

# Strategy for Cash & Voucher Assistance 2024-2025



## 1 Strategic Objective

1

Strengthen operational and response capacity for institutional CVAP.

2

Enhancing programme quality through strengthened beneficiary data management and CEA

3

Strengthen representation, coordination and collaboration with internal and external partners and engaged in national cash coordination group.

4

CVA operations are systematized, measured, evaluated and best practices are recorded and disseminated among relevant stakeholders.

## Introduction

Cash and Voucher Assistance (CVA) allows crisis affected vulnerable people to have freedom, greater dignity, and independence to make decisions regarding their priority needs. People can access functioning markets using CVA as an efficient and effective way of delivering humanitarian assistance and services. Further, CVA can assist people to decide on their pathway to recovery and facilitate their return to a productive life, with sustainable livelihoods and durable solutions. Scaling up CVA as part of the wider humanitarian actions can serve as an entry point for vulnerable groups and disaster affected population to access social protection assistance.

In 2016 the Grand Bargain was signed, a unique agreement between some of the largest donors and humanitarian organisations, aimed at increasing efficiency and effectiveness of humanitarian aid as well as addressing significant humanitarian financing gaps globally. Two of the commitments made by humanitarian actors under this agreement were providing more funding to national responders and scaling up cash as a key modality in humanitarian response efforts.

In response to the Grand Bargain, the International Red Cross and Red Crescent Movement (RCRCM) is committed to scale up CVA interventions and increase local capacities for swift humanitarian service delivery to those affected by disasters and crisis.

Nepal Red Cross Society (NRCS) has used CVA in different in different disasters for emergency and recovery purposes and in post-conflict responses. Some of these included livelihoods support to very vulnerable people, Micro-Economic Initiative (MEI) to conflict-affected families in 2006, cash for temporary shelter for families affected by Koshi Flood in 2008, cash for progressive shelter in the Mid-west flood in 2014, several CVA interventions after 2015 Earthquake. CVA was used for livelihoods and WASH support in 2017 flood recovery operation. CVA packages were given to flood and landslides affected families in monsoon DREF operation in 2020 – 2023. Additionally, NRCS has also experience of using CVA in Anticipatory Action.

In Nepal, CVA is rapidly growing within the Government as well as the humanitarian agencies and many positive results have been seen in the field. NRCS embraces CVA as a priority and there is a commitment for CVA to become the preferred response option, if feasible, in both, development programs and disaster responses.

NRCS started its CVAP journey in 2018, with the support from International Federation of Red Cross and Red Crescent Societies, Asia Pacific (IFRC, AP) region and British Red Cross a review took place in 2019 where NRCS CVA capacity was reviewed the RCM CVAP framework<sup>1</sup> and building CVAP capacity along four areas/pillars (Area 1: leadership commitment, Area 2: systems,

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<sup>1</sup> <https://cash-hub.org/resource/theory-of-change-cash-and-voucher-assistance-preparedness/>

programs and tools, Area 3: financial resources and capacities and Area 4: communication & coordination).

The review report highlighted that there were many areas specially Area 2 and Area 4, where NRCS has strengthened their capacity but still there were limitations to enhance the use of CVA at scale, timely and accountably. From 2019, NRCS has implemented the CVAP PoA to strengthen further CVA readiness with the support from different partners. The focus and efforts of NRCS were to finalize (a) cash Standard Operating Procedure (SOP), (b) lead National cash coordination group, (c) establish cash working group within the RCRC movement, (e) produce quarterly cash newsletter to strengthen coordination with the Government and other stakeholders and (f) learning from cash response.

In the spirit of alignment with IFRC Strategic Plan 2021 – 2025<sup>2</sup> and the Global Cash Leadership flagship the NRCS is aiming to develop and endorse the CVA strategy 2024-2025.

## Purpose

With the increasing use of Cash and Voucher Assistance (CVA) as a service delivery modality in humanitarian programming, the NRCS Strategy for Humanitarian CVA 2024 - 2025 outlines the overall goal and strategic objectives for systematizing, expanding and integrating CVA across the humanitarian programmes. The document provides an overview of how NRCS uses CVA as part of its humanitarian response as well as contribute to long-term development and building resilience. It also sets a forward-looking plan with concrete actions required for effective use of this modality within NRCS programming. NRCS will be focusing CVA modality along with in-kind goods and services. While NRCS has been using CVA for decades, there is a need to further institutionalize and systematize the approach. To this purpose and prior to drafting this strategy, NRCS made a common understanding of what CVA means, and where, why and when to use them, to ensure higher level of efficiency and effectiveness.

## VISION, GOALS, OBJECTIVES AND AREA OF FOCUS

### Vision

NRCS to be ready to respond through Multipurpose CVA covering 30% of its overall programming response, mainstreaming it to its sectorial activities and increasing this modality to 50% by 2025. This would be driven by the needs of the most vulnerable people and by relying on NRCS's 8<sup>th</sup> Development Plan .

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<sup>2</sup> [Plan-and-Budget-promo-doc-FINAL.pdf \(ifrc.org\)](#)

## Goals

In collaboration with other stakeholders, NRCS aims to meet the needs and to cover the gap of the disaster affected population, treating them with dignity and respect by:

- Undertaking Cash and Voucher Assistance Preparedness (CVAP) as a key step to improve NRCS institutional capacity to scale up CVA for all types of disaster by investment in preparedness and capacity building.
- Developing the CVA information management to improve NRCS's capacity to manage data during large-scale response and to improve case management by linking the system with a feedback mechanism.
- Advocating with governmental institutions for better collaboration on CVA & partnership building with relevant/different stakeholders.
- Building an evidence base to measure the CVA programme impact and its effectiveness.

**Enablers:** Achieving this goal will require the commitment of district chapters and departments at the headquarters level within NRCS, specifically the Disaster Management (DM), Community Development (CD), Health Services, Finance and Resource Management, Gender Equality and Social Inclusion (GESI), Humanitarian Value and Communication Departments in coordination with the International Federation of Red Cross and Red Crescent Societies (IFRC), International Committee of Red Cross (ICRC), and Partner National Societies (PNSs) in the country.

## Strategic Objectives

**Strategic Objective 1: Strengthen operational and response capacity for institutional CVAP.**

The below is based on the CVAP review that took place in September 2023 where a CVAP self-assessment midterm review happened. A reviewed CVAP PoA is in place from that review. The key focus areas and main actions to be implemented in order to accomplish this objective:

Area of Focus	Key action points
<b>Contingency Planning</b>	<ul style="list-style-type: none"><li>• Roll-out CVA SOP.</li><li>• Updated CVA monitoring tools, templates are in place.</li><li>• Provisioning of electronic devices e.g., cell phone, tab etc.</li><li>• Include CVA in relevant documents of NRCS like Contingency Plan, Disaster Management Plan, Response Manual etc.</li><li>• Periodical revision of CVA SOP etc.</li><li>• Mapping of Financial Service Providers (FSPs), available updated report of market assessment.</li><li>• Trained Communication Engagement and Accountability (CEA), Information Management (IM), Planning Monitoring Evaluation Reporting (PMER), communication, logistics staff are in place.</li></ul>

<b>CVA Advocacy</b>	<ul style="list-style-type: none"> <li>• Sensitization and incorporation of CVA concept among governance and management of Headquarters, Provinces and District Chapters.</li> <li>• Promote and strengthen linkage on social protection mechanism.</li> <li>• CVA advocacy to local authorities including capacity building.</li> </ul>
<b>HR Cash Competency Development</b>	<ul style="list-style-type: none"> <li>• Capacity building trainings (CVA/ KOBO/ IM) to NRCS staff and volunteers at all levels.</li> <li>• Identifying CVA focal persons in all 77 districts and interacting with them from time to time on the CVA program.</li> <li>• Maintaining trained CVA human resource roster.</li> <li>• Enhance the capacity of logistic and procurement staff.</li> </ul>
<b>Increase CVA through Multi-Sectoral and Programme Specific Response</b>	<ul style="list-style-type: none"> <li>• Increase utilization of multi-purpose cash assistance.</li> <li>• Increase utilization of CVA on forecast-based action/ Early Action Protocol (EAP) by Disaster Relief Emergency Fund (DREF).</li> <li>• Explore CVA in urban and resilience/long-term programming.</li> <li>• Explore the use of CVA to address migration and displacement effects.</li> <li>• Increase CVA through coordination and linkage with specific sector.</li> <li>• CVA technical support to sectoral experts.</li> </ul>
<b>Strengthen Internal Systems and Promote Innovation</b>	<ul style="list-style-type: none"> <li>• Strengthen coordination and capacity of internal Cash Technical Working Group (CTWG) with regular meetings, interaction and interlink with humanitarian Cash Coordination Group (CCG) in the country.</li> <li>• Promote and utilization of updated information and technical know-how.</li> <li>• Ensure effective utilization of updated knowledge in the internal system.</li> <li>• Explore new technologies.</li> <li>• Development of framework agreement with Financial Service Provider (FSPs) at HQs, Province, and District Chapter level.</li> <li>• Strengthen learning and sharing practice through different platforms.</li> </ul>

Strategic Objective 2: Enhancing programme quality through strengthened beneficiary data management, PGI and CEA

Key focus areas and main actions to be implemented to accomplish this objective:

Area of Focus	Key action points
<b>Data Readiness and Information Management</b>	<ul style="list-style-type: none"> <li>• Link beneficiary database with the MIS system.</li> <li>• Strengthen local/ national level data archiving system.</li> <li>• Biometric verification and data encryption.</li> <li>• Develop information collection system (beneficiaries, trained HR, surge roster) at all levels.</li> <li>• Collaboration with Government for National Identification (NID)/ Social Service Allowance (SSA) verification.</li> <li>• Cash Readiness linked with the Emergency Operation Centre (EOC).</li> <li>• Established information hubs at all levels i.e. headquarters, provincial and chapters level.</li> <li>• Integration of Hazard Mapping with vulnerable people (link between beneficiary data along with flood alert).</li> </ul>
<b>Feedback Mechanism and Community Engagement and Accountability</b>	<ul style="list-style-type: none"> <li>• Orientation/sensitization on CEA to the community before cash intervention as part of preparedness.</li> <li>• Established community CEA team for information dissemination and feedback/verification.</li> <li>• Established /Setup regular information dissemination on CVA.</li> <li>• Selection of CEA focal person at all levels.</li> <li>• Strengthen coordination and collaboration with local government on information sharing, briefing, etc.</li> <li>• Establish different modality for Forecast Based Action (feedback should be addressed within a short time). Strengthen feedback handling and response mechanism.</li> </ul>
<b>Protection Gender and Inclusion</b>	<ul style="list-style-type: none"> <li>• Establish an inclusive beneficiary targeting mechanism including women, children, elderly, person with disability, LGBTIQ+ people and marginalized communities.</li> <li>• Engage local communities, particularly women and marginalized groups, in decision-making processes regarding CVA programming.</li> <li>• Prioritize safe and accessible distribution mechanisms, considering factors such as proximity to households, transportation accessibility, and security measures.</li> <li>• Implement measures to safeguard the well-being and dignity of affected people, particularly women, children, persons with disabilities, and marginalized groups.</li> <li>•</li> </ul>

Strategic Objective 3: Strengthen representation, coordination and collaboration with internal and external partners and engaged in national cash coordination group.

The key focus areas and main actions to be implemented to accomplish this objective:

Area of Focus	Key action points
<b>Ensure Participation from relevant Department and RCRC Movement Partners in CTWG.</b>	<ul style="list-style-type: none"> <li>• Organize quarterly CTWG meeting with relevant departments of NRCS and in country RCRC Movement partners.</li> <li>• Maintaining regular coordination with RCRC regional/global platform.</li> <li>• Engaged/includes CTWG members in relevant workshop/seminar.</li> </ul>
<b>Enhance and explore External Partnership and Engagement.</b>	<ul style="list-style-type: none"> <li>• Organize meeting with key Stakeholders.</li> <li>• Stakeholder's Mapping/identification FSP/Supporting Partners/Potential Donors.</li> <li>• Plan and collaborate with Government agency (Prime Minister Relief Fund, Ministry of Home Affairs, Ministry of Women, Children and Senior Citizen, Ministry of Federal Affairs and General Administration (MoFAGA), National Disaster Risk Reduction and Management Authority etc.) to provide CVA.</li> <li>• Showcasing relevant best practices by organizing workshops/seminars.</li> <li>• Regular meeting with FSPs.</li> </ul>
<b>Strengthen Participation and Representation in Cash Coordination Group</b>	<ul style="list-style-type: none"> <li>• Ensure NRCS participation in CCG.</li> <li>• Hosting Cash Coordination Group meeting.</li> <li>• PEER learning, Cross learning and exposures.</li> </ul>

This objective is also aligned specially with Area 4 of the CVAP framework.

Strategic Objective 4: CVA operations are systematized, measured, evaluated and best practices are recorded and disseminated among relevant stakeholders.

The key focus areas and main actions to be implemented in order to accomplish this objective:

Area of Focus	Key action points
<b>Enhance Reporting Mechanism</b>	<ul style="list-style-type: none"> <li>• Online CVA dashboard development for timely.</li> <li>• Reporting and showcasing interventions.</li> <li>• Encourage research studies.</li> <li>• Conduct evaluation.</li> </ul>

<p><b>Information Management and Sharing</b></p>	<ul style="list-style-type: none"> <li>• Process monitoring, data gathering &amp; analysis.</li> <li>• Lessons learned documented through workshops and learnings and best practices shared internally and externally.</li> <li>• Cross-learning workshop.</li> <li>• Cross-learning visit (internal &amp; external).</li> </ul>
<p><b>Improve Cash Visibility</b></p>	<ul style="list-style-type: none"> <li>• Develop fact sheets, case studies, and newsletter.</li> <li>• Develop a CVA web page.</li> <li>• Share information with Cash-Hub, Community of Practice (CoP), Cash and Learning Platform (CaLP) Network.</li> </ul>

This objective is also aligned with Area 5 of the CVAP framework.

## Strategic Approach

### Accountability to the recipients

NRCS will influence the significance of CVA to uphold its fundamental accountability to crisis affected people. Through participatory assessments using the Age, Gender and Diversity approach, consultations with individuals and communities and monitoring, NRCS has found that people in most contexts view CVA as a more flexible, appropriate, and effective approach in meeting their needs than in-kind assistance. CVA will be designed and implemented in a manner that considers specific protection risks they face and their assessed needs, as well as their capacities. NRCS mechanism for the Protection of Personal Data will be ensured while implementing CVA. NRCS has committed to promote and use CVA to meet the needs of the affected population in the shortest possible timeframe.

### Coordination and Partnerships

Coordination is essential to meet the most critical humanitarian needs in an effective manner. In crisis contexts, NRCS will ensure that CVA is implemented effectively in coordination with the government and other humanitarian actors. NRCS will work within the established inter-agency coordination mechanisms. NRCS representatives will ensure that strategic and operational planning processes systematically consider CVA as a modality for delivering assistance. At the technical level, NRCS will ensure that CVA features in discussions on the multi-sectoral and sectoral response operations. NRCS programme and technical staff will be responsible for reviewing the feasibility and appropriateness of using CVA at the sectoral level or through multipurpose cash grants, working in coordination and collaboration with partners.

Successful implementation of the Strategy will depend fundamentally on partnerships. NRCS will build upon traditional partnerships with RCRC movement partners, governments, UN agencies and international NGOs, while developing new relationships with the national and local actors and the private sector.



### Private Sector engagement for digitalization and technological application

NRCS must adopt a broader understanding and vision of partnership to seize the opportunities presented by CVA. New and non-traditional partners will include financial sector experts, institutions, companies and research bodies. Accessing such expertise is necessary to enable NRCS to navigate complex regulatory environments arrangements, challenging data protection issues and the possibilities created by rapid innovation in technology. NRCS's relationships with these partners may take the form of commercial contracts in some cases or may be managed as private sector partnerships. Innovation is a driving force in the CVA journey. New solutions to support digital payments, access to financial services and identity management are shaping the environment and creating new opportunities for delivering CVA.

### Monitoring, Evaluation and Learning

NRCS must be able to demonstrate the impact that CVA have in the lives of people. NRCS's current monitoring and reporting systems will adapt CVA. New approaches and indicators are needed to measure the results achieved by CVA interventions. NRCS will make sure there are planned evaluation and learning exercises learnings of the different CVA programs. Those learnings will be incorporated into CVA responses to continuously improve in the service delivered to communities.