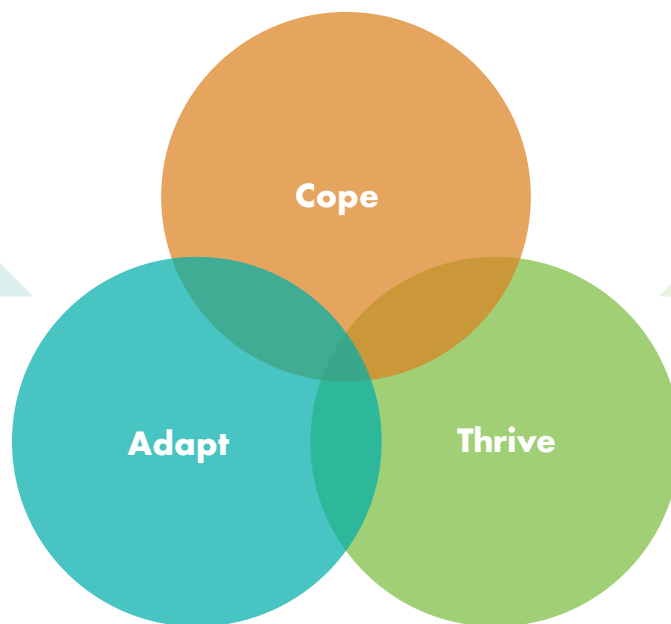
Cope: CVA facilitates access to urgent basic needs for survival.

Example: Funded by USAID's Bureau of Humanitarian Assistance (BHA), the Ukraine Cash Consortium (UCC) - including Mercy Corps, the Norwegian Refugee Council and People in Need - worked to deliver MPCA, a cash transfer aimed at meeting a set of basic needs for survival. The program reached 129,112 conflict affected households with a multi-month cash transfer.

Thrive: Layered with other program interventions, CVA sets the foundations for economic opportunities for marginalized communities and secures their long-term wellbeing and economic resilience.

Example: The Feed the Future Nigeria Rural Resilience Activity (RRA) is a USAID-funded program implemented by a consortium led by Mercy Corps, in partnership with Save the Children International and the International Fertilizer Development Center.

The consortium is working to move people out of vulnerability and poverty by expanding economic opportunities, and by strengthening resilience capacities at household, community, and market-systems levels. The RRA market systems development (MSD) program launched a humanitarian response to COVID-19, providing unconditional cash transfers (UCTs) to 47,387 farmers, 5,560 local MSMEs, and 85 key intermediary actors.



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OUR APPROACH TO CVA

Deepening our impact

Building on Mercy Corps' approach to CVA programming – including our existing technical expertise, sectoral leadership, and experienced approach to resilience programming – we will be placing greater emphasis on **three distinctive focus areas** to deepen our impact and deliver increasingly effective, efficient, and impactful CVA programs.

Our Focus

- Cash at scale**
 - ✓ Mercy Corps consistently delivers cash at scale efficiently, reliably, and effectively.
 - ✓ Mercy Corps' ability to lead collaboration efforts (specifically through cash consortia and cash working groups) is vital to our program quality, provides us with opportunities to design layered programs for greater impact, and gives us greater voice and influence to shape broader responses.
- Cash and local response capacity**
 - ✓ Cash in Mercy Corps is a tool to meet immediate needs alongside strengthening and supporting local response capacities for future crisis, including markets, local responders and organizations, social protection systems, and communities.
- Digital CVA (DCVA)**
 - ✓ Cash in Mercy Corps embraces the use of safe, relevant, and appropriate technology to support the design, delivery, and monitoring of CVA programs.

3.1 CASH AT SCALE

Our CVA approach is known for high quality delivery at scale, often in high risk and challenging contexts. To maximize the potential of cash at scale within our programs, we work to:

- Lead and collaborate, working effectively in consortia, working groups, and inter-agency initiatives.
- Use MPCA as a multi-sectoral intervention designed to maximize dignity and flexibility for program participants and rapidly scale to meet diverse needs and populations.
- Ensure program quality, adherence to CVA standards and approaches, technical excellence, and accountability.
- Align with other focus areas, such as facilitating local response capacities, appropriate and safe use of digital cash, and layered programming.
- Focus on research, learning, and generating evidence to inform programs and influence sector wide shifts in CVA.



What do we mean by 'cash at scale'?

We achieve scale when the numbers reached, the geographic areas covered and/or the portfolio size (total value of CVA) result in both cost efficiency and opportunities for effective collaboration between stakeholders. We usually achieve scale through our work in consortia with and through partners.

By implementing large scale cash responses, we can harmonize the assistance received for a greater number of people in need and fundamentally improve our impact.

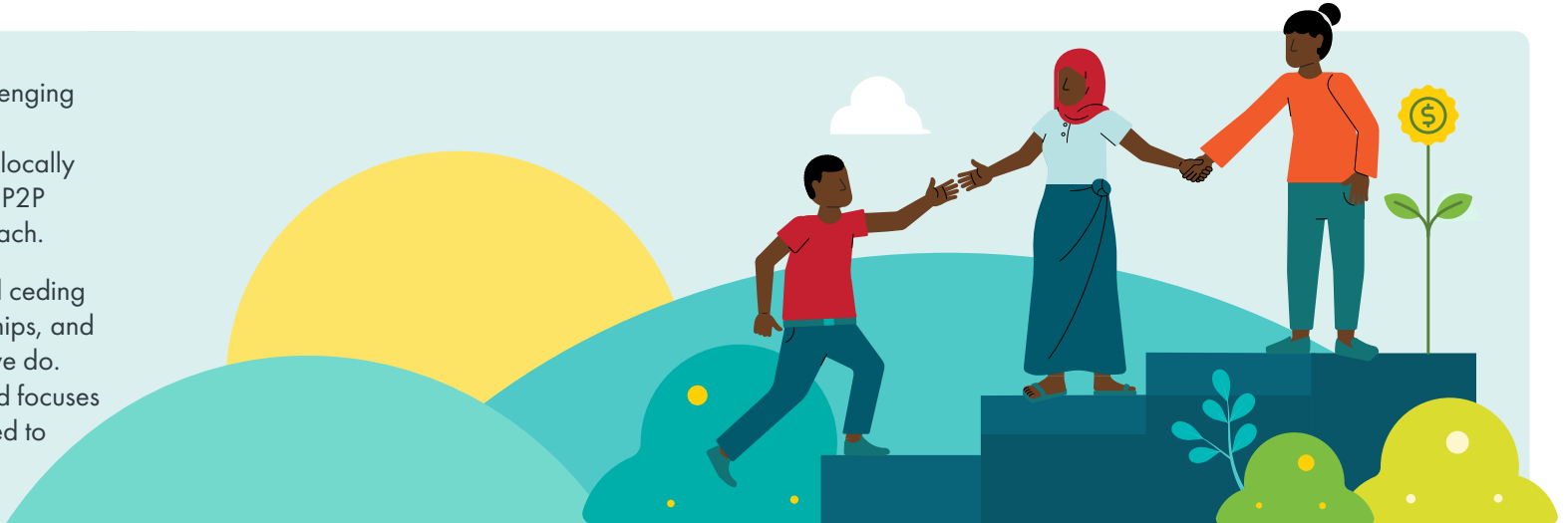
Why is cash at scale important?

- It can lead to greater impact on communities.
- It creates a foundation for local response and capacity strengthening.
- It increases the reach of resources and the quality of programs.
- It provides opportunities for learning and innovation.
- It supports cost effectiveness.
- It strengthens voice for global advocacy and policy debates.

3.2 CASH AND LOCAL RESPONSE CAPACITY

The first responders to crisis or a challenging context are often the crisis-affected communities themselves. Focusing on locally led response is core to Mercy Corps' P2P strategy and our humanitarian approach.

We are intentional about sharing and ceding power, building meaningful partnerships, and centering communities' voices in all we do. Our CVA approach is no different and focuses on the ways in which CVA can be used to support local crisis response systems.



Why local response capacities?

"Resilience means people and systems can protect and improve wellbeing in the face of shocks and stresses. Mercy Corps strengthens sources of resilience to enhance the capacities of people, markets, and institutions to handle shocks, reduce risk, build more equitable and responsive systems, and improve wellbeing" (P2P).





Community Voice: CVA in Mercy Corps follows people-centric design, placing communities and their voices at the center of all cash programs. By listening to and working in partnership with communities, working with Mercy Corps' CARM (Community Accountability Reporting Mechanism) to ensure strong feedback loops, accountability, and adaptive program management, and working with innovative modalities such as group (community level) cash transfers where appropriate and feasible, Mercy Corps uses cash as one of multiple pathways to ensure a focus on empowering community voices and strengthening community resilience to crisis.



Local Humanitarian Leadership: Mercy Corps recognizes that the recent growth of internationally led cash programs has limited the space for local actors in humanitarian response. Wherever feasible, CVA in Mercy Corps is therefore designed and delivered in partnership with local actors. Working effectively in partnership with local responders and facilitating their voice and agency improves the quality of assistance, reduces power imbalances between international, national, and local actors in the humanitarian system, and provides an opportunity to strengthen local response capacities for future crisis.⁴



Markets: Mercy Corps uses CVA as a tool to strengthen markets and supports market actors to weather crises. We do this by providing cash to individuals to spend in local markets, by layering CVA into programs that focus on market systems development, by reducing barriers to participation in local economies, by strengthening and expanding markets for financial and digital products and services, and by facilitating access to labor markets and livelihoods. Cash is the bedrock of Mercy Corps' Markets in Crisis (MiC) approach, providing the foundation for economic opportunity and food security outcomes.



Social Protection: CVA refers to all financial transfers made to individuals, households or communities, that enable them to cope with stress and shocks.⁵ Similarities between humanitarian cash and social protection-based transfers provide an easy entry point linking humanitarian assistance with social safety nets. By working closely with and supporting social protection systems, CVA programs can strengthen these systems and their ability to cope with future crises and shocks, and further provide a pathway for program participants to continue to receive support, if needed, following the end of a humanitarian cash program. Mercy Corps' CVA programs are designed and delivered in collaboration with local social protection actors and aim to align, support, and strengthen social protection systems wherever feasible.

Example: Iraq CLCI⁶

Mercy Corps leads a consortium of actors in Iraq under the Cash and Livelihoods Consortium of Iraq (CLCI), comprised of the Danish Refugee Council, the International Rescue Committee, the Norwegian Refugee Council, Oxfam, and Mercy Corps. Each partner organization brings a unique profile of strengths, spanning areas such as market systems development, social cohesion, protection, evidence-based advocacy, and policy influence.

Since its inception in 2015, the CLCI has reached over 100,000 socio-economically vulnerable, conflict-affected households with MPCA. 77% of households show evidence of reduced usage of negative coping strategies – such as child labor, selling assets and forgoing meals – after receiving cash assistance.

Furthermore, over 12,000 individuals have benefitted from a range of short- to medium-term livelihoods initiatives, and integrated pathways have enabled referral of 6,500 individuals in need of legal assistance to obtain missing civil documentation. Since its formation, the CLCI has worked to shift from MPCA alignment to integration with the Iraq Social Protection system and now works to support and shift humanitarian MPCA to formal government social safety nets.⁷

BUILDING PARTNERSHIPS

Our impact is strongest when we act in collaboration and partnership.⁸

This begins with meaningful engagement and leadership of crisis-affected communities and extends to a range of partnerships from local to global, from communities to the private sector, to civil society, governments, and donors.

- ✓ We work closely in partnership with technical groups, such as the CALP Network and Collaborative Cash Delivery (CCD) Network, and alongside strategic partners such as iMMAP and Cash Cap (NORCAP), to facilitate programming, influencing, and learning across the wider CVA network.
- ✓ We explore partnerships with technology companies, such as Stellar Aid Assist and Genius Tags, to identify solutions to challenges and improve the CVA experience for program participants.
- ✓ We actively participate in advocacy forums, such as the Grand Bargain and Global Cash Advisory Group (CAG), to shape and influence policy discussions.



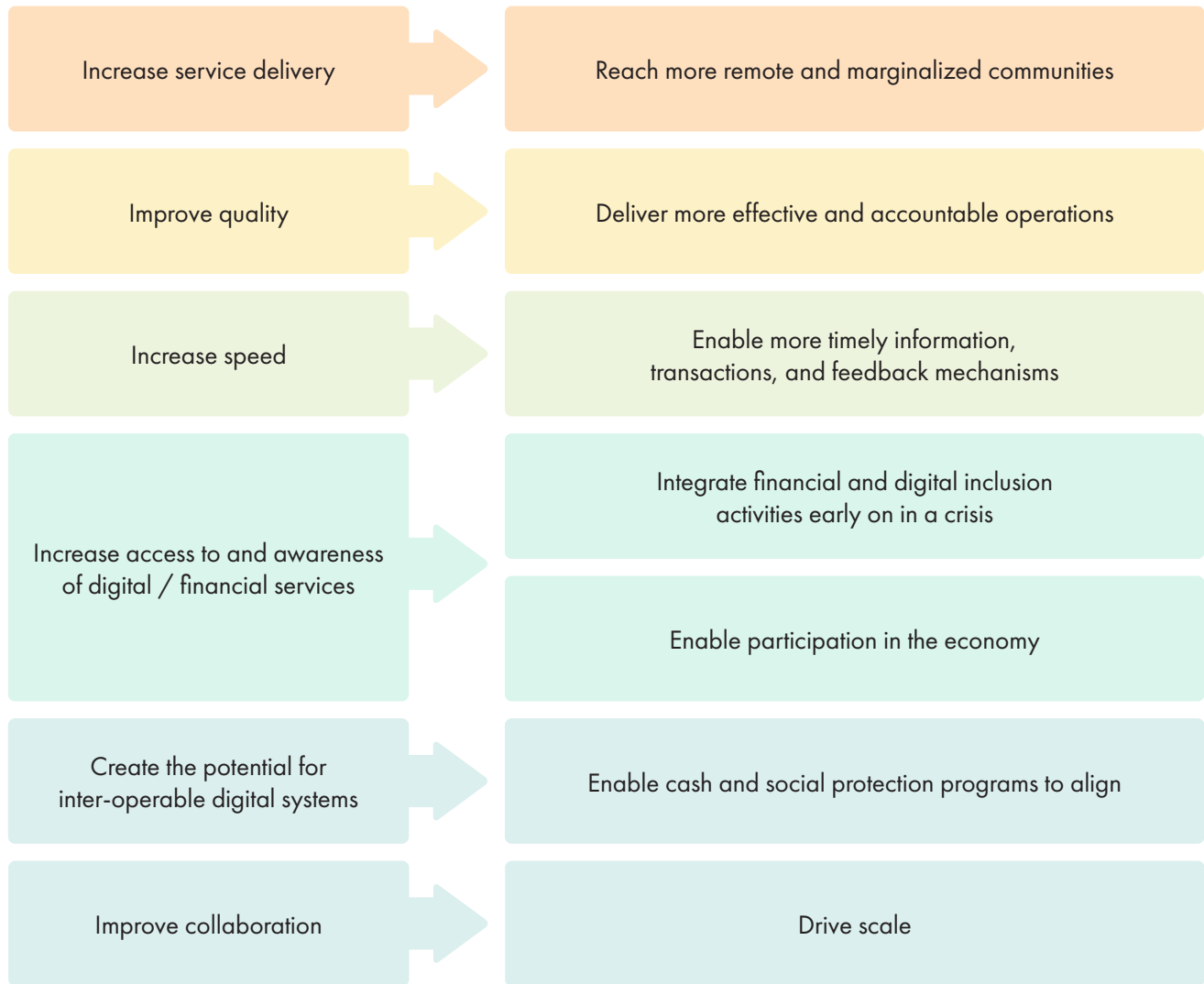
Further reading:

- The integration between MiC, Financial Inclusion, and CVA within Mercy Corps is driven by Mercy Corps' [Beyond Cash: Making Markets work in Crisis](#) approach and framework for [Cash to Financial Inclusion](#).
- An overview of Mercy Corps' work on cash and social protection can be found here: [Cash Transfers and Social Protection: From Alignment to Integration](#).



3.3 DIGITAL CVA (DCVA)

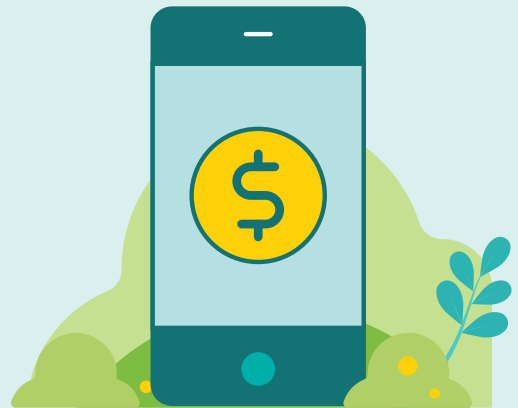
With over a decade of experience in DCVA, Mercy Corps has built learning and evidence on the ability of DCVA to:



What is DCVA?

Within Mercy Corps, DCVA refers to:

- 1 Digital CVA:** The use of digital technology in the implementation of CVA programming such as payment services.
- 2 Digital Technologies:** The use of electronic tools, devices, systems, and resources that generate, store, or process data for a CVA program.
- 3 Digital Cash:** Money that can be transferred electronically from one party to another during a transaction.



How do we improve and expand technology adoption in our CVA programming?



Delivery

Identify and socialize tech solutions at specific instances during the cash project life cycle: targeting, monitoring, and cash distribution.



Accuracy

Support program teams in the selection and deployment of appropriate tools and platforms.



Security

Educate cash teams on data protection requirements and risk mitigation measures in digital cash.

Through its use of DCVA, Mercy Corps develops technology-based solutions for cash and voucher programs to respond to urgent needs and support long-term recovery and resilience. We think beyond today's context and explore how emerging technology can be used to shrink the global digital divide and help communities cope and overcome evolving challenges.

Mercy Corps supports local ecosystems of digital systems, providers, and technologies to facilitate the transfer of vouchers and direct cash payments via "participant facing" front-end platforms and back-end "data management" components.

For digital payments, various delivery mechanisms (such as pre-paid debt cards or mobile applications) are deployed depending on the connectivity, digital and mobile literacy, interoperability needs, and constraints within program areas. Distributed ledger or blockchain technologies open new avenues for digital payments via cryptocurrency transfers and enable the security, accuracy, and accountability of CVA programming.

Mercy Corps works to expand the use of DCVA, where appropriate and feasible, through:

- 1 Digital Payments:** Using digital technology to facilitate digital cash payments to program participants with "participant facing" platforms.
- 2 Data and Program Management:** Using electronic tools and systems to manage CVA programs, including reconciliations, integrated monitoring systems, and running de-duplications with "back-end" facing components.

As part of our focus on digital solutions we work in partnership with technology companies, financial institutions, and other non-traditional partners to test, adapt, and scale the most promising tech-enabled solutions and cutting-edge technologies. We also work with and pilot emerging technologies such as crypto-currency and blockchain where relevant, feasible and appropriate, and aim to contribute to the growing evidence base on the use of technology to support communities affected by crisis.⁹

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CVA PRINCIPLES AND STANDARDS

Technical and program quality is the cornerstone of Mercy Corps' work on CVA and drives our ability to positively impact program participants and communities affected by crisis. By focusing on how we design and deliver CVA (our approach to CVA) and the technical standards we follow (our Cash Minimum Standards), we aim to deliver timely, relevant, accountable, and efficient CVA responses.

Our CVA principles:

- ✓ Cash is part of a complementary and layered approach to programming. Driven by local needs and priorities, we sequence, layer, support markets, and integrate our cash assistance across programs.
 - ✓ Cash within Mercy Corps is designed with people and communities at the center. Human-centered design and delivery is core to decision making on cash and voucher modalities and mechanisms and drives program design.
 - ✓ Mercy Corps operates a cash first policy in response to humanitarian crises. Cash is therefore our primary response modality, where feasible and appropriate, and digital by default.
 - ✓ Mercy Corps' cash programs are intentionally designed and delivered with an awareness of gender, inclusion, and power dynamics with the aim of shifting power toward the communities served, and those most marginalized within them.
- ✓ Technical quality is central to cash at Mercy Corps. We commit to continued focus on technical details, standards, knowledge management, and learning as tools through which to ensure accountable, effective, and appropriate use of CVA.
 - ✓ Safe programming and protection, risk analysis and mitigation, and program adaptations occur throughout Mercy Corps' cash program design and delivery, and we incorporate real-time learning throughout the project cycle.
 - ✓ Mercy Corps recognizes cash as a modality that supports access to immediate needs as well as longer-term transformations and resilience. To consolidate evidence and learning on cash as a modality, we track and work to account for the contributions of cash to the four outcomes of the P2P strategy and to inclusive and resilience futures.¹⁰

PM@MC - CASH & VOUCHER MINIMUM STANDARDS

Cross-cutting PM@MC standards to apply to CVA.

PM@MC standards apply to all CVA programming, including standards not specific to cash or vouchers, such as:

- **2.** Program identification is based upon appropriate analysis, and includes a needs assessment and/or problem analysis, a Gender Equity and Social Inclusion (GESI) analysis, Program Risk Analysis, Safeguarding Risk Analysis, Conflict Sensitivity Analysis (if operating in a conflict or post-conflict environment), and an analysis of country operations needed to deliver the program.
- **5a.** Needs Assessments. Program identification is based upon appropriate analysis and includes a needs assessment and/or problem analysis and an analysis of country operations needed to deliver the program.
- **10.j./ 10.k.** A Monitoring and Evaluation (M&E) Plan must be prepared and reviewed and a learning plan must be developed for every program.
- **11a.b.c.** Community Accountability Reporting Mechanisms (CARMs) are established and operational prior to participant selection.

Reconciliation of the distribution, including documentation that confirms receipt by the participant.

- For vouchers, reconcile between the number of vouchers procured/printed, stored in the safe, transported, and distributed to participants.
- For cash, reconcile between the amount raised to be distributed and the actual amount distributed.

Analysis of post distribution monitoring (PDM) results following each distribution. PDM should include:

- Relevant indicators for measuring performance and data.
- Align with identified indicators and data needed for decision making.
- Detailed planning on how PDM data will be collected.
- Market monitoring data to monitor data collected through the market assessment.
- Plan to systematically analyze and report data to managers, leadership, and other decision-makers.

Marketplace assessment to assess market functionality:

- Capture market information for goods and services for needs identified.
- Determine if cash transfers (or other modality) are appropriate.

Transfer service provider (TSP) scoping assessment to determine the available TSPs.

- Inform the scope of work (PM 12d.) developed for the TSP procurement process.
- Follow FP3 procurement process for selection.

Regulatory review to identify legal and regulatory considerations.

- National and donor data protection and privacy regulation.
- Potential tax implications from cash or voucher programming.
- Local know your customer (KYC) requirements for digital cash transfers.
- Employment regulations (for cash for work activities).

Standard Operating Procedures (SOPs) must be prepared and followed for distribution activities. CVA SOPs should:

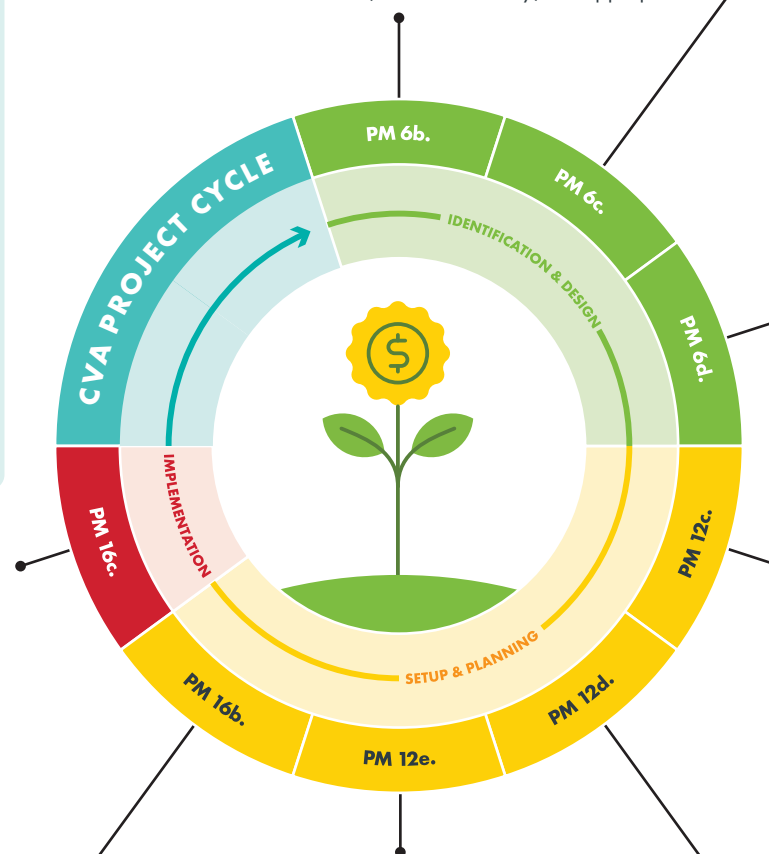
- Explain the implementation process, including roles and responsibilities that govern the program.
- Identify and document internal controls.
- For cash registrations and distributions, include detailed implementation guidance.

TSP scope of work and contract.

- Develop for procurement process and follow a contract template.
- Assign specific program team members to manage planning and communication with the TSP.

Scope of work and vendor agreements. For voucher programs, a scope of work and vendor agreement must include:

- Payment terms, conditions and paperwork requirements.
- Dates of availability.
- Roles and responsibilities of each party including responsibilities for maintaining sufficient inventory for the program, storage, distribution, voucher verification, tracking, and monitoring.



5

END NOTES

1. The State of the World's Cash 2020: <https://www.calpnetwork.org/resources/collections/state-of-the-worlds-cash-2020/>
2. From the CALP Network glossary: <https://www.calpnetwork.org/resources/glossary-of-terms/?letter=C>
3. Home - VenEsperanza: <https://venesperanza.co/en/>
4. Oxfam (2020), 'Cash and Partnerships Toolkit': <https://www.calpnetwork.org/publication/cash-and-voucher-assistance-cva-and-partnership-toolkit/>
5. Smith, G (2021), 'Deciding when and how to link humanitarian assistance and social protection: Guidance and tools for response analysis,' Social Protection Approaches to COVID-19 Expert Advise service (SPACE), DAI, UK: <https://www.calpnetwork.org/wp-content/uploads/ninja-forms/2/Deciding-when-and-how-to-link-humanitarian-assistance-and-social-protection-1.pdf>
6. Cash and Livelihoods Consortium for Iraq: clciraq.org
7. <https://www.mercycorps.org/sites/default/files/2021-10/Iraq-MPCA-SSN-Integration-Report-6.pdf>
8. Adapted from Mercy Corps' Humanitarian Response Approach to building partnerships: https://www.mercycorps.org/sites/default/files/2022-07/Companion_Humanitarian%20Response%20Approach_ENG.pdf
9. Mercy Corps (2022), 'Pathways to Possibilities Strategy: Economic Opportunities Outcome': https://www.mercycorps.org/sites/default/files/2022-07/Companion_Economic%20Opportunities_ENG.pdf
10. Mercy Corps' CVA programs aim to apply automated CVA MEL systems. As a standard, we use the Mercy Corps, Save the Children, IRC, and CALP Network developed [MPCA MEL toolkit](#) for all MPCA programs to account for MPCA contributions to various technical sectors and the Mercy Corps P2P strategy.

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ABOUT MERCY CORPS

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.



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