

A decorative orange dotted line forming an L-shape, starting from the left and extending horizontally to the right, then turning vertically down.

# Cash Transfers in Remote Emergency Programming

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THE REMOTE  
CASH PROJECT

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# INTRODUCTION

## BACKGROUND

In emergencies with significant access challenges for humanitarian actors, the use of Cash Transfer Programming (CTP) has great potential to help provide life-saving support to the most vulnerable people. CTP may not require a heavy and consistent staff presence, is not subject to the same logistical barriers as in-kind assistance, and can often continue during peaks of disruption and displacement. However, as with in-kind programming, the risks linked to cash modalities are heightened when handled remotely.

These guidelines have been written with the support of a technical review group including representatives of the Cash Learning Partnership (CaLP), Catholic Relief Services (CRS), DanChurchAid, the Danish Refugee Council (DRC), the Electronic Cash Learning Action Network (ELAN), GOAL, the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Rescue Committee (IRC), MasterCard, the Norwegian Refugee Council (NRC), Save the Children and Transversal. They draw extensively on materials published or shared by these organisations, but any errors of fact or judgement are the author's own.

## SCOPE

These guidelines are an expression of existing CTP guidelines adapted to remote programming principles. They are intended to be used by humanitarian agencies to design effective projects using CTP in remote programming contexts where agencies' ability to programme according to normal best practice are severely constrained.

This document does not provide detailed steps for implementing a project, which will be unique to each context and defined by the processes in *Section 1: Planning*. Nor does it incorporate donor guidelines, although the principles expressed should support the necessary conversations between agencies and donors.

The primary audience are Project Managers and support sections in NGOs who are considering implementing remote emergency projects incorporating CTP, whether through remote staff or partners. Remote staff and partners' perspectives on remote CTP must be captured as the guidance is contextualised.

## TERMINOLOGY

CTP refers to all sectoral or multi-sectoral programming where cash (or vouchers for goods or services) is directly provided to project participants (often known as 'beneficiaries'). In the context of humanitarian assistance the term is used to refer to the provision of cash or vouchers given to individuals, household or community participants; not to governments or other state actors. CTP covers all modalities of cash-based humanitarian assistance, including vouchers but excluding remittances and microfinance. Project participants obtain goods and services directly from the local market.

Further information resources are shown in blue bars

CaLP offers standard terminology for CTP  
[www.bit.ly/1tjO8Mt](http://www.bit.ly/1tjO8Mt)

ELAN does the same for e-transfers [www.bit.ly/1ql4uCP](http://www.bit.ly/1ql4uCP)

Remote programming is a range of operational models in which field access is restricted for senior managers for a sustained period of time. It is a system of last resort, although it is increasingly being used to allow entry to new humanitarian contexts. Regardless of the phase of programming – planning, implementation, or evaluation – remote programming systems aim to mitigate safety, financial and programmatic risk, ensure programme quality, and support field staff and/or partners in contexts where access is restricted.

## HOW TO USE THIS GUIDE

This document follows a Project Cycle Management format. Project Managers can use the Remote CTP Preparedness Plan and Decision Tree annexes with this guide to structure and record the project design process.

Core tools are in shown red boxes

[www.bit.ly/28Y6Pu1](http://www.bit.ly/28Y6Pu1)

- 1 – Project Preparedness Plan
- 2 – Remote CTP Decision Tree

## REMEMBER THIS

Key learning points are shown in orange boxes

- CTP includes the use of cash and vouchers. It's a range of modalities that can be used to meet sectoral and multi-sectoral needs
- Remote programming, where access is impossible for managers for an extended period, hinges on strong risk management
- The Project Preparedness Plan annex accompanies this guide and can be used to capture all the key information and decisions



Section 1:

# Planning



## REMOTE PROGRAMMING PRINCIPLES

Some key themes of remote programming:

- Plan for it
- Prioritise professional development support for field staff and/or partners
- Consider the ethical implications of risk transfer to field staff and/or partners
- Decrease project complexity
- Adapt structures and procedures
- Make additional and regular checks on procedures and resources
- Prioritise honest and well-documented communications with staff/partners, stakeholders and donors

### Further Information

Organisational preparedness review and planning resources are available in the *International Red Cross and Red Crescent Movement's Cash in Emergencies Toolkit* [www.bit.ly/1YvPLkq](http://www.bit.ly/1YvPLkq) and in CaLP's OCAT [www.bit.ly/2aSdOZk](http://www.bit.ly/2aSdOZk)

## PLANNING FOR ALTERNATE PROCEDURES

At the very outset of the project planning process, even before the formal context analysis, it will be possible to judge whether your agency's standard procedures are likely to be possible to implement or not. If it is clear that alternate procedures will be required, an open discussion and a very basic risk analysis will help secure early management buy-in, positive donor communication and sound proposal-writing. Alternate procedures to allow a life-saving intervention, if spelled out clearly in the derogations section of a project proposal, get approval when a donor funds it.

Few of the issues to be discussed at the initial planning meeting will be specific to CTP. Agencies' logistics guidelines often specify how to derogate from procedures (e.g. procurement thresholds). Finance (e.g. supporting paperwork) and Human Resources (e.g. open recruitment) guidelines can sometimes be less flexible and will require more thought. A 'go or no-go' decision on continuing the process can be documented.

### REMEMBER THIS

- CTP includes the use of cash and vouchers. It's a range of modalities that can be used to meet sectoral and multi-sectoral needs
- Remote programming, where access is impossible for managers for an extended period, hinges on strong risk management
- The Project Preparedness Plan annex accompanies this guide and can be used to capture all the key information and decisions

## PREPARING AND COMMUNICATING

CTP has become a mainstream means of humanitarian response, and there is movement in the humanitarian sector towards CTP as a default option.

CTP in remote programming contexts is still an area of developing competence however, and clear communication of an agency's approach and intentions is essential. Having a defined focal point for CTP at country level within your organisation may support this.

### DONORS

Donors have varying (but increasing) degrees of familiarity with and enthusiasm for CTP, and varying (but high) degrees of sensitivity towards the **risk of diversion** in particular.

In-country conversations with donor representatives should start early, and are likely to centre on compliance. When an agency can communicate clarity of objectives and demonstrable competence in risk management, there are opportunities to work through concerns and policy gaps, and get projects incorporating remote CTP funded.

The emphasis should be on honest communications and transparency – trust is the key commodity. A general good practice, especially important in less established programming types such as remote CTP, is to ensure rigorous archiving and written documentation of any guidance or requests from donors and our replies. Try to articulate to the extent possible what risk mitigating measures will be put in place and the residual risk in contracts (what we promise to do and what we cannot do) and communicate clearly and *in writing* with donors if things change during implementation. For instance, after face to face meetings or phone calls where challenges have been discussed, sum up key points and what was agreed in emails to the donor. Remember though that emails may not be accepted as a derogation at time of audit, and incorporation into grant agreements is essential.

#### Further Information

Key ECHO policy guidance resources  
[www.bit.ly/1SeOuNy](http://www.bit.ly/1SeOuNy)  
[www.bit.ly/1PS0p4a](http://www.bit.ly/1PS0p4a)

## COORDINATION

Your agency is unlikely to be the only one trying to work remotely, and others will have complementary information useful to all stages of the project cycle. Prioritising a coordinated response and sectoral competence over agency advantage is a positive and pragmatic approach to the challenges of remote programming.

Cash Working Groups, or comparable coordination entities, can be important fora for information exchange and agreeing programme standards. Where they do not exist, informal but regular meetings of agency programme and support staff can be an effective and low-profile way of sharing experiences and aligning responses.

Multi-sectorial assistance, including CTP, can often sit awkwardly among sectoral coordination mechanisms. It can be useful and appreciated for CTP experts to support sectoral coordination groups to recognise (and count) sectoral outcomes from multi-sectoral assistance.

## PREPAREDNESS FOR REMOTE CTP

When it is possible to plan for remote programming, CTP or otherwise, do it early and not as an add-on. This will help align tasks to competences, and so reduce risks to project participants and the organisation.

#### Core Tools

[www.bit.ly/28Y6Pu1](http://www.bit.ly/28Y6Pu1)

1 – The Project Preparedness Plan template captures the key information and decisions from this PCM process

When remote programming is a necessary adaptation to an existing project, the needs, market conditions, response options, organisational capacity and protection, gender and other risks should be revisited. The **risk analysis** exercise at least should be redone completely.

Whenever possible, projects incorporating CTP should be aligned with existing government social and financial inclusion initiatives. This may also give quick access to a potential project participant list and a functioning money transfer service.

Many of the steps outlined in this guide can be carried out proactively as part of a preparedness plan. This can be useful in countries that are prone to insecurity and other shocks. When a preferred project model has been established, it may shorten subsequent response times to pre-position some items in-country, such as –

- Loadable ATM e-cash cards
- Printed paper vouchers or e-voucher cards
- SIM cards for mobile money
- Mobile phone handsets
- Wifi routers for connected hotspots (e.g. at markets or voucher reconciliation locations)

#### Further Information

For pre-crisis preparedness planning, IRC's PCMA system may be best for market analysis [www.bit.ly/22NAI1b](http://www.bit.ly/22NAI1b)

Other shortcuts include framework agreements with financial service providers, and having the full project documentation set created, reviewed and approved. Do a walkthrough test of the system.

## REMEMBER THIS

- Donors may be very cautious about remote CTP. Agencies will need to demonstrate great risk management competence
- Honest and open communications with donors is essential. Get their input in writing
- A Project Preparedness Plan for remote CTP will shorten response times later

# FIELD STAFF / PARTNER SUPPORT AND DEVELOPMENT

Agencies have different approaches to and experiences with remote programming, and in different contexts the approach will range from remote control of local staff through to remote partnership based on equity and near-complete handover of responsibilities.

## Further Information

For a typology of remote programming arrangements, see DfID's report "No Longer a Last Resort" p10 [www.bit.ly/1PNcmbo](http://www.bit.ly/1PNcmbo)

Intensive efforts should be made to maintain an open and supportive relationship with field staff and/or partners both before and during the planning and implementing phases.

## IDENTIFYING THE RIGHT SKILLS

When considering the capacity of field staff, or selecting partners to work with, the challenges they are likely to face due to social, political and security factors must be weighed appropriately. They may be pressured by their communities to focus assistance on certain groups or work with particular stakeholders. It may be that strong social skills (negotiation, conflict resolution etc.) are more important even than technical skills for some contexts.

Standard partner selection routines (based on internal structures, registration status and bank accounts) may be of limited use in a remote programming emergency context, especially if the place is not a previous humanitarian focus or if civil society has not traditionally organised independently of the government. Agencies will need alternative ways of judging organisational capacity. For example, if it is not possible to identify partners with appropriately mainstreamed gender and protection approaches, agencies can focus on their conception of 'fairness' and receptiveness to improving their services, and develop appropriate capacity from there. Areas to explore might include:

- How do they select project participants?
- What data do they collect and why? How is it stored and shared?
- What experience do they have of market analysis?

- How have any previous cash disbursements been done?
- Are there limits on the amounts they can transfer?
- How do they segregate duties?
- What are their key risks? How do they mitigate them?

## Further Information

For insights into overcoming challenges in remote programming relationships see 'Breaking the Hourglass' [www.bit.ly/1ObMWUS](http://www.bit.ly/1ObMWUS)

Test staff/remote partner skills during the recruitment process or before entering into a partnership agreement. Simulations and role-play can be useful ways of judging technical and communication skills, and are also useful ways to train staff. When working with a partner a pilot project approach can test the relationship prior to larger or longer term investment.

Managers require different skills for remote programming, so hiring managers with previous remote CTP experience and a passion for capacity building is key. Managers who prefer hands-on work may not be a good fit for the office-based routines of remote supervision – either of their own staff or local partners. Managers also need experience in market analysis, or the capacity to learn quickly, and strong detail-oriented monitoring instincts. Ask also if your organisational structure and administrative practices are suited to supporting remote staff and partners.

## STAFF / PARTNER DEVELOPMENT

Agencies will seek to provide key training opportunities, depending on identified staff/partner needs and project design. These may be carried out:

- In the field office during periods when managers and trainers can get access
- In the country office away from the field site, if staff and partners are able to travel easily and safely
- Remotely, using online or offline training packages, an area of resource development among several agencies
- At a comparable, but accessible, third location where project activities are ongoing
- Using a 'training of trainers' approach
- By mentoring of individuals by phone or video link

### Further Information

The free online training resources on DisasterReady.org may be valuable to remote staff and partners [www.bit.ly/1XMb8go](http://www.bit.ly/1XMb8go)

If designed into a proposal, a proportion of a donor grant may be designated as flexible funding to support organisational development. Agencies should invest a fair proportion of this in partners, to allow them to prioritise and resource their own organisational development and so foster sustainability.

## ALIGNING EXPECTATIONS

Supervising and implementing under remote programming is challenging. Make sure everyone knows what is expected by:

- Clarifying organograms, roles and responsibilities, with particular emphasis on external representation
- Clarifying decision-making processes and the division in the use of resources
- Investing in teambuilding. Having frequent, perhaps daily, briefings and debriefings, both on the phone and face-to-face to the degree possible, will allow supervisors to intervene quickly when necessary. Training, staff rotation and retreats support a team ethic and help prevent feelings of disconnectedness
- Developing clear, comprehensive step-by-step guides for project and support functions, identifying the individuals responsible for each task. This will also make it easier to trouble-shoot with remote staff/partners when things do not go as they should. Be open to adjust the guides based on feedback from staff/partners
- To the extent possible, using the same tools across projects and locations. Common reporting templates, monitoring guides and procurement documents will help staff transfer between project locations and sectors, and supervisors get clear and comparable information
- Establish clear terminology, e.g. 'single women', 'married women', 'polygamous households', 'person with disability', 'older person' etc.
- Discussing values and humanitarian principles with staff and partners. This is a crucial area to get right, as they will be the 'face' of the project for participants, local authorities and other stakeholders. It is also an area where agencies must be pragmatic and accept more streamlined messaging, as remote staff and partners will have their own ethos and may not have been exposed to the language of the humanitarian sector before. For a strong partnership relationship, both must demonstrate respect as well as conviction.
- Increasing the variety and volume of communications. Pre-prepared materials in local languages and sensitive to local realities will help local staff and partners minimise the risk of misunderstandings with communities and stakeholders. Mobile phone, radio and social media channels may be useful

## RISK TRANSFER

Risk transfer to field staff and remote partners is a significant concern in remote programming. Job security and income will often rest on ability to access difficult areas, so remote staff and partners may underplay the constraints. Ensuring remote staff and partners do not feel they have to take excessive risks must be a priority.

While agencies' duty of care responsibilities to staff continue to evolve, the idea that a partner's safety protocols are solely their own responsibility is out of date. Be aware of your organisation's approach, and that remote emergency CTP may require a more developed approach. Minimise risks by:

- Carrying out periodic security risk assessments of existing and potential project locations, jointly with the partners if possible. Do it remotely if necessary
- Making safety part of the regular dialogue and debriefs with staff and partners

- Provide resources for context-specific safety and security training, including first aid
- Look into insurance cover for partners' staff

### Further Information

DisasterReady.org also has safety and security training resources [www.bit.ly/1XMb8go](http://www.bit.ly/1XMb8go)

## REMEMBER THIS

- Managers will need different skills for remote CTP. Hire managers with a passion for capacity-building
- Make sure remote staff/partners know what is expected of them. Invest in communication
- Support remote staff/partners in making good safety decisions

## CONTEXT ANALYSIS

A good quality context analysis will support a strong risk analysis later, and inform appropriate protection-related measures at all stages of the project cycle.

It should be 'good enough', conflict sensitive, and should be updated regularly. For a conflict-based remote emergency, for example, consider the following:

- Prior to the conflict or shock, was the market governed and connected by centralised, state-led institutions and regulations, a decentralised system managed on the local level, or an informal market without governing structures?
  - *Possible red-lines*: No necessary red-lines but important to assess the structure, functionality and pre-existing practices within the market to inform sustainable project design.
- Are economic or financial factors considered root causes of the conflict?
  - *Possible red-lines*: If market control and governance are causing systemic economic inequities, the injection of cash assistance may aggravate existing tensions.
- Which armed actors have emerged in the area as a result of the conflict? What are their identities, ideologies, motivations, methods and interests? What are the connectors and dividers between them?
  - *Possible red-lines*: Incessant conflict or internal infighting between groups promoting opposing ideologies and interests, especially in continuous competition for legitimacy and resources, may prevent the benefits of CTP.
- Do armed actors exert control over the market? To what extent is influence over the market distributed or divided between armed groups? Is this authority a source of tension and competition between them?
  - *Possible red-lines*: In instances where market competition is a root cause of rivalry or conflict between groups or in a situation, cash programming may act as a threat multiplier.

### Further Information

The DfID-funded Conflict Sensitivity Consortium produced a How-To guide for the project cycle [www.bit.ly/1ofDTWm](http://www.bit.ly/1ofDTWm)

- Are any of the armed actors operating in the area officially designated as a terrorist organisation or reflect the discourse or practices of a proscribed group? Is there a high risk of aid diversion?
  - *Possible red-lines:* In contexts where a proscribed group(s) is present/operating, and depending on donor policies on counter-terrorism legislation, agencies should either apply comprehensive measures to manage and mitigate against the risk of such aid diversion, or not choose CTP.
- Do the parties to the conflict allow the market structures to operate as they did before the crisis, or are new, informal systems being created and institutionalised?
  - *Possible red-lines:* Whether the pre-existing structures of the market are dominated by one group at the expense of the community, or if a replacement system is designed to control the local population, agencies should not pursue a programming modality that legitimises these market systems.
- Do communities perceive the authority of conflict actors over the market as legitimate, or is command and control over the market seen as coercing local communities in terms of monopolisation or taxes?
  - *Possible red-lines:* Agencies should do cash programming that assists beneficiary access to and activity in the market, but should not engage in legitimising and reproducing a system that intends to monopolise market access and activity by co-opting and coercing local populations.
- Does the context allow reliable, effective and sustainable access to the area? Is it possible to conduct accurate needs and market analyses under these circumstances?
  - *Possible red-lines:* Project planning must be based on a population-specific needs analysis. There should be no preconditions for access that would compromise agencies' neutrality or impartiality.
- To what extent do conflict dynamics affect the stability of exchange rates and prices, the viability of supply routes, and the availability and accessibility of vendors and delivery mechanisms?
  - *Possible red-lines:* Don't do cash programming where viable access and supply routes, delivery mechanisms or vendor availability are likely to be abruptly terminated.
- Is the use of cash perceived positively as a means to meet the fundamental needs of beneficiaries? Does the implementation of cash programming risk exacerbating divisions or contributing to negative perceptions in the area?
  - *Possible red-lines:* Agencies should not implement cash programmes that undermine 'Do No Harm' principles by either failing to consider the dynamics of the area, negatively impacting pre-existing tensions, or create new tensions by being seen as distributing assistance unfairly.
- How may conflict dynamics influence the long-term objectives, outputs and outcomes of cash programming in the area?
  - *Possible red-lines:* If long-term objectives are assessed as unlikely or impossible to achieve, factor this into decision-making and consider whether resources should be used elsewhere.
- What are three projected most likely scenarios for the context? What contextual indicators will likely trigger each scenario? What would be the expected implications on the market?
  - *Possible red-lines:* Based on a contingency plan informed by contextual analysis, agencies should programmatically prepare to hit existing or unknown red lines.

# NEEDS ANALYSIS

A multi-sectoral needs analysis is an essential next step, to ensure a proposed intervention is based on the needs and capacities of the target population.

It should be multisectoral also so you can predict how people might choose to use any unrestricted cash they receive, and so whether restrictions would be necessary to achieve the project objectives.

**Core Tools**

[www.bit.ly/28Y6Pul](http://www.bit.ly/28Y6Pul)

3 – Remote CTP Segregated Workflow

This may not require primary data collection (needs assessment). Refer to your agency’s preferred sectoral or multi-sectoral guides for the content required, and then rationalise it for a remote emergency context.

When a needs assessment has already been conducted by your or another organisation, a repeat exercise should not normally be required. In acute emergencies, assessments need to be conducted. Initial assessments should be followed by more detailed assessments, when time, safety and resources permit.

Some crises are predictable as they happen regularly at particular times of the year, e.g. droughts or floods. Assessments should be planned beforehand in order to inform disaster preparedness plans.

**Further Information**

NRC’s Sample Approach Menu supports sample size decisions for needs and monitoring surveys

[www.bit.ly/28Y6Pul](http://www.bit.ly/28Y6Pul)

Population size	Sample size	‘Simple random’ sample selection
500	218	Random selection of participants from within each project ‘cluster’ (location). Random selection can be done with a participant list, or through using ‘spin the pen’, map coordinates and grid, or GPS imagery techniques. Allocate the overall sample size across clusters in proportion to the (exact or estimated) size of the participant population per cluster
1000	278	
1500	306	
2000	323	
3000	341	
4000	351	
4500 or more	370	

## REMOTE METHODOLOGIES

REACH’s Area of Origin methodology, whereby displaced people collect key informant information from contacts remaining in the crisis area, has delivered usable data for inaccessible and dynamic parts of Syria. The lower reliability of this data must be declared, so it can be used responsibly, but REACH has been able to capture village level displacement trends, levels of access to financial and other services, and outcomes of humanitarian response.

Triangulation of findings may be possible through:

- Social media data analysis
- Traditional media monitoring
- Analysis of satellite imagery

**Further Information**

REACH’s Area of Origin methodology [www.bit.ly/1RF4Bnj](http://www.bit.ly/1RF4Bnj)

## CASH QUESTIONS

The potential use of cash modalities should not be the focus of a needs assessment, but key questions can be asked at this stage to complement the **market analysis** and inform a later decision on appropriateness and feasibility. Areas to explore, including their gender-specific aspects, include:

- What 3 key goods or services do people most need, or what 3 goods or services would be good indicative 'samples' for the market analysis?
- How do people currently get the goods and services they need?
- How would people prefer assistance to be provided. Cash, voucher, in-kind or what?
- What negative coping mechanisms are most prevalent, and how might CTP affect this?
- Do household members have equitable access to resources? To whom should cash be given to support this? Consider the distinct needs of polygamous households, if appropriate to the context
- How might targeted CTP affect social cohesion and potentially cause conflict?
- What ID do people have, and are there risks associated with using it?

## ONGOING ASSESSMENT

To ensure that an intervention (whether cash-based or not) remains relevant to peoples' changing needs, these needs should be incorporated into the monitoring plan and project design changes made according to the findings.

### MINIMUM REQUIREMENT

- Evidence-based needs analysis that directly relates to the target population

### REMEMBER THIS

- Don't duplicate a needs assessment if other agencies have already done it - share
- Context assessments should focus on conflict dynamics – this will strengthen the risk assessment
- Needs assessments should include questions on use of markets, financial services, and ID
- Support remote staff/partners in understanding the differing needs of women, men and other groups

# MARKET PLACE ANALYSIS

This is a rapid analysis to establish market capacity to deliver goods and services. It should be undertaken in conjunction with the needs analysis. This will ensure the market analysis is focused on the key needs of the affected populations.

## WHY ANALYSE MARKETS?

Markets may offer a fast, cost-effective way to respond to needs. Where markets are functioning, goods and services are available and people know how to access them. Where markets are recovering, well-designed projects using CTP can contribute. CTP and in-kind projects can also have significant unintended negative consequences for markets, and this needs to be avoided.

## MARKET ANALYSIS

This can be undertaken through a combination of secondary and primary sources. If another agency has carried out a relevant market assessment then you would not normally need to repeat it. Interagency assessments share the work and the findings.

A rapid market analysis should:

- Test the viability of CTP
- Help identify potential transfer mechanisms
- Gauge vendor interest and capacity to participate in a project

- Help ensure a project will not inadvertently damage the market system
- Indicate whether indirect market support projects should be investigated

Secondary data sources include:

- Historic market prices
- Other agencies' market assessments
- Macro level data (e.g. national data from World Bank)

Primary data sources include:

- Market vendor surveys and focus group discussions if appropriate and safe
- Household surveys and focus group discussions (male and female, together and separately) i.e. the **'cash questions'** attached to the Needs Analysis section above
- Key Informant Interviews with community leaders, trade associations, importers etc.
- Staff/partner observations and transect walks

### Further Information

CaLP's Minimum Requirements for Market Analysis in Emergencies should inform custom market assessment and analysis tools [www.bit.ly/1Orzmsy](http://www.bit.ly/1Orzmsy)

Many of the resources on the CaLP site can be used or adapted for remote emergencies [www.bit.ly/1TGH8PV](http://www.bit.ly/1TGH8PV)

## STANDARD TOOLS

A popular market place analysis tool is the International Red Cross and Red Crescent Movement's Rapid Assessment for Markets (RAM). It is usable by non-specialist staff and offers a rapid and indicative view of a market, rather than focusing on a single commodity or sector. It is designed to be used within the first few days after a shock.

The Emergency Food Security and Livelihoods 48-hour Assessment Tool is a comparable alternative for an FSL sectoral market analysis.

### Core Tools

[www.bit.ly/28Y6PuI](http://www.bit.ly/28Y6PuI)

4 – Emergency Market Assessment form

## EMERGENCY MARKET ANALYSIS

There are a number of contexts where a lighter process than the RAM may be justified:

- In an acute and time-sensitive emergency
- In a remote programming context where remote staff or partner capacity may be a significant constraint
- In a remote programming context where safety concerns indicate surveyors should limit their time in the locations, keep a lower profile or memorise answers rather than writing them down

### Further Information

The International Red Cross and Red Crescent Movement's RAM [www.bit.ly/1QjsRsW](http://www.bit.ly/1QjsRsW)

An online training course is available [www.bit.ly/1NcRoZA](http://www.bit.ly/1NcRoZA)

EFSL 48-hour tool and training materials [www.bit.ly/1Ijv2BF](http://www.bit.ly/1Ijv2BF)

For pre-crisis preparedness planning, IRC's PCMA tool may be best for market analysis [www.bit.ly/22NAI1b](http://www.bit.ly/22NAI1b)

There's a handy tool to help with the visual representation [www.bit.ly/1V8ox2D](http://www.bit.ly/1V8ox2D)

In extreme situations prioritise addressing the following seven questions to inform a quick-start intervention, to be followed by better analysis as soon as possible. Interview 10 traders and 10 customers per market to get a reliable enough picture.

- Is the market functioning? Are shops generally open most days? Has this changed due to the crisis?
- Can all groups of people get to and use market? Where do they come from? Is it risky? Who can't use the market and why? How does it differ by gender, age, political or religious affiliation?
- Can traders get supplies from outside the local area? What restrictions and risks are there?
- Are the three key goods or services (from the Needs Analysis) available in the market?
- Are prices of these three goods or services higher than before the crisis? Estimate the % change
- Could vendors increase supply of these three goods or services if demand were to increase? Do they have enough money? If not, why not?
- How do people transfer money here? What ID is needed? Who cannot use these services and why? How does it differ by gender, age, political or religious affiliation?

There is no fixed number of traders and community representatives to be interviewed – this will depend on the size and diversity of the market and, for remote emergencies, the level of access. If two traders dominate a market, talk to both of them. If there are fifty traders offering a wide range of goods and services, ten interviews might be enough to get a fair picture of market conditions.

The reduced data available from this Emergency Market Assessment (compared to that from a RAM or other process) will necessarily limit the depth of understanding of market, requiring more assumptions and so introducing new and bigger risks to a project. These should be recognised, documented and communicated in writing with the donor in advance.

### MINIMUM REQUIREMENT

- As a last resort, just the seven Emergency Market Assessment questions above may support a quick start project to the target population

### REMEMBER THIS

- Don't duplicate market assessments with other agencies – share and collaborate
- For most remote emergencies, try to do a RAM if feasible and if one hasn't been done before. Access and capacity constraints may dictate something lighter

## RESPONSE ANALYSIS

### LESSONS LEARNED

Relevant case studies can shed light on emerging challenges in fast-changing contexts, and should always be sought out.

#### Further Information

The Markets in Crises [www.bit.ly/1Ne8xc9](http://www.bit.ly/1Ne8xc9) and CaLP [www.bit.ly/1Oi7qZZ](http://www.bit.ly/1Oi7qZZ) discussion groups share experiences and welcome questions

### APPROPRIATENESS

The target group's definition of the support they require, including any preference for an in-kind, voucher or cash modality, should be documented and integrated throughout the project cycle. Consider whether they currently use cash to meet their needs, and if not why not.

Protection, age, disability and gender considerations need to be made at all stages of the project cycle. Consider whether certain response options would inhibit certain groups from participating. For example, labour-intensive CfW may be unsuitable for labour-constrained households.

It is important to understand the societal norms, particularly with regard to men and women's different roles and age-related differences, in order to design appropriate responses. Care may be needed not to reinforce societal constructs that marginalise or discriminate against women or men, or cause harm by inadvertently destabilising or community household dynamics or wider social cohesion. A gender analysis should:

- Capture the views (taken separately and together) of women as well as men, taking into account age, ability and affiliation
- Identify whether and why women or men are especially vulnerable
- Describe gender relations and how resources are allocated in the household
- Include parenting activities in the work profile
- Identify social and economic barriers to men's and women's participation, taking into account age, ability and affiliation
- Consider the different impacts and risks of the project for women, girls, boys and men

#### Core Tools

[www.bit.ly/28Y6Pu1](http://www.bit.ly/28Y6Pu1)

2 – Remote CTP Decision Tree

It is also important to ensure that a project will not promote the drivers of conflict, but will strengthen local capacities for peace. Projects and the organisations should be seen as impartial and independent, and responses as based on need.

Modality	Potential uses (not exhaustive)	Advantages	Disadvantages
<b>Unconditional cash grants</b>	<ul style="list-style-type: none"> <li>Meeting the needs of the most vulnerable households without stipulating conditions or requiring their labour.</li> </ul>	<ul style="list-style-type: none"> <li>More cost effective than conditional cash or vouchers</li> </ul>	<ul style="list-style-type: none"> <li>May require careful community liaison to explain targeting and rationale</li> </ul>
<b>Conditional cash grants</b>	<ul style="list-style-type: none"> <li>Cash to be made available when the beneficiary has done something</li> <li>Cash based on school attendance</li> <li>Cash for Work</li> </ul>	<ul style="list-style-type: none"> <li>Cash can encourage desired behaviour</li> <li>Can create community assets</li> </ul>	<ul style="list-style-type: none"> <li>Requires monitoring to ensure conditions have been met</li> <li>Can exclude the most labour-poor households</li> <li>Heavy burden of administration and quality control</li> </ul>
<b>Unrestricted cash grants</b>	<ul style="list-style-type: none"> <li>Meeting multiple and different needs of households</li> <li>Use post emergency for rapid meeting of needs if markets are functioning.</li> </ul>	<ul style="list-style-type: none"> <li>Delivers greatest choice</li> </ul>	<ul style="list-style-type: none"> <li>Requires effort to identify sectoral outcomes</li> </ul>
<b>Restricted cash grants</b>	<ul style="list-style-type: none"> <li>Cash to be used in a particular way</li> <li>Cash for rent</li> <li>Cash for food</li> </ul>	<ul style="list-style-type: none"> <li>Spending can be used to meet a set need</li> </ul>	<ul style="list-style-type: none"> <li>Money may be spent on other priorities. (could create reporting problems if contracted indicators do not allow flexibility)</li> </ul>
<b>Commodity vouchers</b>	<ul style="list-style-type: none"> <li>Food vouchers</li> <li>Water vouchers</li> <li>NFI vouchers</li> <li>Education inputs</li> <li>Shelter inputs</li> <li>Seeds, tools and other livelihood inputs</li> </ul>	<ul style="list-style-type: none"> <li>No direct handling of cash, which may be beneficial in a high safety risk area.</li> <li>Quality of goods can be monitored.</li> <li>Spending of vouchers can be controlled through the choice of vendors to ensure certain needs are met.</li> <li>Value vouchers can allow a certain amount of freedom whilst ensuring restricted items are not purchased</li> </ul>	<ul style="list-style-type: none"> <li>Requires a lot of planning and preparation.</li> <li>Requires training of project participants and vendors.</li> <li>Vendors may not be willing, or maybe slow to participate.</li> <li>Prices could be manipulated.</li> <li>Although value vouchers offer a degree of freedom, overall choice is restricted.</li> <li>May not support smaller local level vendors without time and extra resources.</li> <li>Vouchers may be sold if selected vendors do not sell items that meet perceived needs</li> </ul>
<b>Value vouchers</b>	<ul style="list-style-type: none"> <li>Food</li> <li>NFIs</li> <li>Education inputs</li> <li>Livelihood inputs</li> <li>A combination of needs</li> </ul>		
<b>Hybrid</b>	<p>Use to meet a set need as well as providing a degree of flexibility. For example:</p> <ul style="list-style-type: none"> <li>Provision of in-kind staple food and cash grant or voucher to buy fresh foods.</li> </ul>	<ul style="list-style-type: none"> <li>Can ensure set needs are met but with the flexibility of a cash grant.</li> </ul>	<ul style="list-style-type: none"> <li>Will require dual systems, which could be expensive and timely to set up.</li> </ul>
<b>Indirect</b>	<p>Supports the market system through indirectly supporting a market actor to aid recovery which is of benefit to the affected population.</p>	<ul style="list-style-type: none"> <li>Supports longer term recovery.</li> <li>Identifies and targets the “real” issue.</li> </ul>	<ul style="list-style-type: none"> <li>Sometimes may be difficult to source funding from certain donors.</li> </ul>

## USES OF CASH AND VOUCHERS

### FEASIBILITY

Many of the common concerns about CTP, such as its potential to cause safety risks, be diverted or be spent anti-socially, will be heightened when a project is managed remotely. As well as thorough mitigation of these risks through the **Risk Analysis** process below, considerable advocacy with donors and stakeholders may be necessary.

Remote programming takes longer. Make sure colleagues and donors have realistic expectations, and that they are reflected in proposals and budgets.

Seasonality is an important consideration. Not all response options will be suitable at all times of the year. For example, Cash for Work would damage local agriculture if it takes farmers away from the fields at harvest time. Also, the price for a key item might be unaffordable on a local market at some times of year due to production or transport access cycles.

**Conditionalities and restrictions** are expensive to monitor (especially in the context of remote programming) and so should only be used when absolutely necessary. Reflect on whether such a rule is actually useful in order to achieve project objectives or whether it comes from instinctive caution on the part of the agency or the donor. Will the conditions or restrictions make cash less risky? In what way? Think about which vulnerable participants, who are eligible for cash transfers, might actually be excluded from receiving them if certain conditions are in place (e.g. the most 'labour poor' households often can't join a Cash for Work scheme).

### PRACTICALITY

Consider the set-up time required for the various transfer options, including:

- Training of field staff and/or partners
- Consultations with the local community and stakeholders
- Selection and contracting of any service providers (financial or vendors)
- Procurement and positioning of any supplies (voucher printing, card reader hardware, cash movement etc.)
- Time needed for project participants to fulfil any conditions required (Cash for Work, school attendance etc.)

Consider whether counter-terrorism laws affect the various options, including:

- Sanctions on financial and other service providers
- Regulations and risk related to the choice of currency transferred

### REMEMBER THIS

- Keep working on remote staff/partners' ability to do a good gender, age and diversity analysis of needs and response options
- Remote CTP takes longer. Allow extra time for reinforced processes, and to allow for disruptions
- Conditionalities and restrictions are expensive to monitor. Use vouchers and 'cash for...' modalities only when required by the objectives or context, not without justification

# MARKET SYSTEM ANALYSIS

If the response analysis indicates a need for a more specialised response, or a market intervention on a specific commodity, a more in-depth focused market system analysis will be required.

A wide range of tools is available. Once such an analysis has been completed the team should loop back to the **Response Analysis** section with the new findings.

### Further Information

For guidance on the various market system analysis options available, IRC has two excellent online courses on DisasterReady.org [www.bit.ly/1XgsUtW](http://www.bit.ly/1XgsUtW)

## MAG

This tool provides market information that can be used for decision making throughout the project cycle, technical information on market concepts and guidance on price monitoring and reporting.

### Further Information

The International Red Cross and Red Crescent Movement's MAG is at [www.bit.ly/1rCdi7X](http://www.bit.ly/1rCdi7X)

The EMMA toolkit and training materials are at [www.bit.ly/21hB3Qe](http://www.bit.ly/21hB3Qe) It is common for consultants to lead combined EMMA training/assessments

## EMMA

The Emergency Market Mapping and Analysis (EMMA) toolkit focuses on a single critical market (e.g. bread, water or cement) and allows for a level of understanding of post-shock market systems that could support a more complex direct support project or a market support intervention.

An EMMA can be resource-intensive, typically takes at least two weeks to carry out, and requires skilled leadership and analysis staff.

### REMEMBER THIS

- More specialised CTP responses will need more specialised skillsets and more thorough planning. They are unlikely to be practical in most remote programming contexts

# RISK ANALYSIS

There are several groups of risks to be understood and mitigated in remote projects using CTP.

They are overwhelmingly the same risks as in any other project, but the degree, characteristics and mitigation measures required may be unique in each context. A risk analysis needs to take place during the planning process and periodically through the course of a project, particularly when there have been significant changes to an operating context.

### Core Tools

[www.bit.ly/28Y6Pu1](http://www.bit.ly/28Y6Pu1)

5 – Risk Matrix Tool

Having a well-informed and practical risk analysis and mitigation plan will help protect project participants, agencies and partners. Residual risks remaining after applying mitigation measures will be understood and documented. This will also be a key document that can demonstrate competence to a donor when seeking funding.

Classification of risks can be subjective, so make sure it is carried out by a well-balanced team, including remote staff and partners when possible.

## DIVERSION OF RESOURCES

Diversion from the intended recipient through the abuse of power is a principle risk, whether working through CTP or in-kind. The risk is heightened in remote programming. It can arise during procurement (cartels, undeclared middlemen), selection (inclusion and exclusion) and distribution (theft, taxation, fake distribution).

Diversion is usually an extremely sensitive issue to donors and authorities during conflicts and other challenging contexts, due to the sub-risk of diversion to designated terrorist entities. It is likely to be the central issue in conversations around **policy compliance**.

In many contexts vulnerability may be closely associated with the lack of ID, and this causes significant diversion or fraud challenges at both registration and distribution stages. This can sometimes be mitigated by community verification of participants and/or biometric registration and checking at point of distribution or sale.

## FACILITATION OF HARMFUL ILLICIT TRADE

This can occur when the liquidity injected into a market becomes concentrated in the hands of a small number of vendors or others. During a war, much 'big business' is due to the 'war economy' (e.g. the movement of people, weapons, drugs) and it will probably be impossible to be certain that service providers, stakeholders and vendors are 'clean', however a strong political economy analysis in the context analysis will support the risk assessment.

## FUELLING CONFLICT

Any project set in a conflict-prone region will inevitably have an impact on the peace and conflict environment – positive or negative, direct or indirect, intentional or unintentional.

### Further Information

The DfID-backed Conflict Sensitivity Consortium produced a How-To guide for the project cycle [www.bit.ly/1ofDTWm](http://www.bit.ly/1ofDTWm)

CTP can be more emotive than in-kind assistance for participants and non-participants because it is often preferred. In many emergency contexts the community has a strong 'equity' ethic which may help prevent internal conflict, so needs-based assistance will need careful explanation.

A conflict analysis should have been embedded within the context analysis. This will support a strong risk assessment and inform appropriate protection-related measures at all stages of the project cycle.

## DISTORTION OF LOCAL MARKETS

If a project's market analysis is weak, or the situation in the market changes and a project is not adapted quickly, the market may not be able to support the project without inflation and stock problems. When this happens both the participants and non-participants are affected. Participants get less value for their assistance and non-participants can quickly blame the project (or even those who did receive support) for the hardship.

## SAFETY, SECURITY AND PROTECTION

For remote programming contexts, organisations will have substantial safety and security analyses and contingency plans available to them, and these should inform project design decisions. As part of the risk analysis process, it is critical to understand:

- How does the current security situation impact on needs and potential responses?
- What are the most likely scenarios in the short and medium term?
- Might any potential response option increase risks (including sexual exploitation) for project participants or non-participants?
- Might any potential response option increase risks for staff, partners or service providers?
- Might these risks vary for women, girls, boys, men, elderly people, political/religious minorities or any other group?

## COUNTER-TERRORISM POLICY COMPLIANCE

This section is intended to provide a brief practical overview only of a complex and evolving area of humanitarian practice. Agencies should have extensive and documented communications with donors, and get good legal advice.

### Further Information

NRC collated sector best practice on counter-terrorism measures in a Risk Management Toolkit [www.bit.ly/2dp1Tod](http://www.bit.ly/2dp1Tod)

Various states have criminalised material assistance to Designated Terrorist Groups (entities listed as such by a state or international body), with different definitions of material assistance and different approaches to intent. These regulations have affected agencies' ability and willingness to work in some challenging contexts.

Counter-terrorism clauses may be found in partnership agreements with state donors and humanitarian pooled fund agreements. They may also be found in agreements between humanitarian agencies and partners when they 'flow down' from the contracting agency's commitments.

Particular attention should be paid to

- Definitions and the scope of the terminology used. Agencies may be asked to '*employ all reasonable efforts to ensure*' assistance is not diverted to Designated Terrorist Groups – this implies that measures must be taken and documented, and the organisation may be liable if they fail. Knowledge of diversion and intent to divert may or may not be mentioned and relevant. Get legal advice if a clause is unclear.
- Specified or implied requirements for 'screening' of staff, partners, suppliers and even in some cases project participants. Humanitarian agencies usually hold that screening of participants is a breach of their privacy, creates protection risks, delays humanitarian assistance and is not proportionate to the diversion risk associated with the values typically delivered.

Donors may use standard language for all contracts or adapt their clauses to specific contexts. Agencies have sometimes been able to negotiate the terms of an agreement to remove some more onerous clauses. A strong risk management framework helps build confidence during this conversation.

The risks and mitigation measures associated with counter-terrorism policy include:

- Prosecution of agencies or individual staff for diversion to Designated Terrorist Groups (there have been few to date but the risk remains)
  - Make sure internal processes around procurement, selection and distribution are strong and implemented
  - Due diligence routines should be carefully designed, standardised and documented
  - Monitor constantly and react promptly to any issues

- Insecurity (failure of an acceptance strategy) if agencies are unwilling to talk to Designated Terrorist Groups
  - Establishing local acceptance and consent for activities is essential. Not all contact is prohibited by counter-terrorism laws. Take legal advice
- Screening procedures delays assistance
  - Try to ensure screening requirements in contracts are proportionate and realistic. Negotiate if possible

### Further Information

Annex: Beechwood International suggests a due diligence process and contract format for informal money transfer service providers [www.bit.ly/28Y6Pul](http://www.bit.ly/28Y6Pul)

Due diligence on potential partners and suppliers would include:

- Basic facts (name, location, legal status, contacts etc.)
- Key staff (owner, board, management, but also consider who is the 'beneficial owner', the real owner who does not appear on paperwork, and any key intermediaries that may be used)
- Checking of this information against databases of designated individuals and entities
- A review of past performance
- Assessment of capabilities (look for evidence of systematised financial procedures, routine staff training in these procedures, and capacity to handle a project at the scale envisaged)

Much of this information will come from the partner/ service provider themselves, but agencies may need creative ways of understanding some issues. For example, communities may be asked to give their assessment of a vendor in a market, or peer money transfer (e.g. hawala) agents might be asked if they would be confident doing business with a money transfer agent in a target location.

Private sector service providers are equally subject to counter-terrorism laws, and their approaches to compliance may differ from that of humanitarian agencies. They are directly accountable to national financial governance institutions and their Know Your Customer requirements, so may wish to screen project participants. Ask them –

- What customer data is usually required?
- How do they use and share that data?
- Is there a transaction size threshold below which these requirements can be simplified or waived?

## CAPACITY

Consider the risks arising from competence and time constraints among:

- Country office programme team
- Country office support sections
- Programme field staff/partner
- M&E field staff/partner

### Further Information

A set of organisational preparedness review and planning tools is available in the International Red Cross and Red Crescent Movement's Cash in Emergencies Toolkit [www.bit.ly/1YvPLkq](http://www.bit.ly/1YvPLkq) and in CaLP's OCAT [www.bit.ly/1SuHSvf](http://www.bit.ly/1SuHSvf)

Make a plan for capacity development and additional support if required. A key competence for an organisation operating in the most challenging remote programming contexts is the ability to recognise when standard procedures are inadequate or not feasible, and then to defer from these procedures in an approved, structured and accountable way while ensuring programmatic and operational compliance. Identify the key individuals within your agency who can enable the acceptance of alternative procedures.

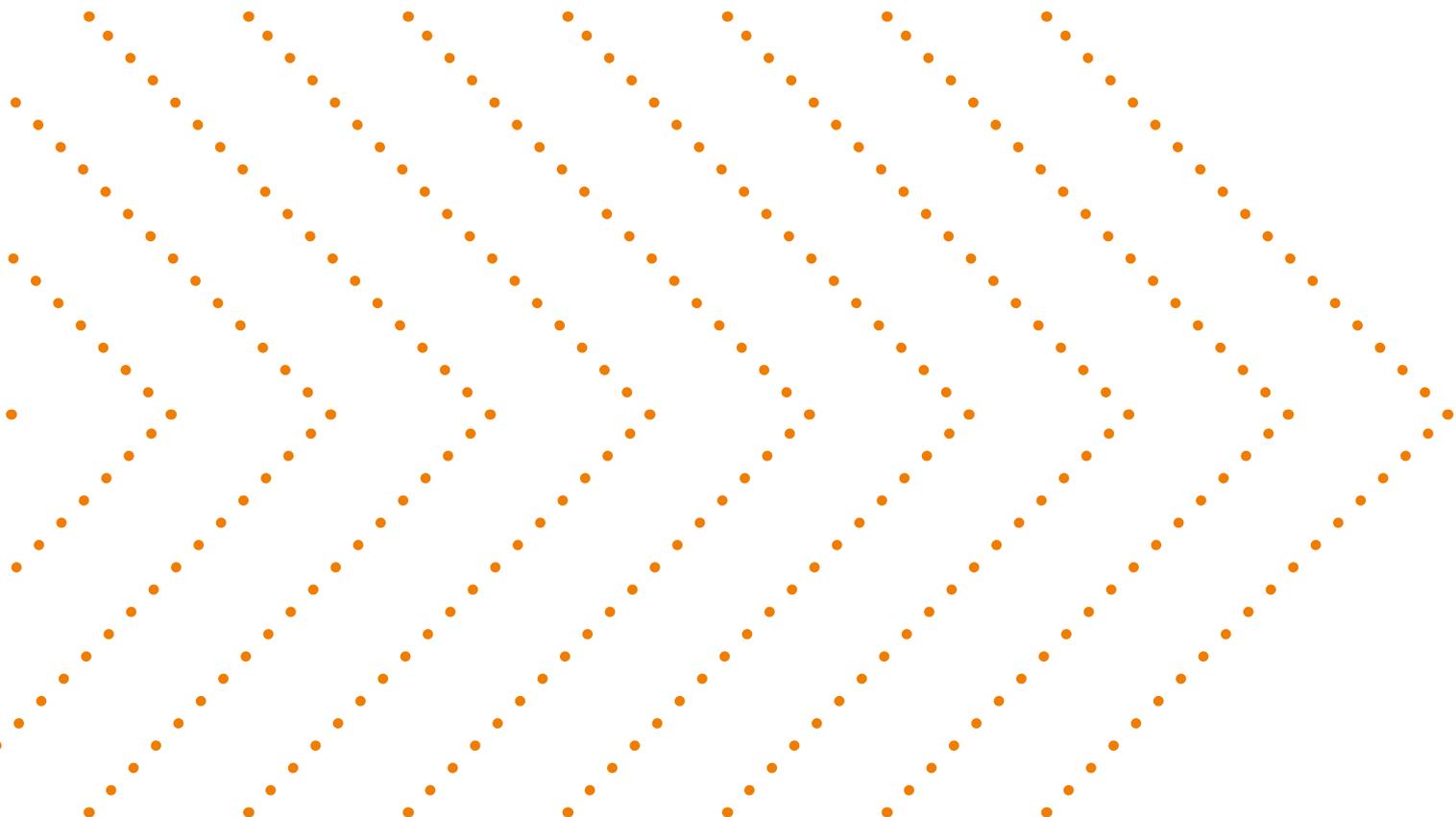
Agencies working in a given context should try to harmonise alternative procedures. This will build confidence among donors and project partners.

### REMEMBER THIS

- A key organisational competence required is the ability, when required, to defer from standard procedures in a structured and accountable way
- Invest in a really strong risk analysis. Do it jointly with remote staff/partners. Understand and get signoff on the residual risks after mitigation measures have been implemented
- Pay close attention to the language of counter-terrorism clauses in donor contracts. Know your red lines and take legal advice
- Have a documented due diligence process, and document its implementation
- When conducting due diligence on financial service providers, include these as a minimum
  - Screening of key staff, owners and 'beneficial owners'
  - Evidence of good internal procedures (e.g. their finance handbook)
  - Evidence of routine staff training
  - Legal documentation appropriate to the context

## Section 2:

# Implementing



# DESIGN AND IMPLEMENTATION

## FLEXIBILITY

In a remote emergency, significant aspects of the needs and/or operational context are likely to change between project design and the end of implementation. Project design should respond to more than just the most likely scenario, and there may need to be Plans C and D. Make sure the project is able to respond to changes, and the donor appreciates that you are taking this approach.

## SEGREGATION OF DUTIES

It is essential in combating fraud and theft that different actors perform tasks within the project process, within the overall team approach required for successful CTP. Staff and partners must understand that such separation protects them and their reputations. Particular attention should be paid to ensure that:

- Staff/partners selecting or registering project participants do not play any role in the payment process
- Staff/partners interviewing vendors for voucher projects play no part in the subsequent selection of those vendors
- The selection of a delivery service provider is authorised by a selection committee including both finance and programme staff

### Core Tools

[www.bit.ly/28Y6Pu1](http://www.bit.ly/28Y6Pu1)

3 – Remote CTP Segregated Workflow

## PROJECT PARTICIPANT SELECTION

The selection rationale will depend entirely on what sectoral or multi-sectoral needs are to be addressed, and guidance will come from the relevant sectoral or multi-sectoral policy documents.

In remote programming contexts, correct and justifiable selection is (along with adequate M&E) likely to be more of a challenge than finding a functional delivery mechanism. The temptation can be to compensate by trying to collect and weigh too much information. For selection-based projects using unconditional cash in remote and emergency contexts, it may be 'good enough' to consider, for example, just one or more of –

- Dependency ratio
- Coping strategy index
- Income/expenditure gap

For peak emergency phase projects, blanket distribution may be justifiable. Make sure your donor confirms in writing that this is acceptable to them.

## DELIVERY MECHANISM SELECTION

The delivery mechanism is the way the assistance reaches the beneficiary, and is highly context-specific. An initial 'menu' of cash transfer options often reduces to identifying just one mechanism that might work, given strong planning and monitoring.

### Core Tools

[www.bit.ly/28Y6Pu1](http://www.bit.ly/28Y6Pu1)

- 6 - Delivery Mechanism Selection form
- 7 - Modality Efficiency Calculator (DRC)

Urban areas usually offer more options than rural areas. Middle-income countries often had, before the shock, a strong centralised banking system, and so there may not have been much need for alternative services. The least developed countries sometimes have a broader range of innovative options available (e.g. mobile phone-based transfers or established informal financial services).

Traditional cash delivery mechanisms include:

- Direct distribution (cash-in-envelopes) and formal (e.g. Western Union, MoneyGram) or informal money transfer services (such as hawala agents).
- Voucher systems: 'closed loop' entitlement delivery systems, whereby reimbursement of vendors by the agency takes place separately from the voucher mechanism itself. Vouchers are not designed to be exchangeable for cash. With these two conditions met the vouchers are not usually subject to national financial regulations.
  - Commodity vouchers can be exchanged for specific goods at specified shops, although some element of choice may be incorporated.
  - Value vouchers have a set value that can be used at specified shops for a range of allowed items, with the agency reimbursing the vendor.

### Further Information

For a thorough account of the opportunities and risks of hawala money transfers to Syria, read Beechwood International's 2015 study [www.bit.ly/1W9NvgD](http://www.bit.ly/1W9NvgD) It also includes suggested a hawala agent selection process and a sample contract

ACF's guide "How to Design Vouchers" gives useful principles [www.bit.ly/1YTiCiw](http://www.bit.ly/1YTiCiw) The security options available from print shops will vary. Barcodes and QR codes are increasingly common validity checks

Mercy Corps has an excellent set of guidance and selection tools for e-cash and e-vouchers [www.bit.ly/1UUMw6R](http://www.bit.ly/1UUMw6R)

## E-TRANSFER OPTIONS

E-cash systems are integrated with, and subject to the laws governing, national banking systems. They allow a project participant to access currency from a cash-out point. They include –

- Regular bank debit or credit cards, or account-free prepaid cards, usable at suitable equipped shops and ATMs
  - If project participants are not allowed to have accounts in their own name, having a sub-account of an organisation's own account may be an option
- Mobile phone-based systems where cash can be withdrawn from associated banks, shops or other facilities

E-vouchers are electronic versions of 'closed loop' voucher systems, in which vendors are typically reimbursed for their goods or services outside of the e-voucher system. They include –

- Smart card e-vouchers, such as those offered by **Red Rose, sQuid and MasterCard**
- Smartphone e-vouchers, such as those offered by **Transversal**

The marketplace for these services is changing fast, and there may also be providers based in the country or region of operation – these should be given due consideration, with local development benefits taken into account.

E-transfers can add value to a project by –

- Saving project participants' time and reducing risks – entitlements can be delivered remotely so repeat distributions are not necessary
- Giving project participants privacy – low-profile deliveries can reduce the risk of theft, 'taxation' or coerced sharing from authorities or others
- Giving better data – automated usage and market monitoring data cuts monitoring time and costs and greatly improves agencies' decision-making, support and audit capacities
- Offering vendors and agencies quicker and easier reconciliation than with paper vouchers

Potential downsides include –

- Technology barriers – PINs, passwords and mobile phone based systems can be difficult for participants with limited exposure to technology. Importation of technology can be time-consuming, especially in sanctioned countries.
- Privacy and protection – service providers' Know Your Customer (KYC) requirements could make peoples' status as project participants, location and phone number known to a government. Weak data protection can result in wider 'leaks'. People without adequate ID may not be able to enrol for the service at all
- Liquidity – large scale e-transfers (or any system with a cash-out facility) may outstrip transfer agents' capacity
- Reliability of service – the quality and reliability of service providers varies considerably and can be difficult to assess in advance
- Slow startup – setting up e-transfers takes longer. Even in a 'normal' operating environment it can take several months from programme start to getting the first payments out

## E-TRANSFERS FEASIBILITY

Prior to assessing e-transfer feasibility, it will have been decided whether a cash or a voucher modality better suits the needs and project objectives. The conditions in the programme area may then force a re-think, as e-cash mechanisms generally need better network connectivity, safety and stability.

The feasibility of e-transfers in a remote emergency context rests largely on service provider capacity, and that in turn depends on the reliability of key infrastructure such as banks, electricity, mobile phone and internet connectivity. This infrastructure may be more resilient in contexts where cyclical natural hazards (e.g. floods in Bangladesh) are the reason for a remote programming approach. In complex emergencies (e.g. war in Syria) the functionality of infrastructure may be part of the conflict dynamic, with reliability and safe usage more limited.

<b>Reason for remote approach</b>	<b>Likely banking functionality</b>	<b>Likely electricity availability</b>	<b>Likely mobile phone functionality</b>	<b>Likely internet connectivity</b>	<b>Possible e-transfer mechanisms</b>
Cyclical natural hazard prevents access (e.g. seasonal floods)	Unchanged	Reduced	Unchanged	Unchanged	Any
Sudden impact natural hazard prevents access (e.g. tsunami)	None	None	Reduced	Reduced	Smart card e-vouchers, mobile money
Low level insurgency / terrorism (government holds all territory)	Unchanged, but increased scrutiny	Unchanged	Unchanged, but increased scrutiny	Unchanged, but increased scrutiny	Any
Open conflict – government area (relatively static lines of control)	Unchanged	Unchanged	Unchanged	Unchanged	Any
Open conflict – opposition area (relatively static lines of control)	None	Reduced	Reduced	Reduced	Smart card e-vouchers, mobile money
Open conflict – government area (highly changeable lines of control)	Reduced	Reduced	Reduced	Reduced	All options possible but unreliable. Perhaps unsuitable for e-transfers
Open conflict – opposition area (highly changeable lines of control)	None	None	None	None	Unsuitable for e-transfers

## E-TRANSFERS ACCESSIBILITY

Project participants' and vendors' familiarity with e-transfer technology can be a barrier in any such project. In a remotely managed project much of the technical support and troubleshooting role will be carried out by remote staff/partners, who may themselves need additional time and support. Mechanisms which require PIN numbers often have a high error rate among project participants, compounded by potentially lengthy processes to issue new codes in a remote emergency.

A more important determinant of project success though is participants' access to vendors or cash-out facilities where they can use their e-transfers. In non-remote contexts this is usually mostly down to distance, but in a remote emergency factors such as safety to travel, checkpoints, and the physical condition of roads and bridges will be key. Make sure participants feel they can get to vendors and cash-out facilities easily, safely and at a reasonable cost. Make sure the differing needs of women and men, elderly and disabled people, and people of different perceived affiliations are understood.

## VALUE, DURATION, FREQUENCY, CONDITIONALITY

The value, duration, frequency and conditionality of transfers is determined by the needs and objectives, validated through the needs and market analyses. Coordination with other actors in the target location is essential. The available budget will always be a factor.

Consider the following:

- What goods or services is the cash intended to cover?
- What is the likely cost of those goods or services during the project period?
- What can the market support? Remember seasonal factors
- Are the project participants receiving complimentary assistance?
- What phase of the emergency are we in?
- What is the exit strategy?
- Does the donor have rules on value and duration?

### Further Information

The Rapid Household Economy Approach is a livelihoods-based alternative to the Minimum Expenditure Basket [www.bit.ly/1X8Ah7A](http://www.bit.ly/1X8Ah7A)

Annex: DRC's Minimum Expenditure Basket calculator tool [www.bit.ly/28Y6Pul](http://www.bit.ly/28Y6Pul)

There are strengths and weaknesses with all ways to establish the value of cash grants in remote emergency contexts. The Minimum Expenditure Basket (MEB) and survival MEB (SMEB), comprising an agreed list of essentials and their prices in target markets, are the most common. Where the basket has been designed by a cluster or cash working group, the majority of organisations tend to follow this amount as an agreed and standardised way of quantifying needs – highly valued by implementing agencies and donors alike. Other tools for setting the value include the livelihoods-based Rapid Household Economy Approach, which will however require a team of at least four researchers and a budget of at least \$15,000.

It is common practice to average out grant sizes across all households. While this means that some households will be receiving approximately the right amount to meet project objectives, some will receive more and large households will receive significantly less than the amount identified to cover their needs. Assistance values should evolve from household averages to being based on real household expenses as soon as is practical.

In a remote programming context it can often take considerable time and resources to collect sufficient price and item usage information, and more time to get multi-agency agreement and integrate these agreements into projects. In acute emergencies it will often be justifiable to start programming prior to this, and based initially on the best estimate of an appropriate transfer value. If this can be done collectively by the appropriate staff from a few key agencies then the decision will be easier to explain to project participants and donors.

A phased approach to assistance values could look like this -

Acute and protracted crises				Transitioning from acute crises	
Life-saving response	Immediate one-off and recurring needs, early recovery and seasonal needs			Recovery needs (could start immediately after phase 1)	
<b>Startup / Pre-coordination</b>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Early Recovery Phase</b>	<b>Recovery Phase</b>
Payment calculations:					
Flat rate based on best needs and cost estimates, plus 10% to allow for fluctuations	Flat rate based on food and non-food expenditure basket or average incomes	Adjusted cash transfer value based on real household expenditures at local markets. Possibility of two tiers based on household size, plus one-off asset replacement costs	Continued cash transfer value for protracted contexts.  Adjust based on possibility of household to contribute to household income, and family size if appropriate	Adjusted cash transfer value based on newly identified needs linked to early recovery/return/seasonality (winterisation or livelihood related issues such as increased expense over lean season)	Stop based on no more relief needs and switch to new modalities to meet other non-relief needs transitioning to social safety nets for vulnerable groups if appropriate
Market considerations:					
Market function though remote staff/partner observation; prices from comparable markets	Market function and prices through trader interviews	Market function and prices through trader and stakeholder interviews; livelihood profiles	Market function, market prices; household livelihood data	Market function and prices; livelihoods/ sector recovery asset prices	Market function and prices; livelihood/sector recovery assets; in-depth sector assessment,: vulnerability assessments
Safe market access	Safe market access	Safe market access	Safe market access and seasonality	Safe market access and seasonality	Safe market access and seasonality
	Sources and quality of goods and services	Market capacity (Inc. re-stocking)	Market capacity (Inc. re-stocking)	Types of Market capacity	Types of market capacity
Labour market considerations:					
	Wage rates	Availability and wage rates	Availability and wage rates	Availability and wage rates: social safety nets	Availability and wage rates: social safety nets

Whatever you agree, document and share the rationale.

Cash assistance can be given unconditionally, with qualifying conditions (the participant must do something) or with restrictions (the participant must use the cash in a particular way). Where the desired outcomes of the project require particular actions or purchases by the participants (e.g. attending school or acquiring food) then conditionalities and restrictions can be powerful tools to help achieve this. When the outcomes do not require

conditionalities and restrictions they should be avoided, as they are otherwise an unnecessary barrier to project participants accessing the value of their assistance. Conditional assistance (including vouchers) can in some cases address feasibility, protection or safety issues in a given context, but this should always be justified in the **risk analysis**. Don't let institutional caution about CTP unduly compromise design decisions.

## DISTRIBUTION AND ENCASHMENT PLANNING

A distribution plan covers the process by which the physical items for the chosen mechanism (e.g. ATM cards, vouchers) are received by project participants. The encashment plan covers the use of these items (e.g. visiting the ATM, shopping at the contracted vendor). These plans define the likely volume and period of activity at a distribution point, service provider or vendor, and should match with their assessed capacity in order to avoid running out of cash or stock, overcrowding, or clashes with the local market's calendar.

### Further Information

The International Red Cross and Red Crescent Movement's Cash in Emergencies Toolkit [www.bit.ly/1YvPLkq](http://www.bit.ly/1YvPLkq) offers distribution [rdcrss.org/2frSo6D](http://rdcrss.org/2frSo6D) and encashment [www.rdcrrs.org/2fTz7y4](http://www.rdcrrs.org/2fTz7y4) planning templates

## PROTECTION AND GENDER

Protection and gender risks should be analysed and mitigation measures designed into the system

- Project and monitoring staff and/or partners should be trained to recognise and respond appropriately to protection issues, especially with regard to gender, age and people with particular vulnerabilities
- Registration and distribution locations and systems should enable access and not pose additional risks for all project participants
- Participant selection should be transparent and done with the involvement of the community
- Complaints and feedback mechanisms should be established and accessible to women and men. Consider –
  - A WhatsApp or Telegram number (but beware varying levels of access to technology)
  - An additional monitoring partner specifically for gathering feedback
  - Engaging with key stakeholders as appropriate (perhaps local religious leaders)

### Further Information

The UNHCR-led Emergency Response Capacity Project's guide and tools on Protection in Cash-based Interventions [www.bit.ly/1Ty5Eqv](http://www.bit.ly/1Ty5Eqv)

## DATA PROTECTION

Data protection is the application of institutional, technical and physical safeguards that preserve the right to privacy in the *collection, storage, use, disclosure and disposal* of personal data. Personal data includes all information that can be used to identify project participants. A failure to understand and mitigate the risks arising from the wealth of data humanitarian agencies collect, perhaps especially in technology-based projects with CTP, can put people at risk of violence or harassment and undermine confidence in humanitarian agencies. Data must be stored safely, be correct and updated, and be deleted when no longer needed.

### Further Information

CaLP's publication *Protecting Beneficiary Privacy* covers projects using cash and e-cash [www.bit.ly/1i7N72Q](http://www.bit.ly/1i7N72Q)

Project participants' data is only as secure as the weakest link in the programme chain, from collection all the way through to retention or disposal. A data flow mapping exercise can be useful to identify points of weakness and eliminate unnecessary steps. Including remote staff and/or partners in this will also increase awareness and should be part of training plans.

The increasing use of cloud-based tools to gather and store personally identifying information is a significant issue to be considered in a mapping exercise, but typically the biggest data protection gains can be made by tightening office-level controls on spreadsheets and paper files.

E-cash service providers must adhere to national financial regulations, typically including Know Your Customer requirements. KYC regulations are designed to counter threats to the financial system, including money laundering and terrorist financing. Service providers must collect and give authorities access to varying levels of information about project participants. In conflict environments (as many remote emergencies are) governments are more than usually interested in where people are and what resources, especially cash, they have access to.

### Further Information

ELAN's Data Starter Kit gives simple, practical tip sheets on managing data in e-transfers [www.bit.ly/259mYp8](http://www.bit.ly/259mYp8)

Project planners should take a cautious approach to e-cash mechanisms in contexts where participants could be at risk from their own governments. E-vouchers may not require KYC on the part of the service providers (although agencies are still required to justify their project participant selection, and carry out due diligence on vendors) and may be a better choice in such situations.

When planning assessments and monitoring, make sure the data to be collected is only what is required and does not put people at risk or breach privacy. Be aware of the requirements of national data protection laws.

## BUDGETING

Budget considerations will include:

- Training of staff and/or partners in project requirements, including protection and gender requirements
- Training of partners in agency identity and mandate, finance, logistics, IT, human resources and safety systems – identifying or developing online resources takes time and money
- Community awareness activities on the project purpose and selection process
- Participant awareness activities on the modality and, depending on need, financial literacy
- Extensive monitoring and evaluation functionality
- Any materials required – voucher printing (costs vary depending on markets and security features chosen), vendor hardware
- Any money transfer commission – 3% is generally considered reasonable and justification will be required for a higher figure. Organisation may get a better rate through collective negotiation
- Inflation and short-term price variations (beware that budgeting in local currency may increase inflation risks). In volatile markets agencies may wish to increase assistance value by 10% to allow for fluctuations
- Safe communication equipment, based on the surveillance context and organisational response
- Additional travel expenses to ensure regular face to face meetings with staff/partners and staff rotation
- Translation of documents as it is very important that staff are familiar with tools and templates that are being used
- Design, translation and production of communication materials

## FINANCIAL CONTROLS

The context, selected transfer mechanism and role and capacity of remote staff and/or partners makes each project unique, and the financial controls required will vary. Centralisation of finance functions will reduce compliance and fraud risks, at the expense of flexibility in local operations. The sensitivity of authorities and donors to any diversion of cash or any other resources in many remote programming contexts makes this a necessary compromise.

### Further Information

CaLP has published a CTP guidance note for operational and support staff [www.bit.ly/2fjVcCb](http://www.bit.ly/2fjVcCb)

Standard finance routines should be followed and, where necessary, modifications agreed (communicate with the donor in writing, preferably within the grant agreement) and approved. Key steps, risks and mitigation measures include:

The most appropriate and safe way to transfer funds to remote partners is highly context-specific. In conflict zones where partners need to keep a low profile, for example, it may be safer for them to receive the money outside the country and arrange the cross-border transfer themselves. This enables them to –

- Use their local knowledge to identify the safest transfer modality
- Avoid being connected with an international NGO in the conflict country
- Develop their own finance and due diligence capacity

Project step	Potential risks	Mitigation measures
Creating database of eligible potential project participants	Incomplete or inaccurate register, slow setup, staff/partner corruption at point of inclusion	Electronic data collection makes data available more quickly and cleanly, and reduces opportunity for tampering
Specifying identification methods	People may lack or be unwilling to show ID, slow process	Agency may issue their own 'participation cards'. Community groups may help with identification
Specifying authentication methods	Identity fraud, technology failure, participants cannot use technology (e.g. card and PIN)	Biometric authentication (e.g. fingerprint, iris scan), participant training in use of technology
Authorising financial liability	Generating liability (e.g. distributing vouchers) prior to authorisation	Ensure SOPs enforce financial signoff before entitlements are committed, rather than when vendor invoices are presented
Reporting and documenting	Failure to follow up errors and fraud, slow identification of problems	Automated online transaction reporting and management, internal prioritisation, ownership of review tasks to ensure accountability

## PROCUREMENT

As with all support functions, centralisation of procurement away from field staff/partners will reduce compliance and diversion risks at the expense of flexibility.

Standard procurement procedures may need to be adjusted to support all project objectives

- Sensitisation of vendors to project design may be required prior to launching an open tender
- Open tenders for vendors should not disadvantage smaller providers who are able to provide the service
- High prioritisation of anti-corruption and conflict-sensitivity principles should be reinforced in selection processes

In many cases the context-specific alternative procedures may need to accommodate –

- Partners without enough senior staff to ensure segregation of activities (logistics, finance, programme)
- Suppliers requiring full confidentiality, the use of nicknames and fake signatures

## DOCUMENTATION

The usual documentation requirements for a remote project incorporating CTP may also need to be subject to a context-specific alternative procedures process.

Modality	Usual minimum required documentation
Unconditional cash	Initial beneficiary list (including targeting rationale and verification)  Final beneficiary registration  Reconciled and finalised payment sheets  Proof of receipt of payment
Conditional cash	As above, plus documentation of fulfilment of conditionalities
Vouchers	Initial beneficiary list (including targeting rationale and verification)  Final beneficiary registration  Vendor selection process documentation and contracts  Voucher reconciliation documents (potentially including the returned vouchers themselves – check with donor)  Vendor payment process documentation

## COMMUNICATION, TRAINING, SUPPORT

Project participants will need clear and timely project information for remote CTP as for any other project, and this will come primarily via remote staff or project partners. As part of the project communication plan, ensure that support sections have contributed especially if a technology-based solution is being used. Areas to address might include –

- How, where and when the cash or vouchers will be distributed
- How, where and when they can be used
- Technology-specific information – use and replacement of PINs, use of ATMs or vendor terminals, app-based feedback mechanisms
- What to do if things go wrong
- Project participants' rights – how they should be treated by vendors and financial service providers
- Data protection – how we and others will use and share personally identifying information

### REMEMBER THIS

- Segregate duties so that participant selection, cash/voucher distribution and monitoring are done by different people
- There may be only one or two CTP delivery mechanisms that could work in a given remote programming context. Make sure the limitations and risks are understood and documented
- Centralise finance and procurement to the degree practical, and make extra checks
- Conditionalities are powerful tools, barriers to accessing value. Use vouchers and 'cash for...' modalities only when required by the objectives or context, not without justification

## MONITORING AND EVALUATION

Monitoring and evaluation systems provide managers and other stakeholders with regular information on project progress and results.

This information allows the organisation to improve projects, adjust strategies and demonstrate results. Write, share and resource a monitoring plan.

### PROCESS MONITORING

Process monitoring during distributions will help identify access, protection and safety issues, and allow for swift design changes in response. Post-transfer monitoring should ideally take place after every major group of transfers or distribution. Different sources might be more appropriate for collecting different kinds of information.

Process monitoring includes:

- A robust feedback/complaints mechanism, accessible to both women and men
- Post distribution monitoring covering female and male project participants within 2 weeks of distribution (ideal sample sizes as below)

Participants in project	Sample size	'Simple random' sample selection
500	218	Random selection of participants from within each project 'cluster' (location). Random selection can be done with a participant list, or through using 'spin the pen', map coordinates and grid, or GPS imagery techniques. Allocate the overall sample size across clusters in proportion to the (exact or estimated) size of the participant population per cluster
1000	278	
1500	306	
2000	323	
3000	341	
4000	351	
4500 or more	370	

Monitors should ask:

- Did people get the right cash/vouchers? Did anyone try to 'tax' them? Be sure to keep everyone safe when asking this kind of question
- Did people know how much they were to receive and when? Could the mechanism be improved?
- Were payments made on time?
- Who in the household received and used the entitlement? Did this cause any issues? Was the money used equitably?
- Were people able to meet their needs? Did people get what they wanted and needed?
- For vouchers and e-vouchers:
  - Is the system working for participants and vendors? Any access or safety issues? Could it be improved?
  - Were all vouchers used? Were some resold? Were there any particular groups who did not use their vouchers? Why? Analysing resale of vouchers can give surprising insights into participants' needs, preferences and constraints – resale should not be 'punished' and any information on resale should be highly valued

#### Further Information

The Somalia Cash Consortium developed cash [www.bit.ly/1NW2PP6](http://www.bit.ly/1NW2PP6) and voucher [www.bit.ly/1X54Bk3](http://www.bit.ly/1X54Bk3) post-distribution monitoring forms

## MARKET MONITORING

Continued market monitoring is as important as project monitoring with projects with CTP to ensure no adverse effect on markets and non-participants

- Did vendors run out of stock of key items?
- Was there any effect on prices?

#### Further Information

The MARKit market monitoring system is ideal when access and team capacity are good. Its principles could inform a lighter tool for remote programming [www.bit.ly/1nwztdo](http://www.bit.ly/1nwztdo)

## OUTCOME MONITORING

An end-of-project review, and mid-term review for longer projects should, in addition to the above, examine whether project objectives have been achieved. Even if varied sources of information are used for process and market monitoring, agencies should ensure direct contact with project participants when seeking to understand project outcomes.

## SOURCES OF INFORMATION

When working remotely, conclusions can be justified by comparing different sources ("triangulating" implies three sources, ideally). The sources available and their safety, suitability and reliability will vary considerably by context, and in many cases it will be a 'take what you can get' situation where creativity is key. Options might include:

- Agency field monitoring staff
- Partner monitoring staff or, even better, a second local partner carrying out only the monitoring role. Multiple agencies might collaborate in helping establish and support such a partner
- Displaced people in contact with friends or relatives in the crisis area (Area of Origin methodology)
- Grass-roots community groups
- Community leaders (but beware of bias and patronage issues)
- Phone calls or messages direct with project participants (call centres should be free to the caller if possible)
- Feedback from vendors and service providers
- GPS-enabled cameras or camera phones (if these are safe and accepted by participants and authority groups)
- Media and social media mentions of the project and its outputs (take care not to prompt conversations that could put people at risk)
- Feedback/complaints mechanisms
- Online surveys
- Data from vendor hardware (see below)

## TECHNICAL SOLUTIONS IN MONITORING

Mobile data collection tools add huge value to project monitoring routines, and should always be used when feasible.

When appropriately deployed, other innovative technical solutions (as per the **Needs Assessment** section) can also help meet some of the challenges of remote monitoring and remote CTP generally. Beware investing in new technologies based on managers' enthusiasm ahead of need, infrastructure, user experience and cultural acceptance.

Some entitlement delivery service tools also offer data collection functionality. E-voucher providers, for example, may be able to integrate custom questions into the vendor checkout process, which can give an agency a huge volume of 'free' monitoring data. That could include:

- Basket contents
- Shopping patterns – times and days
- Gender and age of the shopper
- Feedback on the e-voucher distribution process

As the hardware would be controlled by the vendor in this case, some questions should not be asked this way:

- Feedback or complaints about the vendor and their quality of service
- Safety or protection-related issues

## EVALUATION

Remote CTP evaluations are no different in principle to any other. They should examine:

- Did the project reach its stated objectives?
- Did the project target and reach the intended people?
- Did it benefit the wider economy?
- Did the project meet humanitarian standards?
- Was it cost-effective? In particular, how did it compare to similar in-kind projects or projects using other CTP modalities?

- Were corruption, safety and other risks managed effectively?
- Was the project sufficiently accountable to participants, legal authorities and the donor?

### Further Information

Consider the DAC criteria for evaluations  
[www.bit.ly/1lpgHn9](http://www.bit.ly/1lpgHn9)

Look for and document common unintended consequences including:

- Pull factors and migration
- Changes to the labour market
- Any large exclusion errors, and their causes
- Conflict between project participants and non-participants
- Protection or gender concerns
- Positive protection or gender outcomes. I.e. did the project contribute to equality or help overcome marginalisation?

## MINIMUM REQUIREMENT

- Evidence of outputs, documented at the point of handover to the project participants
- Direct contact between staff/partners and project participants providing evidence of outcomes

## REMEMBER THIS

- Mobile data collection tools are standard – there must be a good reason to use pen and paper
- Find creative ways to monitor and understand a project. React quickly to any problems uncovered
- Always ask whether women, men and other groups were affected differently
- Celebrate data that shows participants using their cash or vouchers differently from how you expected. You will learn lots about peoples' needs, preferences and constraints