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Cash Practitioner Development Programme (CPDP) participants share key insights and lessons learned from the implementation of Cash and Voucher Assistance (CVA), both within their own National Societies and through experiences gained during learning deployments.

These **Action Learning** projects capture operational and strategic reflections, linking technical, professional, and organisational learning to real-world CVA practice. The insights generated are valuable for others working in similar humanitarian contexts

“A Case Study: the Best Practice of a CVA Preparedness Journey in Azerbaijan Red Crescent Society”

Hanifi Kinaci – IFRC CVA Delegate Azerbaijan

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Introduction

CVA represents a highly effective method for supporting vulnerable populations impacted by disasters, crises, and conflicts. Extensive research indicates that this approach is widely preferred by both the affected communities and the humanitarian organizations delivering aid. The 2016 agreement ‘Grand Bargain’ forged between major donors and humanitarian organizations sought to mitigate financial shortfalls in humanitarian aid while enhancing the effectiveness and efficiency of assistances. A cornerstone of this accord was the acknowledgment of cash assistances as crucial for achieving these objectives, with participating organizations pledging to expand the implementation of cash-based interventions in humanitarian settings.

CVA is also acknowledged by the RCRC Movement as a highly effective tool in delivering better humanitarian responses. In its most recent strategic plan, the International Federation of Red Cross and Red Crescent Societies (IFRC) emphasized the significant role of CVA, designating cash leadership as a prominent global initiative within its network. As part of this commitment to expand its CVA operations, IFRC has set a goal to deliver 50% of its humanitarian aid through cash-based approaches by 2050. In 2022 alone, over 1 billion CHF was delivered to 10.4 million recipients across 85 countries with cash programming of the RCRC Movement, and investments in cash continue to grow as evidenced by IFRC, International Committee of Red Cross (ICRC) and National Societies (NS) cash delivery, strategies, and targets.

The World Cash Report 2023 indicates the increasing volume of the cash-based assistances in overall humanitarian responses globally. ‘The use of CVA has increased each year since 2015. In 2022, US\$7.9 billion transferred as cash or vouchers to crisis affected people. However, CVA still only accounts for 21% of international humanitarian assistance globally compared to 30–40% if it was used wherever feasible and appropriate.’ Yet, to be able to effectively host appropriate CVA projects in timely, scalable, accountable manner, it is essential for organizations to complete a thorough preparedness process. To support this need within the RCRC Movement, the Movement has developed a CVA Preparedness Framework

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which guides NSs on this journey and has advocated to the leadership of member RCRC NSs about the increasing necessity of CVA. As of 2022, 73 out of 191-member national societies have invested in this preparedness process, while 16 are considering doing so. Additionally, 19 societies have previously engaged with CVA in various capacities.

The primary rationale of this study is to systematically present the achievements, best practices, and learnings by the Red Crescent Society of Azerbaijan on its CVAP journey, a national society that has never previously hosted a cash project. This analysis, conducted within the framework of IFRC's CVA Preparedness (CVAP), aims to inspire other national societies that are hesitant or considering investing in CVA.

Main Findings

In Azerbaijan, the CVA environment is well-supported by functioning markets and an established national social safety net through the Targeted Social Assistance (TSA) program, administered by the Ministry of Labour and Social Protection of the Population (MLSPP). This context is conducive to the humanitarian responses considering cash assistance to address the needs of crisis-impacted individuals.

Markets for food and non-food items (NFIs) are predominantly functional, and almost all areas are accessible by car, ensuring open access to markets and commodities. CVA systems are familiar to beneficiaries, with 'social cards' being well understood and previous feasibility studies indicating that most households, even in rural areas, have used some form of cash withdrawal method despite limited financial inclusion. The financial sector is more developed in urban areas, with lower coverage in rural regions. AzerPost (country postal service), accounting for two-thirds of the country's financial sector's physical infrastructure as of 2016, is a familiar humanitarian transfer medium, especially in rural areas where it has traditionally handled utilities payments and social payment deliveries with a low transaction charge of 1.5%. However, using AzerPost or any financial service provider like other corporate banks (Kapital, International Bank of Azerbaijan, etc.) requires adherence to

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national Know Your Customer (KYC) regulations, including full names, addresses, and identifiable information.

When it comes to the cash practitioners on the ground; in response to the recent crises (Covid-19, the Nagorne-Karabakh conflict (NK), AzRCS, ICRC and UN Refugee Agency (UNHCR) were the main cash practitioners on the ground. While AzRCS were responding to both NK and Covid-19 across the country, ICRC focused on the line of contact.

First CVA Project

With the outbreak of COVID-19 pandemic in 2020, Azerbaijan, like other countries all over the world, was strongly affected by this situation. In addition, the NK conflict escalation in September 2020 exacerbated the impact of COVID-19. The AzRCS, in conformance with its auxiliary role to the government, responded providing support to the most affected population by COVID-19 and the conflict escalation. Within the framework of the IFRC Global COVID-19 Emergency Appeal, the AzRCS implemented a CVA first pilot project with the technical support of the IFRC. The aim was to assist 1000 households in Baku and neighbouring cities of Ganja, Sumgait and Absheron between March and May 2021. The project went well reaching 96% of the targeted population through direct cash (over the counter) distributed by AzerPost.

The lessons learned workshop and the post-distribution monitoring activities conducted after the project indicated several key outcomes. The project was deemed successful, earning appreciation from the affected population and enhancing the credibility of the AzRCS in the eyes of local authorities. Reflecting these positive results and feedback, the leadership of AzRCS officially committed to initiating a preparedness process aimed at strengthening and diversifying their CVA capacity that established with this pilot project.

Self-assessment Workshop

As of September 2021, building on this first positive CVA experience, the AzRCS expressed its interest in continuing to strengthen and diversify its CVA expertise and asked to start the IFRC CVA preparedness process. The IFRC deployed one CVA expert end of October 2021

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to support the facilitation of a CVA self-assessment of the NS' capacities in a 2-day workshop. The outgoing CVA delegate and representative from IFRC Country Delegation also supported the facilitation of the workshop. The aim of this workshop being to assess the CVA capacities of the NS and to establish a CVA preparedness plan of action (PoA) with a related budget that can be integrated into the AzRCS strategic and development plans. The CVA self-assessment workshop was based on the RCRCM CVA self-assessment guidance and tools with following outputs:

Output 1 - AzRCS self-assessment within the following five key areas of Movement CVA preparedness:

- Area 1 - Leadership Commitment
- Area 2 - Processes, Systems and Tools
- Area 3 - Financial and Human Resources and Capacities
- Area 4 - Accountability to Affected Populations, Coordination and Partnerships
- Area 5 - Test, Learn and Improve

Output 2 - AzRCS CVAP PoA and multiyear budget:

As a result of the two-day self-assessment workshop, participants' ratings highlighted the need for investment across all five key areas, despite some minor establishments in Areas 1 and 4. Regarding the operational readiness level, the AzRCS was assessed to be between Level 1 and Level 2 on average across the five areas. However, AzRCS aimed to reach Level 3 in its vision. To achieve this goal, a two year PoA for preparedness was developed in the workshop. The budget of this multi-year plan is secured by the support of the EU BRIDGE project, implemented by IFRC Azerbaijan, and marks the official commencement of the CVA preparedness process by AzRCS.

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Evaluation of the AzRCS CVA preparedness

This chapter will outline evaluation of the AzRCS’ on-going CVA preparedness process. The analysis will be structured around five main areas, as defined in the Preparedness Framework. For each Area, the expected outcomes, planned activities, actual activities, and outputs will be presented.

Leadership Commitment

Outcome 1 – The leadership are committed to the scaled up and appropriate use of CVA.

Evaluation of Area 1

This area, which scored highly in the initial self-assessment exercise, has seen the most activity and gained the most momentum. This progress is largely due to leadership support/commitment and the mobilization of all resources to achieve the goal. Key achievements in this area include the appointment of a CVA focal person, the creation of a volunteer team, piloting local branches, the integration of CVA into existing documents and its announcement to staff, and successful advocacy of CVA at the government level. All these achievements have, of course, been realized through the existence of a well-defined plan and securing the necessary funding for its implementation. The activities planned in the first area are, naturally, designed according to the Movement CVAP Framework. Consequently, the outputs align with the deliverables of Area 1 as outlined in that framework.

Processes, Systems and Tools

Outcome 2 – The NS have the processes, systems, and tools in place for CVA at scale, adapted to their specific context and to all phases of the project cycle.

Evaluation of Area 2

In the one-and-a-half-year period between the initial self-assessment exercise and the second interim assessment exercise, this area did not achieve a high development score. However, relevant departments indicated that they gained valuable experience through the simulation projects they implemented, identifying their shortcomings in the process. Since the second

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assessment till today, the development of the CVA SOP, clear delegation of roles and responsibilities by CVA team, filling the missing positions and the establishment of certain policies and guidelines by the NSD team are expected to score highly in the final closing evaluation considering the alignment of the deliverables with the Movement CVAP Framework.

Financial and Human Resources and Capacities

Outcome 3 – The NS have the sufficient resources to implement and promote CVA at scale.

Evaluation of Area 3

Significant progress has been made in Area 3, with a focus on building the capacity of the CVA focal point, who will eventually manage and coordinate the entire preparedness process within the organization. Key initiatives include:

- Eight weeks of online Moodle training
- CTP training
- Market training
- PECT training
- Serving as a co-facilitator in a PECT training session
- An exposure visit to Turkey to observe and learn about the largest cash projects there

Additionally, two advocacy and awareness workshops were separately organized for management, staff, and volunteers. A four-day Level II training session was held for all staff and volunteers. A logistics unit was established to support the CVA process, and other missing positions were filled with NSD resources (PMER, IM, IT, etc.).

Outcome 4 – The NS have the appropriate CEA approach and tools in place for CVA at scale, as well as effective coordination and partnerships, to facilitate the effective use of CVA both internally and externally.

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Evaluation of Area 4

The NS made significant progress in developing a community feedback mechanism, starting with a needs assessment for three pilot regions in collaboration with the IFRC CEA Delegate. Volunteers underwent extensive training on CEA principles, feedback mechanism design and management, and basic information management skills. They conducted assessments and focus group discussions, engaging with a great number of community members to gather valuable insights. The findings from the assessment informed the design of a digital feedback tool, developed in collaboration with the Netherlands Red Cross (NLRC) and IFRC, enabling the NS to record and manage feedback obtained via various channels effectively. The NS also cooperates with relevant Government ministries like Emergency State Ministry and Social Labor and Protection Ministry. CVA Technical Working Group, established at the National Society headquarters level, also addresses internal coordination within the organisation. Now the NS is planning an experience sharing session to some key stakeholders within the country to present all these preparedness journey and the achievements.

Outcome 5 – The NS learn and improve based on testing of their CVA capacities through pilot projects and other learning-based initiatives.

Evaluation of Area 5

All activities in this area are considered ongoing because additional activities are planned. The national society has made substantial progress in this domain. Since the beginning of the process, two small CVA projects (including first pilot) have been hosted, and lessons-learned workshops have been organized. Additionally, two self-assessment workshops were conducted, one at the beginning and one at the mid-term. Monitoring missions were organized by both IFRC and the EU, including CVA. Short-term learning visits to Turkey, facilitated by the Turkish Red Crescent, were arranged for the CVA focal point and various department representatives from the national society. To further enhance the success in this area, one final project, a lessons-learned workshop, and a closing self-assessment workshop will be organized for the second half of 2024.

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Conclusion

The leadership of the Azerbaijan Red Crescent Society accepted and supported CVA as a preferred intervention modality, complementing in-kind assistance in its responses. This decision was the catalyst for the overall CVA preparedness journey and the subsequent actions taken along the way.

It should be emphasized that the activities assessed above refer to the main activities, each encompassing various sub-activities and tasks that have been or are being completed. The aim of this study is to present a comprehensive overview and share the results achieved. This success is undoubtedly due to the leadership's support for CVA and the staff's enthusiasm and dedication. While leadership support was necessary, it was the staff's commitment and proactive approach that truly drove the process forward.

Over the past three years, the AzRCS has developed a fully equipped CVA Focal Point. This individual has not only received comprehensive training in cash assistance but has also become proficient in delivering training. Additionally, AzRCS has established a pool of 22 volunteers who have participated in two different projects and are preparing for a third. These volunteers have undergone induction and Level II training in cash and voucher assistance. Moreover, five pilot regions have successfully hosted cash projects, gaining valuable experience and appreciation for this new modality. In times of need, the existing local capacity can be reallocated to other regions for cash implementation. The current capacity is sufficiently robust to support humanitarian responses in various regions.

To implement a cash project swiftly and avoid lengthy logistical arrangements, it is crucial to have a local payment system in place and ready to activate. The AzRCS has established a four-year FSP framework contract. This contract enables AzRCS to facilitate both direct cash (over the counter) distributions and bank transfers (money transfers via debit cards), allowing for efficient and preferential project execution.

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Like every organization, national societies experience personnel turnover. To address any potential gap in workflow, the AzRCS has developed a comprehensive Standard Operating Procedure. This CVA SOP clearly outlines roles and responsibilities, ensuring that new staff can quickly adapt to the process and maintain a consistent standard of expected output. When it comes to project design and management, AzRCS volunteers and staff have received training in critical aspects of cash projects, including targeting, selection, setting vulnerability criteria, and calculating transfer values. They apply this theoretical knowledge effectively in project implementation.

AzRCS has enhanced the awareness and capacity of its staff and volunteers in another crucial aspect of cash projects: data management, including data collection, processing, storage, and security. During project implementation, significant experience has been gained in using mobile devices such as phones and tablets for data collection via Kobo, accessing collected data using personalized barcodes, and processing/cleaning data using tools like MS Office and Power BI. Furthermore, more than 10 cash tools used during project cycles have been adapted to suit the local context and effectively utilized.

AzRCS will test one final simulation project and its official preparedness process will continue until the end of 2024, covering a total period of three years. However, as repeatedly emphasized, CVAP is an ongoing process of preparation and investment for national societies. Given the evolving nature of CVA and its integration with new technologies, national societies must continually learn, test new modalities and delivery tools, and stay updated with technological advancements.