# CASH & VOUCHER ASSISTANCE (CVA) STANDARD OPERATING PROCEDURES/ GUIDELINES

Kenya Red Cross Society

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Red Cross Road, South C│P. O. Box 40712, 00100-GPO, Nairobi, Kenya Office Telephone│+254 703 037 000│+254 239 04000│

**CASH AND VOUCHERS ASSISTANCE (CVA) GUIDELINES.**

# Contents

# 1. Introduction

This document has been jointly produced by the KRCS Internal Cash Working Group with guidance from the Cash Focal Point, KRCS and ICHA and is an update from the May 2016 version. The document draws inspiration from the procedures established in cash and voucher assistance in programmes that have been implemented by the KRCS since 2011 as well as the wider Red Cross Red Crescent Movement. Further detailed guidance and policies; tools and templates, as well as examples, experiences and lessons learned on cash in emergency and market assessments can be found in the RCRC Movement Cash in Emergencies (CiE) Toolkit.

The document is part of institutionalization of cash requirements as recommended from the KRCS organizational capacity assessment conducted in November 2015. The SOP is therefore expected to be used by all KRCS staffs and volunteers in all departments implementing any Cash and Voucher Assistance (CVA) programmes. The SOP will be further updated as necessary.

## 1.1.1 Purpose

The purpose of this CVA SOP is to provide a structured guidance on how CVA must be administered within KRCS through:

- A cash feasibility and risk assessment tool to support effective initial decision making as to whether CVA is an appropriate response option or not

- Specifying clear respective roles and responsibilities of both Programmes and support departments through the different steps of the project/operations cycle.
- Defining the processes involved and the standard pre-requirements including documentation in each step of the functional area (see annexes) to streamline operational decision making in emergencies or use of Cash for Early Action.
- Providing key documents for reference to facilitate technical guidance

In line with the Red Cross Red Crescent Movement guidelines and toolkits for Cash in Emergency (CiE), Rapid Assessment for Market (RAM) and Market Assessment Guidance (MAG), this document explains the internal KRCS procedures and establishes the financial management framework and administrative procedures for the use of CVA tool in any such interventions.

These CVA SOPs provide generic guidance on how CVA should be planned and implemented within KRCS.

***Who should use this SOP?***

All departments, staff and teams implementing CVA programmes and interventions within the KRCS

### 1.1.2 Operationalizing the SOP:
Programmes, ICHA, Finance, Procurement, Logistics, M&E, IT, Security, Audit and Risk must review this document and establish their ability to act according to the guidelines in the specific contexts. Any contextual needs or situations that need modifications from the stipulated procedures herein must be clearly documented justifying the deviation, and also recommend the appropriate option under the circumstances.

An initial inter-departmental planning between all respective functions should take place at the start of the programme/project to understand the implementation of these procedures.

## 2. Brief Introduction to CVA
Cash and Voucher Assistance (CVA) refers to all intervention modalities where Cash assistance or vouchers for goods or services are directly provided to individuals, households and communities[1]. CVA can be used to address a variety of different needs, right from a forecast of a shock, during immediate aftermath of a shock and through to longer term recovery, such as shelter, evacuation, access to healthcare and services, or to protect, access to food, strengthen or restore livelihoods. CVA can be used during the following scenarios;

a. **Preparedness i.e. forecast-based Early Action-** CVA will be used as an early action before an anticipated (forecasted) extreme event (disaster) occurs. The extreme event could include drought, floods, epidemics, etc. Providing households with cash early can mean people don't need to sell assets to cover costs when they evacuate in a sudden onset disaster or when they want to take action to protect their houses and livelihoods.
b. **Onset of crisis:** CVA will be used immediately a disaster happens to avert humanitarian crisis and save lives.
c. **Acute crisis:** CVA will be used to address humanitarian needs in very serious and extreme disaster that has caused massive destruction and fatality and requiring serious attention or action;
d. **Chronic crisis:** CVA will be used to address humanitarian needs in prolonged disasters e.g. drought, conflict, etc;

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Glosaary of Terms – Calp 2018 Revision

e. **Post-crisis:** KRCS will use CVA to assist community affected by disasters towards recovery.

f. **In Refugee set up:** KRCS will explore utilization of CVA among populations in protracted displacements and asylums seekers in settlement and refugee camps.

g. **In development:** CVA will be used in different economic and social interventions to reduce vulnerability among different target groups in the community. KRCS will seek to link its activities with the Government Social Protection mechanism.

In all the above scenarios, CVA will be applied across all sectors ranging from emergency relief for basic needs, health and nutrition, shelter, WASH, livelihood and or social protection, to Preparedness as an Early Action, to support recovery, or development. The transfers can also be used to support lifesaving needs for refugee and asylum seekers in the Country. CVA does not necessarily replace but can also be used alongside other forms of assistance like in-kind support since it is a different tool to achieve the same goals as other interventions.

Some of the known advantages of CVA include the following;

*Flexibility:* cash enables beneficiaries to choose a more appropriate set of goods and services that better corresponds to their individual priorities than a 'one size fits all' in-kind assistance package.

*Efficiency:* delivering cash avoids the large shipping, storage, transport and distribution costs of in-kind assistance. Cash may also mean that beneficiaries will not be forced to sell, at a large discount, the in-kind assistance they receive in order to meet their wider needs.

*Multiplier effects –* distributing cash can have knock-on economic benefits for local markets and trade if the money is spent locally, and it may stimulate agricultural production and other areas of livelihoods.

*Choice –* cash allows recipients to decide what they should spend the money on. This enables people to choose what they most need and allows for this to vary from person to person.

**Dignity** – cash can be better at maintaining the dignity of recipients. It may, for instance, be possible to avoid long, degrading queues.

## 3. Key Terminologies Used in CVA
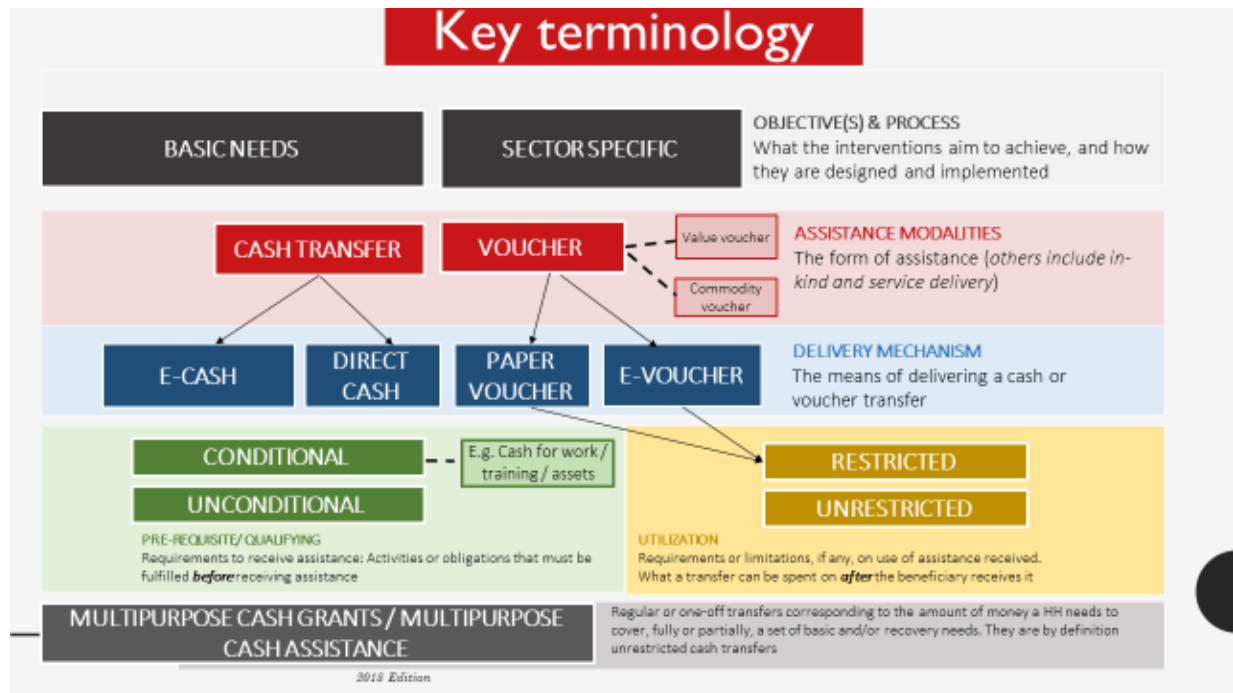


Cash and Voucher Assistance can be delivered through the following delivery mechanisms:

- ▪ Direct cash – cash at hand,
- ▪ Banks – bank cards, bank agents, mobile banking
- ▪ Traders – vouchers, scratch cards, mobile phone,
- ▪ Mobile phone – mobile money transfers,

## 4. Key Considerations for Effective Use of CVA

CVA works well where there is a functioning local market system, enabling beneficiaries to procure necessary commodities and/or services for themselves. In order to provide effective CVA, therefore, it is essential for KRCS to understand how well local markets are working in terms of commodity prices, availability and access.  A well planned CVA intervention will help to assist not just beneficiaries but also the local economy. The guidelines are designed to assist users in understanding and completing the necessary market assessments to gauge whether CVA is appropriate or whether an in-kind modality is a better solution, or a flexible combination of the two.

KRCS CVA SOP Guidelines

*When considering a Cash and Voucher Assistance, ensure the following conditions are in place*

**A functioning market.**

- Availability of products regionally and/or nationally.
- Surplus production available within a reasonable distance of the affected population.
- Traders willing to participate (in a voucher programme) and with the financial capacity to purchase goods and the logistical capacity to transport them into the region.
- Geographical accessibility of shops/markets to recipients and a certain freedom of movement.
- Political acceptance.

- No excessive taxation of goods (which may lead to increased prices or hamper the ability of the market to provide necessary items).
- A functioning and reliable system through which payments can be made to traders (voucher programmes) and/or recipients.
- A reliable recipient identification system.
- Clear communities' communication plan.
- Acceptable security levels and awareness of possible threats to staff and recipients.
- Good market competition and integration
- Existence of a clear exit strategy.
- Clear risk analysis and mitigation plan

**When can't CVA be used?**

CVA might not be an appropriate modality when;

- The target population operates mainly on a non-cash and voucher based system. Cash needs to be a familiar form of exchange for commodities within the community. Introducing cash into a non-cash economy could disrupt local market systems.
- A shock has seriously disrupted the market systems and resulted in people no longer being able to access specific items / services or needs in the local markets.

# 5. Key Roles and Responsibilities

| **SENIOR MANAGEMENT** | Secretary general, OR deputy will provide leadership and an enabling environment for CVA to be mainstreamed within KRCS' programming. This includes: |
|---|---|
| | • ENSURING ADEQUATE RESOURCES ARE COMMITTED AND MOBILIZED FOR EFFECTIVE IMPLEMENTATION OF CVA. |
| | • APPROVING AND DELEGATING WHERE REQUIRED FOR EFFECTIVE IMPLEMENTATION, REVIEW OF MANUALS OR SOPS |
| | • REPRESENTING KRCS IN NATIONAL AND INTERNATIONAL FORUMS ON CVA AND ENSURE LEARNING AND ADVOCACY WITH DONORS AND KEY-STAKEHOLDERS. |
| | • ENDORSE THE PROGRAM/OPERATIONS PLAN OF ACTION/PROPOSAL. |
| | • SUPPORT DEVELOPMENT OF THE INTERNAL KRCS CASH WORKING GROUP (CWG) AND OPERATIONALIZATION OF ITS TERMS OF REFERENCE AND PLAN OF ACTION. |

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| **PROGRAMMES**<br><br>**DEPARTMENT**<br><br>**(DM, HNSS, SPECIAL PROGRAMMES)** | • Oversight of the process of assessing needs of affected communities, Market assessments, appropriateness and feasibility of CVA, selecting the most appropriate cash transfer modality and delivery mechanisms, and ensuring good quality programme design.<br>• Conduct (CVA) risk analysis and define mitigation actions<br>• Establish the selection criteria for beneficiary identification, organize beneficiary registration, communicate with the communities and set CVA feedback and complaint mechanisms.<br>• Describe cash assistance services or mechanisms needed; and submit the necessary information (i.e., in operational plan or project proposal) to supply chain to prepare CVA Memorandum of Understanding and or contracts with service providers.<br>• Participate in assessing the capacity of cash transfer service providers with supply chain and draw project/emergency plan of actions<br>• Ensure the community and beneficiaries are informed on the program according to the KRCS' CEA Framework/Policy and establish the necessary coordination with other stakeholders at National and County level. This includes active engagement in the National Cash Working Group forums.<br>• Provide Support in developing M&E plans together with MEAL on the best approaches and frequency to track the quality and impact of CVA interventions giving reference to the CVA MEAL Framework.<br>• Report along the project/operations cycle<br>• Jointly coordinate with ICHA and M&E to conduct reviews of the program to learn and share lessons and define next steps.<br><br><br>*Plus, all the usual programme activities not specific to CVA (e.g., programme department project proposal, targeting, beneficiary communication, AAP, monitoring etc.)* |
| **FINANCE** | Normal Finance activities including checking budget, reviewing and approving Financial contracts, executing payments etc. Specific issues to consider include:<br><br>• Support and participate in the design phase of projects/programmes through development and review of funding budgets.<br>• Review contracts and MoU as per financial rules<br>• Consider legal financial issues that are related to Cash and Voucher Assistance<br>• Support the design of the financial reporting and reconciliation system at the programme design stage.<br>• Ensure that Emergency Cash float (Kshs 500,000) is prepositioned at all times so as to be Cash ready, when needed respond in real time<br>• Validates financial reporting and reconciliation to ensure financial accountability<br>• Execute payments to service providers as per signed contracts or MoU<br>• Disburse cash to beneficiaries as per the final validated beneficiary data/information provided by program team<br>• Participate in joint Post-Distribution Monitoring of CVA interventions with other key departments<br>• Participate in joint FSP assessments with Supply chain on the capacities and selection of suppliers or traders to be involved in voucher-based programs. |

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| **SUPPLY CHAIN** | Normal Logistics activities including market and supplier assessment, contracting[2] and ensuring the required validation etc. Specific issues to consider include:<br><br>• Lead the process to identify, assess the capacities and select CVA service providers as well as suppliers or traders to be involved in voucher-based programs<br>• Participate in response option analysis<br>• Procure commodities and services needed for CVA<br>• Manages the tender and contract process with commodity and/or cash or vouchers and third parties/transfer companies.<br>• Monitors quality of services delivered by suppliers<br>• Supports large-scale commodity-tracking activities |
| **SECURITY** | main responsibilities of the Security team on CVA are:<br><br>• Assess the security situation and advise the team accordingly prior to CVA interventions/activities<br>• Participates in security risk assessments and reviews throughout the programme/project cycle to ensure the level of risk is acceptable for programme staff, volunteers and recipients of aid;<br>• Ensures that the programme/operation/intervention activities are implemented in compliant with the minimum-security requirement (MSR) |
| **AUDIT AND RISK MANAGEMENT** | • Provides advice where necessary on risk management processes<br>• Reviews any audit clauses in the Memorandum of Understanding (MoU)/agreements made with CVA providers, where there are specific donor audit requirements on CVA.<br>• Audit financial systems and documents/returns. |
| **INFORMATION AND TECHNOLOGY (IT)** | • Provides technical know-how on IT-related aspects of CVA programme involving new technologies such as mobile phone banking, digital data gathering and electronic payment systems<br>• Custodians of the payment platforms and dashboards, and access credentials e.g., to the RedRose Platform<br>• Provide guidelines in the application of the Data Protection<br>• Support the MEAL team in the development of tools on Mobile data collection platforms. |
| **PUBLIC RELATIONS AND COMMUNICATION** | • Provides support to ongoing fund-raising and partnership efforts<br>• Ensures coverage of CVA activities through existing KRCS media.<br>• Supports in conjunction with MEAL team, documenting project activities and dissemination. |
| **MONITORING, EVALUATION AND LEARNING** | • Customization of CiE tools to be used in the monitoring and evaluation and enhance operationalization of the tool in implementing CVA.<br>• Support in the Community engagement and accountability processes.<br>• Evaluation of Consultant management with support from the program team<br>• Lead in internal evaluation of the projects. |

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[2] Framework Agreement (FA) with the FSP is preferable for a middle to long term CVA where cash instalments will be recurrent, as it requires tender process at the beginning of the service provider selection. FA will provide a fix commitment from the service provider on the price and delivery terms. Opposed to one off contracts, which each require their tender process, and are more suitable for a short term CVA. However, whether using an FA or contract, there needs to be a built-in flexibility for the beneficiary numbers and values of transfer. In addition, there can be multiple FA or contracts with different FSPs in one country or area.

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| | • Support in the beneficiary data management during pre-registration/ registration and cash disbursements. This includes development of dashboard to indicated distribution of CVA beneficiaries by gender, vulnerability, location etc. |
| **INTERNATIONAL CENTRE FOR HUMANITARIAN AFFAIRS (ICHA).** | • Overall role of Research is to strengthen CVA work within KRCS and create linkages with partners: Specific roles include:<br>• Inclusion of Cash and voucher assistance as a possible early action in all (i.e., national and County) Early action Protocol (EAP).<br>• Support in development or aligning of Manuals/policies and guidelines that would facilitate effective implementation of CVA within KRCS.<br>• Support in the learning and research component of all CVA implemented by Kenya Red Cross Society.<br>• Provide advice/support in developing monitoring and evaluation plans on best methods and frequency of data collection to track the quality and the impact of Cash-Based Programming<br>• Promote CVA good practice and common programming approaches and standards through specific networks and IFRC experience (e.g., RC/RC Movement Cash Peer Group, Shelter Cluster Leadership, partnership with CaLP)<br>• Research on innovative approaches and technologies to support effective and efficient implementation of CVA<br>• Facilitate Learnings and strategic engagements with Partners at the National Level, Counties and Global Peer working group<br>• Support Programmes on Capacity building initiatives aimed at ensuring KRCS is well prepared to implement quality CVA programming<br>• Support in the beneficiary data management during pre-registration/ registration and cash disbursements. This includes development of dashboard to indicated distribution of CVA beneficiaries by gender, vulnerability, location etc. |
| **ORGANIZATIONAL DEVELOPMENT (REGIONS AND COUNTIES)** | • County branches are the primary implementers of the CVA at KRCS. They play a critical role in mobilizing volunteers and RCAT team members. Working closely with Headquarters team, they are responsible for:<br>•<br>   • Ensuring adequate and appropriate response to community needs through CVA.<br>   • Mobilizing response teams, ensuring they are trained to undertake CVA activities.<br>   • Continuous community and stakeholder engagement at the branch level.<br>   • Management of Complaints and feedback from the community and stakeholders. |
| **INTERNAL CVA TECHNICAL WORKING GROUP** | • The TWG will be composed of staff from all the relevant departments within the organization. These includes the mainstream and the support departments and the heads of departments will form part of the team or nominate a representative from their departments.<br>• The Internal Technical Working Group will be responsible for providing strategic oversight and direction including reviews for the institutionalization and implementation of CVA programming at KRCS. A detailed term of reference has been developed to guide the operations of the Internal technical working group[3]. |

## 6. Key Risks and Mitigation Measures in CVA

KRCS will strive to develop a risk matrix for all the CVA programs by identify possible risks and ranking them according to their seriousness in order to decide those which can be accepted (low risks), which

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[3] KRCS Internal Technical Working Group Terms of Reference 2019

can be mitigated (medium risks), and which should be avoided (high risks). This will be done using the suggested ranking matrix below as part of risk management plan.

| Impact / Likelihood | Negligible (1) | Minor (2) | Moderate (3) | Severe (4) | Critical (5) |
|---|---|---|---|---|---|
| Very unlikely (1) | 1 | 2 | 3 | 4 | 5 |
| Unlikely (2) | 2 | 4 | 6 | 8 | 10 |
| Moderate likely (3) | 3 | 6 | 9 | 12 | 15 |
| Likely (4) | 4 | 8 | 12 | 16 | 20 |
| Very likely (5) | 5 | 10 | 15 | 20 | 25 |

Seriousness = Impact score x Likelihood score

| Low risk 1-7 | Medium risk 8-14 | High risk 15-25 |
|---|---|---|

**The following are some of key risks associated with CVA, possible impact and proposed mitigation measures.**

| | Key risks | Possible impacts and degree of likelihood (High /Med/ Low) | Potential/Proposed mitigation measures |
|---|---|---|---|
| Community relations & security | CTP increases rivalries between "haves" (with NFIs) and "have nots". | • Arguments to demonstrations, theft, riots. (M) | • Gather all assessment information prior to CTP roll out. |
| | Larger families aggrieved that they get same amount as smaller households. | • Tension and insecurity may increase during assessments and distributions. (M) | • Strong communication strategy to inform camps of progress. • When large HHs, they are split into smaller families of approximately 5. |
| | Disputes within households when money is in one person's hands. | • Domestic violence & GBV. (L) | • Communications to inform intended uses. |
| | | • Miss target group. (L) | • Blanket targeting reduces rivalries. |
| | The most vulnerable people may not have mobile phones. | | • Recommend nominees to read texts and follow up. • Use PIN numbers. |

| | | | |
|---|---|---|---|
| | Elderly can't read text messages.<br><br>Increased mobile theft and robberies when leaving banks. | • Assessments reveal people not concerned at $150, and have security strategies. **(M)** | • Consider 2 tranches. |
| Diversion | Money not spent on intended basic needs, diverted into unanticipated or unwanted goods (alcohol, drugs, weapons). | • Monitoring of previous CTP has shown this does not happen. **(L)** | • Taking women head of households' phone numbers in preference to men. |
| Standards | Money spent on low quality or harmful goods (e.g., tools that break, tarps that rip, etc.) | • Health and safety concerns, sub-standard shelter construction, hurricane risk with zinc sheets. **(L)** | • Information provision through leaders and leaflets. |
| Duplication | Beneficiaries attempt to access cash more than once. | • HH register twice. **(M)**<br><br>• HH set up structures in more than one camp to access cash. **(M)**<br><br>• HH move between camps. **(L)**<br><br>• People come in from rural areas. **(L)** | • Set clear 'resident as of' dates.<br><br>• Monitoring to cross check names and mobile phone numbers.<br><br>• Good community leader relations, cross check with neighbours.<br><br>• Communications about targeted and non-targeted groups. |
| Errors | People aren't there when numbers collected, leaders add extras.<br>Data collection errors on phone numbers. | • Grievances by missed populations. **(M)**<br><br>• Transfers to unintended beneficiaries. **(L)** | • Good registration training to HRC volunteer.<br><br>• Close supervision of data handlers & regular monitoring of registration books.<br><br>• Establish relations with trusted leaders & use volunteers.<br><br>• Pin up or cross-reference check lists with focus group. |

| Market effects | More buyers and limited supply causes price increases. | • Price increases negatively affect non-beneficiaries. **(M)**<br>• Beneficiaries can't find goods in market. **(M)**<br>• Cash could be spent on the types of NFI goods that are due in NFI delivery. **(L)** | • Price monitoring.<br>• Staggered & geographically spread distributions.<br>• Communications to suppliers.<br>• Targeting women where research shows they are best placed to make decisions when well informed by good communications.<br>• Some sites are too inaccessible and/or insecure for NFI distribution. |
|---|---|---|---|
| Fraud | Security of the financial transactions. | • Large scale fraud and reputation risk. **(L)** | • Contracts with providers and banks.<br>• Controls and reporting mechanisms established and monitored. |
| NGOs | Conflicts with other agencies objectives. | • Top up rate higher than those of other agencies, causing population movements. **(L)**<br>• They try to encourage people to stay near homes, cash draws them to camps. **(L)** | • Close coordination indicates NGOs considering similar amounts, and all supportive of approach. |

# 7. Overview of General Steps in CVA

## 7.1.1   Cash and voucher assistance flow chart

KRCS CVA SOP Guidelines
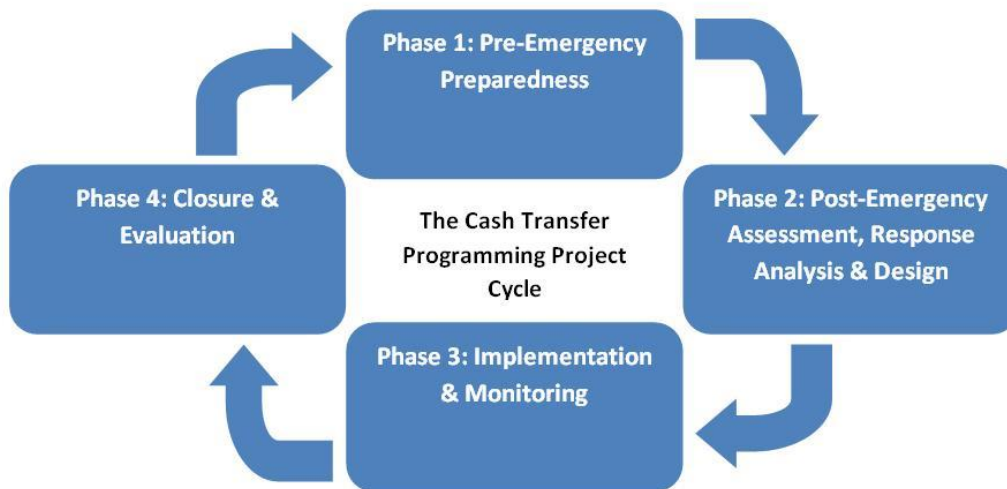
### 7.1.2    Flow chart 2: CVA process
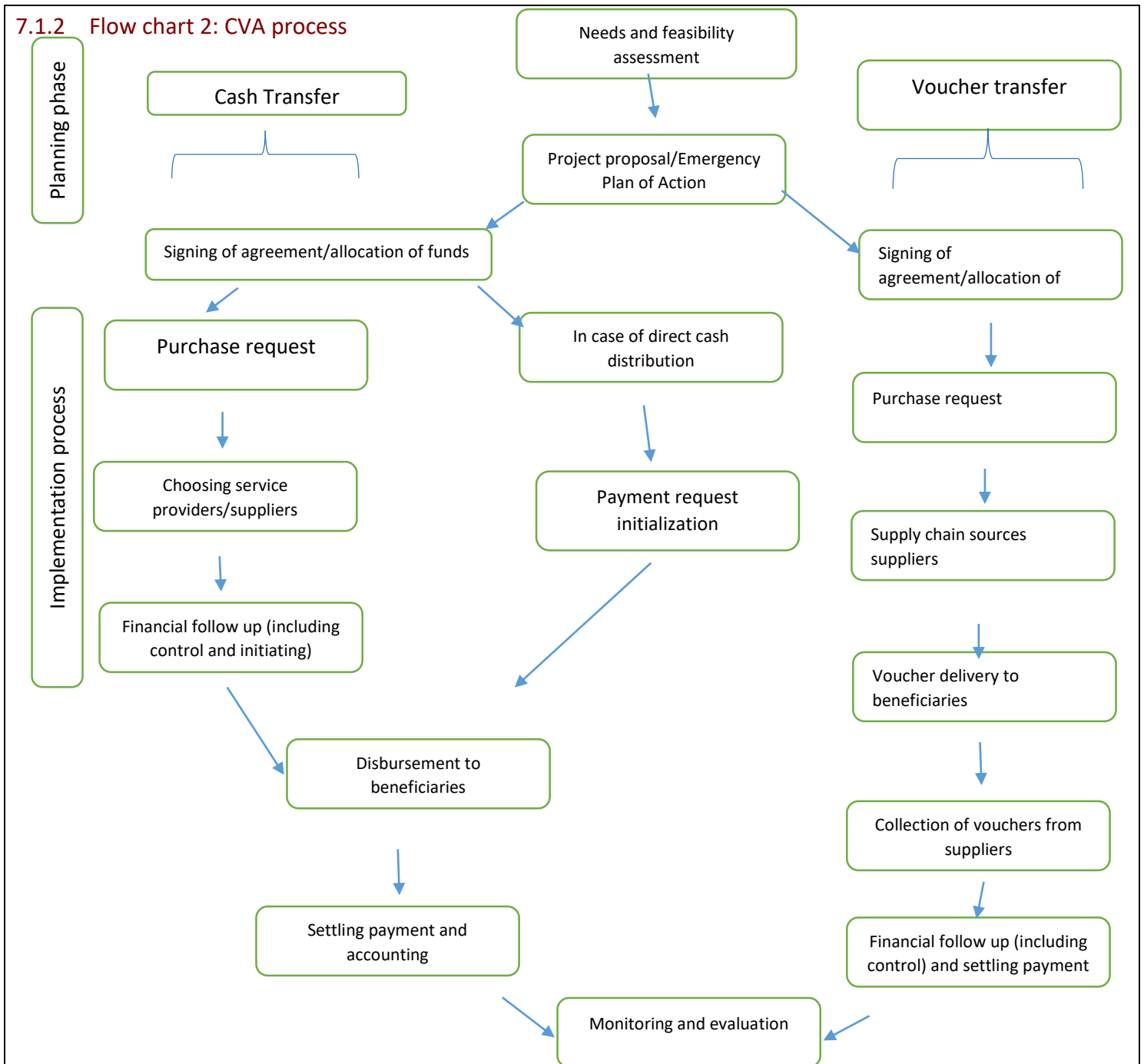


## 8. Preparedness

One of the key constraints in delivering CVA in emergencies is recognized as the set-up time in emergency settings. Thus, preparedness is critical if the modality is to be undertaken quickly and at scale. Preparedness involves assessing risk and identifying whether CVA, in kind or a mixture of the two is required. If CVA is to be considered, then there are also a number of key tasks that can be undertaken in order to ensure that the organization is able to initiate transfers at short notice. These tasks include;

- Reviewing and working with other agencies with regard to CVA solutions
- Working as a team, each department will nominate a focal point to support in CVA activities based on the anticipated disaster. This will ensure each department has relevant input into the decision-making process.
- Develop risk assessment techniques and their respective mitigation measures. A good way of developing mitigation strategies is to understand whether the risk is institutional / internal or contextual / external.
- Update cash SOP. Once an assessment has been completed and recommendations have been agreed, it is important to codify the policies, processes and procedures which need to be followed to enact an effective CVA response. Having a clearly written and authorized Standard Operating Procedure helps ensure that clear guidelines are set to staff regarding how to enact CVA.
- Identify key staff from each relevant function who would need to play a role in any CVA programming. As well as train them depending on funds availability
- The optimal delivery mechanism selected may require the pre-positioning of items in order to ensure a timely response at the immediate post-emergency stage.
- Create assessment and monitoring templates and design tamper proof vouchers
- Pre-registration of beneficiaries. If we understand who the target groups are likely to be within the population, then we may wish to start pre-registering beneficiaries for any potential scheme. The reason for this is two-fold: By having beneficiary details already on hand any early action and emergency response will be quicker, gathering this data in advance foreshortens any emergency response.
- Undertake pre crisis market assessments and gauge whether markets can sustain the anticipated levels of CVA in an emergency situation.
- Analysis of potential financial service providers and delivery mechanisms offered (Including direct distribution)
- Ensure the relevant levels of financial controls are introduced and that the required segregation of duties is maintained.
- Pre-agreements with service providers
- Conduct walks through tests for already established cash delivery mechanisms

# 9. Assessment, Response Analysis and Design

## 9.1.1 Assessment

- This phase consists of a need's assessment including affected populations, markets and cash transfer mechanisms, a feasibility study (CVA and in-kind distributions) and a response option analysis. If a CVA is feasible, appropriate (meeting the defined objectives of the assistance), and represents the best option of response (efficiency, effectiveness, etc.), a project proposal or emergency plan of action is drafted.
- Programs/operations are responsible for the needs and market assessments. As per KRCS emergency needs assessment guidelines, the assessment should analyse:
  - The vulnerability of the at-risk population based on impact-based forecast.
  - The affected population's economic security situation and unmet needs
  - The urgency to respond to these needs
  - The foreseen and unforeseen target population.
  - The beneficiary's preferences with regards to the type of assistance: cash, voucher, in-kind or a combination of cash and in-kind
  - Intra-household and intra-community issues, including gender roles attributed with the management of cash/voucher and in-kind resources
  - The usual means of accessing cash by the targeted households
  - Target beneficiaries' physical access to markets or shops
  - Capacities of local markets or shops to meet the needs and the demand triggered by cash transfers or vouchers based on magnitude on forecasted emergency and or actual emergency.

To further define CVA the assessment should also determine:

- ▪ The amount of cash to be transferred in total, per beneficiary and per location guided by the Minimum expenditure basket guidelines endorsed by the national Cash Working Group.
- ▪ The frequency of payments
- ▪ The number of beneficiaries that will need to be served in each location in a given timeframe guided by the needs, resources and in consultation with County steering committee.
- ▪ The usual way of the targeted households to obtain cash
- ▪ The familiarity of the target population with various existing financial transfer

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## 10. Response Analysis and Design

Based on the results of the assessment, Programmes shall define the main objectives of the intervention including the needs to be addressed, the type and number of beneficiaries to be assisted and their locations, the amount to be transferred, and the timing and duration. On this basis, an analysis of the possible response options is conducted, including all transfer modalities (cash grant, vouchers, cash combined with in-kind, etc.) and mechanisms (i.e., electronic transfer, direct cash distributions, etc.).

The identification of the possible response options is determined by the feasibility to use different CVA modalities and different mechanisms of transfer. In order to assess the feasibility, a joint team including programs/operations, Finance-Administration and supply chain collects information on service providers and other factors.

Following a positive outcome of the feasibility assessment, Programmes, supply chain and finance-admin team needs to decide on one or a combination of cash transfer modalities and mechanisms taking into account the objectives of the intervention. Options for Cash assistance mechanisms include:

- ▪ Cash in Hand or cheque distribution by KRCS
- ▪ Mobile money transfers
- ▪ Vendors, traders, informal institutions, etc.
- ▪ Service providers (banks at counter or through ATM, post offices, mobile phone companies, remittance companies)
- ▪ Electronic payment (card and e-voucher, mobile account)
- ▪ Paper voucher (cash or commodity)

The options identified and characterized should be compared between themselves, and with in-kind distribution, under the lead of Programmes, with the support from ICHA, supply chain and Finance-Administration when necessary.

Further comparison criteria to be used are effectiveness, cost-efficiency, timeliness (time of delivery), secondary impact, impact on local economy, beneficiary preferences, inter-household and inter-community issues.

# 11. Decision Tree

KRCS CVA SOP Guidelines
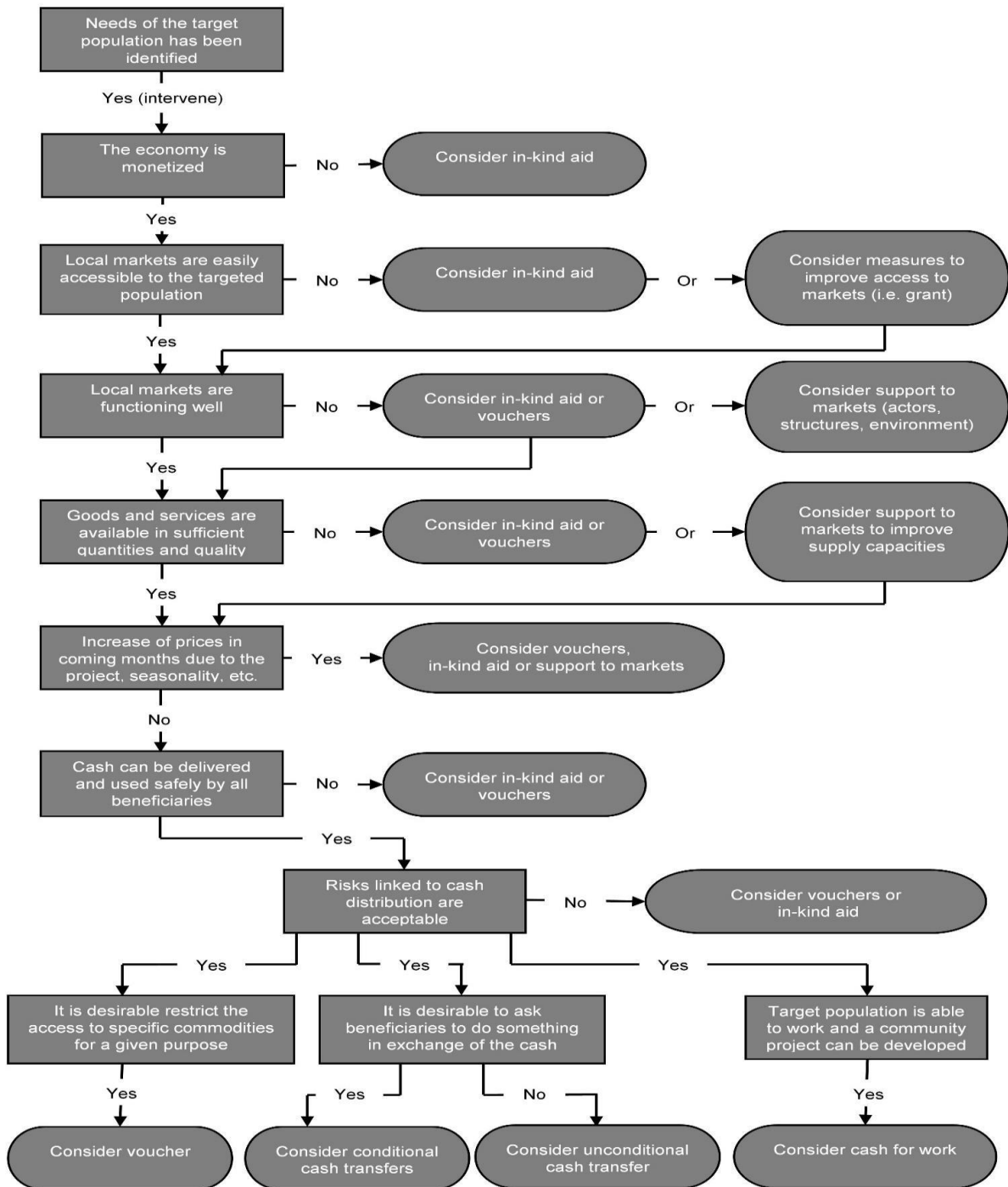
# 12. Establishing the Value of a Cash Transfer

| *Type of Programme* | **Guidance on setting the value** |
|---|---|
| *Cash/Voucher for basic household needs (relief)* | Ensure the transfer is sufficient to permit households to purchase basic foods and cover essential items. Calculate average basic household expenses. Consider whether all or part of people's food/basic needs should be met. This depends on the extent to which they can obtain food and income using their own resources and what other organizations are providing. |
| | Calculate the value of the transfer on the basis of predicted future prices, to ensure that households can maintain purchasing power. |
| | Average expenditure and prices of commodities may vary on a seasonal basis – take this into account when deciding when to distribute the cash/vouchers. |
| *Cash/Voucher for livelihoods or assets safeguarding against a disaster or recovery after a disaster* | Take into account the cost of assets/materials required to establish/restart a livelihood or productive activity. This may vary between recipients and locations |
| | Include the cost of materials/assets (e.g., start-up assets, rehabilitating damaged assets, such as clearing agricultural land, seed, livestock, fencing and labour) that people will need to restart different occupations. |
| | Take into account the cost of evacuation into safer grounds in case of extreme event has been forecasted. |
| | Make sure the cost of any official government taxes/licenses is included. |
| | Also take into account: - The possibility of transferring additional funds to cover the time it will take for businesses to generate income, particularly in post-disaster conditions. - Income is immediate for some activities (trading, drying fish), much longer for livestock projects, and seasonal for fishing or farming. - Heavily indebted households may use grants to repay debts rather than to buy assets/materials for livelihood recovery. Options for delaying or writing off the debt may need to be explored with credit providers, or the amount of any grant increased. - The extent to which basic needs are being met; some of the cash may be spent on these essentials if households are unable to meet their basic needs. |
| | Take into account other forms of support that people may be able to obtain in rebuilding livelihoods (e.g., remittances) or that other organizations provide. |

The transfer values will also be guided by the minimum expenditure basket developed in consultation with National cash working group (NCWG) considering the need for a harmonized transfer value with other cash actors.

# 13. Project proposal/Emergency plan of action

On the basis of the feasibility assessment and the selection of the best response option, Programmes will draft a project proposal as per its usual procedures.

The budget, with inputs from Supply chain, MEAL, HR and Finance-Admin, needs to include the following:

- The number of beneficiaries multiplied by the amount to be paid (in the currency of payment) and frequency of payment.
- Human resources costs
- Logistics cost (mileage)
- Handling costs (bank or other charge, cash transfer fees, withdrawal fees)
- Community engagement and accountability costs.

# 14. Implementation

After having selected the most feasible and appropriate response for the intervention, the implementing team will need to set it up and implement it. This process starts with planning the intervention, defining ways of working, establishing mechanisms for internal and external coordination as well as for communicating with beneficiaries. The implementation phase includes contracting service providers, identifying and registering beneficiaries, as well as carrying out distributions and encashment.

Five key steps for setting up and implementing a CVA intervention or programme in line with IFRC Cash in Emergencies toolkit are outlined as follows;

## 14.1.1 Set-up the CVA programme

Starting from developing a strong operational plan, with detailed overall strategy, objectives, field structure, resources, costs, and expected outputs and outcomes. An internal coordination mechanism comprising of programs/operations, supply chain, Organizational development, Finance and administration should be established.

## 14.1.2 Community Engagement and Accountability

It starts with the development of a plan defining the approach that the CVA will use to communicate with communities. This plan should include the capacity building of staff, the selection of communication channels and tools, development of messages for each different target audiences, as well as the design and set-up of a feedback mechanism as guided by KRCS CEA framework. Reviewing and learning should also be part of CVA, either as a stand-alone activity of as part of an overall programme review.

Communication to both the affected community and other stakeholders shall be done through a *Beneficiary Communication Plan* and SHOULD explain:

- The purpose of the programme.
- The targeting methods.
- The selection criteria.
- The anticipated impact on markets.
- The value of the transfer and how it has been calculated.
- How the project will be monitored and evaluated.
- The number of transfers, frequency and implementation time frame
- The communication channels/platforms that can be used to provide feedback (Complaints and feedback) about the programme.

## 14.1.3 Selection and contracting of Financial Service Providers (FSPs)

Service providers are engaged to distribute cash to beneficiaries. An in-depth analysis will be required where dedicated staff from programs/operations will be needed to work in collaboration with finance

and supply chain at different levels i.e., national, regional or branch depending on procurement thresholds. The process includes researching and narrowing down potential service providers according to established criteria, conducting a tendering and selection process, then finally contracting and defining ways of working with service providers. An important issue that has to be dealt with throughout this step regards beneficiary data management and protection, so as to address potential risks related to beneficiary privacy, as well as fraud and abuse.

## 14.1.4 Target and Register beneficiaries.

These processes are closely interconnected, as it is during registration that a link between each beneficiary and a unique identifier is created. Through guidance from the regional and county branch, this process needs be undertaken by Red Cross Action Team members. Targeting mechanism will need to be influenced by discussions with the community while seeking to be sensitive on the gender, protection and inclusion as guided by the PGI policy, so as to ensure a smooth operation. The clearer and easier it is to identify who qualifies under the set targeting criteria, the easier it will be for the CVA to run. The Complaints and feedback mechanism will be put in place to deal with inclusion and exclusion errors if the affected population does not understand or agree with the chosen targeting mechanism. Before carrying out registration, list of beneficiaries' needs to be verified for example by means of random household visits, to minimize targeting errors. To ensure effective and efficient registration process, the exercise will be done electronically on mobile application. The IT department will support the registration exercise through innovative digital methods e.g., RedRose Collect.

In order to ensure a smooth registration process, some key preparatory measures include: deciding roles, responsibilities and ways of work; defining the type and level of information to be collected (data minimization); creating a database; developing registration forms on data collection mobile application; organizing registration. During distributions/encashment, beneficiaries and/or their representatives will have to be identified by means of community lists, ID cards and other technological options e.g., biometrics. This ensures that the person presenting him/herself to receive the cash transfer is indeed a registered beneficiary and/or their representatives.

### *14.4.1.1 CVA through existing Social Safety Nets – Social Protection:*

Social protection can integrate early action and preparedness to support more effective resilience-building at scale. KRCS will strive to utilize existing social Safety nets while implementing CVA as a forecast-based action under anticipatory humanitarian aid. This will be guided by shock responsive social protection pillar in the Kenya Social Protection Policy. CVA as an early action in forecast-based financing mechanism will be integrated into the existing social protection system, triggering support to existing or new beneficiaries. KRCS will utilize pre-registered beneficiaries in the social register in the CVA. The social safety net systems could be linked to anticipatory humanitarian aid through the following ways:

| Option | Description |
|---|---|
| Vertical expansion | Increasing benefit value or duration of existing programme; adjust transfer value, introduce extraordinary payments |
| Horizontal expansion | Adding New beneficiaries to an existing programme; Geographic extension, modification of entitlement rules |
| Piggy Backing | Using administrative framework but running Shock Response separately. May include introduction of new policy. |
| Shadow Alignment | Developing parallel humanitarian system that aligns with SP |
| Refocusing | Adjusting SP system to refocus assistance on most vulnerable groups in case of budget cuts. |

## 15. Distributions and encashment.

Staff and third party directly involved in cash transfers shall be trained/sensitized before undertaking any distributions.

Distributions should be planned in advance. Items to be distributed (vouchers, cards, phones, etc.) will vary according to the delivery mechanism chosen. Encashment planning must include agent mobilization according to their location and capacity. The required documentation includes an initial cash transfer order and encashment reports. Encashment closes out or reconciliation of funds is mandatory and should be done jointly between program/operations, finance and supply chain teams.

To further strengthen its system and reduce time taken to settle and account for payments, the Kenya Red Cross adopted online payment through a mobile technology platform. Hence an approved system for payment.

**The payment process is as follows;**

- The program manager in charge prepares a cash transfer excel file including beneficiaries first and last names, unique account (phone number), transfer date and amount. This list must be prepared using beneficiaries' information collected at the registration points.
- The program manager prepares a payment request for the total transfer amount and attaches the cash transfer excel file and instruction letter. All documents are sent for approval and signing through finance to the Secretary General or his appointee.
- Turn-around time for processing of disbursements once received by the Finance Department shall be as follows:
  - Life-threatening emergencies: 1 days;
  - Normal non-life threatening CVA response requests: 3 Working days
- *Validation function of payments be devolved to the Regional teams for efficiency, and immediately uploaded for disbursements with the Head of Finance in copy*
- After approval, the finance loads the amount equivalent to the value on excel request to the mobile wallet account.
- The requesting manager should send an excel sheet format with beneficiary name, registered phone number, National Identity card (ID) Number, Project code, Amount

payable, mobile transfer charges and Total (Amount payable plus MPESA charges). The excel sheet should be sent to the finance officers whose names are indicated in the mobile money transfer guidelines e.g., KRCS MPESA guidelines.

▪ The mobile money transfer to specific beneficiaries will be disbursed after full compliance and mobile service provider report shared with the requesting officer for filling and posting the expenses in the Navision system

## 16. Reconciliation of Transfers

When closing the payments at the end of the month and the program/operations, the finance team involved, in coordination with the program manager in charge should reconcile the prepaid account and justify any discrepancy. Any balance should be discussed and explained with the program manager. Systems to deal with unclaimed transfers or other problems that arise with the transfer need be established.

## 17. Cash Transfer distribution through third parties/transfer companies

**Cash Transfer distribution through third parties/transfer companies**

| Process overview | The receipt, validation, encashment and monitoring of cash distributions through a third party for an emergency appeal |
|---|---|
| CVA modality | Cash grants (conditional or unconditional), cash for work payments |
| CVA delivery mechanism | Through a third-party FSP such as a bank, mobile phone company, remittance company. The transfer can be physical (Direct Cash) or electronic (e.g., mobile money, e-transfers). |
| Pre-conditions | Relevant sections of Risk Management Checklist are completed and accompany the PoA (Annex 2)<br><br>1. Electronic database to transfer data to third party (pre-requisite)<br>2. Guidance and controls on data entry and management<br>3. Functioning markets and commodities available in appropriate quantity and quality<br><br>(*found in CiE toolkit module 1; Develop and Implement folder; Document No. 2.7.3*) |

| Flow of events | Lead responsibility |
|---|---|
| Ongoing needs assessment (relief)<br><br>**As per the organizational Emergency Needs Assessment SOP** | County Coordinators, Regional Programme Coordinator |

| | |
|---|---|
| **Needs assessment or response team (NDRT / RCAT etc.) includes CVA function to facilitate cash feasibility decision making. Initial proposal/Emergency Plan of Action put together and submitted to operations/Program manager for further refinement** | |
| Draft PoA/project proposal<br><br>**Draft PoA (including items and CVA) with input from joint planning between programming, security, finance and logistics where relevant and where capacity is available. Submitted to potential donor for approval.** | Programmes/Operations Manager |
| Once funds are available, Complete programme design and distribution plan (including beneficiary communication and accountability plan)<br><br>**See RC/RC Movement Cash in Emergencies Toolkit Module 4 – Set up and implementation – for guidance and templates** | County Coordinators, Regional Programme Coordinator |
| Tender process (including supplier mapping)<br><br>**Tender process lead and managed by supply chain as per approved KRCS procurement procedures**<br><br>**Finance to identify financial intermediaries to be approached** | Programs/Operations, Procurement, (and Finance) |
| Bid/offer<br><br>**As per KRCS procurement procedures and authorization levels** | Procurement, (and Finance) |
| Prepare, review and approve Comparative Bid Analysis (CBA)<br><br>**As per standard KRCS procurement procedures and authorization levels** | Programs/Operations, Procurement |
| Beneficiary registration<br><br>**The Program/Operations manager manages beneficiary registration and distribution planning. He/she will ensure beneficiary communications and accountability strategy is managed and included in the distribution plan, including community sensitization and adequate feedback and complaints mechanisms (See RC/RC Movement Cash in Emergencies Toolkit for guidance and templates)** | County Coordinators and RCATs |
| Contract with third party / transfer company **(using standard contract Annex - *found in CiE toolkit module 1; Develop and Implement folder; Document No. 2.7.3)*** | Programs/Operations/Admin(legal) |
| Generate electronic file (including final beneficiary list and distribution plan with quantities per beneficiary and planned dates for distribution) | County Coordinators and RCATs |
| Ongoing distribution of goods/cash transfers/combination<br><br>**Where an entitlement card or token is provided by the KRCS, proof of receipt (signature) by beneficiaries must be obtained. Where the KRCS is not involved in the distribution, the third party / transfer company must obtain the proof of receipt or be able to show this through their records. Programming should monitor compliance throughout the project**<br><br>**Programming to provide technical support and monitoring alongside the distributions as necessary and outlined in the PoA/Proposal** | County Coordinators and RCATs |

KRCS CVA SOP Guidelines

| | |
|---|---|
| **Obtain specific IT support systems skills if necessary when using delivery mechanisms that use new technologies** | |
| Request for payment (with supporting documents)<br><br>**Programme team generates electronic beneficiary file and transfers to 3rd party / financial intermediary as per contract and to enable transfer to beneficiaries and provides a calendar of payments to Finance** | Operations/programs finance |
| Validate and execute transfer<br><br>**Validated and approved in line with KRCS financial policy.** | Programs/Operations and Finance |
| Execute money transfer to beneficiaries<br><br>**Third party / transfer company executes payments to beneficiaries as per agreed ID requirements and obtaining required proof of receipt (stipulated in the contract)** | County Coordinators and RCATs, finance, Third party |
| Technical support to beneficiaries<br><br>**Programmers provide the necessary support to beneficiaries to be able to utilise the cash transfer appropriately and especially where conditionality and instalments are provided e.g., for shelter reconstruction, housing rental or for livelihoods strengthening** | County Coordinators and RCATs, |
| Invoice and transfer confirmation document(s) (electronic files) **This should be stipulated in the contract** | 3rd party / finance |
| Receive, register invoice and send to procurement | Procurement |
| Copy of invoice received for processing | Programs/Operations and Finance |
| Proof of receipt / validation of reconciliation<br><br>**Reconciliation as per the KRCS' finance procedures**<br><br>**A control should be agreed with finance as to the frequency of financial validation of reconciliation – weekly/daily depending on encashment plan**<br><br>**Programmes provides proof of receipt and delivery of the cash transfer**<br><br>**Finance validates the reconciliation**<br><br>**procurement ensures contractual compliance**<br><br>**In case of an existing balance a refund may be requested if applicable** | Programmes, Finance and procurement |
| Final reconciliation of third party / transfer company account<br><br>**Third party / financial intermediary financial reconciliation report. Payment to or return of funds as necessary by 3rd party / financial intermediary as per contract**<br><br>**In order to settle and finalize the payment, the following documents will need to be provided:**<br><br>- **The copy of contract/agreement or MoU with the third party / financial intermediary** | Programmes and validation by finance |

KRCS CVA SOP Guidelines

| | |
|---|---|
| - **The copy of the request for payment**<br>- **Final beneficiary list**<br>- **Confirmation of beneficiary receipt/encashment from the KRCS or the third party as per KRCS procedures** | |
| Payment processing for service rendered according to contractual terms and reconciliation | |
| Payment of invoice | Finance |
| Receive payment | Third party |
| Monitoring and reporting<br><br>**Programme manager manages monitoring to ensure beneficiaries can access monies via third parties**<br><br>**Ongoing process and impact monitoring by programmes throughout the project which may or may not lead to project plan adaptation**<br><br>**Post-distribution monitoring conducted including outputs and outcome monitoring** | County Coordinators, RPC Operations and M&E |
| Has the programme met its objectives and have needs been met? – Is there a need to revisit the PoA/Proposal?<br><br>**This includes revisiting the findings from monitoring and beneficiary communication and accountability activities** | Programmes/Operations and M&E |
| Final report to agreed template<br><br>**Finance validates final financial report as per standard KRCS procedures**<br><br>**MEAL checks the final report as per standard KRCS MEAL manual** | Programmes/Operations (narrative), Finance (financial) and MEAL |
| Post- conditions | Market price monitoring over time is registered in the database<br><br>▪ Final distribution report including evidence of beneficiary receipt<br><br>▪ Filing and archiving of relevant substantiating documentation for auditing purposes |

## 18.  Monitoring

Monitoring and evaluation are particularly important for CVA because cash can be spent on different things. This is not intrinsically good or bad, and CVA monitoring and evaluation can help understand that. CVA monitoring helps understand the community perception of the programme, and its effects on non-beneficiary groups.

Cash transfers can affect and be affected by markets or have multiplier effects on the local economy. Therefore, market monitoring, particularly price monitoring, should happen regularly. Finally, CVA evaluation can take place at different stages of the programme, and can help understand whether the expected outputs, outcomes and objectives have been reached, so as to capitalize on learning.

KRCS CVA SOP Guidelines

A cash programme should be monitored to ensure that it remains relevant and to check whether it is being implemented as planned and achieving the expected impact.

- Post-distribution monitoring must be done **14 days** after the initial distribution or at convenient periods.
- Process monitoring shall be ongoing throughout the implementation of CVA. It enables adjustments to be made in the course of a programme. It is particularly important where there are repeated cash transfers over a longer period.
- Baseline data should be gathered before each cash distribution to monitor the progress of the programme. Baseline data can include information on household level income and expenditure, livelihood security, total asset values, food sources, coping strategies, levels of debt and seasonal fluctuations.
- Market baseline information should be gathered on the availability of products (and seasonal differences), prices of essential items, main actors in supplying the market and access to credit both pre- and post-distribution. Household baseline data should be gathered for recipient and non-recipient households.

The following are the key areas to include in monitoring:

- The mechanism of the distribution process (when direct cash/voucher deliveries are being made). This helps ensure people are treated with dignity, distribution facilities are appropriate, and adjustments can be made for future distributions if any problems are encountered.
- Note any restrictions to people's movements and whether curfews were imposed, or tension/violence had escalated, which could restrict people's access to market and labour opportunities.
- How the cash has been spent.
- Monitor markets on a weekly basis, noting the quantity, quality, prices and expiry dates of goods available and/or typical purchases, types of goods purchased, problems in restocking goods and, for voucher programmes, treatment of recipients while shopping, attempts at fraud and any problems that traders have in being paid by the implementing organization.
- Monitor market supply chains (to better understand how markets are supplied and detect the risk of any disruptions which may affect the programme).
- Ensure that price changes are not wrongly attributed to the programme as they may be caused by other factors.
- Social relations and power dynamics within Households and Community at large
- Security situation in accessing and spending cash by the communities being supported.

## 18.1 Evaluation and Learning

Evaluations are intended to draw lessons and improve future practice and policy as well as enhance accountability. To ensure that lessons are learned from implementing different forms of cash transfer, all such programmes should incorporate an evaluation.

The evaluation should include a household survey, including collection of qualitative and quantitative data to ascertain programme impact.

# 19. General information/recommendations for vouchers

## 19.1.1 Types of Vouchers

A voucher can have a money value (value voucher) or a commodity value (commodity voucher). A value voucher has a denominated cash value and can be exchanged with participating vendors for

goods or services of an equivalent monetary cost. Value vouchers tend to provide relatively greater flexibility and choice than commodity vouchers, but are still necessarily restricted as they can only be exchanged with designated vendors. They can be further restricted to enable only to buy specific items or types of items within a vendor shop. They require a larger network of vendors to promote wider choice for beneficiaries and competition among vendors. They are therefore more complex to manage than commodity vouchers.

Commodity vouchers are exchanged for a fixed quantity and quality of specified goods or services at participating vendors. Commodity vouchers share some similarities with in-kind aid in that they restrict and specify the assistance received, but it is accessed at local markets through vendors. From a vendor perspective, they are much easier to handle, as each beneficiary receives the same items. They can be suitable if needs are relatively homogenous. Both commodity and value vouchers have a limited period of validity during which they can be exchanged.

Vouchers can be implemented in an open market, where beneficiaries visit the regular vendor shop, or in a voucher fair (closed market), where vendors are mobilized to expose items meeting beneficiaries' needs (e.g., EHI, food, seeds) at a pre-selected location and for a pre-determined duration (e.g., 1 to 3 days). Voucher fairs are usually implemented with value vouchers. The items of interest are identified with the beneficiaries beforehand, so that the vendors respond to their priorities and needs and vendors are not allowed to bring in other articles than those approved in the contract. Voucher fairs can be used in situations where beneficiaries do not have access to regular markets.

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### 19.1.2  Pricing and vouchers

There are different ways to deal with prices in a value voucher programming:

- The simplest way is to let the price be determined by the local market and contracted vendors themselves. The assumption is that there is sufficient competition between vendors so that the prices charged in exchange for vouchers are the same as the regular prices in a shop. There is however a risk that the vendors will collude and charge higher prices in exchange for vouchers.

- Secondly, the other option is to agree with the vendors on the price for each commodity ahead of each voucher distribution or in the contract. This approach reduces the risk of price increases for beneficiaries and allows the ICRC to inform the beneficiaries on the precise prices ahead of the voucher distribution. The agreed prices should be displayed at every contracted shop.

- The third way is to agree with the vendors on a price ceiling for each commodity ahead of each voucher distribution or in the contract. This provides and incentive to competing vendors to slightly decrease their prices while protecting beneficiaries from price increases beyond the established ceiling.

A commodity voucher is valid only for a specified type and quantity of items or services. Thus, prices for each commodity or service need to be agreed with the vendor ahead of each voucher distribution or in the contract (in case it is one off voucher distribution).

### 19.1.3 Printing and designing paper or electronic vouchers

Paper vouchers should as a minimum contain the monetary value (if value voucher) or the quantity of goods / services (if commodity voucher), a serial number and a validity date. Other information can be added as required.

Paper vouchers **should not** be printed in the same area of program implementation and **should not** be provided by the vendors who are participating in the programme. The following contract template should be used to contract a printing company.

*For more information, please consult the tips on how to design vouchers.*

Value vouchers can have one (i.e., all paper vouchers have the same value) or several denominations (i.e., different vouchers represent different values). The more denominations the paper vouchers have, the more complicated the distribution and reconciliation gets. Therefore, it is strongly recommended to keep the number of denominations to the minimum.

Normally, the entire paper voucher has to be spent in the same shop. Therefore, it is essential in value voucher Programmes that beneficiaries receive several vouchers, so that they can obtain commodities from different shops.

### 19.1.4 Vendor contracting and payment for voucher programming

Before launching the tender, it is mandatory to define clear specifications on goods to be supplied from vendors. Furthermore, based on the size of the programme, the geographical distribution of beneficiaries and knowledge about the approximate capacity of potential vendors (from the feasibility assessment), Programmes department implementing the intervention should be able to estimate how many vendors should approximately participate in the programme. After all these are in place, Procurement can start the vendor contracting process.

### 19.1.5 Voucher implementation

For a smooth implementation of voucher intervention, it is essential that both vendors and beneficiaries are well sensitized in regards to the voucher modality and the details of the project. Key information to be shared and discussed with vendors and beneficiaries can be found here. The Programmes Department implementing the intervention is responsible to distribute the vouchers to registered beneficiaries. A voucher distribution plan can help in planning for the distribution, while the voucher distribution list should be filled by the staff conducting the distribution. The voucher distribution list template can be adapted as required. However, it is essential that voucher serial numbers are assigned to the beneficiaries and that beneficiaries confirm the reception of the vouchers through signature.

Following the reception of the vouchers, beneficiaries will be provided a timeframe to redeem the vouchers at contracted vendors. Vendors can be required to keep track of the beneficiaries that redeem their vouchers at their stored by filling the voucher redemption form if required by the programme. The voucher redemption form template can be adapted as required. As a minimum, it needs to include beneficiary name, ID number, serial numbers of vouchers redeemed, total amount redeemed (if value voucher) and space for the beneficiary signature. In addition, vendors can also be asked to list the items sold to each beneficiary in the form. It is essential that vendors are trained on how to fill the form properly. Vendors are to submit the redeemed vouchers (together with the filled voucher redemption form if used) and an invoice to KRCS Procurement/Finance at the end of the

project or at intervals agreed in the contract. The number and value of the redeemed vouchers needs to match with the information on (the voucher redemption form if used, and) the invoice. Procurement shall be responsible to conduct the reconciliation and finalize the POs for vendor payments

### 19.1.6 Handling undistributed Vouchers:

All undistributed vouchers should be returned by the Programmes team implementing, who need register undistributed vouchers, void them (by punching and crossing them or similar) and store them in a safe place as will be guided by Procurement.

# 20. Data Protection and Management of Beneficiary information.

Protecting individuals' Personal Data is an integral part of protecting their life, integrity and dignity. This is why Personal Data protection is of fundamental importance for Humanitarian Organizations. In the recent years, the development of new technologies allowing for easier and faster. Processing of ever-increasing quantities of Personal Data in an interconnected world has given rise to concerns about the possible intrusion into the private sphere of individuals. Kenya passed the Data protection Act in 2019, with a Data Commissioner installed to address Data protection needs and compliance. KRCS shall be considered as a Data Controller in accordance to the Data protection Act, and shall thus be required to comply to rules and regulations for data controllers on how Data is handled. The Handbook on Data Protection in Humanitarian Action[4], and the KRCS Policy on Data Protection, seeks to raise awareness and assist Humanitarian Organizations in ensuring that they comply with Personal Data protection standards in carrying out humanitarian activities, by providing specific guidance on the interpretation of data protection principles in the context of Humanitarian Action, particularly when new technologies are employed. CVA, with its focus on using third party financial service providers, pose privacy-related threats and risks associated with the inherent collection, handling and transfer of individuals' personal data. This is especially due to the involvement of many third parties necessary for the provision of cash assistance services, such as financial institutions and mobile network providers, creating complex data flows and leading to a loss of control over both the data collected and the meta-data generated in the course of KRCS' CVA interventions.

Programmes and implementing teams shall ensure that Data Protection Impact Assessments (DPIAs) are drafted so as to:

> (a) identify the privacy risks to individuals, in particular, those deriving from the data flow and stakeholders involved;
> (b) identify the privacy and data protection compliance liabilities for the organization;
> (c) protect the ICRC's reputation and instill public confidence in the programme; and
>  (d) ensure that the ICRC does not compromise on the neutrality of its Humanitarian Action.

The DPIA will help to analyze, document and understand the flow of beneficiary data for each CVA intervention, in order to identify the risks involved and develop risk mitigation strategies. Each unit shall work with the Advocacy and Policy Unit of KRCS under ICHA to develop specific DPIA tools and methodology. Until these DPIA tools and guidance have been field tested, each department implementing CVA in the field must contact the Policy unit specific advice on how to assess the data protection risks in their CVA activity, and also how to evaluate FSPs in light of data protection concerns.

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[4] Handbook on data protection in humanitarian action

KRCS CVA SOP Guidelines

**Ways of Working**

## 21.  CVA Working Group

The CVA Manager and focal points at various levels will represent KRCS in Cash Working Group meetings for learning and sharing of experiences at Global, National, Regional and County Levels.

## Cash Focal Point

## Main Duties and Responsibilities at National Level

- Work closely with the relevant manager(s) to identify appropriate Cash transfer modalities for KRCS disaster operations related interventions and development programmes.
- Ensure appropriate vulnerability and targeting criteria is used to register the most vulnerable families to benefit from cash assistance, including supervision of the registration process and data entry to the database system.
- Supervise household visits and ensure procedures for beneficiary management and communication are followed
- Supervision of the maintenance of the records in hard and soft copy of all the beneficiaries as required and guiding the project staff in KRCS
- Ensure implementation of all project guidelines with regard to disbursement of payments to the beneficiaries. Administer and monitor cash transfer and payment mechanisms, including follow-up of payments in the database and communication with the payment service providers
- Work closely with the KRCS procurement, logistics and finance teams regarding identification of service providers and procurement of beneficiary communication tools
- Conduct any necessary market assessment related to CVA.

**Capacity Building**

- Participate in the capacity building of KRCS staffs to implement cash and voucher programmes in a technically appropriate way through knowledge transfer, training, mentoring, development of good practice and evidence-based research.
- Capacity building for KRCS CVA implementing teams (mostly volunteers & other partners such as traders & Payment Service Providers) at the field level on cash programming: provide technical support to KRCS staff on CVA (training and supervision)

**Review and develop systems, materials and tools for Cash and Voucher Assistance (CVA)**

- Support the development of Guidelines/Standard Operating Procedures for cash transfer programming (cash for work, conditional and unconditional cash grants, vouchers programming) and ensure its incorporated in the Disaster Management Policy and implemented/followed in the subsequent CVA pilot projects
- Contribute to the CVA Monitoring and Evaluation (M&E) system set-up, in coordination with the field and M&E teams
- Undertake data collection, database management, and tracking of M&E outputs
- Analyse data collected from M&E activities and utilize information to strengthen future work

KRCS CVA SOP Guidelines

**Capture Monitoring and lessons learnt**

- Monitoring of all cash transfer elements of the disaster operation and development programs in the target areas within the country, ensuring targets are met

- Follow the cash program and activities ensuring that reports are completed on time and to a professional required standard;
- Carry out monitoring field visits and support volunteers and other participating staff in adhering to the compliance
- Carry out monitoring and evaluation activities including process, market and impact monitoring and capture learning and feedback to improve the Cash based response.
- Document cash transfer processes in a case study report to be shared internally and with partners
- Support in the organization of review meetings of CVAs to identify lessons learned.

**Coordination and Partnerships**

- Representation of KRCS at external cash coordination forums at national and field levels (compulsory at field level; at national, as requested) – currently this includes Cash Working Groups, and the CaLP regional and Kenya working groups

- Chairs the CVA Internal Technical Working Group at National Level

- Attend programme progress review events and contribute to future programmatic priorities.

**Administrative roles**

- Compile & upload the CVA related resources available on the intranet site (Tools, Documents, Lessons Learned, etc)

- Support the preparation of workshops, trainings and meetings

- Undertake general photocopying, faxing, scanning, filing, records, data entries and preparation of printed materials

- Organize meetings in outlook calendar

- Assist the project team in procuring items and follow up with logistics and procurement on progress

- Assist in preparation of cash requests with guidance on the coding from the programme manager

# 22. Main Duties and Responsibilities at Field Level

**Implement Cash and Voucher Assistance (CVA) at Field level**

- Work closely with the relevant manager(s)/ Coordinator(s) and National CVA Focal Person to identify appropriate Cash transfer modalities for KRCS disaster operations related interventions and development programmes.
- Ensure appropriate vulnerability and targeting criteria is used to register the most vulnerable families to benefit from cash assistance, including registration and correct data entry to the database system.

KRCS CVA SOP Guidelines

- Conduct household visits and implement following using procedures for beneficiary management and communication.
- Maintain the beneficiaries' records in hard and soft copies adhering to requirements of confidentiality of beneficiary records.
- Implement all project guidelines with regard to disbursement of payments to the beneficiaries. Administer and monitor cash transfers, payment and encashment including expenditure.
- Work closely with the KRCS procurement, logistics and finance teams regarding identification of service providers and procurement of beneficiary communication tools.
- Conduct any necessary market assessment related to CVA.

**Capacity Building**

- Participate in the capacity building of KRCS staff and volunteers including partners at the field to implement cash and voucher programmes in a technically appropriate way through knowledge transfer, training, mentoring, development of good practice and evidence-based research.

**Review and develop systems, materials and tools for CVA**

- Support the development of Guidelines/Standard Operating Procedures for cash transfer programming (cash for work, conditional and unconditional cash grants, vouchers programming) and ensure it is implemented/followed in CVA.
- Contribute to the CVA Monitoring and Evaluation (M&E) system set-up, in coordination with the National Programme Officer/Manager and M&E teams.
- Undertake data collection, database management, and tracking of M&E outputs

**Capture Monitoring and lessons learnt**

- Monitoring of all cash transfer elements of the disaster operation and development programs in the target areas within the country, ensuring targets are met

- Develop CVA reports in time and to a professional required standard using approved reporting tools.
- Carry out monitoring field visits and support volunteers and other participating staff in adhering to the compliance
- Carry out monitoring and evaluation activities including process, market and impact monitoring and capture learning and feedback to improve the Cash based response.
- Document cash transfer processes in a fact sheet to be used in producing case study report to be shared internally and with partners.
- Support in the organization of review meetings of CVAs to identify lessons learned.

**Coordination and partnerships**

- Representation of KRCS at external cash coordination forums at Regional, County/field levels (compulsory at field level) – currently this includes Cash Working Groups (CSG), and the CaLP regional and Kenya working groups.

- Attend programme progress review events and contribute to future programmatic priorities.

KRCS CVA SOP Guidelines

**Administrative roles**

- Support the preparation of workshops, trainings and meetings

- Undertake general photocopying, faxing, scanning, filing, records, data entries and preparation of printed materials

- Assist the project team in procuring items and follow up with logistics and procurement on progress.

- Assist in preparation of cash requests with guidance on the coding from the programme manager/Officer.

# 23. DM/programs

Coordinate with DM operations team to identify the most appropriate response option.

# 24. Coordination with Movement Actors

In case of large CVA operations that may require external support/surge capacity, KRCS will reach out to IFRC for CVA delegates to support the operation. KRCS will also endeavour to participate in the Cash Learning Partnership's (CaLP's) and Cash Peers Coordination activities.

# 25. External coordination with non-Red Cross Red Crescent actors

- KRCS will work in coordination with non RCRC movement actors doing cash transfers in various Counties to ensure adequate cash coordination and harmonization of transfer values, implementation and monitoring.

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**Legal provision**

The procedures stated in this document are subject to the KRCS Code of Conduct, Anti-Corruption Policy, Whistle Blowers Policy, Disaster Management Policy, and all other relevant KRCS Policies. They come into force as of October 2016.

Author Department: _____

Date Approved: _____

Name of Approver: _____

Proposed revision date: _____

Date (s) of Revision: _____

Name of Approver: _____

Annexes

1) The standard CVA tools and document templates can be accessed at http://rcmcash.org/toolkit or www.rcmcash.org/toolkit
2) Cash in Emergencies toolkit for Forecast based financing
3) Glossary of Terminology for Cash and Voucher Assistance http://www.cashlearning.org/resources/glossary