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Webinar Questions and Answers

Webinar title: Cash and Voucher Assistance (CVA) in Armed Conflict – the ICRC's Experience
Date: 28.08.2024

Question	Answer
Is the ICRC's CVA managed by the Economic Security (EcoSec) department, or is it also used by other departments?	The ICRC is mainstreaming CVA such that it is a response modality available to all Departments when it is deemed the most appropriate. The Economic Security Department remains the largest cash budget holder, but Health, Protection, and Water Habitat units are also using CVA.
What are the strategies and practical steps to mitigate the risk of unintended distortion of markets when using CVA? Are there any examples that can be shared?	Whether in conflict settings or otherwise, it's crucial to conduct thorough market assessments beforehand and engage with all market actors involved. In conflict settings, we include informal markets and actors from different sides of the frontline to understand the dynamics clearly. Sometimes, alongside cash assistance, we engage in deeper market analysis and, in turn, market-based programming to ensure actors have the capacity and availability to support the increased purchasing power of households. It's important to be humble and recognise that market actors are often very resilient and will adapt extremely fast. Our share of the humanitarian response is usually small compared to the larger market dynamics at play, so we must acknowledge that we are just one player among many.
Does the ICRC observe a natural switch from physical cash to using digital payments / e-transfers[1] by people living in areas affected by armed conflict? Or do digital payments / e-transfers tend to be something new you propose to populations affected by armed conflict?	It really depends on the context. In some cases, the affected population switches to e-transfers themselves to mitigate risks, such as families separated by conflict ensuring they can cover their basic needs. We see a trend towards using e-transfers, but not universally. It's important to conduct cash feasibility assessments, consider recipient preferences, and existing transfer solutions to find the most suitable option. The answer is very context-specific.

Yes, where possible, we recognise that introducing new solutions like mobile wallets can create long-term financial solutions beyond humanitarian assistance, potentially contributing to financial inclusion. However, this isn't always the case. We must consider people's preferences and the feasibility of the transfer mechanism. Often, we use a hybrid approach, sending funds electronically but allowing recipients to redeem them in cash, which often remains preferred and is important for its tangibility in many contexts. |
| Is CVA suitable in contexts where intra-household power dynamics may pose challenges, for example with men deciding how cash is spent no matter who receives the assistance? How can we seek to overcome these challenges? | The mitigation measures for this are similar to any humanitarian action we undertake. Before selecting CVA as the response option, we consider the existing social dynamics within the household and the community. If there's a risk of negative outcomes, we advocate for or mobilise changes beforehand and engage with the community. For instance, when assisting survivors of sexual violence, who are often marginalised, we sometimes conduct campaigns and advocacy work to help address stigma. Additionally, we ensure two-way and proactive accountability |

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[1] **Digital payments (or e-transfers)** refer to electronic transfers of money or e-vouchers from the implementing agency to a recipient. They provide access to cash, goods and/or services through mobile devices, electronic vouchers, or cards (e.g., prepaid, ATM, smart, credit, debit cards). Digital payments/e-transfers are umbrella terms for e-cash and e-vouchers. Source: CALP Network's Glossary of Terms

	measures are in place, including feedback and complaint mechanisms for recipients to give feedback, while actively monitoring and asking the right questions on our activities.
There have been some exciting developments across the Movement in terms of developing and using digital solutions. What are the ICRC's plans for developing its use of these tools, whether for self-registration using an application like AccessRC, or otherwise? How do you see this space at the moment?	The development in digital technologies offers many new opportunities for us. However, engaging with something like self-registration is very context-specific. We need to ensure that people are digitally literate and can engage with it properly, and that we don't miss out on those who can't access digital solutions. In some contexts, like Ukraine, where people had identification, were digitally literate, and financially included, self-registration applications was successful. But this isn't the case everywhere. We must ensure alternate methods of registration, maintain a physical presence, and provide other ways to access assistance. Additionally, we must be careful with data protection, ensuring we know who the supplier is, where the data is collected, stored, and transferred, especially when registering people affected by conflict. This data can be very sensitive and potentially targeted, so we need to manage it responsibly and mitigate any risks.
How do you minimise the risk of misappropriation of CVA in contexts of armed conflict?	The risk of aid diversion is not particular to cash and is susceptible to any programme regardless of the type of modality (cash, voucher or in-kind) but may be heightened where there is lack of accountability particularly in areas with limited physical access. This is why it's important to ensure strongly accountable systems (e.g. reconciliation, spot checking), monitoring, and mechanisms for feedback and complaints throughout the process. Some of the digital mechanisms increasingly being used for cash assistance provide and document more of an electronic 'paper trail' which makes it more possible for fraud to be detected in the first place. This helps us address the issue head on if needed. Though risk cannot be eliminated entirely, there are many mitigating measures and controls. Guidance and case studies exist in the Movement highlighting both preventive and detective measures that can be put in place including segregation of duties, process monitoring, and communication and engagement with communities.
With regard to managing the risk of potential negative impacts on the protection of individuals when using CVA, how are assessments conducted, and how thorough are these assessments?	Different population groups will have different protection risks – children, survivors of sexual violence, the elderly, the disabled, those with no ID, migrants, etc. may all have varying needs and concerns. This is why it is important that these risks are assessed with a multidisciplinary team before implementation of any activities, to ensure that all factors are considered and fundamentally that we do no harm. This is true regardless of what activity we do, but additional requirements should be considered, especially when providing CVA through a formal financial service provider (FSP) such as the potential need for formal ID and legal age in order to own certain financial products, as well as the potential screening of individuals as part of the know your customer (KYC) process (and the potential exposure it may cause).

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To what extent does the ICRC get involved in advocating or raising awareness with local authorities or decision makers (e.g. community leaders) and national authorities when these are seen as blockers for CVA – and when other environmental and market factors are favourable for CVA?	The ICRC's priority is to remain neutral and maintain its acceptance by all sides of the party to ensure that we have access to fulfil *all* our humanitarian mandate – including detention visits and upholding international humanitarian law (IHL), not only its provision of cash and voucher assistance. Depending on the context, the ICRC may support advocating or raising awareness and/or rely on collective structures like the National Cash Working Group to advocate on behalf of all humanitarian actors.
I really liked how you balanced the risks (market distortion, protection risks) of in-kind aid against cash – sometimes people only apply these risks to cash! But do you have any reflections on working within sanctions regimes when it comes to cash programming?	Sanctions can take a variety of forms and can impact relationships or transactions of goods, services, or money with targeted countries, entities, or individuals. Therefore, its impact does not only impact CVA, but also our ability *in general* to protect and assist people affected by armed conflict and/or our ability to operate in accordance with the principles of humanity, impartiality, neutrality, and independence. Also keep in mind that many of these sanctions regimes impact not only humanitarian organisations but also directly the civilian populations that may also rely on such goods and services. The ICRC has a dedicated internal working group on restrictive measures which covers sanctions regimes, counterterrorism measures and their related administrative impediments. This group works through humanitarian diplomacy; information and evidence gathering and analysis; donor relationships and funding agreements; logistics, finances, and compliance on a case-by-case basis taking into account the priorities and sensitivities of relevant stakeholders.
What is the ICRC's experience in group cash transfers when delivering cash assistance to people affected by conflict in hard-to-reach places?	The ICRC is implementing group cash transfers in various contexts, for example supporting community organisations or women's associations with the development of income-generating activities; supporting loans and saving associations; or for other types of sectoral objectives (livestock or agricultural programmes). Cash is usually provided alongside structured capacity-building tools and technical support. The ICRC aims at working mostly with pre-constituted groups, with prior experience of managing shared assets, to maximise chances of success. Particular attention to conflict dynamics is paid at the assessment stage.