



Save the Children



ASSESSMENT REPORT

**CVA FEASIBILITY AND RISK ANALYSIS
SUDAN JUNE,
(RED SEA, CENTRAL AND NORTH DARFUR)**

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2021

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List of Acronyms

Acronym	Definition
AMS	Award Management System
BNA	Basic Needs Assessment
CaLP	Cash Learning Partnership
CFRM	Complaints, Feedback, and Response Mechanisms
CO	Country Office
CTP	Cash Transfer Programme
CV	Community Volunteers
CVA	Cash & Voucher Assistance
CWG	Cash Working Group
DMA	Delivery Mechanism Assessment
EMMA	Emergency Market Mapping and Analysis
F	Female
FCS	Food Consumption Score
FRA	Feasibility and Risk Analysis
FSL	Food Security and Livelihoods
FSP	Financial Service Providers
GSMA	
HH	Household
HNO	Humanitarian Needs Overview
HRP	Humanitarian Response Plan
ID	Identity Document
KYC	Know Your Customer (requirements)
M	Male
MEAL	Monitoring, Evidence, Accountability, and Learning
MEB	Minimum Expenditure Basket
MFI	Micro Finance Institutions
MOU	Memorandum of Understanding
MPC	Multipurpose cash assistance
NGO	Non-Governmental Organisation

SCI	Save the Children International
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WB	The World Bank
WFP	World Food Programme

Executive Summary

Summary findings

- ❖ UN agencies and NGOs are all in the process of starting up or scaling up cash transfers with many other agencies active in the Cash Working Group while WFP is considered as the biggest Cash actor.
- ❖ There is a strong direction from the government at the national level to use cash based intervention, preparation is ongoing to launch a massive national universal basic income (SFSP) – family support programme to replace basic commodities subsidy with cash assistance.
- ❖ SC Sudan targeted 2,000 vulnerable families with cash assistance for 4 rounds in North Kordofan and North Darfur on Sep 2020. Save the Children was responding to the effects of the Covid-19 pandemic and the project aimed to reducing the impact of economic shocks on vulnerable families, especially on child nutrition, through monthly cash transfers.
- ❖ SC Sudan is currently implementing BMZ Project which contains a large cash transfer element. In addition, there are couple of approved projects (e.g. Sudan Family Support Programme (SFSP), BHA & ECHO) or in the proposal stage.
- ❖ In both central and north Darfur, communities are not familiar with cash assistance and they are more comfortable with in-kind as a modality. Interviewed community members shared other concerns about cash distribution related to the purchasing power, intra-household conflict and security risks.
- ❖ IDPs concerned that cash distribution could trigger an intra-household conflict.
- ❖ There is no issue reported about accessing the market or available of food items in both central and north Darfur. However, interviewed communities confirmed that the situation is different during rainy season between Jul – Sep. During the rainy season there is shortages in the supplies and an increase in prices.

- ❖ Security still is an issue for central Darfur and interviewed communities there insisted on receiving the cash at the centre of their settlements and they were concerns about traveling and receiving it out.
- ❖ All visited markets, observed and confirmed by the trader that markets are functioning well despite macroeconomic crisis; ever increasing prices, fuel shortage, increased cost of business, depletion of capital and generally reduced purchasing power.
- ❖ There are very limited financial services (Mainly banks) in the main big towns (e.g. Zalingie and Al Fasher). However, available bank branches has very limited capacity and they are facing liquidity challenges. There is no present for any financial services in targeted communities except some unregistered traders that run other business.

Go/no-go recommendation

Cash is broadly feasible and increasingly used by government, UN and NGO actors to meet a range of needs, and there are FSPs available and willing to deliver cash to recipients. In the coming years, it is highly likely that more assistance will switch to cash in Sudan, and that the financial sector will adapt and develop to respond to demand from the humanitarian and development sector. However, considering the macro economic crisis and inflation, rainy season effects, market conditions, community's concerns and limited cash delivery mechanisms, it is recommended to use a mixed modality approach between direct cash distribution through a financial service provider and commodity voucher using contracted food vendors to mitigate the risks and shift between the two modalities as a contingency plan.

Launching and scaling up cash interventions in the Red Sea state could be easier comparing to Darfur state, considering that the Red Sea state has a better infrastructure, network coverage, market functionality and FSP capacity. However, a rapid large scale intervention is expected to overstretch the capacity of contracted FSP, markets and staff. It is recommended to start implementation on a small scale and scale up gradually with close monitoring and strong community engagement.

It is essential to take into consideration all the recommendations mentioned in the report below.

Introduction

Background

A total of 13.4 million people are projected to need humanitarian assistance in 2021 which represents more than a quarter of the population. This is an increase of 4.1 million from 2020 and the highest number in the past decade. Of the 13.4 million people in need, 7.6 million are women and girls. Other vulnerable groups include 2.5 million internally displaced.

Response Plan Overview

PEOPLE IN NEED	PEOPLE TARGETED	REQUIREMENTS (US\$)	OPERATIONAL PARTNERS	NUMBER OF PROJECTS
13.4M	8.9M	\$1.9B	84	220

After a remarkable year of political transformation, the transitional period continues to open up opportunities for scaling up CVA interventions. This coincided with positive shifts in government legislation regarding the use of mobile money by granting access to mobile money operators (MMOs), the financial sector, in addition to banking systems, and scaling up of cash interventions.

In addition to USA movement to award lifting the sanctions and removing Sudan from the State Sponsors of Terrorism List which opened Sudan economy and attracted global financial actors to enter the market. However, reforms and gaining access to international financing takes time.

According to Sudan's Humanitarian Response Plan 2021, while significant efforts have been invested in achieving peace, the underlying conditions driving poverty and insecurity persist in communities across the southern regions and Darfur. In the wake of the reforms taking place and the uncertainties of the transitional period, new conflicts are emerging in an environment where resources and opportunities are already scarce. Inter-communal conflict is a recurring pattern which continues to displace people and claim lives.

The financial increase reflects the growing humanitarian needs, as humanitarians can now access previously inaccessible areas under the control of Non-State Armed Groups (NSAGs) in Darfur, South Kordofan and Blue Nile states. In 2020, 650,000 people were reached for the first time in a decade in the Jebel Marra area in Darfur.

Red Sea

Red Sea is divided into ten localities Port Sudan (Capital), Gebiet Elmadin, Halaib, Haya, Sawakin, Sinkat, Gunob Awlieb, Derodieb, Tokar and Ageeg.

Red Sea state, has a history of deadly clashes between the Beni Amer and Nuba, even after leaders from the two tribes signed a peace agreement to stem the violence in 2019.

On May 2021, Sudan has declared a state of emergency and imposed a night curfew in some parts of the coastal Red Sea state, after tribal violence that killed at least five people.

Four people were killed in a bomb and shooting attack in the city of Port Sudan, July 10.

Objective

The assessment aims to ensure that conducting CVA interventions is feasible, to assess the previous experiences, identify risks and challenges, and provide recommendations if needed. This document would include recommendations to ensure the Country Program is prepared and able to implement a range of modalities going forward, both for emergency response programming and for early recovery and resilience-focused programs.

Scope of the assessment

This CVA feasibility and risk assessment focuses on Red Sea, North and Central of Darfur specifically.

The assessment aims to:

- Map previous and ongoing cash interventions implemented by Save the Children, and other agencies.
- Government acceptance of cash assistance.
- Key policies and regulations that may apply.
- Target groups' preferences in terms of assistance modalities, including their prior experience as users.
- Markets functionality in North and Central Darfur and availability of key food items.
- Risks for beneficiaries, SCI staff and program implementation.
- Save the Children's capacity and experience.

Assessment Methodology

Secondary data analysis

The desk review process has covered the following reports and assessments:

- [2021 Sudan Humanitarian Response Plan](#): The Humanitarian Response Plan is a presentation of the coordinated, strategic response in order to meet the acute needs of people affected by the crisis. It is based on, and responds to, evidence of needs described in the Humanitarian Needs Overview. Consolidated by OCHA
- [Sudan Humanitarian Needs Overview 2021](#): It provides a shared understanding of the crisis, including the most pressing humanitarian need and the estimated number of people who need assistance. It represents a consolidated evidence base and helps inform joint strategic response planning.
- [WFP Market Monitor - Sudan: March 2021](#): Published by WFP on a regular basis and provides information regarding the cost of local food basket overall and desegregated by items and states.
- [Sudan- Situation Report 31 May 2021](#): This report is produced by OCHA Sudan in collaboration with humanitarian partners to provide key figures, information about ongoing emergencies and responses.

- [Sudan Price Bulletin, May 2021](#): The Famine Early Warning Systems Network (FEWS NET) monitors trends in staple food prices in countries vulnerable to food insecurity. The Price Bulletin provides a set of charts showing monthly prices in the current marketing.
- BMZ Project Narrative: The project will use two types of cash benefits: conditional cash transfers for participants in cash-for-work measures and start-up grants.
- Cash Transfer Programming Feasibility Assessment- August 2020: This assessment focused on two localities in South Kordofan (Abugebeha and Elliri localities)
- Market Assessment Abugeneha and Elliri locations, April 2020
- Need Assessments Report (North Darfur-Tawilla), April 2021
- GFFO Project PDM Reports October 2020
- Multi- Sector Rapid Need Assessment, Red Sea State (Tukar, Haya, Ageed)

Primary data collection

The methodology of study involved rapid market assessment, Semi-Structured Interviews with SCI staff, Financial Service Providers (FSP) and NGOs and UN Agencies implementing CVA interventions. In addition to, Focus Group Discussions with targeted communities.

- Interviewed SCI Staff

#	Name	Title	Location
1	Micheal Yemane	FSL Specialist	Khartoum
2	Davina Jeffery	PDQ Director	Khartoum
3	Abubakr Albukhary	FSL Programme Manager	Khartoum
4	Mohammed Addum	SCUK- Global FSL Advisor	Khartoum
5	Mutasim Alhadi Ibrahim	Finance Manager	Khartoum
6	Joseph Njoroge	Finance Director	Khartoum
7	Wail Medani Abdelrahman	Deputy Operations Director	Khartoum
8	Omer Sharfy	Head of Procurement	Khartoum
9	Giulio Marostica	Area Programme Manager	Zalingei
10	Tarig Abdelrazig	Finance Manager	Zalingei
11	Abubaker Ali Saleh	FSL Manager	Zalingei
12	Abdallah Ismail Omar	FSL Officer	Zalingei
13	Abubaker Osman	MEAL Officer	El- Fasher
14	Ahmad Abdallah	FSL Coordinator	El- Fasher
15	Adam Abdallah	DRR Officer	El- Fasher
16	Abdelwahid Saleh	Program Manager	Red Sea
17	Elmahadi Abdalla	Finance manger	Red Sea
18	Yassir Mohamed Mahgoub	Education Coordinator	Red Sea
19	Salma Alhag	BHA project Manger	Red Sea

20	Yousra Mahmoud	Protection Officer	Red Sea
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- Interviewed persons, agencies and FSPs

#	Name	Organization	Contact Information
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11	Irfan Ul-Hassan	Blue Nile Mashreg Bank (BNMB)	+249 91 2226608
12	Muhammed Talha	Bank of Khartoum	+249 91 2164188
13	Iman Asim	MTN	+249 92 2903050

- KIIs with Food vendors and FGDs with targeted communities

Location	Activity	Details
Central Darfur (Zalingie and Azum)	KII with Food vendors	5 Vendors were interviewed in Zalingie market
	FGDs with targeted communities	1 Session with Males 1 Session with Females 1 Session with both gender
North Darfur (Tawilla and Kalemendo)	KII with Food vendors	14 Vendors were interviewed in Tawilla 14 Vendors were interviewed in Kalemendo
	FGDs with targeted communities	In Tawilla: 1 Session with Males 1 Session with Females 1 Session with both gender In Kalemendo: 1 Session with Males 2 Session with Females 2 Session with both gender
Red Sea	FGDs with targeted communities	In Tokar 1 Session with Males 1 Session with Females 1 Session with both gender In Ashud 1 Session with Males

		In Ageeg 1 Session with both gender
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Reporting and analysis of the findings

Experiences of recent and ongoing CVA in the area, and lessons learned

Findings

- A list of main cash actors in Sudan with their main FSP and information regarding their intervention:

Agency	Overview
WFP	<ul style="list-style-type: none"> • Strategic shift to increase the % of food assistance provided through cash (as opposed to electronic vouchers and in-kind), currently 20% of the food assistance caseload is through vouchers or cash, and WFP planning to scale this up to 35% in 2021, and increase progressively until 80% of the caseload is in cash or vouchers. • Two rounds of direct cash distribution has been finalized in Central and North Darfur. Last month USD 1.5 M has been distributed in cash assistance across all Sudan. • Use SCOPE platform to manage e-voucher transfers for food • Starting cash transfers under general food assistance (with Islamic Relief implementing in Central Darfur IDP sites ,WHH and SRCS in North Darfur) at temporary distribution sites through a Bank (Blue Nile Mashreg Bank) • WFP transfer values for food are based on the in-kind ration (50%) and supported by VAM's price data. Focus is on increasing scale/beneficiaries rather than fuller coverage of needs. Currently: 1,500 SDG ppm • Supporting implementation of the Government's Family Support Program in Khartoum and West Darfur by monitoring and providing technical support. • Agreements in place for mobile money with MTN and with Blue Nile Mashreg Bank for bank account transfers, ATM cards and direct cash • Launched a new process to contract with a third FSP to reduce dependency on the Blue Nile Mashreg Bank and divers the risk to be in better position to implement the Government's Family Support Program.
IOM	<ul style="list-style-type: none"> • Joint Initiative for Migrant Protection and Reintegration funded by the European Union (EU) • EU-IOM Joint Initiative Marks 4 Years of Supporting Thousands of Migrants Across the Horn of Africa. Men, women and children—are migrants assisted to voluntarily return to Sudan. • Those returnees are receiving support to reintegrate into their communities. Last year on March 2020, IOM started to support economic reintegration through cash assistance. • IOM contracted with MTN on Sep 2019 and piloted their service to support 28 individual and kept working with them to find the best approach that could work best for them and targeted returnees. As their targeted returnees are scattered all over Sudan and received one-off economic assistance equivalent to 1,200 EUR. Officially on March 2020, IOM shifted to cash intervention and last month returnees received 550,000 SDP. • IOM support around 200 returnee and work with them closely. IOM has all their updated information such as phone number and current location. These information provided to MTN and then MTN comes back with list of agents available in returnee's locations and able support each one of them. MTN provides IOM with list of PIN codes per returnee. IOM deliver these

	<p>PIN codes to intended returnee with allocated MTN agents for them. Returnee access the MTN agents with IOM present and they cash-out their assistance.</p> <ul style="list-style-type: none"> • MTN has been flexible and supportive to fine solutions for different situations. Currently they are charging IOM 4.5% of the total transfer value.
UNHCR	<ul style="list-style-type: none"> • Main cash program is cash for shelter, targeting 9000 HHs in 2021, and reached 3,100 HHs in 2020 including across all 5 Darfur states • Also implemented MPCA in Khartoum targeting 1,500 HHs • Working with Blue Nile Mashreg bank for both ATM cards and cash distributions at mobile distribution points in remote areas
ZOA	<ul style="list-style-type: none"> • Implemented cash in 2019-20 in East Darfur targeting South Sudanese refugees. Provided 3 rounds of cash during the lean season to 3,310 HHs in 2019 and in 2020 to 4,161 HHs. • Cash transfers provided by ZOA staff (did not use an FSP), and targeting complementary foods (as WFP providing in-kind basic food ration) based on local food priorities and prices • Want to scale up cash programming in future • Exploring the use of Red Rose to do electronic vouchers, with a focus on nutrition.
NRC	<ul style="list-style-type: none"> • Restarted programming in Sudan in 2020 • 3 rounds of cash transfers to refugee households in Gedaref using Blue Nile Mashreg Bank (direct cash distribution by the bank to beneficiaries) • Pre-positioned agreement with MTN for mobile money, were exploring mobile money transfers in El Geneina but haven't implemented yet • FSL programming planning 4-6 rounds of cash in White Nile and South Kordofan through either mobile money or bank account transfer • Have pre-positioned Red Rose platform with 10,000 smart cards, 40 PoS devices but have not implemented this yet.
UNICEF	<ul style="list-style-type: none"> • Recently started engaging in cash programming • Mothers and children cash transfer program (MCCT) being rolled out through the government in Kassala and other locations focused on nutrition outcomes ('cash plus'), targeting 50,000 Individuals in 18 months, 20,000 in Red Sea & 30,000 in Kasala from April 2021 • The Service will be provided through packages in Health Centres only. • Focused on building social protection capacity of government and ensure they can provide cash as part of the welfare system • Contracted with the Blue Nile Mashreg Bank. • Exploring short-term humanitarian cash programming (in El Geneina and Gedaref) and planning to piggyback on WFP's SCOPE platform
ICRC	<ul style="list-style-type: none"> • Mainly doing paper-based value vouchers for agricultural inputs and food during the lean season • Exploring the use of Red Rose to enable electronic value vouchers and tracking of cash transfers through over the counter distributions (e.g. through hawala) • ICRC do not use banks to do cash distributions in the field as they travel with armed escorts
WVI	<ul style="list-style-type: none"> • Exploring cash (will be doing cash as a WFP partner), but have mainly used vouchers • Experience in North Darfur doing cash transfers, using an FSP to do direct cash distributions
CAFOD	<ul style="list-style-type: none"> • Using paper vouchers • No agreement in place with an FSP, and have not done cash transfers previously

NCA	<ul style="list-style-type: none"> Implemented cash transfers in 2 villages of Central Darfur last year, as part of a shelter program in 2020 targeting 3000 HHs. Participants travelled to the bank branch to collect cash, but meant that people without IDs were excluded and people had to pay additional transport costs. Have an agreement with an FSP. Using paper vouchers (printed by CRS in Khartoum and locally printed in other NCA projects)
DRC	<ul style="list-style-type: none"> Cash transfers provided to protection cases (referrals and alongside case management). Cash is delivered directly by staff to recipients.
Other actors	<ul style="list-style-type: none"> IOM, GOAL, Plan, WHH, COOPI, Concern, ADRA, Mercy Corps and Oxfam also reported cash or voucher activities to the Cash WG in 2020. IRC is exploring mobile money transfers.

- Cash is mainly delivered through banks - either as direct cash distribution in remote areas or through bank branches over the counter or through ATM cards in urban centres - mobile money is being increasingly used in Khartoum and larger cities (e.g. Nyala, Port Sudan, Kassala and El Fasher). Some agencies, such as GOAL, have reportedly used the local hawala network to do cash transfers to participants, and other agencies, including DRC and ZOA, are still using their own staff to distribute cash (more on these delivery mechanisms below). In addition to cash, vouchers are still a commonly used modality. WFP have been using their SCOPE platform to manage electronic value vouchers for food and NRC have pre-positioned the Red Rose platform and devices to enable delivery of electronic vouchers though they have not tested this yet. Other agencies, including ZOA and ICRC are also exploring activating their global framework agreements with Red Rose to establish electronic voucher delivery. Paper vouchers remain common practice among other agencies, including ICRC, CRS, WVI, NCA and CAFOD.
- The Blue Nile Mashreq Bank is the only FSPs that has the capacity and previous experience to carry out cash distribution and cash actors are mainly depending on BNMB to send mobile teams and set up temporary distribution sites. However, WFP positioning themselves to test other FSPs and explore different delivery mechanism such as Mobile Money through MTN.

Conclusions and recommendations

- UN and NGOs are all in the process of starting up or scaling up cash transfers with many other agencies active in the Cash Working Group.
- Generally, there is no proper assessment conducted by NGOs prior to their CVA interventions. Program implantation are still in early stages and impact was not monitored yet. It seems that actors are rushing to the implantation and still trying to learn from practice.
- There is a need to improve information sharing, experiences and lessons learned among cash actors. This Includes harmonizing approaches to programming cash interventions, promoting cross-learning on targeting and beneficiary selection, working towards utilization of common cash delivery platforms including piloting biometric enabled cash delivery, and building evidence on the impact of cash assistance on protection and sectoral outcomes.

Acceptance of cash transfers by Government

Findings

- Government Social Assistance Programming: The Government of Sudan, with support from the World Bank, has begun implementation of the Sudan Family Support Project (SFSP). The project is a 400m USD program running from 2020 to 2023 that will deliver cash transfers and improve safety net systems to support Sudanese households affected by economic reforms (e.g. the removal of government subsidies on food and fuel)¹. A transfer of 5 USD per household member will be provided for an initial 6 months (to be extended to 12 months based on funding availability).
- Based on conversation with government officials, there is a strong direction from the government at the national level to use cash based intervention, preparation is ongoing to launch a massive national universal basic income – family support programme (SFSP) to replace basic commodities subsidy, the delivery mechanism is yet to be defined but the preference is electronic transfer where possible and the government is partnering with NGOs UN agencies to carry out the implementation of this programme.
- SC Sudan recently received a communication from the Ministry of Finance that their submission to partner with government on Sudan Family Support Programme (SFSP) is successful. Save the Children (SC) will be leading a consortium with Mercy Corps (MC) and Alight to support the rollout and implementation of SFSP in Red Sea, South Darfur and Kassala. The consortium will work with vetted, strong national partners to support the implementation of the program. SC will undertake implementation of activities in Red Sea states, South Darfur by MC, and Kassala by ALIGHT. The technical support will mainly on Cash plus approaches, targeting, building accountability mechanisms, capacity building, and coordination mechanisms. Ministry of finance has agreed to sign a 5 M USD contract for one year, with potential to extend to eight states in the second phase.
- It's not related to CVA intervention specifically but due to recent attacks/conflicts in the Red Sea, officials will likely deploy additional patrols and checkpoints. The implementation of curfews and road closures is also possible.
- There is no official policy prohibiting the use of cash for humanitarian or development assistance. However, a number of organisations did point out the need to ensure approval by the state and federal level Humanitarian Aid Commission (HAC) when technical agreements are submitted.

Conclusions and recommendations

- It will be important for the relevant representatives of SCI (and partners) involved in negotiating and discussion the technical agreements for any future projects that include a cash component to be ready to present the rationale for cash in relation to the project's

¹ <https://projects.worldbank.org/en/projects-operations/project-detail/P173521>

objectives, and to challenge any potential concerns within HAC. A strong and transparent beneficiary targeting system will be critical.

- Operations in the Red Sea should review security and contingency plans regularly and maintain contact with the security and safety department. Contingency plans should be updated and ready in case there is any disruption the implementation there.
- Partnering with government on Sudan Family Support Programme (SFSP) is a great opportunity for Sudan CO but it comes with a huge responsibilities and would require a robust work plan:
 - There is a need to work on improving the CVA capacity of the staff, building procedures, adjusting tools and recruit qualified technical staff.
 - SC should work closely with the government and Financial Services Providers to use different cash delivery mechanism (E.g. mobile money, SMART Card, ATM, Bank AC# etc.) depending on the location and context. Distributing this amount of cash at this scale with mobile teams won't be efficient for the long run. This might require improving infrastructure or requiring FSPs to increase their coverage of agents, branches and ATMs to new locations.
 - It is recommended to start implementation on a small scale and scale up gradually with close monitoring and strong community engagement. There is a risk that this new project could overstretch the capacity of SCI and contracted FSPs.
- Continue to inform local authorities in advance about any upcoming assessment, studies or field visits. It is important to ensure the HAC is always aware and on-board with all SCI movements and activities.

Save the Children's and Implementing Partner's capacity, systems, and experience in CVA

Findings

- SC Sudan CO with support from ECHO started implementing cash and voucher programmes in South Kordofan and North Darfur states since 2017 to address food insecurity. SCI used physical cash payment through Bank of Khartoum agents as an appropriate method which consider cost efficiency to maximize the cost of cash transfer to the beneficiary and lowering the risk of the action. Due to the national cash crisis, only two rounds of cash distributions out of the 6 planned transfers were successfully completed. As a result, the modality was changed to vouchers, which enabled SCI to complete the remaining 4 distributions.
- Cash Transfer Programming Feasibility Assessment was conducted on May last year. The study focused on South Kordofan and involved a rapid market assessment in two localities in South Kordofan (Abugebeha and Elliri localities)

- On September last year Sudan CO signed a two years framework agreement with the Blue Nile Mashreg Bank to facilitate cash transfer activities with USD 4,000,000 \$ cap.
- Under the German Federal Foreign Office Fund, SC Sudan targeted 2,000 vulnerable families with cash assistance for 4 rounds in North Kordofan and North Darfur on Sep 2020. Save the Children was responding to the effects of the Covid-19 pandemic and the project aimed to reducing the impact of economic shocks on vulnerable families, especially on child nutrition, through monthly cash transfers. SC Sudan used the Blue Nile Mashreg Bank to distribute physical cash by setting up mobile sites in remote areas. SCI team distribute electronic cards and PIN code in advance and conduct all required mobilization and sensitization. It was the first experience for SCI Sudan with BNMB and cash distribution was conducted successfully. However, there was some challenges related to network coverage which disturbed the distribution since Point Of Sales required internet connection to facilitate the disbursement.
- SC Sudan is currently implementing BMZ Project in North and Central Darfur which contains a large cash transfer element.
- SC Port Sudan field office is launching the implementation of BHA flood response in the Red Sea state (Toker and Sinkat localities) and this response aims to target several thematic areas (e.g. Health, WASH, CP and GBV) it does include cash transfer for 600 HH for 3 months, 120 \$ per month. In addition, there are couple of approved projects or in the proposal stage. Projects are listed in the table below:

Donor	Status	Date (Start-End)	Targeted Locations	Modality	Delivery mechanism	Targeted number Beneficiaries	Notes (Outcome/ Objectives)
BMZ	Ongoing	Nov 2020- Dec 2023	North Darfur and Central Darfur	Cash for work and cash grant	Not planned yet	190 beneficiaries (cash grant) 3,000 beneficiaries (cash for work) The cash portfolio approximately USD 200 K	Resilience. Income generation (cash grant) and DRR (cash for work)
ECHO	Approved	Apr 2021- Sep 2022	North Darfur and South Kordofan	Commodity vouchers (agricultural seeds and tools)	Voucher	1500 HHs	Emergency food security
BHA OFDA	Approved	Aug 2021- Jul 2022	North Darfur and South Kordofan	Cash	Not planned yet	2,000 HHs	Early recovery (support seeds and tools)

BHA OFDA	Approved	Apr 2021- Apr 2022	Red Sea and River Nile	Commodity vouchers (agricultural seeds and tools)	Voucher	1,500 HHs The cash portfolio approximately USD 200 K	Early recovery (flood response)
Sudan Ministry of Finance²	Proposal	May 201- May 2022	Nation wide(Currently SCI is covering the Red Sea)	Cash grant	Bank/ATM	80% of population of the targeted states	Families support program (monthly \$5 for every individual)

Conclusions and recommendations

- Development of context-specific Standard Operating Procedures (SOPs) and RACI for the implementation of voucher and cash programming that are used across all SCI field offices. SOPs should capture the key steps of implementing voucher and cash transfers, with clear roles and responsibilities. All relevant team members should then be trained on the SOPs.
- Sudan CO portfolio has grown up very fast during the past couple of years and went from USD 12M to USD 40M. Big percentage of SCI staff are recently recruited and CVA experience is still very limited. It's highly recommended to recruit a permanent CVA Technical Advisor to lead developing required procedures, tools and provide training/capacity building for programs teams on how to design and implement cash (including response analysis, determining the feasibility of cash, designing appropriate transfer values etc.).
- CVA MEAL tools need to be reviewed and modified to include more qualitative data which help capturing some important aspects related to cash distribution, satisfaction, risks, markets and food security. Ensure to have a clear MEAL plan for the upcoming CVA programs, identify key indicators/questions and required reports.
- According to a PDM report conducted on October 2020, beneficiaries targeted with GFFO project last year in both Tawila and Kalemendo areas stated that they had to go very long distances (More than 5 KMs) to receive their assistance and CRM information were not displayed at the distribution point. It is important to coordinate with FSP and ensure that mobile distribution sites are placed in nearby locations and beneficiaries won't have to travel long distances. In addition, having strict policy about having SCI staff present at the distribution sites with good visibility materials and having a help desk to receive issues and answer questions.

² Additional information were mentioned in the previous section.

- Having a functional Feedback and Response Mechanism, with adequate staffing to manage and follow up on any feedback and complaints received, particularly as it relates to quick troubleshooting in relation to the cash distribution mechanism. Having the complaints number in remote area where there is no mobile coverage is not useful and accountable team should use community mobilizers and suggestion boxes.
- Currently Sudan CO is contracted with only one FSP the Blue Nile Mashreg Bank to facilitate cash transfer activities and they are the most experienced but it worth investing in other FSPs such as Bank of Khartoum and MTN. Even that other FSP might not be as experienced. However, having several FWAs would help SCI Sudan reduce dependency on BNMB, increase competition and build FSP capacity to absorb upcoming CVA opportunities.
- SCI Sudan has big number of secondments in Darfur and their incentives are paid directly through the program staff. Current process is very risky since it includes SCI staff carrying and moving with cash and there is no segregation of duties. It is recommended that field office assess available local money traders available in the targeted locations and contract with them to facilitate incentive payment. For the time being the payment process should be carried at least by two staff members (Finance staff with another staff from different department such as MEAL).

Acceptance by communities and their preferences in terms of assistance

Findings

Darfur

- In both central and north Darfur communities are not familiar with cash assistance and they are more comfortable with in-kind as a modality. 95% of interviewed communities stated that they prefer in-kind assistance and after a small discussion and explanation about the cash assistance it become 50/50. However, they have raised some solid concerns:
 - Continuous inflation and price fluctuation impacting their purchasing power and they are considered that distributed cash value won't be equivalent to the food basket.
 - Specifically in settlements, IDPs were very concerned that cash distribution could trigger an intra-household conflict and all interviewed females in Tawilla (North Darfur) and Azum (Central Darfur) stated that their husbands would take control of the cash and they would use it on unintended purposes. In addition, they were concerned that their husbands have several families, the cash assistance would be divided and targeted household end up receiving a small share. The majority of interviewed men preferred cash assistance and they were not concerned about any intra-household conflicts.

The situation is different for host communities and interviewed groups in Kalemendo (North Darfur) didn't report any sensitivity for distributing cash.

- Elderly and people with disability cannot go to market to buy their needs if cash is provided.



Female- Focus Group Discussion in Wadaah Village in North of Darfur

- All interviewed groups reported that they would prefer females to receive³ the cash assistance since they are more aware of the food needs and they are usually accessing to market to purchase food items.
- There is no issue reported about accessing the market or available of food items in both central and north Darfur. However, interviewed communities confirmed that the situation is different during rainy season between Jul – Sep. During the rainy season there is shortages in the supplies and that due to typical scarcity/off production season for onions and vegetable Oil and transportation difficulties – rough roads and increase cost of transportation. Lack of supplies impact the prices directly and there is always a huge increase during these months.
- Security still an issue for central Darfur and interviewed communities there insisted on receiving the cash at the center of their settlements and they were concerns about traveling and receiving it out. They do believe there is a risk of theft or being targeted.

The situation is different for north Darfur and especially for Kalemendo since communities there were feeling safe to receive the cash in public places and even travel to receive it from nearby villages.

³ WFP's partners are prioritizing females to receive the cash assistance in some locations.

Red Sea

- In both localities covered by assessment in Red Sea State (Tokar & Ageeg), communities are familiar with cash assistance and they are comfortable with receiving cash assistance.
- Interviewed community members were not concerned about the security situation and they were comfortable to receive cash assistance in public places and even travel to receive the cash from nearby villages.
- Interviewed females preferred in-kind assistance to secure their food and insure they have their essential needs despite the price fluctuation. However, interviewed males preferred cash assistance since it would give them more freedom and they several urgent needs to cover.
- Both females and males groups stated that there won't be any intra-household conflict if a cash assistance was distributed and discussions how to spend the cash is taken jointly by both of them.
- Red Sea localities consider a conservative society comparing to the Darfur and females usually don't go to the markets due to their culture and it is the responsibility of the males.
- During the rainy season (Oct- Nov) Tokar and Ageeg are almost isolated and it became harder for the markets to supply demands. However, communities and vendors are always prepared and they store basic food items in advance.
- Both localities reported that the markets are functioning well and they have all required items. In addition, there is good supply system and linkages to Port Sudan and other states such as Kassala.

Conclusions and recommendations

- It is clear that targeted communities in central and north Darfur are not familiar with CVA interventions and the majority of interviewed groups prefers in-kind and voucher over cash. They do believe that in-kind would store its value in light with continuous inflation and increase in prices. In addition, IDPs stated that cash can cause conflict between the wife and husband. Finally, security and risk of theft remains an important concern, especially for central of Darfur.
- It is crucial to understand the community concerns in both Darfur and Red Sea states and ensure our programming are not causing any harm to targeted families and local markets. It is recommended to use a mixed modality approach between direct cash and commodity voucher to mitigate the risks and shift between the two modalities as a contingency plan.

Kalemendo region can be prioritized for direct cash distribution. However, the approach should switch to commodity voucher through the rainy season since there will be shortages in the market and increase in prices.

- For both modalities it is highly recommended to conduct mobilization and sensitization campaigns in the markets of targeted locations to ensure that food vendors are aware and

they are stocking in advance to supply the increased demands. It is important that campaigns won't start before having a confirm distribution plan.

- Monitoring team should be informed in advance and have their plan and tools ready to keep close monitoring to the markets and targeted communities to study the impact of SCI distribution. PDMs should be conducted within two weeks from the distribution to ensure the accuracy of gathered information.
- Direct cash interventions should start at small scale and gradually increase to cover additional locations and it should be accompanied with close monitoring to the markets and targeted beneficiaries to ensure tracking any issue and shift modalities if needed.
- Distributed cash value should be revised on bi-monthly basis during inflation time and adjustment should be made in advance to ensure maintain the same purchasing power for targeted beneficiaries.
- It is critical to build a very strong community engagement strategy⁴ with trained community mobilizers to ensure the information flow is going properly and timely between SCI and targeted community. Program decisions and adjustments should be explained and communicated in advance.
- Targeted beneficiaries in the Red Sea state are local communities affected by national disasters (e.g. flood, drought) and there is no exist of (IDPs or Refugees) which makes it easier to target them with cash assistance since they are settled there and used to context.
- Tribal conflicts still an ongoing issue in the Red Sea state especially in Tokar and Port Sudan cities. Social norms must be considered and ensure SCI teams are aware, trained and remain sensitive.

Donors' and Clusters' position on cash transfers

Findings

- There is a Sudan Cash Working Group (CWG) at the national level (led by WFP), and one sub-national WG in Gedaref (led by NRC) coordinating the cash response to the Tigray crisis.
- In 2020, the Cash Working Group (CWG) made significant efforts in coordination and harmonization of interventions. This coincided with positive shifts in government legislation regarding the use of mobile money by granting access to mobile money operators (MMOs), the financial sector, in addition to banking systems, and scaling up of cash interventions. In

⁴ Communities in Darfur are sensitive and there was violent incidents reported with WFP due to sharing wrong information.

2020, the CWG also developed a common minimum expenditure basket (MEB), which contributed to setting a base towards a more harmonized approach in cash assistance.

- In 2021, with WFP leading the MEB was adjusted on May 2021 to account for differences at locality level, and ensure it is adequate to different population groups – including IDPs and refugees.
- The CWG will also increase efforts to advocate and scale up the use of MPC as a modality to respond to humanitarian needs in an environment conducive to coordination, and harmonization. Solutions for the remaining technical challenges in scaling up the use of MPC modality include:
 - Establishing a multi-sectoral market task force, enabling advantage to all agencies/sectors that utilize cash as a modality.
 - Organizing data collection tools, assessments and non-food market monitoring mechanisms that can inform interventions across all partners.⁵
 - Increasing joint programming activities agencies⁶. Developed strategies to minimize financial impact resulting in an increased costs due to high inflation, which would result in under/ over-estimated budgets.
 - Increasing cash working group linkages with other coordination bodies.
 - Incorporating external stakeholders in the coordination forum, to further enhance ownership and collaboration
 - Mapping availability of Financial Service Providers (FSPs) in the country and evaluating their access, capacity and services.
- Minimum Expenditure Basket (MEB) and Transfer Value Determination: has been updated this year by WFP based on the expenditures from communities.
 - Sudan has up to this point used a working MEB value that is based on that the marginally food insecure group have an expenditure of approximately 68 percent on food and 32 percent on non-food items. Using local food basket prices that WFP collects on a monthly basis, the non-food component is deducted to come up with the working MEB value. While the working MEB value has been useful, Sudan has lacked information on non-food items, including what these items are and how much households spend on them. In order to address this, a tentative MEB list was constructed after discussions with the MEB sub working group within the cash working group (CWG), as well as OCHA and the sector coordinators. This “hybrid” MEB

⁵ Link for a live map:

<https://app.powerbi.com/view?r=eyJrIjoim2VhNWM2YiQtMjJjNy00NzZjLWE3YTMtMWFkYTYwMDJmZWl4IiwidCI6IjNmODZkMWI0LTJjNmItNGIxYS1iMmFILTZmNWU5NTBiY2ExZSIsImMiOiJh9>

⁶ Planning to implement inter-agency cash assessment in Kordofan inter-agency CBT assessments planned in West and South Kordofan, jointly led by UNHCR and WFP. The assessment aims to deepen CVA feasibility assessments in semi-urban and hard to reach

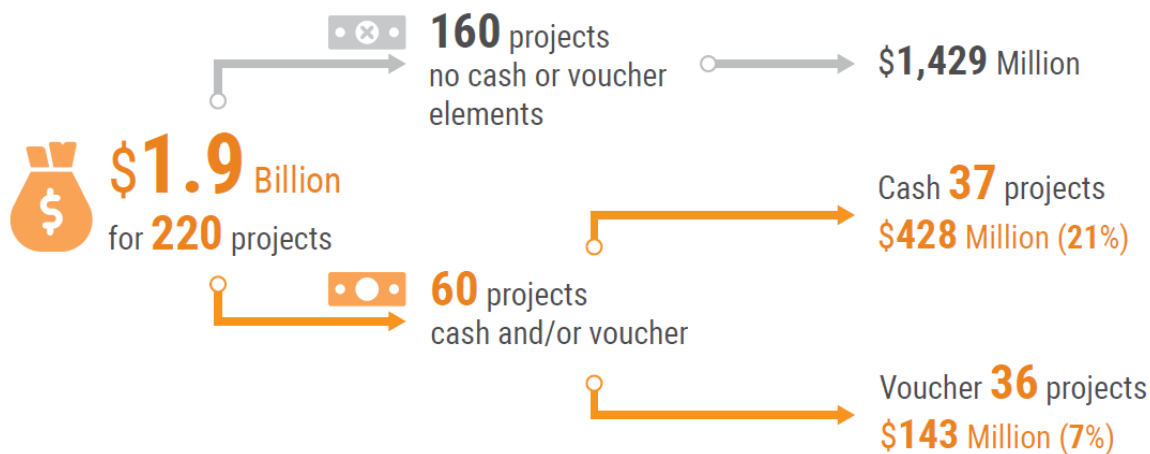
combined both sector-based needs and household expenditure. After an initial assessment in Q1 of 2020, which sought to verify the tentative MEB list and adjust if necessary, the list was further revised before being integrated into WFP’s FSMS and CFSVA assessments, two large-scale food security assessments on the household level. The key MEB findings from these assessments are presented in this report.

- The average total expenditure spent by households who were marginally food secure on food items amounted to 15,151 SDG, while the average total expenditure on non-food items amounted to 5762 SDG, totalling 20,913 SDG. Divided by 6, which is the average number of people per household, the **MEB value amounted to 3485 SDG per person**, of which the food component part made up 72.4 percent (2525 SDG) and the non-food component part made up 27.6 percent (960 SDG).

MEB component	Total expenditure per HH per month (SDG)	Total expenditure per person month (SDG)	Percentage of total expenditure
Food items	15151 SDG	2525 SDG	72.4%
Non-food items	5762 SDG	960 SDG	27.6%
Total (SDG)	20913 SDG	3485 SDG	100%
Value in USD (1 USD = 309 SDG) ⁷	67.7 USD	11.3 USD	

- 2021 Sudan- Humanitarian Response Plan stated “While most of the interventions in Sudan will remain in-kind delivery or provision of services, cash (including vouchers) will be used in Food Security and Livelihoods, Shelter and NFI, and child protection interventions mainly on life sustaining activities.”

⁷ Average exchange rate December 2020-February 2021 when MEB assessment was conducted= 309 SDG/ USD. (Dec 2020= 263 SDG/ USD; Jan 2021= 288 SDG/ USD; Feb= 376 SDG/ USD). Currently, it is around 450 SDG/ USD



- There is a strong direction from donors to use cash based intervention, preparation is ongoing to launch a massive national universal basic income (SFSP) – family support programme to replace basic commodities subsidy, the delivery mechanism is yet to be defined but the preference is electronic transfer where possible.

Conclusions and recommendations

- There is a need to have an active focal point from SCI Sudan in the Cash Working Group and ensure that SCI Sudan is participating in monthly meetings to learn from other experience, share lessons learned and be in a leading position as cash actor.
- Coordinate, share lessons learned and work closely with WFP since they are the biggest cash actor in Sudan. Ensure to use WFP’s regular market monitor reports and keep monitoring the MEB value.
- Keep exploring potential CVA fund opportunities and use the findings of conducted feasibility assessments to select the suitable and most appropriate delivery mechanism. It is important to document and use the learning and evidence from implemented CVA projects. Currently, there is very little evidence, impact analysis and learning documented. If Sudan CO improved this aspect it will help positioning SCI as one of lead cash actors and ultimately access to CVA funding

Feasibility with respect to markets of food commodities

Findings

Economic Conditions and Markets Background

- There is national, and some state level, information available on the market situation, particularly WFP’s VAM unit monthly market monitor updates, and outlooks from FEWSNET. However, there are limited publicly available market assessments for more local level markets, and market access among different population groups in particular localities.
- Availability of the staple food commodities, for assessed Darfur states this is primarily millet and sorghum, does not seem to be a major issue. However, the most significant issue impacting markets is high food and non-food prices, largely as a result of economic reforms,

that have reduced household purchasing power and posed a major barrier for households to be able to purchase what they need in local markets.



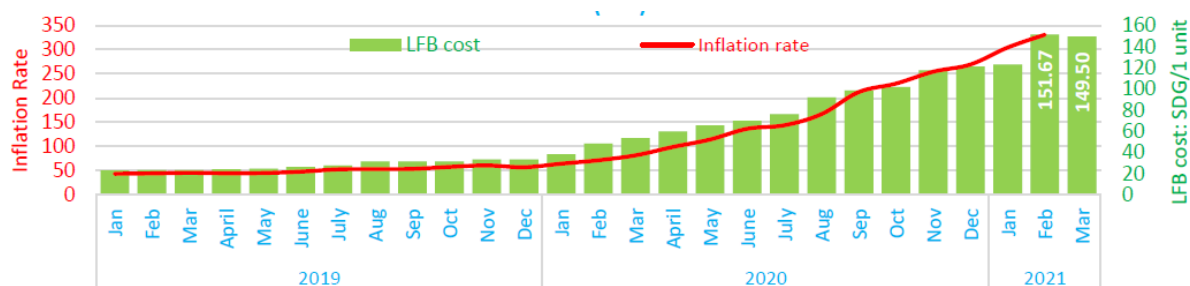
Aum shallaya market conducted Sundays and Wednesdays in Central of Darfur

- According to FEWSNET⁸ and confirmed by interviewed vendors in north and central of Darfur, the retail price of sorghum, millet, and locally produced wheat had mixed trends between April and May 2021, as sorghum and millet prices increased by 5-15 percent across most consumption markets due to the seasonally high demand for local consumption, high transportation costs, and the devaluation of the SDG. Locally produced wheat prices are relatively stable or slightly decreased in some individual production markets following the recently concluded winter season harvest. However, cereal prices remain close to double compared to their respective prices in 2020 and 400-500 percent above the five-year average. Prices are expected to continue to seasonally increase through the lean season.
- Extremely poor macroeconomic conditions and high food and non-food item prices are expected to continue through the scenario period due to insufficient FOREX reserves and shortages of fuel, wheat, and wheat flour. In June, the parallel market rate increased to 450 SDG/USD compared to 393 SDG in April, while the official exchange rate remains at 407 SDG/USD. The FOREX is anticipated to remain between 350-410 SDG/USD through 2021.

Market monitoring and local food basket

- Based on WFP Market monitoring report, in March 2021 the average cost of local food basket is slightly decreased by 149.5 SDG. The exchange rate policy change is likely to have impact on the food prices which clearly captured in the local food basket cost that slightly decreased compared to the previous month.

⁸ <https://fews.net/east-africa/sudan/key-message-update/may-2021>



Commodity	Unit	21-Mar	21-Feb	20-Mar	Change of retail price compare to previous month	Change of retail prices compare to same month - last year
Sorghum	SDG/Kg	97.19	100.85	37.33	-4%	160% ↑
Onion	SDG/Kg	140.67	122.55	42.1	15%	234% ↑
Vegetable Oil	SDG/liter	815.5	894.73	199.75	-9%	308% ↑
Cow Meat	SDG/Kg	908.33	807.27	352.42	13%	158% ↑
Goat_Sheep Meat	SDG/Kg	1,086.67	1,042.27	432.75	4%	151% ↑
Powder Milk	SDG/Kg	1,815.00	1,662.27	739.17	9%	146% ↑
Dry Tomatoes	SDG/Kg	478.42	556.73	165.5	-14%	189% ↑
Sugar	SDG/Kg	275.92	326.82	79.67	-16%	246% ↑
Pulses bean	SDG/Kg	458.17	376.64	140.92	22%	225% ↑
Iodized salt	SDG/Kg	120.17	123.82	32	-3%	276%
Wheat Flour	SDG/Kg	261.92	248.45	73.83	5%	255% ↑

Central and North Darfur

- In all visited markets in Central and North Darfur, it was observed that shops are well stocked, relatively active markets. It seems that by the time of the assessment, the impact of COVID-19 Pandemic become very limited and supply chains are operating normally.



Wadaah Market in North Darfur

- Generally, markets in Central and North Darfur are relatively well integrated and secondary village markets are connected to multiple major source markets. North Darfur considered in better position as it is closer to Khartoum and directly connected to it.
- Big villages such as Wadaah and Tawilia in North Darfur, Azum and Zalingie in Central Darfur has permanent and weekly markets. However, for rural areas and small villages there is only weekly markets in locations such as Abudilaik and Edd Albaida in North Darfur, Golo and Rokro in Central Darfur.
- Basic food commodities and other essential non-food items are readily available in all markets. The supply and availability of few items (e.g. Onions, Sugar and Oil) expected to be constrained by the rough roads during the upcoming rainy season (Jun - Sept). The shortages of supplies during the rainy season cause an increase in the prices.
- Nearly 40% of interviewed vendors in North Darfur (Wadaah and Tawilia) reported that they won't be able to supply an increase of demands because they don't have the required capital. 5 out of 27 vendors stated that a cash intervention could impact the market and cause an increase in prices.
- Around 20% of interviewed vendors in Central Darfur (Zalingie) reported that they won't be able to supply an increase of demands because they don't have the required capital. All of them agreed that cash assistance won't impact the markets.
- All interviewed vendors in both Central and North Darfur stated that access during rainy season, cost of transportation, fuel shortages and high tax payments are the main constraints that limiting their business. Vendors in Central Darfur were very concerned regarding insecurity and theft incidents.

Red Sea

- Port Sudan has an international Airport, there is now a tarred road and a rail linking Port Sudan to Khartoum. In addition, there is also an international ferry from Jeddah in Saudi Arabia.
- Port Sudan is a port city and the capital of the state of Red Sea. The city has an oil refinery and handles the majority of the country's international trade. Major exports include oilseed, senna, and hides. Imports include construction materials, heavy machinery, and vehicles.
- Port Sudan has the largest market in the Red Sea State with great variety of items and goods and consider the main source for all other markets and population in the state.
- Halaib, Haya, Sawkin, Sinkat and Toker localities has permanent and functional markets throughout the week. These markets operate as sub-sources for other surrounding localities.
- Interviewed communities reported that males are usually accessing the markets and purchasing required items. Red Sea localities considered very conservative societies and culturally it is not common for females to deal with traders in local markets.
- Almost 90% of interviewed vendors in Red Sea (Toker) reported that they would be able to supply an increase of demands and they have the financial capacity and access to Port Sudan market.
- Vendors stated that access is very limited during the rainy season (Oct-Nov) Toker and Ageeg become almost isolated during the rainy season. Usually vendors and communities there store basic food items to be prepared. However, the market, availability of goods and prices are impacted during that season.

Conclusions and recommendations

- All visited markets in Red Sea and Darfur, observed and confirmed by the trader that markets are functioning well despite macroeconomic crisis; ever increasing prices, fuel shortage, increased cost of business, depletion of capital and generally reduced purchasing power.
- Comparing Red Sea and Darfur states, Red Sea's markets in better position to supply demands and well connected to multiple sources.
- Prices have increased at least by 150% compared to last year and it is expected to continue increasing through the coming months which will continue to depleting the purchasing power of the targeted communities. Several interviewed traders reported that they might have to change their prices couple of times during the same day.
- Direct cash interventions should start at small scale to give the opportunity to available markets to adopt and supply the increase in demands. IDPs settlement's markets (e.g. Rongataz in Central of Darfur) are likely to be impacted by any large scale cash intervention. Islamic Relief an implementing partner with WFP reported, that they have noticed a direct increase in prices in El Salam and Tayba settlements in Central Darfur directly after their cash distribution.
- Conducting a proper mobilization in advance could help the vendors in targeted markets to stock and be prepared to supply the increase in demands.

- Carrying out a cash distribution activity during the rainy season (Jun - Sept) is likely to harm targeted communities and influence a higher increase in prices which would impact the purchasing power of the whole community. Throughout the rainy season it is highly recommended to shift to in-kind or commodity voucher interventions. However, for commodity voucher SCI team should inform the contracted vendors and ask them to stock in advance and be prepared for the rainy season.
- Given the security situation, movement restriction in some locations, inflation, and currency devaluation, it is essential that SCI team conduct a regular market monitoring in cash intervention's locations to assess the availability, access, risks and prices.

Financial service providers and their capacity

Findings

- The Delivery Mechanism Assessment has been finalized and the first draft of the report will be submitted to the Sudan CO for their endorsement. The Delivery Mechanism Assessment report would provide a detailed study of available financial service providers, their capacity, and experience.
- Sudan CO has one FWA with the Blue Nile Mashreg Bank which has been signed last year with USD 4,000,000 Cap. The contract is valid for two years and has been tested their service last year with GFFO project and supported 2,000 vulnerable families with cash assistance for 4 rounds in North Kordofan and North Darfur.
- In north and central Darfur, there are very limited financial services (Mainly banks) in the main big towns (e.g. Zalingie and Al Fasher) available bank branches has very limited capacity and they are facing liquidity challenges. However, there is no present for any financial services in targeted communities but some unregistered traders that run other business
- Network coverage is very unstable and uneven, it was reported in some locations (e.g. Abudilaik, Golo and Rokaro) that network gets disconnected for days due to electricity issues. Individuals carry several lines from different telecom companies and keep switching between them as needed.
- Port Sudan is a port city and handles the majority of the Sudan's international trade. Almost all banks exist in Sudan has a branch there with a proper liquidity capacity. In addition, there are bank branches in big localities (e.g. Sawakin, Tokar)
- Mobile networks (SUDANI, ZAIN and MTN) has much better coverage in the Red Sea state comparing to Darfur and better network of agents available in Red Sea's localities.

Conclusions and recommendations

- Currently Sudan CO is contracted with only one FSP the Blue Nile Mashreg Bank to facilitate cash transfer activities and they are the most experienced but it worth investing in other FSPs

such as Bank of Khartoum and MTN. Even that other FSP might not be as experienced. However, having several FWAs would help SCI Sudan reduce dependency on BNMB, increase competition and build FSP capacity to absorb upcoming CVA opportunities.

- SCI Sudan has big number of secondments in Darfur and their incentives are paid directly through the program staff. Current process is very risky since it includes SCI staff carrying and moving with cash and there is no segregation of duties. It is recommended that field office assess available local money traders available in the targeted locations and contract with them to facilitate incentive payment. For the time being the payment process should be carried at least by two staff members (Finance staff with another staff from different department such as MEAL).

Risks related to cash and/or vouchers and suggested mitigation measures

Overall risk rating			
Risk type 1: General - Local / National Context	Low (1) <input type="checkbox"/>	Medium (2) <input checked="" type="checkbox"/>	High (3) <input type="checkbox"/>
Risk type 2: Markets	Low (1) <input type="checkbox"/>	Medium (2) <input checked="" type="checkbox"/>	High (3) <input type="checkbox"/>
Risk type 3: Internal Controls & Delivery	Low (1) <input type="checkbox"/>	Medium (2) <input checked="" type="checkbox"/>	High (3) <input type="checkbox"/>
Risk type 4: Safety and security	Low (1) <input type="checkbox"/>	Medium (2) <input type="checkbox"/>	High (3) <input checked="" type="checkbox"/>

Context-related risk (type 1): Programme disruption

Risk rating on programme disruption: *(Medium)*

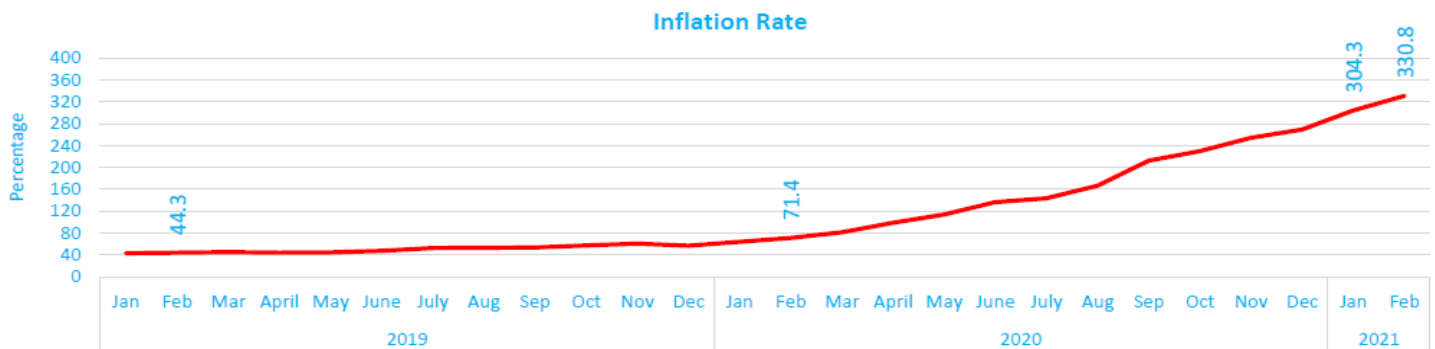
- Based on conversation with government officials, there is a strong direction from the government at the national level to use cash-based intervention, preparation is ongoing to launch a massive national universal basic income (SFSP) – family support programme to replace basic commodities subsidy with cash assistance and improve safety net systems to support Sudanese households affected by economic reforms.

Recommended risk mitigation measures and conclusions:
It will be important for the relevant representatives of SCI (and partners) involved in negotiating and discussion the technical agreements for any future projects that include a cash component.
Continue to inform local authorities in advance about any upcoming assessment, studies or field visits. It is important to ensure the HAC is always aware and on-board with all SCI movements and activities.
Keep close coordination and linkage with government planned (SFSP) transfer is very important, looking into the scale of the programme.

Market-related risk (type 2): Affecting the real value of our assistance (purchasing power) and local markets

Risk rating on transfer value: *(Medium)*

- Despite the fact that all observed markets in Central and North Darfur are well stocked and relatively active markets but macroeconomic crisis; ever increasing prices, fuel shortage, increased cost of business, depletion of capital and generally reduced purchasing power which increase the risk of implementing a large scale cash program and possibilities of impacting the purchasing power and availability of goods especially in IDP's settlements and during the rainy season all over north and central of Darfur.
- Extremely poor macroeconomic conditions and high food and non-food item prices are expected to continue through the scenario period due to insufficient FOREX reserves and shortages of fuel, wheat, and wheat flour.



Recommended risk mitigation measures and conclusions:
It is recommended to use mixed modality approach between direct cash and commodity voucher to mitigate the risks and to shift between the two modalities as a contingency plan.

It is highly recommended to conduct mobilization and sensitization campaigns in the markets of targeted locations to ensure that food vendors are aware and they are stocking in advance to supply the increased demands. It is important that campaigns won't start before having a confirm distribution plan.

It is essential that SCI team conduct a regular market monitoring in cash intervention's locations to assess the availability, access, risks and prices.

Risk related to internal controls and delivery (type 3): Availability of procedures, guidance and CVA tools.

Risk rating on transfers: (Medium)

- Currently there is no updated CVA SOP and availability documents provide general guidance for a few steps without identifying any responsibility, accountability or ownership.

Recommended risk mitigation measures and conclusions:
Development of context-specific Standard Operating Procedures (SOPs) and RACI for the implementation of voucher and cash programming that are used across all SCI field offices. SOPs

should capture the key steps of implementing voucher and cash transfers, with clear roles and responsibilities. All relevant team members should then be trained on the SOPs.

CVA MEAL tools need to be reviewed and modified to include more qualitative data which help capturing some important aspects related to cash distribution, satisfaction, risks, markets and food security. Ensure to have a clear MEAL plan for the upcoming CVA programs, identify key indicators/questions and required reports.

Risks related to internal controls and delivery (type 3): Human resources and internal capacity

- Currently Sudan CO doesn't have any permanent cash TA or cash focal point to lead, take ownership, and provide guidance/ capacity building.
- Big percentage of the staff are new and Sudan CO is scaling up program implementation very quickly. A cash intervention was implemented last year through the GFFO project but lessons learned are not documented appropriately and there is nothing much regarding the impact.

Recommended risk mitigation measures and conclusions:
It's highly recommended to recruit a permanent CVA Technical Advisor to lead developing required procedures, tools and provide training/capacity building or at least identify a cash focal point/cash champion to cover the gap.

Ensure relevant staff are trained on CVA fundamentals and SCI's CVA procedures. Staff should have the basic CVA knowledge before carrying out any future programming.

Risks related to internal controls and delivery (type 3): Security, Fraud and aid diversion

- SCI Sudan has big number of secondments in Darfur and their incentives are paid directly through the program staff. Current process is very risky since it includes SCI staff carrying and moving with cash and there is no segregation of duties.

Recommended risk mitigation measures and conclusions:
It is recommended that field office assess available local money traders available in the targeted locations and contract with them to facilitate incentive payment. For the time being the payment process should be carried at least by two staff members (Finance staff with another staff from different department such as MEAL. It is important to ensure there is a segregation in duties and any delegation is going through the proper process and well documented.

Security and safety-related risks (type 4): Theft

Risk rating on community dynamics: *(High in central of Darfur, Medium/Low in North of Darfur)*

- Security still an issue for central Darfur and interviewed communities there insisted on receiving the cash at the centre of their settlements and they were concerns about traveling and receiving it out. They do believe there is a risk of theft or being targeted.
- The situation is different for north Darfur and especially for Kalemendo since communities there were feeling safe to receive the cash in public places and even travel to receive it from nearby villages.

Recommended	risk	mitigation	measures	and	conclusions:
<i>Program team must address the community's concerns and keep gathering relevant information through available mobilizers to ensure appropriate planning and identification for future cash distribution sites.</i>					
<i>Targeted communities should be informed in advance about the distribution sites and ensure they have safe access to it.</i>					

Security and safety-related risks (type 4): Affecting intra-household dynamics

Risk rating on intra-household dynamics: (High in IDP's settlements, Medium/Low within host communities)

- IDPs in settlements were very concerned that cash distribution could trigger an intra-household conflict and all interviewed females in Tawilla (North Darfur) and Azum (Central Darfur) stated that their husbands would take control of the cash and they would use it on unintended purposes. In addition, they were concerned that their husbands have several families, the cash assistance would be divided and targeted household end up receiving only a small share of intended assistance.

Recommended	risk	mitigation	measures	and	conclusions:
<i>Ensure MEAL tools are capturing and tracking such cases to make sure implemented programs don't cause any harm.</i>					
<i>It is recommended to use mixed modality approach between direct cash and commodity voucher to mitigate the risks and to shift between the two modalities as a contingency plan.</i>					
<i>Build a strong community engagement plan, provide awareness and sensitization about the program objective and used modalities to targeted communities.</i>					

Security and safety-related risks (type 4): Staff Safety and Access

Risk rating on intra-household dynamics: (High in IDP's settlements, Medium/Low within host communities)

- IDPs in settlements were very concerned that cash distribution could trigger an intra-household conflict and all interviewed females in Tawilla (North Darfur) and Azum (Central Darfur) stated that their husbands would take control of the cash and they would use it on unintended purposes. In addition, they were concerned that their husbands have several families, the cash assistance would be divided and targeted household end up receiving only a small share of intended assistance.

Recommended	risk	mitigation	measures	and	conclusions:
<i>Ensure MEAL tools are capturing and tracking such cases to make sure implemented programs don't cause any harm.</i>					
<i>It is recommended to use mixed modality approach between direct cash and commodity voucher to mitigate the risks and to shift between the two modalities as a contingency plan.</i>					
<i>Build a strong community engagement plan, provide</i>					

- Ongoing tribal conflicts in the Red Sea state might disturb program implementation and limit access in case officials deployed additional patrols and checkpoints or the conflict escalated. There should be strong security measurements in place to ensure safety of SCI staff and targeted beneficiaries.

Recommended risk mitigation measures and conclusions:

Until now, conflicts were limited to specific neighbourhoods in Port Sudan and other localities and it didn't impact any of SCI program activities/movement. However, there was an increase in number of security incidences recently and it is required to be proactive and ensure Red Sea field office has a robust security measurements and updated contingency plan.

In addition, SCI staff should be trained and fully aware of ongoing tribal conflicts to ensure considering it during the program implementation stages (e.g. beneficiaries targeting, distribution activities)