

# A Practical Guide to Cash-Based Responses



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## About Adeso

Adeso is a humanitarian and development organization that is changing the way people think about and deliver aid in Africa. Working in a very different way than most, we believe that development must come from within not outside, African communities. We believe that it is Africans themselves who must determine Africa's future.

For over 20 years, we have worked hand-in-hand with African communities to prevent, manage, and overcome situations that adversely affect a community's wellbeing. We believe it is this approach that will help take Africa forward without losing the things that make our continent great.

Adeso, formerly known as Horn Relief, was established in 1991 in response to Somalia's devastating humanitarian crisis and civil war. We started as a small grassroots organization dedicated to helping Somalia's pastoralist groups, particularly women and youth. We have since grown into an African-based organization working in three different countries – Kenya, Somalia and South Sudan. In these places, we advocate for much-needed resources for our partner communities, and work hard to co-create innovative, long-lasting solutions. Among other things, we were the first to do what was considered then as a large-scale cash transfer program in Somalia in 2003. Since then, we have implemented more than 20 cash transfer programs in the region.

We have implemented the majority of our programs independently, but also in partnership with Oxfam and Save the Children UK. We are now eager to share our practical experiences with other agencies.

In addition to this Practical Guide to Cash-Based Responses, Adeso has published an accompanying Trainers' Guide. For more information about Adeso, our cash programs, and resources please visit us at: [www.adesoafrika.org](http://www.adesoafrika.org)

## Acknowledgements

The initiative to develop this manual by Adeso came as a result of staff reflections, many discussions and consultations with stakeholders, reviews of external evaluations, and lessons learned over five years of undertaking cash-based relief projects in Somalia. This work is the product of many months of consultations and technical inputs from a range of humanitarian actors.

The heart of this manual is the Inclusive Community Based Targeting (ICBT) methodology, developed by Degan Ali in association with Calum Maclean, Simon Narbeth, the Adeso Pastoral Youth Leadership Program (PYL) team. Individual recognition of the team goes to Yusuf Ali, Abdirizak Isse, Abdullahi (Sufi) and Mohamed Hassan. Data from the Food Security and Nutrition Analysis Unit – Somalia (FSNAU) contributed greatly to the manual as well. The commitment of all of these people to targeting beneficiaries based on vulnerability enabled Adeso to successfully develop, test and later improve the ICBT approach.

After developing and using the ICBT in various cash programs, Adeso undertook to develop this manual to solidify and share the ICBT with other actors. Adeso would like to express its sincere appreciation to consultants Fanta Toure and Tess Vall, and to Laurianne Leca of Adeso who have developed the essence of this manual. Adeso would also like to thank Sophia Dunn who added information and updated the 1st edition to create this current version. Adeso would also like to thank Tony Dines for his contribution to the accompanying Trainer's Guide and materials.

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## Table of Contents

Introduction	9
<b>Section 1 – Overview of cash-based responses</b>	<b>11</b>
What is a cash-based response?	11
Types of cash-based responses	12
When can cash-based responses be used?	15
Cash-based responses by different sectors	15
Combining different types of cash interventions	17
Understanding some guiding principles	17
<b>Main Points to Remember</b>	<b>23</b>
<b>Section 2 – Assessment</b>	<b>24</b>
What information is needed from an assessment?	24
How to determine if a cash-based response is feasible?	27
Methods of collecting and analyzing the information	27
When are cash-based responses appropriate?	29
Pre-conditions for undertaking a cash-based response	30
<b>Main Points to Remember</b>	<b>32</b>
<b>Section 3 - Planning</b>	<b>33</b>
<b>Step 1:</b> Determining the type of cash-based response to be implemented	33
<b>Step 2:</b> Determining the value of the grant and/or the labor rate	36
<b>Step 3:</b> Determining the implementation period	40
<b>Step 4:</b> Selecting a payment method	41
<b>Step 5:</b> Understanding possible risks to the project	44
<b>Step 6:</b> Recruiting and training staff	48
<b>Main Points to Remember</b>	<b>51</b>
<b>Section 4 – Implementation</b>	<b>52</b>
Targeting and beneficiary registration	52
<b>Step 1:</b> Community mobilization	54
<b>Step 2:</b> Setting up a committee	55
<b>Step 3:</b> Developing targeting criteria	57
<b>Step 4:</b> Beneficiary identification and registration	58
<b>Step 5:</b> Verifying the beneficiary list	59
<b>Step 6:</b> ID card production and distribution	60
<b>Step 7:</b> Distributing the cash benefits / paying wages	60

New Technology in cash transfer mechanisms	62
Complaints mechanisms	66
Implementing Cash-for-Work Projects	66
Identifying appropriate micro-projects (work projects)	67
Procurement of materials	71
Establishing work norms	71
Implementing Voucher Projects	73
Deciding on the type of voucher (cash value or commodity)	73
Designing the voucher	73
Selection of traders	74
Fairs	75
The redemption process	75
The payment process	76
Reconciliation of vouchers	76
<b>Main points to remember</b>	<b>77</b>
<b>Section 5 – Monitoring and evaluation</b>	<b>79</b>
<b>Section 6 – International standards</b>	<b>88</b>
Conclusion	90
Bibliography	91
Annexes	94
<b>List of Tables</b>	
Table 1: The three main types of cash-based responses	12
Table 2: Comparative advantages of using cash-based responses	14
Table 3: When can cash-based response be used?	15
Table 4: Examples of the use of cash-based responses by different sectors	16
Table 5: Methods to collect the needed information	29
Table 6: Pre-conditions for undertaking a cash-based response	31
Table 7: Types of cash-based responses	35
Table 8: Example: How to establish cash-for-work payment rates	39
Table 9: Risk mitigation strategies and possible solutions	45
Table 10: Possible minimum and detailed registration details	59
Table 11: Possible targeting issues and how to address them	64
Table 12: Complaints form	66
Table 13: Examples of criteria for selection of micro-projects	70

Table 14: What to monitor	82
Table 15: What to evaluate	85
Table 16: OECD DAC evaluation criteria	86

## List of Figures

Figure 1: Example Adeso staffing structure for cash-for-work projects	48
Figure 2: Adeso Example Beneficiary Identification Card (front and back)	60
Figure 3: Back of Identification card providing phone details	66
Figure 4: Example of Causes and Effects	68
Figure 5: Problem tree and community mapping	69

## List of Boxes

Box 1: Indirect cash support to beneficiaries	13
Box 2: Responsibilities of the money transfer company and the implementing agency	42
Box 3: New technologies for paying cash transfers	43
Box 4: Universal Targeting	53
Box 5: Background to the ICBT approach	53
Box 6: Community Mobilization Checklist	54
Box 7: Roles and Responsibilities of the VRC	57
Box 8: Examples of information used to determine selection criteria	58
Box 9: The importance of beneficiary registration forms	59
Box 10: What is a micro-project?	67
Box 11: Examples of ways to ensure women's participation in work projects	72
Box 12: Examples of what to include on a voucher	74
Box 13: Minimum monitoring requirement for cash-based responses	84

## List of Annexes

Annex 1: Beneficiary registration form	94
Annex 2: Liability waiver with casual laborers	95
Annex 3: Time sheet (attendance sheet) for cash-for-work activities	97
Annex 4: Cash-for-work payment sheet	98
Annex 5: Cash payment receipts	99
Annex 6: Data design sheet for micro-project	100
Annex 7: Sample log frame for a combined cash relief and cash-for-work project	101

## List of Abbreviations and Acronyms

Adeso	African Development Solutions
ALNAP	Active Learning Network for Accountability and Performance in Humanitarian Action
BNF	Beneficiary
CaLP	Cash Learning Partnership
CBOs	Community-Based Organizations
CCG	Conditional Cash Grant
CfW	Cash-for-Work
CR	Cash Relief
DRC	Democratic Republic of Congo
ECHO	European Commission Humanitarian Aid Office
ECRP	Emergency Cash Relief Program
EDRA	Emergency Drought Response Action
EDVRP	Emergency Drought Vulnerability Reduction Project
EU	European Union
FAO	(United Nations) Food and Agricultural Organization
USAID	United States Agency for International Development
FEWSNET	Famine Early Warning Systems Network
FSNAU	(United Nations) Food Security and Nutrition Analysis Unit (Somalia)
HAP	Humanitarian Accountability Partnership
HR	Horn Relief
I-K	In-kind
ICBT	Inclusive Community-Based Targeting
ID	Identification
IDP	Internally displaced person
LoA	Letter of Agreement
MERS	Multi Agency Electronic Regulatory Submission
M&E	Monitoring and Evaluation
MCH	Maternal & Child Health
MEB	Minimum Expenditure Basket
MoU	Memorandum of Understanding
MSF	Médecins Sans Frontières
MTC	Money Transfer Company
NFI	Non-Food Item
NGO	Non-Governmental Organisation
Non-BNF	Non-Beneficiary
OCHA	(United Nations) Office for the Coordination of Humanitarian Affairs
OECD-DAC	Organization for Economic Cooperation and Development – Development Assistance Committee
ODI	Overseas Development Institute
PDM	Post Distribution Monitoring
Oxfam GB	Oxfam Great Britain
SEEP	Small Enterprises Education Promotion
SPHERE	Humanitarian Charter and Minimum Standards in Humanitarian Response
TFC	Therapeutic Feeding Centre
ToR	Terms of Reference
UCG	Unconditional Cash Grant
UN	United Nations
UNDP	United Nations Development Program
USD	United States Dollars
VRC	Village Relief Committee
WFP	(United Nations) World Food Program

## Introduction

International donors and humanitarian agencies are increasingly recognizing cash-based responses as a suitable response to emergencies when feasible and appropriate. The objectives of cash interventions are often “to meet immediate needs for food and non-food items” or “to support the recovery of livelihoods” however they are also increasingly used by other sectors to meet a range of objectives. Whatever the intended objective, cash-based responses strive to increase the purchasing power of beneficiaries to empower them to meet their own needs. Cash-based responses are now included in the SPHERE Handbook for Minimum Standards in Disaster Response in “Food Security, Nutrition and Food Aid”.

This manual shares Adeso’s experience to assist relief workers to efficiently and effectively undertake appropriate cash-based responses. Adeso initially undertook cash-based responses in order to address a severe drought in Somalia in 2003. Due to the recurrent humanitarian crisis in Somalia and a situation of chronic food insecurity in the country, Adeso has since continued to engage in feasible and appropriate cash-based responses in Somalia. As a result Adeso has implemented combinations of cash relief and cash-for-work as well as voucher projects and social protection. From its beginnings in the Puntland state of Somalia, Adeso has now grown into an African-based organization working in the countries of Kenya, Somalia and South Sudan.

To ensure effective targeting of beneficiaries (i.e. that the most food-insecure, or vulnerable, households benefit). Adeso has developed the Inclusive Community-Based Targeting (ICBT) approach, proven to be an effective targeting methodology. The manual highlights the ICBT approach and introduces good practices. The approach need not be limited to practitioners in Somalia or East Africa, and Somalia’s complex emergency context can be used as a case study for other humanitarian contexts.

This manual is based on the assumption that cash-based relief is one of several types of aid in emergencies that may be equally important. The common reality recognized is that not all agencies will be implementing emergency responses in communities that they have an existing relationship with. There is not a one-size-fits-all approach for implementing cash-based projects: the project should consider the social, economic, cultural and political differences within and across regions and agency relationships with the community should be taken into account.

This manual highlights some practical problems that are faced by implementation teams around the world. It is intended to assist cash project teams to improve their own programs and be more able to deal with field issues.

This manual is a practical implementation guide. It explains the steps involved in undertaking cash-based responses according to the ‘Project Cycle’, discusses the guiding principles that are central to Adeso’s approach and to humanitarian action in general, and

provides risk mitigation methods and possible solutions to common field problems. The manual is divided into five sections:

- **Section 1: Overview of Cash Based Responses** gives a brief overview of what cash-based responses entail, variation in types, and why and when to use a cash-based response in emergencies. It outlines guiding principles that should be used as a basis for planning and implementation. We should add that this section helps in developing conceptual understanding of cash based responses.
- **Section 2: Assessment** explains the necessary pre-conditions for cash-based responses and what information is required to assess whether such conditions exist. It helps agencies determine whether cash-based responses are appropriate and feasible.
- **Section 3: Planning** contains essential minimum planning processes. It describes Adeso's guiding principles of accountability, inclusion of women and minority groups, respecting stakeholders' dignity, community empowerment, transparency, and community participation. It instructs how to decide on the type, size of cash benefit, timeframe and strategy.
- **Section 4: Implementation** describes the steps involved in implementing cash-based projects, with a particular focus on the Inclusive Community-Based Targeting (ICBT) approach. It covers both cash-relief (grant) projects and cash-for-work projects and gives practical advice for identifying a money-transfer mechanism, project staffing needs, the targeting process, the distribution process, and risk mitigation strategies and the promotion of women's participation.
- **Section 5: Monitoring and Evaluation** provides basic guiding principles for developing monitoring and evaluation indicators and undertaking accompanying activities. While this is covered in its own chapter, the monitoring and evaluation process must start at the planning stage.
- **Section 6: International Standards** provides a basic description of the international standards that are relevant to cash-based responses.

Recommended further reading can be found at the end of each chapter.

## Section 1 – Overview of cash-based responses

### What is a cash-based response?



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- Cash-based responses (also known as cash transfers) are mechanisms to provide resources to a population in the form of cash or a cash-equivalent (voucher). They can be used to provide a source of income. In an emergency context they can be complementary to in-kind distributions such as food aid or provision of non-food items like shelter materials. Sometimes there can be a combination of in-kind and cash responses.
- Cash transfers can meet the same needs as other types of emergency response relief mechanisms as long as what is needed (food or non-food items) is available in local or regional markets. It can be used to respond to natural disasters, such as flood or drought, and to temporary or chronic food-insecurity due to prolonged conflict and/ or poverty. Cash transfers can achieve any or all of the following objectives:

- Meet basic needs such as water, shelter, food and medicine;
- Improve access to specific social services such as health care and education;
- Meet needs for shelter and other non-food items;
- Restore or protect livelihoods;
- Provide incentives for soldiers to demobilize, disarm and re-integrate.

Although food aid and other in-kind responses are effective emergency response mechanisms and still dominate humanitarian activities, there are instances where none of these is the most suitable response.

### Adeso Example:

Traditionally in Somalia, the provision of credit is an essential coping mechanism. Pastoralist and agro-pastoralist households commonly go into debt to meet their basic food and non-food needs such as water, food, seeds, etc. Repayment is then made once livestock is sold or when crops are harvested. Low purchasing power due to loss of income or assets, or resulting from increased expenditure, can result in high levels of debt among poor households. High levels of debt within a community can in turn lead to the collapse of the credit system. A cash-based response may help revitalize this system.

An evaluation of Adeso’s first cash-based project in Somalia, implemented under the name Horn Relief in 2003, found that the response was effective in empowering beneficiaries to prioritize their needs and in gaining access to food, water, livestock and medicine. Most importantly, the evaluation found that cash transfer revitalized credit, an essential coping mechanism for pastoralists. The project also revitalized the local economy by facilitating the reopening of small shops.

**Types of cash-based responses**

There are three main types of cash-based response:

- Cash grants (conditional or unconditional)
- Cash-for-work
- Vouchers (cash value or commodity)

Although cash-for-work is in principle a conditional cash grant (payment is made on the completion of work) it is often separated into its own category because of the communal nature of the work required. Most conditional grants are provided to individuals or groups of individuals as opposed to unconditional. Each of these types of response is described below.

**Table 1: The three main types of cash-based responses**

<b>Unconditional cash transfers</b>	Cash is given to beneficiaries with no conditions, work requirements or any expectation of repayment. Payment is usually targeted at the most affected, vulnerable or food insecure people to meet their basic needs or any need they may have following an emergency.
<b>Conditional cash transfers (including cash-for-work)</b>	<p>Conditional cash grants – Cash is provided to beneficiaries on the condition that EITHER they must do something to get the money (e.g. attend a health center) OR that the money will be used for a specific purpose (e.g. to purchase livestock or to start a business).</p> <p>Cash-for-work - Cash is paid to beneficiaries in exchange for them taking part in works projects. Adeso favours small-scale community projects (micro projects) in order to indirectly benefit the entire community.</p>
<b>Vouchers</b>	<p>Vouchers can either specify a cash amount or specific commodities or services that the voucher can be exchanged for.</p> <p>Both cash and commodity vouchers are designed to be exchanged in pre-selected shops, with traders/service providers or at specifically organized fairs. This intentionally restricts beneficiaries in their selection of goods.</p>

### **Other types of cash interventions include the following:**

- Fee waivers (to reduce expenditure): Providing cash directly to a service provider such as school or health service with the instruction that beneficiaries be provided their services for free. This way, the beneficiaries receive services for free and can use whatever monies they already have for other purposes.
- Social protection/social assistance: Providing cash (or other) assistance to vulnerable groups for an extended period. It provides beneficiaries with at least a minimal level of support to meet their basic needs and stop people from becoming destitute.
- Indirect cash support: Providing cash assistance to other members of the community that can provide support to the project beneficiaries (See Box 1).

#### **Box 1: Indirect cash support to beneficiaries**

In addition to the types of support mentioned in Table 1, all of which are direct support to beneficiaries, cash can also be used to provide indirect support.

Providing indirect support is usually done to allow other people in the community to provide whatever assistance they can in order to help the project beneficiaries. This is done by providing cash assistance to businesses or services that have been affected by the emergency but that beneficiaries need. Since the businesses or services have also been affected by the same disaster as the beneficiaries, without receiving support the businesses or services would not be able to function and the beneficiaries would be further affected. Examples may include providing cash to schools to ensure that they are rebuilt after an earthquake so that beneficiaries can access education, or providing cash to traders so that they can restock their shops and provide the items that beneficiaries need.

Indirect support is usually done in conjunction with direct support to beneficiaries.

**Table 2: Comparative advantages of using cash-based responses**

<b>Flexibility, empowerment and dignity of beneficiaries</b>	Unconditional cash transfers empower beneficiaries to identify, prioritize and meet their own needs, making it a more appropriate and dignified response than in-kind assistance. It enables beneficiaries to address a wide variety of needs, whereas in-kind distributions restrain assistance to meeting one specific need.
<b>Implementation cost reduction</b>	<p>Cash-based responses usually have a lower logistic component than in-kind distributions, which translates into lower implementation costs.</p> <p>The main cost incurred for cash response distribution is usually the transfer fee that implementing agencies are required to pay to money transfer companies (where these are used) or service fees from banks or telephone companies. In Adeso's experience, fees have ranged from 6% to 10% of the total cash benefit to be distributed. This fee generally represents a significantly lower amount than the cost of purchasing, storing, transporting and distributing other types of goods to the field plus staff time.</p> <p>In context where the local market supply is strong, cash-based responses can be more cost-efficient than other forms of in-kind assistance.</p>
<b>Multiplier effect on the local economy</b>	<p>As beneficiaries are able to repay their debts or purchase basic food and non-food items, the cash spreads out to the local economy, benefiting non-participants such as local traders or shop owners or other service providers (e.g. payment of artisans who rebuild shelter). In addition, the increase in demand often triggers transfer of food to food-deficit areas from food-surplus ones. And, as opposed to food aid, cash benefits are unlikely to have a potential disincentive effect on agricultural production and they generate wage employment in the local economy.</p> <p>The multiplier effects on the economy help stimulate longer-term recovery of the community.</p>
<b>Rapid implementation</b>	Cash transfers can be rapidly disbursed to communities once these communities have been identified and registered. This enables agencies to meet the needs of beneficiaries when they need it the most.
<b>Gender and intra-household issues</b>	<p>Decisions as to who within the household is to become the cash recipient are key. These depend on the prevailing decision-making processes within the household as to whether men and women agree jointly or independently on how to spend the cash. Agencies usually attempt to target cash at women to support food security objectives.</p> <p>Additional cash in the household can reduce tension between men and women.</p>
<b>Security</b>	In conflict prone areas all assistance (cash and in-kind) is at risk of diversion. Cash can be more secure because it spends less time in transit than in-kind assistance and, once distributed, can be hidden more easily by beneficiaries.

**Table 3: When can cash-based responses be used?**

When	Why
Pre-disaster	In preparation for a predictable shock or as part of a disaster risk reduction program.  Seasonal cash payments (e.g. during the lean season or hunger gap) can prevent use of destructive coping strategies and allow retention of assets during the usual selling off period.
Initial stages of a disaster	To meet immediate, essential food, non-food and income needs and/or protect or re-establish livelihoods and provide shelter.
Recovery or Transition period	To help re-establish/support livelihoods and/or provide shelter or short-term labor opportunities for the benefit of the community.
In permanent/ chronic crises	To contribute to poverty alleviation, shift from humanitarian programming to social assistance, address essential food and non-food needs and support/establish livelihoods.
During conflict	To meet immediate needs and contribute to livelihoods support or to establish livelihood activities.
Long term issues	To provide ongoing support to most vulnerable households (social protection/ social assistance or to provide incentive for households to access basic services such as education and health care).

Source: ICRC /IFRC Guidelines

### Cash-based responses by different sectors

Cash-based responses started out as an alternative to food aid and therefore began within the food security and livelihoods sectors. Since then a number of other humanitarian and development sectors have used cash-based responses to meet their program objectives. Today, cash-based responses are used across all sectors - not only by the food security and livelihoods sector, but by water, sanitation and hygiene (WASH); education; nutrition; health; reintegration/relocation sectors. Some examples of how cash-based responses are used in these different sectors are listed in Table 4.

**Table 4: Examples of the use of cash-based responses by different sectors**

Sector	Examples of the use of cash-based response
Food security and livelihoods	<ul style="list-style-type: none"> <li>➤ Providing unconditional cash grants immediately after an emergency to help people meet their basic food and non-food needs</li> <li>➤ Providing commodity vouchers during periods of high inflation so that people can still access basic food items</li> <li>➤ Implementing CFW projects so that people have temporary employment income for purchasing food and other needs</li> <li>➤ Providing cash (or vouchers) so that pastoralists can purchase livestock</li> <li>➤ Providing cash (or vouchers) so that farmers can purchase agricultural inputs</li> <li>➤ Providing cash (or vouchers) to support other livelihoods asset recovery</li> <li>➤ Implementing milling vouchers to support small farmers</li> </ul>
Market support	<ul style="list-style-type: none"> <li>➤ To help the market recover from a shock through indirect market interventions (e.g. grants, loans or loan guarantees to transporters, storage facilities and other market actors to repair or re-stock).</li> </ul>
Water, sanitation and hygiene (WASH)	<ul style="list-style-type: none"> <li>➤ Implementing CFW projects to construct/renovate community water sources</li> <li>➤ Providing cash (or vouchers) to households to purchase clean drinking water instead of implementing water trucking projects</li> <li>➤ Providing cash (or vouchers) for pastoralists or famers to access water for livestock watering or irrigation</li> <li>➤ Providing cash (or vouchers) to households to purchase basic hygiene materials and kits such as soap and jerri-cans</li> <li>➤ Providing community structures with cash support for maintenance of community water resources</li> </ul>
Education	<ul style="list-style-type: none"> <li>➤ Providing households with fee waivers so that their children can go to school without having to pay</li> <li>➤ Providing households with cash (or vouchers) to purchase school books and school equipment</li> <li>➤ Implementing CFW projects to construct or repair schools</li> <li>➤ Providing cash (or vouchers) to support education and transportation costs</li> </ul>
Nutrition	<ul style="list-style-type: none"> <li>➤ Providing commodity vouchers to allow households to purchase fresh food or other highly nutritious items (usually to supplement a dry WFP ration)</li> </ul>

Health	>	Providing households with fee waivers so that family members can access health services without having to pay
	>	Providing cash (or vouchers) so that households can access basic medical and health care
	>	Implementing CFW projects to construct or repair health facilities
Relocation/ reintegration	>	Providing cash grants to refugees to return home
	>	Providing cash grants to IDPs for moving to another location

### Combining different types of cash interventions

It is increasingly common for different types of cash interventions to be combined, either with in-kind assistance or with other forms of cash interventions, in order to provide optimal assistance to beneficiaries.

Some examples of combining interventions may include:

- > Combining in-kind and cash approaches – perhaps with food and NFI distributions immediately after a crisis whilst the market struggles to respond, and then stimulating the market with cash transfers.
- > Combining different types of cash interventions (e.g. cash for work may be provided to households that can work while cash grants can be given to households with limited labor capacity).
- > Providing different cash responses within the same project at different times (e.g. immediately providing unconditional cash grants because they are fast to implement and beneficiaries needs are high, then following with CFW or cash grants for livelihood assets recovery once the situation has stabilised).
- > Providing different cash responses to different beneficiary groups within the same community (e.g. some households may be provided with a grant to start livelihood activities, while others need to receive training before this can happen; those households may receive cash to attend training instead).

### Understanding some guiding principles

Humanitarian agencies are encouraged to abide by the Red Cross Code of Conduct and the SPHERE Minimum Standards for Humanitarian Action. Actors working in early recovery are encouraged to also abide by the SEEP Economic Recovery Standards.

Agencies should note that the SPHERE Handbook was updated in 2011 to include a number of core standards which agencies should consider when implementing any type of relief and recovery response. The topic of cash transfer has now been integrated throughout the handbook.

In addition to the aforementioned standards, Adeso also considers the following guiding principles in all their programs and has learned from experience that consideration of each can not only improve the impact of the program, but can also improve the relationship between the community and the agency. When these guiding principles are not taken into account, problems can arise throughout project implementation. More information on how to avoid or respond to such problems can be found in Section 4.

- **Engage the beneficiary population fully:** Beneficiaries should participate directly or indirectly with their views and ideas. Community or religious leaders, clan elders, women, children, minority groups, and other vulnerable groups should play an active role. For example, marginalized groups might not necessarily be targeted beneficiaries, depending on whether they fit the targeting criteria, however, it is important that their needs, experiences, concerns and priorities are considered in the planning and implementation of cash based activities.
- **Community representation:** Throughout, the target community should be informed and participate in decision-making. Beneficiaries should be provided with clear information about their entitlements and the duration of the intervention. Certain aspects of the program including targeting/ beneficiary identification, beneficiary registration and feedback procedures rely heavily on community members to make it a success. As a result, it is critical that the community members on whom project staff rely are truly representing the community. Formation of a committee may be useful, as long as the membership is genuinely representative of the community.
- **Avoid or mitigate negative effects:** In cash-based responses, agencies must take steps to analyze the potential negative impacts of the project on the economy, communities, clans and social dynamics, potential interpersonal or inter-clan conflict, religious differences and gender imbalance. In cash-for-work, the potential negative impacts of the micro-projects on the environment must also be carefully analyzed.
- **Conflict sensitivity:** Power structures within families and communities create opportunities and restrictions for individual access to resources. Projects should therefore consider power relations and put measures in place to mitigate potential conflict. Some examples of mitigation measures and possible solutions can be found under "Risk Management" on page 44-47.
- **Ensure non-discrimination:** External ideological or political pressures or clan/tribal interests should not influence the project. For example, Village Relief Committee members and staff members involved in the beneficiary targeting process must ensure that their actions are accountable and that the selection of beneficiaries is based on vulnerability criteria rather than family, political or clan/tribal affiliation. It is the role of project staff to be aware of, and not reinforce, existing inequalities in the community.

- **Respect the local culture and values:** The project should be based on an understanding of local customs and traditions and conducted in line with accepted societal norms. This means that activities should not interfere with, but respect and promote, traditional coping mechanisms as long as these are not in conflict with human rights standards. In Somalia for example, the credit system is a traditional coping mechanism.
- **Ensure equal participation by women and men, girls and boys:** Both genders and all ages should be included in planning, implementing, monitoring and evaluating activities.
- **Ensure gender awareness:** The project should be based on a thorough understanding of men's and women's different needs, concerns, priorities and experiences. The project team should share a common understanding of this and gender awareness should be used as criteria when hiring staff. As much as possible, the beneficiaries and members of the Village Relief Committee members should be women. Wages in cash-for-work projects should be equal for men and women. children input should be sought and valued.
- **Promote activities that particularly empower women:** The project should reflect gender awareness, including the recognition that women, in most contexts, have less valued social roles, which marginalizes them from ownership and control over resources. Hence, the empowerment of women should be prioritized as far as possible as an integral part of all projects (i.e. location of work sites, finding less physically demanding work for women, etc). More information on how to encourage and promote inclusion of women into cash-based responses can be found on page 21.
- **Encourage sustainability:** Agencies should address the link between relief and development and seek coherence between humanitarian activities and longer-term development by ensuring community ownership and collaboration with other agencies involved in development operations.
- **Ensure accountability and transparency:** Agencies are accountable to those they seek to assist and to donors. This involves being open and clear about the purpose and objectives of the project and the use of funds from the planning stage to the end of the project. There should be clear record keeping of project finances and mechanisms should be put in place to ensure that community members (both beneficiaries and non-beneficiaries) can voice concerns or suggestions to project staff. More information on ways to improve accountability and transparency in cash-based responses can be found on page 20.

## Accountability and transparency

Some Adeso examples of ways to ensure accountability and transparency in programs include:

- Receipts of the cash payments are done in triplicate so that beneficiaries, the agency and the Hawala (money transfer company) each keeps a copy.
- The agency provides the community with a public forum for voicing questions, suggestions and concerns.
- In the first public meeting ensure that the whole project process is clearly described; what is to happen from A to Z including the selection criteria, that the lists will be vetted by the agency and that the agency has the right to remove people from the list who don't fulfill the criteria.
- Provide an additional private method for individual concerns and suggestions
- Allow the community to agree in public about who will be part of the Village Relief Committees.
- Read the beneficiary list in public to ensure people meet selection criteria.
- Ensure that community feedback and response mechanisms are in place.

## Encouraging women's participation

Women are traditionally seen as the main caretakers of the family and care for children, the sick, the wounded and the elderly. They may, therefore, have more difficulty than men in obtaining their cash benefits. In some societies women have a lower social status than men and have less power in public decision-making. Their participation in cash-based projects should be particularly facilitated.

### The revised SPHERE core standards

The revised SPHERE standards include the following core standards:

- People-centered humanitarian response
- Coordination and collaboration
- Assessment
- Analysis and design
- Performance, transparency and learning
- Aid worker performance

Source: SPHERE 2011



Photo credit: Juozas Cernius (© Adeso)

- Ensure as much as possible that women hold at least half the seats on committees and that there is actual participation by the women representatives. Allow private space and opportunities for female committee members and women in the community to meet with project staff to share problems and challenges.
- Sensitize committee members on the positive impact that women have on the cash spending and risks of cash misuse.
- Ensure that as many as possible of the beneficiaries are women.
- Ensure that names of women in the household are included on registration lists. This enables women to collect cash benefits/ wages as well as the men in the household.
- Work around women's schedules to make sure that if they cannot work, they may send someone else to work for them, while remaining responsible for collecting the cash benefit/ wages.
- Make special provisions at work sites to ensure a gender sensitive environment.
- The committee members should informally monitor expenditure patterns in households at risk of domestic violence.
- Establish systems to provide disincentives for cash misuse. For example, if the head of the household is the beneficiary and she or he has misused their grants, his/her name can be removed from the list and replaced with the spouse. If this is not possible or appropriate, the recipient should be simply removed from the list.

## **Coordination**

Responses should be timely, secure and effective. Sharing information on security situations, affected areas and other contextual information by the field staff will minimize risks and enhance the logistical process. Gather information on what other agencies are doing in the field and what type of aid is being provided to the affected areas. Determine the appropriate type of response, value of cash benefit; target groups and geographical area.

Because cash is highly attractive to everyone, targeting one community and not another can cause conflicts between communities, including personal and/or clan/tribal conflicts. Coordinate with other actors in the field to ensure that the affected communities are equally targeted. A consortium approach is one way to ensure that there is close collaboration and coordination. Involving all actors is recommended regardless of the approach. Regular field information sharing during monthly coordination meetings or visits, progress reports and communication with field staff are considered essential for good programming.

## Section 1: Overview of cash-based responses

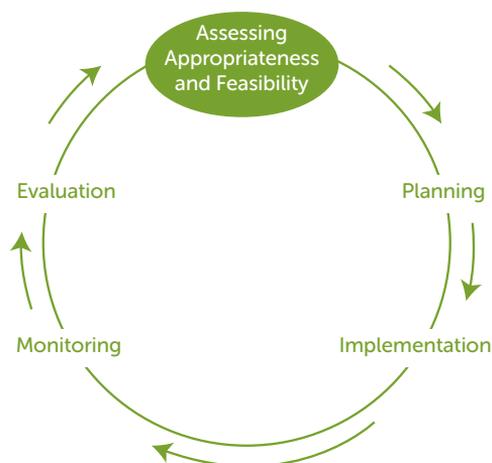
### Main points to remember!

- A cash-based response can either be unconditional or conditional. Often these types are combined.
- Each type of cash-based response has its own advantages and disadvantages.
- Choosing the appropriate type of interventions depends on the urgency of beneficiary needs, the logistics capacity you have, the administrative capacity you have and the preferences of the beneficiaries.
- Cash can be provided directly to beneficiaries or to others who also ultimately provide assistance to beneficiaries (e.g. shopkeepers, livestock traders, health centers).
- Cash responses can be used effectively at various stages of humanitarian and longer-term recovery and development programs.
- At the core of a cash-based response is the dignity and empowerment of beneficiaries.

### Further Reading:

- ACF (2007) *Implementing cash-based interventions: A guide for aid workers*. ACF, New York.
- Creti, P & Jaspars, S (Eds) (2006) *Cash-transfer programming in emergencies*. Oxfam GB. Oxfam Publishing, Oxford.
- Gentilini, U. (2007). *Cash and food transfers: a primer*. Social Protection and Livelihoods Service, World Food Programme, Rome.
- Global Finland (2004). *Training package for the promotion of gender equality in NGO development cooperation* <http://global.finland.fi/gender/ngo/english/index.htm>
- ICRC/ IFRC (2007). *Guidelines for cash transfer programming*. International Committee of the Red Cross (ICRC) and the International Federation of the Red Cross and Red Crescent Societies (IFRC), Geneva.
- SPHERE (2011) *Humanitarian charter and minimum standards in disaster response*. 2011 Edition. [www.sphereproject.org](http://www.sphereproject.org)
- Swiss Agency for Development and Cooperation (2007). *Cash Workbook: A practice user's guide for the preparation and implementation of cash projects*. SDC, Geneva.
- UNESCO (2000). *Gender Sensitivity* [www.unesco.org/education/mebam/module\\_5.pdf](http://www.unesco.org/education/mebam/module_5.pdf)
- UN-Habitat (2008). *Gender in Local Government. A Sourcebook for Trainers* [www.unhabitat.org](http://www.unhabitat.org)

## Section 2 – Assessment



Before planning to undertake a cash-based project, an assessment of the appropriateness and feasibility of the response should be carried out. This includes weighing the benefits against the risks, analyzing information about household needs, food and income security, markets and the security situation. These factors will help agencies determine whether a cash-based response is feasible and appropriate for the context.

### What information is needed from an assessment?

There are four major categories of information that should be collected and analyzed before determining if cash is an appropriate response. Some of the specific questions that can be considered are listed below.

#### > General information:

- What has happened? e.g. earthquake, drought, flood
- Who is affected? e.g. pastoralists, farmers, women and children
- Which locations are most affected?
- What are other agencies doing?
- Are other agencies currently responding to the situation or planning to respond in the near future?
- What will their response be? What will be provided and to whom? For how long?
- What is the security context?
- What are the risks of cash benefits being seized by elites, militia or project staff? Compare these to the same risks of in-kind distributions.

- What are the risks of militia or other groups threatening the security of the beneficiaries? Compare these to the same risks of in-kind distributions and consider the influence of the elders, religious and community leaders on their communities and to which extent these can provide protection to beneficiaries.
- Is there a risk of various groups or clan/tribal fighting over allocation of beneficiaries or resources? Can this be controlled and how?
- Information on the social and power relations
- Do men and women have the same priorities?
- How is control over resources managed a) within households and b) in the community? What impact would cash distributions have on the existing structure in the community?

➤ **Household information:** including people's needs and their food and income security situation.

- How did the emergency impact people's access to food and income? How did it impact their assets?
- Are people able to meet their basic needs? Are they able to meet some of their needs by their own means?
- What strategies are people using to cope after the emergency? Consider if any harmful strategies are being used.
- What are the priorities that people are likely to spend their own resources on? What are they likely to spend cash transfers on?

### **Analyze the impact of the emergency on affected households:**

Immediate needs: food, water, shelter, health services, protection, including whether short term distress coping mechanisms are employed such as disposal of household assets, decrease in the number of meal intakes per day or undertaking of dangerous or degrading activities, such as trading sex for food or other commodities.

Livelihood: capacity to support themselves, including loss of income, food production (cereal, livestock), access to goods in markets, employment opportunities, terms of trade, security issues and the impact on local structure/organisation and regular coping mechanisms.

- **Market information:** including a functioning market, food availability and/or availability of the items that households need
  - Are markets available in the affected areas? Are they functioning? Close to your beneficiaries? Consider road transportation, restrictions on movements of goods, warehousing, costs to beneficiaries to transport goods home from market etc.
  - Are essential basic non-food items available in sufficient quantities and at reasonable prices?
  - Are the items needed by affected households available in the local markets? In sufficient quantities? If not, would local traders be able to bring in more supplies if they knew people would buy them?
  - Has the emergency occurred at a critical time in the food production cycle such as planting season or harvest? If so, how long will it take to return to the normal cycle? What needs to be done, if anything, to get local food production back on track?
  - Is the market competitive? Consider the number of suppliers in relation to the numbers of buyers and if goods are transferred from areas of surplus to areas of deficit.
  - Are traders able and willing to respond to an increase in demand in the affected area? Is there a risk that a cash-based response will cause inflation in prices of key products?
  - Is the market integrated? eg. is it linked to other markets and does it demonstrate similar price movements to other markets in the area?
- **Information on the available payment methods:** What methods of funds transfer are available? Is direct hand-to-hand distribution possible/ secure?
  - Are there any functioning money transfer mechanisms (i.e. banks, post offices, or money transfer companies in contexts where banks do not exist)?

The SEEP Economic Recovery Standards highlight the need for humanitarian agencies to implement responses that will support and encourage recovery of the local market. This is because inappropriate humanitarian action can cause damage to market function and trade networks, making the community as a whole worse off. The functionality of the market and the local economy should therefore always be considered when designing humanitarian projects.

## How to determine if a cash-based response is feasible

- Assessing whether cash can be delivered safely, and spent safely by recipients, is imperative to determining whether a cash response is feasible.
- The identified security risks must be analyzed in relation to methods for mitigating those risks before determining the feasibility. See Section 3 (Planning and Design) page 44-47 for more information on risk mitigation strategies.
- Agency Capacity - Deciding whether a project is feasible also requires an assessment of the administrative, logistic and technical capacity to implement an appropriate project, in an appropriate time frame.

## Methods of collecting and analyzing the information

Rapid assessment methods that focus on collecting relevant and accurate information are usually applied in emergency contexts. The main methods that can be used to collect information include:

- Review of available information.
- Rapid appraisal utilizing participatory approaches: interviews, consultations and focus group discussions for qualitative information.
- Surveys for quantitative information, if there is sufficient time.

### 1. Review of available information

- Consult local information systems, including local people who may help during an assessment, and contingency relief plans of the government, UN and NGOs. Agricultural calendars, national and local statistics, and national policies will also be useful.
- Find out who else is responding to the emergency, what information they use and what their strategies are.
- Double check the sources of the information to ensure that they are reliable.

In Somalia, the United Nations' Food and Agricultural Organization (FAO) and the Food Security and Nutrition Analysis Unit (FSNAU) collect monthly information on food security, market prices, livestock holding and body conditions, as well as a wide range of additional data that can be used to get an overview of the food security conditions of particular areas.

FSNAU and the Famine Early Warning Systems (FEWS) also provide Monthly Food Security briefs, Emergency Alerts and Food Security and Nutrition briefs. The United Nations Office of Coordination of Humanitarian Affairs (OCHA) also produces relevant briefs, including security briefs, population movement updates and maps.

OCHA and FEWSNET work in many countries throughout the world and provide agencies with information about their target locations. Agencies are encouraged to contact their local office for further information.

For more information, visit FSNAU at: [www.FSNAU.org](http://www.FSNAU.org) FEWSNET at: [www.fews.net](http://www.fews.net) and OCHA at: [www.unocha.org](http://www.unocha.org)

## 2. Rapid appraisal and participatory approaches

A participatory, rapid appraisal is central in initiating contact with affected communities. Considering the timeframe, approaches should encourage needs identification by the affected beneficiaries if possible. Activities can include:

- Direct observation.
- Semi-structured interviews.
- Individual interviews or consultations.
- Group interviews or consultations with women, men and/or especially vulnerable groups, such as minorities.
- Focus group discussions.

## 3. Surveys

Information collected through surveys can translate into quantitative and qualitative indicators, important for cash-based responses. Nutrition surveys, food security surveys and livelihood surveys are common in emergencies. For example, when analyzing the livelihood situation, a survey could include:

- Household size and composition (gender, age).
- Quality of livestock and land ownership.
- Proportion of income by source.
- Expenditure by categories.
- Seasonality.
- Credit and debt.
- Wealth ranking.

**Table 5: Methods to collect the required information**

Information about needs, food and income security	<ul style="list-style-type: none"> <li>➤ Participatory approaches or rapid assessments;</li> <li>➤ Surveys</li> </ul>
Information about social and power relationships	<ul style="list-style-type: none"> <li>➤ Separate interviews with men and women;</li> <li>➤ Interviews and consultations including different social, ethnic, political and wealth groups.</li> </ul>
Information about food availability	<ul style="list-style-type: none"> <li>➤ Interviews and focus group discussions with food producers.</li> <li>➤ Available sources:</li> <li>➤ National and local statistics.</li> <li>➤ Agricultural calendars.</li> <li>➤ Government subsidies and policies.</li> </ul>
Information about markets	<ul style="list-style-type: none"> <li>➤ Interviews and focus group discussions with traders.</li> <li>➤ Rapid assessment: monitoring and analyzing prices in key markets.</li> <li>➤ Interviews and focus group discussions with moneylenders, debtors and creditors.</li> <li>➤ Ensure that remote areas are covered when analyzing how markets work.</li> </ul>
Information about money transfer systems, security and corruption	<ul style="list-style-type: none"> <li>➤ Mapping of financial transfer mechanisms;</li> <li>➤ Interviews, with money transfer companies/ remittance companies banks or local business people who may have the capacity to distribute the cash.</li> <li>➤ Interviews with affected people about their perceptions of the most secure way of transferring, storing and spending money.</li> <li>➤ Analysis of the political-economic context.</li> </ul>

Source: "Cash-Transfer Programming in Emergencies", Oxfam GB (2006), with minor alterations

### When are cash-based responses appropriate?

Some situations where cash-based interventions may be appropriate include:

- People are not able to meet their basic needs as a result of the emergency and/or they adopt coping strategies damaging to their health, livelihood or dignity;
- The emergency has affected households' abilities to earn income;
- Food shortage is due to lack of purchasing power rather than lack of availability (e.g. People are not able to buy items due to lack of money.)

If given the cash they should be able to buy what they need through the market;

- The emergency led to a collapse of traditional coping mechanisms, such as credit systems.
- The impact of the emergency on the economy could be addressed by supporting local markets. If the emergency led to low purchasing power and to the closure of shops, this is a strong indicator that not enough cash is circulating in the local economy and cash transfers can revitalize the market.

Some situations where cash-based interventions might not be appropriate include:

- Damage to the local market infrastructure or disruption to the market is severe and emergency relief is needed very quickly.
- The items required by the beneficiaries are not available in the local market and local traders are unable to bring them in sufficient quantity.
- The security risks are perceived by the beneficiaries as being too high and they prefer in-kind assistance.
- The capacity within the organization is insufficient to implement a cash transfer project within the required timescale..
- Appropriate money transfer mechanisms are not in place or cannot be mobilized in the required timeframe.

### **Pre-conditions for undertaking a cash-based response**

The following are a list of pre-conditions (or conditions that **MUST** be in place) before cash-based responses will be appropriate.

**Table 6: Pre-conditions for undertaking a cash-based response**

<p><b>Beneficiaries have access to local markets</b></p>	<p>Beneficiaries must be able to access a local market within a reasonable time frame, must be able to purchase items safely and must feel secure carrying the items home.</p>
<p><b>Conducive market conditions</b></p>	<p>Food, water, and other basic commodities required by the beneficiaries must be available locally or through trade at a reasonable price.</p> <p>Even if traders have ceased to function and shops are closed it should be ascertained whether this is as a result of limited purchasing power in the market system(s). If this is the case, providing cash to the beneficiaries and/or making traders aware that a cash-based program will be implemented may be sufficient for them to restart their businesses.</p> <p>Likewise, risks of price increases should be minimized. Those risks can be effectively mitigated through proper control of factors that may lead to an artificial increase in the price of goods and services. Such factors generally include physical access by traders to main supply markets, availability of proper information about the duration of the project and traders' expectations of the size of the cash benefits to be provided.</p>
<p><b>A secure cash distribution mechanism</b></p>	<p>Banks and post offices can be used for cash transfers. Where these do not exist, money transfer companies or local businesses can be used. For example, money transfer companies in Somalia that traditionally facilitate the distribution of remittances from the Diaspora to family members at home have played an instrumental role in facilitating the actual distribution of cash benefits through their existing networks of Adeso's cash-based programs.</p>
<p><b>Conducive environment to women's and minority groups' participation</b></p>	<p>In many contexts, women are more likely to invest their income towards meeting household expenses. Female-headed households often have high levels of vulnerability, so particular care should be taken to promote and ensure women's participation in the project.</p> <p>An exhaustive monitoring system and ensuring that women and minorities are represented throughout implementation (and particularly in the planning stage) should be strongly promoted by the agency.</p> <p>In many societies, affiliation with a clan or a tribe is embedded in the local power dynamics and can therefore determine who does and does not get targeted. Hence, the development of mechanisms to target all groups is essential to the success of the project.</p>
<p><b>Conducive security conditions</b></p>	<p>Basic security conditions must exist or security risks must be properly mitigated to avoid endangering the lives and safety of staff and project beneficiaries.</p> <p>Beneficiaries must feel secure receiving cash.</p> <p>Security and access are central to undertaking and engaging beneficiaries in micro-project activities and in the distribution of cash.</p>

## Section 2: Assessment

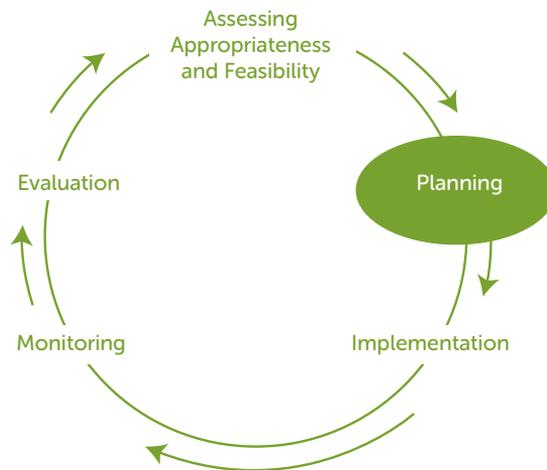
### Main points to remember!

- Assessing the impact of the emergency on people's needs will ensure that the response is appropriate.
- Four categories of information are needed to determine if a cash-based response is appropriate:
  - General information
  - Household information
  - Market information
  - Information on available payment methods
- Analyzing the context including market and security conditions is helpful to decide if a cash-based response is feasible.
- The pre-conditions for an appropriate and feasible cash-based response include:
  - Beneficiaries have access to local markets
  - Items are available at a reasonable price in the market or traders can bring them in
  - Beneficiaries can purchase safely
  - Appropriate cash payment methods can be found

### Further Reading:

- Each of the agency guidelines (referenced in Section 1) contains a chapter on assessment.
- Adams, L. and P. Harvey. (2006). Analyzing Markets. Learning from cash responses to the tsunami: Issue Paper 1. Humanitarian Policy Group, Overseas Development Institute, London.
- Oxfam Great Britain, International Rescue Committee, InterAction and Practical Action Consulting, with support from U.S. Office for Foreign Disaster Assistance. Emergency Market Mapping and Analysis (EMMA) Toolkit. 2009.
- Sivakumaran, S (2011) Market analysis in emergencies – A report for the Cash Learning Partnership.

## Section 3 - Planning



It is important that the assessments described in Section 2 guide the planning process that will determine the appropriate aims and objectives of the response, including the expected short- and long-term impacts of the project.

In addition to assessment information, planning the response (and all subsequent stages of the project cycle) should consider the guiding principles that were mentioned in Section 1, including coordination and collaboration, transparency and learning (including accountability). Adeso also includes community representation and ownership, and the inclusion of women and minority groups within their guiding principles.

This section covers how to translate the assessment information into a project, (i.e. how to determine the type of response,) determining who needs priority assistance, determining the size of the cash to be provided, and the timeframe of the response. This section also includes risk analysis and mitigation methods.:

### Step 1: Determining the type of cash-based response to be implemented

- **Livelihood patterns and timing** are central to determining the type of cash-based response to be implemented:
  - Some types of intervention, such as cash-for-work, take time to organize. If beneficiaries have urgent needs, it is appropriate to provide cash relief (which can be organized relatively quickly) while preparing for cash-for-work.
  - Some individuals within the target community may not be able to participate in cash-for-work projects depending on the nature of work involved (e.g. construction works). To include these people, less labor-

intensive activities can be included, or these groups can be targeted as grants beneficiaries in a combined project.

- The livelihood seasonal calendar may also play a crucial role in determining whether cash relief or cash-for-work should be undertaken (e.g. it might not be appropriate to implement CFW activities during harvest or planting seasons when local farmers are relying on casual labour).
- In Somalia for example, during the Jilaal (long, dry season) in the northern parts of the country, a large proportion of the population migrates to save their assets (sheep, goats, camels), and may not be able to participate in cash-for-work projects in certain places even though they are in need of assistance.
- **Gender issues:** Consider women's existing workload and time constraints when determining the type of cash intervention. In some communities it may not be appropriate for women to participate in any public works and therefore they may not be assisted unless alternative arrangements (such as cash relief) are available. Decisions should be made on a project-by-project basis about how best to include both men and women into each cash intervention.
- **Household vulnerability:** Note specific vulnerable groups in each community, such as elderly headed households, child-headed households, or vulnerable minority clans, and determine how best to ensure they are assisted through a cash-based response. In many cases these households lack the social networks or social standing in the community to ensure their inclusion in beneficiary lists. Make special consideration to ensure their inclusion.

**Table 7: Types of cash-based responses**

<p><b>Cash-for-work (CFW) projects</b></p>	<ul style="list-style-type: none"> <li>➤ Target households in which at least one person can engage in labor.</li> <li>➤ Are designed to provide labor opportunities and facilitate micro-projects (see Box 2 below) that will assist livelihood recovery while also boosting the local economy.</li> <li>➤ Are usually undertaken in less acute emergencies or during protracted crises, preferably when beneficiaries have received initial support.</li> <li>➤ Should not be undertaken when they risk interfering with local livelihood strategies (e.g sometimes CFW can disturb existing labor markets in communities)</li> </ul>
<p><b>Cash relief (grant) projects</b></p>	<ul style="list-style-type: none"> <li>➤ Are used for basic needs and/or livelihoods.</li> <li>➤ Increase the purchasing power of beneficiaries, enabling them to meet their basic needs.</li> <li>➤ Are undertaken in humanitarian emergencies or in acute food and livelihood crises to stabilize the situation until indicators of acute food insecurity improve and stress on coping mechanisms start decreasing.</li> <li>➤ Can be organized and implemented relatively quickly. This makes it appropriate when beneficiaries have urgent needs.</li> <li>➤ Can be used while cash-for-work activities or other recovery mechanisms are being organized.</li> <li>➤ If cash relief is needed on a long-term basis, consider discussions with the government for a safety net approach.</li> </ul>
<p><b>Combined cash relief and cash-for-work projects</b></p>	<ul style="list-style-type: none"> <li>➤ If a cash-for-work project is the preferable type of response, consider whether a cash relief intervention is appropriate before starting the longer-term cash-for-work projects. For example if the population is affected by a protracted shock, vulnerability is high and communities have received no complementary assistance, then it might be good to start with cash relief and later introduce cash-for-work.</li> <li>➤ Combined projects are often recommended given that there is always a small proportion of households in any community that cannot participate in labor-intensive work. If the household's consists only of the elderly, disabled persons, children, pregnant women, etc. it will be impossible for them to participate in labor-intensive activities. A certain percentage of the total cash benefit to the community could be allocated to cash relief (grants). Data on the numbers of elderly, disabled, children-headed households, women-headed households etc, will help in estimating this proportion, as well as the number of labor-poor households that the community themselves will identify.</li> </ul>

## Vouchers

- Useful when the agency wants to ensure that the cash payment is used for a specific purpose – e.g. tools, seeds, water, animals, etc. The vouchers can either have a cash value (and be spent in shops or with traders that sell only the items required by the beneficiaries), or they have a commodity value, allowing them to be exchanged only for those fixed items.
- The reason for choosing a voucher project over a cash project is when you specifically want to restrict beneficiary choice because you don't think that beneficiaries will prioritize and purchase the items if given cash. For example: if you have a nutrition objective, and would like people to eat more fresh foods then you can provide a voucher for such. If given cash people would most likely use the money to buy staple foods or perhaps medicine or other items.
- Providing commodity vouchers is a way to promote local procurement of assistance. Instead of providing the actual goods and transporting them to the beneficiaries for distribution, a commodity voucher allows households to purchase the items locally, which helps to boost the local economy.

## Step 2: Determining the value of the grant and/or the labor rate

The value of the grant in cash-based relief depends on the objective of the project. Whatever the objective, the value should be based on the cost of the needed items in the local market, or on the local labour rates (cash-for-work projects). If the objective is to meet household's basic needs, the total value should also consider the minimum monthly expenditure of beneficiary households (i.e. how much money the household needs to meet its basic needs of food and water). It should also take into account to what extent the affected households can meet their needs by their own means and the gaps that require external support. Minimum monthly expenditure can be calculated, for example, by using secondary data, such as that of other agencies such as FEWSNET or FSNAU as well as an agency's own and other agencies assessments.

The following questions will help guide agencies in determining the grant size and the labor rate for CfW projects:

**What is the purpose of the intervention?** If it is to meet the target beneficiaries' basic food and non-food needs (cash relief projects) the grant size should meet the minimum monthly expenditure. If the purpose is to enable the target groups to save and invest in further livelihood expenses to enhance recovery from the shock (often cash-for-work projects), the grant allocation could then be above the minimum monthly expenditure. It could also be set slightly below the normal rate (if the total will still meet the household's needs) to encourage an eventual return to normal employment when it is recovered.

**Are the beneficiaries targeted in other relief activities?** If complementary interventions such as water, non-food item and food distributions are taking place simultaneously, the agency may decide to target more beneficiaries and distribute less than the calculated amount of minimum monthly expenditure.

**What are the market prices and exchange rates?** Agencies should be prepared to adjust the amount of the grant in case of inflation. Where donors allow, a contingency fund should be built into the budget to accommodate price rises if they occur.

### **Adeso Example 1:**

In 2007, the market price of essential goods such as fuel and oil in Somalia were reported to be the highest on FSNAU's records. Likewise, the Somali Shilling had been depreciating against the dollar, terms of trade had decreased and crop production was reported to have failed, leading to a strong dependency of the market on imported goods. These indicators, alongside those mentioned above, and any specific needs observed within the target group were used to estimate the most appropriate size of the grant.

To address the increasing prices of essential goods, Adeso increased the value of the grant they were paying to beneficiaries. Initially households were provided with \$60 a month but ended up with \$150 per month to accommodate the rising prices. However, due to limited funding, it was eventually decided that, instead of giving 3 months of support as we wanted to, households would be provided with support for a shorter time.

### **Labor Rate**

In addition to the criteria listed previously, the following should also be taken into account when determining labor rates in cash-for-work (CFW) projects.

- There skilled labor rate in the area: The CFW wage rate for unskilled labor should not exceed the local labor rate as this will create imbalances in the market, create inflation and may encourage employed workers to leave their jobs in search of better opportunities under the cash response project.
- The value of cash relief being disbursed (if applicable): Cash relief payments are often the same as cash-for-work relief payments to avoid contributing to income inequality and discriminating against labor-poor households.

## **Adeso Example 2: Food Security and Livelihood Support Action (FSLSA)**

Adeso implemented cash-for-work activities as part of the FSLSA project in Afmadow, Somalia in 2007. The rate of payment was calculated on the basis of household needs and households were paid US\$2.50 per day.

Afmadow is a hub for livestock traders, who are reliant on casual laborers to walk with the livestock, usually to the Garissa market in Kenya. They pay laborers \$5 for an 18 hour day. The livestock traders complained to Adeso as they were taking away their much-needed labor by providing better working conditions.

Eventually the problem was resolved by meeting with the livestock traders and with the communities and explaining that Adeso was providing only the most vulnerable households with enough money to meet their basic food and non-food needs. It was also highlighted that as a result of the Adeso project the traders and the wealthier members of the community no longer have to worry about supporting their more vulnerable kinfolk as they were now benefiting from the project as the project was alleviating that financial burden for them.

**It is important that community representatives are involved in determining whether the overall figure is sufficient and takes into account contextual and seasonal variations.**

### **Example: Cash-for-work rate calculation**

Please note that Table 8 is an example only and is designed to show the process that agencies might go through when determining CFW payment rates.

**Table 8 Example: How to establish cash-for-work payment rates**

Steps	Example
<ul style="list-style-type: none"> <li>Find out the local skilled and unskilled labor rate for the area (from local authorities, and from the community)</li> </ul>	<p>e.g. Skilled labor rate = US \$4 per day e.g. Unskilled labor rate = US \$3 per day</p>
<ul style="list-style-type: none"> <li>Find out what other agencies working in the same area are paying for CfW projects</li> </ul>	<p>Another agency, Agency X is implementing CfW in the same project area and paying \$2.75 per day for unskilled labor and \$3.50 for supervisors</p>
<ul style="list-style-type: none"> <li>Find out if there are existing livelihood activities that must be undertaken at the time that you are planning CfW</li> </ul>	<p>No other casual labor opportunities are available in the area at this time.</p>
<ul style="list-style-type: none"> <li>Set CfW payment rate just under or equal to unskilled labor rate (especially when other local labor activities are needed) as per discussion with household</li> </ul>	<p>After discussion with Agency X and the community it is decided that all CfW projects should pay the same rate, just below the local labor rate. i.e. \$2.75 per day for unskilled labor and \$3.50 for supervisors.</p>
<ul style="list-style-type: none"> <li>Minimum rate of payment should enable households to earn an amount to cover the cost of the minimum food and non-food basket each month (Annex 3).</li> </ul>	<p>However, in the project area, the cost of the minimum food and non-food basket is US\$80 per month.</p> <p>This means that unskilled laborers need to work 31 days per month (not possible!) to meet even their most basic needs.</p> <p>After further discussion with Agency X it is decided that both agencies will increase the payment rate to the local labor rate. i.e. \$3 per day for unskilled labor and \$4 for supervisors.</p> <p>This means that by working 26 days per month (more realistic!), households will meet their needs.</p>

NB: The maximum amount paid per day for CFW projects should be the local labor rate so as not to distort the local labor market.

Source: Somalia IASC (2010) Minimum guidelines for agricultural and livelihood interventions in humanitarian settings, FAO Nairobi.

### Step 3: Determining the implementation period

There is no blueprint for determining the duration of cash-based interventions. Ideally, relief interventions should occur until the recovery process is underway. The following should be taken into consideration when estimating the duration period of cash-based interventions.

- Type and purpose of the intervention: Cash relief projects may be shorter than cash-for-work projects, especially if complementary interventions are taking place.
- Amount of the grant to be distributed: The size of the grant contributes directly to the pace of recovery, but without negatively affecting local labor.
- Recovery of social coping mechanisms, level of vulnerability and livelihoods: External and internal indicators of vulnerability should be carefully analyzed when proposing specific project durations. Often early warning systems are established by other relief agencies, for example by FSNAU/FEWS, that enable agencies to expect above normal or below normal rains, food availability, food production, purchasing power, revitalization of credit and social sharing. All of these may help agencies make informed calculations in regard to appropriate project durations.

#### Adeso Example: Emergency Drought Response and Action (EDRA)

In partnership with Oxfam GB and local NGOs, Adeso responded to a severe drought in the Gedo and Lower Juba regions of southern Somalia in May 2006. Adeso targeted 9,185 beneficiaries who received a one-time cash relief grant of \$50. An additional 4,651 vulnerable households were targeted for cash-for-work activities and received \$55 per month over a period of 4 months. The micro-projects identified as appropriate by the community and implemented as part of the cash-for-work component consisted of rehabilitation of water and road infrastructures. The immediate results of both the cash relief and cash-for-work components were the empowerment of the beneficiaries to purchase locally procured food and water and to repay debts. It also meant that people were able to keep their livestock assets. In addition, the injection of resources into the local economy, the rehabilitated water infrastructures and the improved road access benefited the community at large. The 4<sup>th</sup> month period was adequate to stabilize the situation.

## Step 4: Selecting a payment method

Agencies implementing cash transfers have found a number of appropriate ways to provide cash to their beneficiaries based on their specific context and the availability of financial institutions. These methods include hand-to-hand delivery, bank accounts, smart cards, post office transfers and even payment through the mobile phone network (Box 3).

In contexts such as Somalia and remote areas of Kenya, where Adeso operates, many of the financial or postal services are unavailable. As a result, Adeso teams have been innovative and devised new ways to provide cash, bearing in mind the security situation. Sub-contracting money transfer companies have been effective in avoiding security risks associated with staff handling cash. Money transfer companies, post offices or banks should be solely responsible for facilitating the distribution of cash in the field as they are more experienced and often better equipped. Project teams should be aware of any security risks and put measures in place to avoid or mitigate risks.

### Adeso Example: Cash distribution

In northern Kenya, money transfer companies such as those used in Somalia were present, but not interested in participating in a humanitarian project. Adeso staff therefore had to find a different solution for distributing cash in an environment with few financial institutions. The role was advertised in the local paper, but no institution applied. Staff then contacted local businessmen that could play a role.

After a few setbacks and making changes more suitable to businessmen, an appropriate business was found. The successful businessman already had contacts for accessing the project area and had sufficient financial capacity to pre-finance the distribution. Even though Adeso had to pay a higher commission than usual in order for him to accept the risk of money handling while still making a profit, the price was worth paying.

If you decide to work with a third party such as a money transfer agency or bank or other agent, you should consider the following selection criteria:

1. **Professionalism and network coverage:** The number, locations of field offices, staff composition and skills will help agencies in making assessments of the company.
2. **Trust from the community:** Informal discussions with the communities will reveal their sense if this is the right choice.
3. **Administrative and financial viability:** Ideally, the company should be registered on the UNDP or international list of accredited financial companies. Conduct a thorough assessment to ensure that the risks of bankruptcy are minimal and that the company has the capacity to undertake this project. This is assessed on the following:
  - The objective of the company: Some companies may transfer cash although they are registered for other purposes.
  - Where the company is registered: The company should be registered in a country where the rule of law is effective.

- The company has and continues to abide by anti-money laundering and anti-terrorist legislation.
4. **The management structure of the company:** Companies should have a demonstrated ability to coordinate the required activities at the headquarters and field level and to provide the adequate amount of logistical support (security, communication, and transport) to its staff.
  5. **Working capital of the company:** The audited and financial statements of the company should demonstrate adequate levels of cash flows (capacity to transfer sums of money needed). Further, to protect the agency's money, a cash guarantee or bond is requested against the amount of cash payments to be paid to beneficiaries (if possible, the amounts should be equivalent). Where companies have limited documentation, providing a cash guarantee ensures the company has the financial capacity to meet the project requirements.
  6. **Roles and Responsibilities:** Capacity to meet the projects requirements. The agency should sign a contract outlining the roles and responsibilities of each respective party. The contract includes the organization's code of conduct so that staff of the money transfer company understands how the agency expects them to treat and interact with the beneficiaries.

## **Box 2: Responsibilities of the money transfer company and the implementing agency**

### **The money transfer company should:**

- Transport the cash to the field;
  - Distribute cash within 10 days of receipt on the account;
  - Ensure physical security of the convoys and cash during the distribution;
  - Assign field staff at each location to facilitate the distribution;
- Provide receipts in triplicates, one to the beneficiary, one to the agency staff, and one to be kept by the company, as well as monthly statements to the agency on all cash payments;
- Cooperate with implementing agency staff;
  - Provide cash in appropriate denominations to the field office for distribution;
  - Avail necessary communication, cars and logistical support to their field staff;
  - Assume full liability for lost and stolen cash;
  - Provide a cash guarantee or bond in equivalent amount of the cash to be distributed
- Only distribute funds to beneficiaries when committee members and agency staff are present at distribution site to verify payments.

### **The agency should:**

- Provide the company with a payment schedule and beneficiary list in a timely manner;
- Pay the required service fee (usually about 6-10% of cash disbursed)<sup>1</sup>;

1 This service fee is based on Adeso's experience in working in insecure areas and also remote areas where the hawala or agent must travel. If the distribution is to take place in a more secure environment and targeting larger towns or cities without the requirement of moving to remote rural villages, then it is very possible that this percentage can be negotiated downwards.

- > Provide the cash receipts and train the company staff on using these receipts in the field. Be present along with at least one committee representative during the distribution to confirm the identity of committee members and beneficiary recipients.
- > Inform all beneficiaries of the payment protocol, when and who can collect the cash.

### **Box 3: New technologies for paying cash transfers**

In recent years, with the growing acceptance of cash-based responses, implementing agencies have become very innovative with ways to pay the cash transfer. While in some areas cash payments are still made directly to the beneficiaries by the project staff (hand-to-hand), in many places this methodology is being replaced with new technologies. The four electronic e-payment systems that are currently being used by aid agencies are pre-paid debit cards, smart cards, mobile money transfer systems and electronic vouchers.

Recent research indicates that the most important benefits of these electronic payment systems include improved security for staff and recipients; reduced leakage; improved reconciliation and control of expenditure; greater speed and efficiency of transfers; reduced costs for the agency and recipient; and the potential for realizing wider impacts for the recipient.

On the down side, agencies implementing new systems in emergencies with the poorest sections of society in low income countries are likely to face challenges. These arise from lack of prior experience with technology; poor network and infrastructure; low literacy and lack of agency capacity. However, there is evidence that access to formal identification gained through participation in cash transfer programs can provide individuals with longer-term benefits, including the potential for their households to access public services. Overall the research found that despite encountering some challenges, all practitioners who have used e-payment systems to date found them beneficial and would use them again. Under the right conditions, e-payment systems offer a promising way to deliver aid to recipients with speed, precision and flexibility even in challenging environments.

Further reading on new technologies for cash transfers can be found on page 51.

Source: Smith, G., MacAuslan, I., Butters, S. and Tromme, M. (2011) 'New Technology Enhancing Humanitarian Cash and Voucher Programming', a Research Report commissioned by CaLP.

## Step 5: Understanding possible risks to the project

When specific risks are identified it is easier to put in place mitigation methods and to work out possible solutions (contingency plans). It is important to conduct some level of risk analysis during the planning stages.

Despite the ever-changing security environment, Adeso project, teams have been able to implement many successful cash-based responses. This is due to the fact that Adeso puts the security of its staff and beneficiaries first. It is prepared to stop the project and withdraw from the area if the security situation demands it. This is only done after trying to resolve the matter first with the local communities.

In addition to transparent procedures on beneficiary registration, policies should also be adopted on cash handling. Ideally, staff should be prohibited from handling cash.

The village relief committee should be responsible for creating an environment conducive to basic security conditions for all. Proper mitigation procedures must consist of enforcing strong internal rules and regulations on staff security in the field, as well as being sensitive to political or clan/tribal dynamics in the project area. Table 9 shows some of the problems that the Adeso teams have faced in the field and how they have tried to mitigate them and if problems arose, how they have tried to solve them.

**Table 9: Risk mitigation strategies and possible solutions**

PROBLEM	MITIGATION MEASURES	IF IT HAPPENS?
<b>Disgruntled non-beneficiaries</b>	<ul style="list-style-type: none"> <li>➤ The community should be sensitized to the fact that any security incident targeting beneficiaries or staff will result in the project being cancelled immediately. In some contexts, a strong social system of community sharing and peer protection can reduce incentives for criminal acts against beneficiaries.</li> <li>➤ Ensure that public meetings are held when determining selection criteria and beneficiary lists and provide a forum for complaints and a feedback mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Clearly explain how selection criteria was determined and how one is eligible for assistance.</li> <li>➤ If non-beneficiaries have legitimate complaints, ensure that the problem is rectified.</li> </ul>
<b>Delays in cash payments</b>	<ul style="list-style-type: none"> <li>➤ Delays in cash payments can cause frustration among the beneficiaries. Coordination processes and procedures should be well established with the money transfer companies to ensure that the payment schedules are transferred to the beneficiaries on time.</li> <li>➤ Include the frequency of payment on the contract with the Money Transfer Company (or post office or bank).</li> </ul>	<ul style="list-style-type: none"> <li>➤ Delays in payment can lead to mistrust between the community and the agency and hamper future projects. Project staff should maintain open channels of communications with the workers to inform them of possible delays.</li> <li>➤ Be aware that some beneficiaries may have travelled to get to payment sites and may need additional assistance if money is not distributed promptly.</li> </ul>
<b>Project staff (or committee members) harassed by militias</b>	<ul style="list-style-type: none"> <li>➤ Cash-for-work project teams should coordinate their trips with committee representatives, undergo training on personal security, maintain confidentiality about travel itineraries, avoid travelling at night and should travel using varied times and routes.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Make it clear to local leaders that if the project is threatened in any way, it will be stopped.</li> <li>➤ Elders and local leaders are usually in a better position to hold discussions with militia groups than agency staff.</li> </ul>

<b>Attacks while transporting cash to the field</b>	<ul style="list-style-type: none"> <li>&gt; The money transfer company or contractor should provide a bond or cash guarantee before signing contracts.</li> <li>&gt; The companies should be encouraged to maintain strict confidentiality on their travel plans and travel routes and hire an armed escort. Discourage them from travelling at night. They should use more than one vehicle and change their itinerary as much as possible in each trip.</li> <li>&gt; Agency staff should never travel with the hawala* as that will automatically transfer all risks of attack to the staff.</li> <li>&gt; The hired money transfer company or contractor should inform the communities in which the project is taking place that any money stolen is his money and therefore it means it is the money of the clan/tribe in that community. This will reduce the likelihood of attack for fear of clan/tribal retribution.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Money transfer companies should assume full liabilities for any loss of monies and take full responsibility for security during transport.</li> </ul>
<b>Women losing control over the grant</b>	<ul style="list-style-type: none"> <li>&gt; Committee members should include adequate representation inclusive of women and have an intimate knowledge of households in the community where men are more likely to control their women's grants. They must monitor such households.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; In Adeso's experience, this has occurred on a very negligible scale. Committee members are best positioned to put pressure on the man of the household if this occurs. Committee members should be able to monitor, arbitrate, and avert such situations</li> </ul>

<b>Risks of Cash Misuse</b>	<ul style="list-style-type: none"> <li>➤ The risk of cash misuse is mitigated through effective targeting and community pressure.</li> <li>➤ Cash misuse for anti-social purposes such as weapons or khat* purchase should not be an immense threat if the ICBT methodology has been properly implemented, as project beneficiaries are selected because they cannot afford to meet their basic food and non-food needs.</li> <li>➤ Project managers should work closely with local staff and committee members to carefully monitor cash misuse for anti-social purposes. In Adeso's projects, when such incidents have been reported, the beneficiaries have been removed as recipients.</li> </ul>	<ul style="list-style-type: none"> <li>➤ If complaints are made that beneficiaries are misusing the money, project staff should investigate the claims. If verified, their names should be removed from the list and replaced with their spouse or other household member (if possible). Continued misuse should result in removal from the beneficiary list.</li> </ul>
<b>Bankruptcy of money transfer company</b>	<ul style="list-style-type: none"> <li>➤ Investigate the money transfer company to confirm the financial capacity before implementation. Transfer funds progressively to the money transfer company to minimize the impact of possible bankruptcy or mismanagement. The financial costs of making multiple transfers should be taken into consideration when budgeting.</li> <li>➤ Ask the money transfer company to provide a cash guarantee or bond prior to transferring funds to provide a financial guarantee.</li> <li>➤ The agency's central staff should immediately contact the senior officers of the hawala and inform the local authorities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The agency's central staff should immediately contact the senior officers of the hawala and inform local authorities.</li> </ul>

\*Hawala: An Arabic word for the local money transfer companies operating in Somalia

\*Khat: The leaves of a small shrub that is chewed like tobacco and act as a mild stimulant. Also called qat, or miraa.

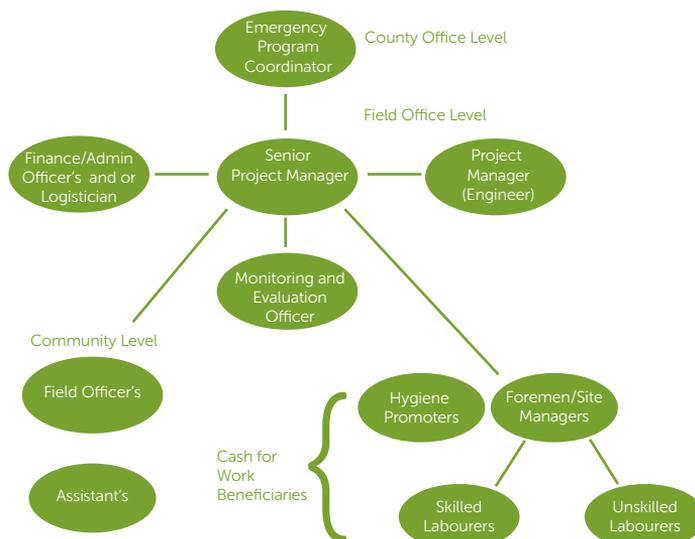
## Step 6: Recruiting and training staff

Agencies should recruit staff with appropriate experience and/or training. When determining the make-up of the project team consider the following:

- A team of supervisors or a project management team including administration, finance and/ or a logistics, is essential for implementation.
- Monitoring and evaluation personnel.
- In cash-for-work projects technical staff such as an engineer for construction projects will be required to ensure that micro-projects are technically sound and adequately implemented.
- Field staff are critical to facilitate effective targeting at the community level, preferably accompanied by an assistant in each village for cash-for-work.
- When hiring beneficiaries for cash-for-work projects, consider the division of labor. Supervisors or foremen and both skilled and unskilled workers should be hired.

**Figure 1: Example: Adeso staffing structure for cash-for-work projects**

**Training:** Training courses are especially important in complex, insecure environments



where agencies may have to make operational compromises (such as using armed guards or restricting information shared). The following staff members or individuals should be considered as potential participants to the training (or parts of it):

- Project management staff (including administration and finance and/ or logistics staff).
- Field officers and assistants.
- Representatives from the money transfer company.
- Staff of a local implementing partner.
- Local authorities and/or existing village relief committee members.

Outputs from the training should include:

- Staff understanding of the project, its processes, and the rationale for a cash-based response.
- Agreement on the minimum level of engagement with local communities that is necessary to continuously seek their feedback and agreement on information to be disseminated.
- Staff should be clear on how to deal with any concerns/complaints raised by key local stakeholders and how they will actively encourage this input.
- Good understanding of the process of community mobilization and selection of beneficiaries using the ICBT approach .
- Understanding on participatory identification of micro-projects.
- Concrete examples of what and how to monitor and evaluate a cash-based response.
- Understanding of possible implementation issues and how best to address them.

### Checklist for Security Risk Management

- Start the registration process with a public meeting, announcing to the community the goals and objectives of the project, how many beneficiaries will be targeted, and conditions under which the agency will immediately suspend its activities. Insure that the public meeting includes both potential beneficiaries and non-beneficiaries so that everyone is aware of the project and who will be targeted and why;
- Recruit highly responsible, resourceful and skilled staff for the project;
- Leave all cash handling to the money transfer company (or post office bank or other chosen money handler) to minimize allegations of cash diversion;
- Adopt clear and transparent procedures for project management, registration, hiring and firing to prevent misunderstandings;
- Be accessible to community members (beneficiaries and non-beneficiaries) and encourage discussions on all matters of concern;

- > Hold regular, informal conversations with key informants to obtain information about possible security threats to the work, staff or beneficiaries;
- > Insure that committee members are respected and influential community members;
- > Project staff should always travel to the field with at least one representative of the committee;
- > Maintain a close working relationship with committee members and insure that they handle conflict mediation and resolution;
- > Circulate all security related information collected in the field;
- > Enforce the agency's rules and regulations on security;
- > Provide ID cards to beneficiaries;
- > Encourage money transfer companies not to transport cash at night, to change transportation routes regularly and maintain confidentiality about when payments will be made (date and time).
- > Inform the community that all the money being paid out belongs to the agent and not the agency to reduce potential attacks, especially if the money agent is a member of the same community.

## Section 3: Planning

### Main points to remember!

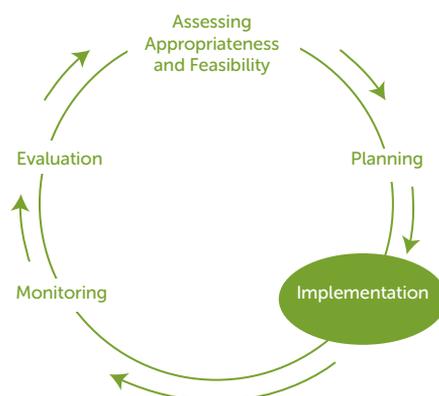
All planning should be based on thorough assessments and should consider the guiding principles of humanitarian action.

- The type of cash-based response depends on the severity of the situation, what the agency aims to achieve, and whether assistance is provided by others.
- Interventions can be combined, either with in-kind support or different cash responses.
- Cash grants, cash vouchers and cash-for-work payments should be set at a level acceptable to the community and sufficient to provide the needs of the target beneficiaries.
- The value of the cash relief can be determined by calculating the minimum monthly expenditure for poor households and/or by the current labor rates in the area.
- Take into account whether the aim is to support livelihood recovery in addition to meeting immediate needs.
- Appropriate cash disbursement mechanisms are required to enable safe and effective distribution of monies.
- When determining the size of the grant it is important to involve community members to ensure accountability.

### Further Reading:

- Each of the agency guidelines (referenced in page 23) contains information that will assist with project planning.
- Hughson, G & Ridsdel, B (2012) Beyond banks: Cash Transfers 2.0 - Electronic payments technology in humanitarian assistance in Kenya. Monday Developments June 2011
- Smith, G., MacAuslan, I., Butters, S. and Tromme, M. (2011) 'New Technology Enhancing Humanitarian Cash and Voucher Programming', a research report commissioned by CaLP

## Section 4 – Implementation



If the assessment and planning stages have been properly considered, the aims and objectives of the project, the type of project, the value of payments and other key decisions should have been made.

Implementation includes community mobilization, targeting and registering beneficiaries, identifying appropriate cash-for-work micro-projects (if implementing cash-for-work), procurement of tools (for cash-for-work projects), developing work norms (for cash-for-work projects), putting in place appropriate methods for voucher redemption (if implementing a voucher project), and using an appropriate payment protocol.

### Targeting and beneficiary registration

The purpose of targeting is to ensure that programs benefit the intended population or groups within the population. Targeting is a difficult and time-consuming process that must be undertaken with transparency and community involvement.

In all its cash programs to date, Adeso has used its own form of community based targeting called Inclusive Community Based Targeting (ICBT). This approach was initially developed by Adeso (as Horn Relief) in 2003 to ensure proper targeting of cash-based responses during emergencies. This approach has since proven to be highly effective. The ICBT emphasizes many of the guiding principles outlined in Section 1, including transparency, empowerment, gender awareness, and community participation as key principles of effective targeting (see Box 5). The targeting methodology described in this section follows the steps of ICBT: Community mobilization, setting up a village relief committee, beneficiary identification and registration, verifying the beneficiary lists (vetting), and ID production and distribution. Each step should be undertaken in close communication with the community as a whole and with the guidance and support of the village relief committees. An external post-distribution monitoring survey conducted by OCHA on one of Adeso's cash-based projects that used the ICBT approach indicated that 97% of the targeted beneficiaries were in fact the most vulnerable in the community (Majid et al, 2007).

#### **Box 4: Universal Targeting**

It should be remembered that there are situations where the whole community is in need of assistance and therefore targeting is not required. For example, after a rapid onset emergency such as a flood, all households may have lost their possessions and are in need of assistance. In this case, it may be appropriate to do universal provision of cash assistance (targeting everyone) rather than use a targeted approach.

#### **Box 5: Background to the ICBT approach**

A common and recurrent challenge in implementing humanitarian programs by international aid agencies is the 'gap' between theory and practice, especially at the field level.

Transparency, community ownership, empowerment and indeed a community-based approach to targeting is not new. Most agencies aim to apply such principles. However, the reality is that this is politically, culturally and logistically challenging to produce at the field level, especially in emergency situations and for agencies that do not have a strong presence in the field. Hence, at the field level, communities are often not adequately consulted and are inadequately informed about what resources are available to them, for how long and who will be able to benefit. There is also often a lack of information about the process of implementing the project as a whole, such as community mobilization, village relief committee selection and the purpose and role that this will play in the implementation.

There may also be a danger of agencies only following the 'traditional protocol' of consulting "the community". In Somali society, this involves meeting with elders also referred to as local authorities. The elders are the traditional peacemakers and guardians of the community, and as leaders who know the needs of their people, may convince international humanitarian staff that they will transfer the resources fairly to their people. While they may have the intention to do so, the elders are under pressure from families and clan members to prioritize them in any benefits to be sourced.

In addition, "elders" often only represent one gender (male) and may represent a majority clan and therefore be biased in terms of community interests. This is not to say that it is not important to meet with the elders to acquire their confidence and commitment. Rather, this is often crucial for any humanitarian intervention. However, it is not sufficient for humanitarian staff to allocate the task of targeting the most vulnerable or distribution of resources to one group of the community, such as the elders. This is of course true for any type of humanitarian distributions, including distribution of food or non-food items. Yet, in Adeso's experience, this has often been the case. Cases have been identified where humanitarian staff has received lists of target beneficiaries where many 'truly' vulnerable beneficiaries were identified, but also many family members of elders that did not fit the criteria were included in the lists. It has also been reported that lists have included names of beneficiaries that do not exist, so called 'ghost beneficiaries'. In other cases, humanitarian staff has been reported to collaborate with elders in order to get a benefit in return.

These are some of the challenges in implementing cash-based response and it is against this background that Adeso developed the ICBT method, made it central to all its cash-based programming and focused on its implementation at the field level. Certainly, the ICBT methodology is not a 100% guarantee to avoid the risks described above - nothing ever is. However, if the ICBT method is implemented seriously, the process constantly monitored, and the minimum training of all project staff takes place (not just the managers), such measures significantly mitigate this from occurring.

**The steps used by Adeso in the ICBT approach are described below.**

### **Step 1: Community Mobilization**

A public meeting involving all members of the community should be held to share information about the planned project. The objective is to maintain absolute transparency with the community (including both the beneficiaries and non-beneficiaries alike). The meeting time should be set to accommodate the schedule of women. See the community mobilization checklist (page 55) on how to lead the session.

The role and responsibilities of Village Relief Committee members (page 57) should be clearly outlined in this meeting. The community will also discuss their priority needs and define the most appropriate activities for cash-for-work projects with the project staff.

Consider and assess the various means of communication available to pass on information and the language to use. This can include radio communication or a notice board in written or pictorial form so individuals can refer to it at a later date.



Photo credit: Daniel Gerstle (© Adeso)

## Community Mobilization Checklist

The meeting with the community members should cover the following aspects of the project:

### Box 6: Community Mobilization Checklist

#### Project Overview

- > Purpose (drought relief, flood relief, conflict resolution, etc.);
- > Nature of the project/type (cash relief, cash-for-work, combination);
- > Rationale for using this type of response;
- > Identify all actors involved and their roles, including field staff, agencies, local partners, consortium members (if any) and money transfer companies;
- > Information on the agency who will be doing the work, (i.e. name, what agency stands for, contact details, etc.) and whom to contact in case more information is needed or if there are any issues to be raised;
- > Scope (geographical coverage).

#### Implementation Mechanisms

- > Description of the registration process;
- > Role of the Village Relief Committee, including selection criteria and their role in the vetting process and emphasis on the fact that they are NOT paid;
- > Beneficiary selection criteria and rationale;
- > Total number of people and size of grant/ budget for the community;
- > Frequency of payments;
- > Who can collect the payments and the use of photo ID cards;
- > Project duration / timeline;
- > Conditions under which the project will be suspended (e.g. insecurity)

#### Monitoring and Evaluation

- > Processes (routine monitoring and external evaluation);
- > Importance of keeping receipts;
- > Impact of the project on the local economy

## Step 2: Setting up a Village Relief Committee

**Preliminary elections:** The community should then consult internally and provide a draft list of committee members to project staff. The recommended size of the committee is 6-8 members depending on the size of the community or communities targeted. The committee should have a minimum of 50% representation of women, and include influential and well-respected members of the community from different clans and social backgrounds, as well as representatives of minority groups.

**Verification of the VRC member list:** The names of committee members proposed should be verified by project staff through private discussions with reliable key informants including women, religious leaders, and minority clan representatives to insure that the committee members are people uniformly respected. The final committee list should then be publicly endorsed during a second public meeting. The communities could be asked whether or not they would like disaster-affected committee members to be eligible as beneficiaries in the project if they fit the vulnerability criteria. Committee members are, however, never paid for their work in Adeso projects.

To ensure transparency, and to give others a chance to raise concerns later about selected committee members, the list should be posted publicly in the local language. An appropriate mechanism of complaint/suggestion should be made known to the community so that concerns can be raised aside from public forum.

**Consolidation of partnership:** Only after committee members have been fully accepted by the community in public meetings should the agency engage in private meetings with committee members to consolidate the partnership. This is to ensure that the community as a whole is aware of the project, including resources allocated, so that there is no risk of misinformation. The committee members should sign a memorandum of understanding (MoU) highlighting the roles and responsibilities of the implementing agency and the committee (see Box 7 on page 57).

**Training of VRC members on the registration process:** The committee members should be trained on:

- The beneficiary selection criteria – including how it was chosen and why it should be adhered to. Ensure that the committee members clearly understand that the registration will be done in partnership with agency staff and that people not meeting the selection criteria are registered, agency staff will remove them from the list.
- Use of registration forms - Adeso has designed a registration form for beneficiaries, which has proven to be useful (see Annex 1 page 94 for a sample registration form).
- Gender and minority group awareness – including practical ideas on how to ensure the inclusion of women, other vulnerable groups and minorities into the project.
- Review the MoU - with all the committee members present (ensure that copies are provided in local language) and read it aloud in case members of the committee are not literate. Insure that committee members clearly understand their role in the project and the responsibilities they hold.

It is important that project staff monitor the committees closely in order to strengthen accountability to beneficiaries.

### **Box 7: Roles and Responsibilities of VRC's**

The tasks of the VRC members and their contribution to the project should be clearly explained and emphasized to the community during the initial meeting.

#### **The VRC should:**

- Insure the fair representation of members from the community on the registration list;
- Identify the most vulnerable people following the agreed upon selection criteria;
- Inform the beneficiaries after registration;
- Conduct verification and identification during the distribution;
- Respect the intent and scope of the project;
- Mediate and resolve conflicts;
- Provide security information to project staff and act to resolve potential security incidents;
- Share all relevant information with the partners;
- Facilitate coordination with the community;
- Ensure women's and minority groups' participation.

#### **It should be emphasized that:**

- The VRC is the facilitator, but ultimately the final decision regarding the identity of the beneficiaries lies with the implementing agency;
  - The VRC is responsible for enhancing services to minorities and females;
- VRC membership means honest, influential and respected community members who do their best to support the project success (no priorities based on VRC member's clan/tribe or family will be tolerated).

### **Step 3: Developing targeting criteria**

Information collected on needs, food and income security during initial assessments or baseline assessments will help agencies determine appropriate targeting criteria.

- Both exclusion and inclusion criteria can be used (e.g. excluding households with more than a certain number of livestock or including households who earn less than a certain amount each month).
  - The best target criteria are ones that can easily be verified. They should also be easily understood and measurable (e.g. widowhood, number of children, number of livestock).
  - Targets for one-off cash relief projects usually include those worst affected (for example because of loss of all assets, savings or employment) and unable to meet their immediate basic needs.
- Targets can also be entire communities, some vulnerable households within communities, or specific population groups, such as internally displaced persons (IDPs).

- Excluding certain households, such as those who own more than a certain number of goats or water tanks are also possible criteria.
- For cash-for-work projects, the beneficiaries should be of appropriate age.

Taking into consideration community members' views and concerns in the development of target criteria is key for ensuring accountability.

#### **Box 8: Examples of information used to determine selection criteria**

- Labor-poor households - this may include women-headed households, child-headed households, elderly or disabled persons;
- Livestock (number and condition of cattle, camels, sheep and goats);
- Physical assets, such as ownership of water points from which income can be generated;
- Access to social capital (such as external and/or local remittances or access to extended family support) and level of income;
- Structural vulnerability or social status, as well as other factors influencing level of marginalization, including minority groups, women-headed households, elderly and disabled persons;
- Ability to undertake labor activities (for cash-for-work beneficiaries);
- Household size (larger sized households can result in increased vulnerability);
- Level of debt.

#### **Step 4: Beneficiary identification and registration**

The VRC members should take a lead role in compiling the names of the beneficiaries and their preliminary identification based on the vulnerability selection criteria determined by the agency and the community (see Section 3). Field monitors or other staff should monitor the work of the committee, including having meetings to review the registration lists with the committee members as the list is developed. Agency staff should ensure that VRC members understand that their role is to critically review this list in light of the selection criteria and remove/add beneficiaries as required.

Data should then be collected on each beneficiary on the list and put into a registration form. This process helps to ensure that there is no double registration of beneficiaries. An example of an Adeso beneficiary Registration Form can be found in Annex 1, page 94.

The registration data should be computerized and copied for the agency and for the money transfer company (or post office or bank). Box 9 explains the importance of using registration forms. The minimum data required is outlined in table 10.

**Table 10: Minimum and detailed registration details**

Minimum registration details	Detailed registration details
<ul style="list-style-type: none"><li>&gt; All names of Beneficiary</li></ul>	<ul style="list-style-type: none"><li>&gt; Name of head of household and spouse</li></ul>
<ul style="list-style-type: none"><li>&gt; Age</li></ul>	<ul style="list-style-type: none"><li>&gt; Details of dependents (sex and age)</li></ul>
<ul style="list-style-type: none"><li>&gt; Gender</li></ul>	<ul style="list-style-type: none"><li>&gt; Village and district</li></ul>
<ul style="list-style-type: none"><li>&gt; Number of dependents</li></ul>	<ul style="list-style-type: none"><li>&gt; Clan and sub-clan (depending on the location)</li></ul>
<ul style="list-style-type: none"><li>&gt; Date of registration</li></ul>	<ul style="list-style-type: none"><li>&gt; Livestock holdings</li></ul>
	<ul style="list-style-type: none"><li>&gt; Special needs/ circumstances</li></ul>

### **Box 9: The importance of beneficiary registration forms**

Registration forms are important to:

- > Limit cases of stolen identity, or confusion; four names are entered for each individual in the registration form; (In a context such as Somalia there are no government issued ID cards, sometimes the first three names of two individuals can be the same and the only way to differentiate is by the 4th name) and other details such as name of spouse and location or clan/sub-clan;
- > Enhance identification during the distribution stage. In case the name of the male head of household was spelled incorrectly, often the name of the wife can be used to cross check the accuracy of that registration form and vice versa;
- > Provide flexibility in cases where neither member of the household (husband or wife), is able to collect the cash.

### **Step 5: Verifying the beneficiary list**

The agency should undertake a verification exercise of the initial beneficiary list through extensive informal consultations with key informants, including national staff, civil society organizations and religious leaders. The project team (agency staff) should be encouraged to randomly visit the homes of beneficiaries to verify their level of vulnerability. Also, staff need to have private meetings with women groups and minority groups who are members of the committee and those not in the committee in order to create space in which they do not feel intimidated and can speak out. After this exercise, the revised list of beneficiaries should be read in public to be endorsed by the community.

In Adeso's experience, community members may raise their voices and engage in heated discussions if names appear on the list that are later found not to meet the criteria. Minority groups have also approached the project management team in private after

such public exercises to state that they are not represented. It is important therefore that complaint and response mechanisms are established to enable individuals to air their views in a secure and confidential manner. Posting the list publicly and giving time and ways through which community members can give feedback can also help insure validity of chosen beneficiaries.

## Step 6: ID card production and distribution

The implementing agency should design identification cards for each beneficiary and distribute these to limit fraud. Each ID card should be assigned a number, which is matched with the beneficiary's names in the agency's records and should display the beneficiary's photo. Beneficiaries should receive information on the date of payments and be instructed to carry their ID cards with them to cash distribution sites.

**Figure 2: Adeso Example Beneficiary Identification Card (front and back)**

 <b>Cash Transfer Project Beneficiary ID Card</b>		P.O Box 70331 -00400 Nairobi, Kenya. Tel: +254-020-3876646 Email: <a href="mailto:adesonairobi@adesoafrica.org">adesonairobi@adesoafrica.org</a> , Web: <a href="http://www.adesoafrica.org">www.adesoafrica.org</a>	
Name: Ardo Cawil Dhafe Jamac		Authorized signature:	
	Sex: F		
	Location:	Tawakal	
	Status:	IDP	
	ID No.	GA/TA/ 009	
	Expiry Date	30-july 12	
			
		This card remains the property of Adeso. It must be surrendered after the last payment . For Complain or Feedback please call 254-20-3876646	

## Step 7: Distributing the cash benefits / paying wages

The following describes the process of facilitating the actual distribution of the cash benefit/wages.

Payment Protocol:

1. The implementing agency provides in advance of the distribution the money transfer company with a list of beneficiaries or payroll, including total numbers of persons being paid and when and where the payments should be made. In Adeso's experience, it has taken up to two weeks, or as little as four days for the cash to become available after submission of details. Therefore, it is important that regular weekly timesheets are collected from sites and double-checked by field officers and managers on a regular basis. The timesheets, once checked, must be authorized by the staff member on site as well as the project manager.

2. Timesheets are provided to the office and a payroll is compiled. The payroll is also authorized for payment and approved by the project managers.
3. The payroll is shared with the head office/Finance Department, who then checks and approves the payroll for payment and undertakes the necessary documentation for authorization of payment to the money transfer company.
4. The money transfer company prints project specific receipts in triplicate with one copy for the agency, one for the beneficiary, and one for the money transfer company. This is included in the contract with the company.
5. The cash benefits should be in the appropriate denominations on payment day by the money transfer company. This is confidential to minimize security risks.
6. Staff from the implementing agency and representatives from the VRC must be physically present at the time of the distribution.
7. A VRC representative double-checks the identity of the beneficiary by looking at his/her names, ID card and face. A female committee representative and/ or female staff of the implementing agency should be present to verify the identity of women who are veiled.
8. The project staff present should crosscheck the ID card provided against his/ her own list of beneficiaries.
9. The cash grant is provided to the beneficiaries when they sign/thumbprint the receipts.
10. Each beneficiary keeps one copy of the receipt, the project staff retains a copy and the money transfer company retains its copy.

Tip! For easier and time efficient management of the payment process, upon completion of each payroll, the money transfer company can pre-write the names and dates of payment on each individual receipt in alphabetical order or in the same order as the payroll. This will save a lot of time during the cash distribution stage as often hundreds of beneficiaries will be waiting in line for their payment.

## New Technologies in Cash Transfer Mechanisms

As discussed briefly in Box 3 on Page 43 other new methods for cash transfer mechanisms exist and a few examples are provided below;

### Mobile Money Transfer

Mobile money transfer applies to any payment or fund that is transferred from one person or organization's mobile wallet' or bank account to another through mobile phones. Since 2005, a variety of mobile money transfer systems have emerged in 80 low or middle income countries in Africa, Asia and Latin America. Most systems allow the user to store value in a 'mobile wallet', or account accessible by the handset, to convert cash in and out of the stored value account through accredited agents, and to transfer value between users. It can also be used to purchase air time or pay for goods with participating vendors. Transactions are effected via an SMS (short message service) command or a menu on the phone using a unique Personal Identification Number (PIN), and confirmed via SMS notification.

The benefit to humanitarian agencies comes from bulk payment facilities, which enable organizations to send payments to multiple beneficiaries simultaneously, which increase

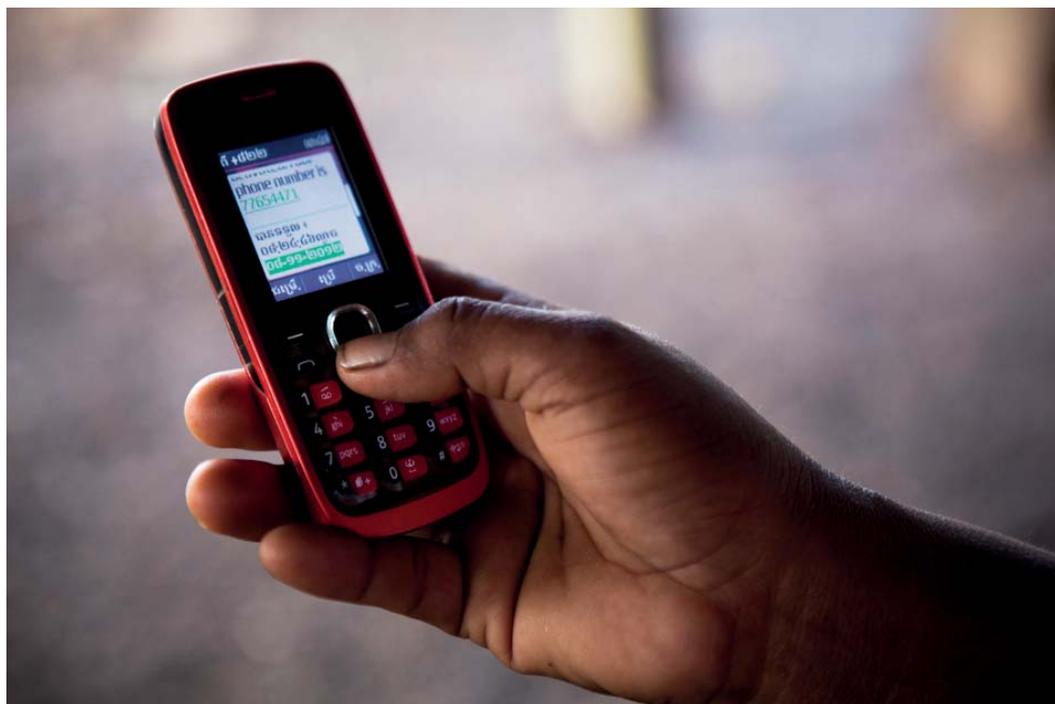


Photo credit: Simon Rawles/Oxfam

efficiency. An agency sets up a corporate mobile money account, whereas targeted recipients have personal mobile money accounts opened with the service provider, linked to their phone number. The agency provides the service provider with a list of those to be credited (unique identifier plus phone number and amounts to be transferred). When a recipient receives a transfer, they are notified via SMS. Corresponding funds are debited from the agency's account. The service provider provides details of transaction confirmations. Fees are generally charged for transferring funds to another user and for withdrawing cash from the system, borne by agencies and recipients, respectively.

### **Pre-paid Debit Card**

Pre-paid debit cards are plastic cards with a magnetic stripe that can be read in any valid Automated Teller Machine (ATM) or retail Point of Sale (POS) device. A (PIN) is generally incorporated as a means of verification. The humanitarian agency sends a file containing the information required to make the payments (unique identifier, card number and amount to be paid) to the bank providing the service. Value can be credited by the bank from a central server. Alternatively, an agency can pay in advance for a 'stockpile' of cards which they activate and accredit online as and when needed. Cards are generally valid for a defined period. Recipients swipe their cards at a POS and enter their PIN to redeem all or part of the electronic value for goods or cash. The magnetic stripe can be programmed so the card is only accepted in certain POS or ATM locations (Bankable Frontier Associates, 2011).

### **Smart Card**

Smart cards are plastic cards with an embedded chip containing information on the recipient and the benefits they are entitled to, which are read at select ATMs or POSs. These can be pre-loaded with value by the service provider before distribution to recipients. For multiple transfers, future accreditations to the card happen through the POS. In order to redeem the stored value, the recipient visits a participating agent, inserts the card into a POS and presents identification, such as a PIN code or fingerprints, to authenticate the transaction for goods or cash. Payment information is saved into the POS. The transaction can be undertaken without the need for network connectivity, providing the vendor takes the POS to a place of connectivity at a later date to upload transaction information to the central database and reconcile the account.

**Table 11: Possible targeting issues and how to address them**

Targeting Issue	Possible Solution
Project staff members are unsure how to insure that vulnerability criteria are used for selecting beneficiaries.	<ul style="list-style-type: none"> <li>➤ Ensure project staff members are trained and understand their responsibility to challenge and not perpetuate discrimination.</li> <li>➤ “Buddy” more experienced field staff with new community mobilizers until they are confident to work with the community.</li> </ul>
Committee members continue to allocate beneficiaries on the basis of clan (or tribe) despite being briefed on selection criteria	<ul style="list-style-type: none"> <li>➤ Ensure that if clan/tribal issues are prevalent in the project area, that it is discussed during the community meetings.</li> <li>➤ Make clear that the final decision for targeting lies with project staff.</li> <li>➤ Ensure that community leaders and women’s groups are guaranteed places on the committee.</li> <li>➤ Project staff need to be clear and strong and should be aware of community dynamics.</li> <li>➤ Withdraw or suspend project.</li> </ul>
Committees are not representative of the community	<ul style="list-style-type: none"> <li>➤ Each group within the community votes for its own member. For example               <ul style="list-style-type: none"> <li>➤ Men only vote for male members</li> <li>➤ Women vote for women members</li> <li>➤ Minority groups vote for their own members</li> <li>➤ Youth vote for a youth member etc.</li> </ul> </li> </ul>
Public meetings do not provide a forum for minority groups or women to speak and challenge the beneficiary list	<ul style="list-style-type: none"> <li>➤ Allow community members to meet project staff after public meetings to voice their concerns.</li> <li>➤ Project staff speak informally to key informants who could help identify the vulnerable households in the community.               <ul style="list-style-type: none"> <li>➤ If there are high numbers of people belonging to vulnerable “minority groups” within the community, consider allocating a separate number of beneficiaries’ specifically for them. It has been the experience of Adeso that minority groups are usually overlooked in the community targeting process and therefore need to be actively included in some way.</li> <li>➤ Consider keeping some beneficiaries in reserve. This allows senior staff to be able to resolve targeting issues and add in vulnerable, deserving beneficiaries without exceeding the total allocated project beneficiaries.</li> </ul> </li> </ul>

<p>Male members of household do not want the women to participate in projects and/or male members want to collect the cash belonging to the women.</p>	<ul style="list-style-type: none"> <li>➤ Explain clearly to the community that your agency follows certain principles including gender empowerment and non-discrimination and that not allowing women to participate or collect cash is against these principles. Make it clear that violation of those principles could result in closure of the project</li> </ul>
<p>Committee members or local leaders are not representing the community.</p>	<ul style="list-style-type: none"> <li>➤ Do not rely on only one informant.</li> <li>➤ Be aware of the possible biases of informants.</li> <li>➤ Compare information received from community members with that from the community.</li> <li>➤ Actively seek the opinion of both men and women.</li> <li>➤ Actively seek the opinions of minority groups.</li> <li>➤ Actively seek the opinions of vulnerable groups.</li> </ul>
<p>Local leaders and/or committee members put family members on beneficiary registration list who do not meet selection criteria</p>	<ul style="list-style-type: none"> <li>➤ Final decisions on the beneficiary lists should be with project staff, not community leaders.</li> <li>➤ Clarify selection criteria and ask how someone meets the criteria.</li> <li>➤ Seek to remove committee members who are not adhering to the criteria and MoU.</li> </ul>
<p>Double registration of beneficiaries</p>	<p>In areas where more than one cash-based response is going on, households may split and move between the projects in order to be registered twice. This problem will only be picked up through coordination with other projects in the area or specifically discussing the issue with the committee and comparing beneficiary lists.</p>
<p>Identity theft</p>	<ul style="list-style-type: none"> <li>➤ Both committee members and project staff should be present at the time of cash distribution to ensure that vetting is done and due process is followed. One member is responsible for verifying that the person collecting the cash is indeed the beneficiary.</li> <li>➤ All beneficiaries should present their ID cards (preferably with photo) to the relevant authorities before being paid.</li> <li>➤ For longer term projects, all beneficiaries should be provided with photo ID cards that are tamper proof (e.g. the ID cards should be laminated, display his/her photo, his/her full name and a random serial number that matches the number in the registration list).</li> </ul>

## Complaints Mechanisms

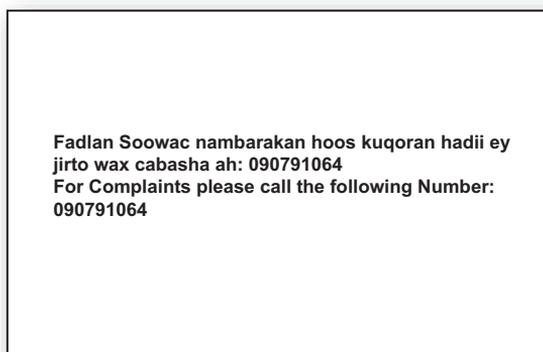
A complaints feedback mechanism to enable beneficiaries and non-beneficiaries who have issues with targeting is essential in cash delivery programs. Complaints can be made in two ways, in person to a member of NGO staff or by calling or sending a text message to a designated mobile phone number. In both cases, the NGO will fill in a form or logsheet and follow up on the complaint. The utility of both of these systems will hinge to a large extent on whether people know about them or not, so raising awareness will be necessary, as will measuring knowledge of the existence of the system. It is expected that knowledge of the complaints procedure will be queried in the monthly PDM exercise. The log sheet should be reviewed occasionally by senior staff.

**Table 12: Complaints log sheet**

No.	Date of Complaint	Complaint	Name, Location, ID number, and contact number of complainant	Agreed Action with Beneficiary	Action taken, incl date	Successfully resolved?		
						Yes	No	Comment
1.								
2.								

Example of a complaints log sheet

**Figure 3: Back of Identification card providing phone details**



## Implementing Cash-for-Work projects

Cash-for-work is not the same as casual labor. The main difference is the objective of the project. Casual labor has an objective of getting an activity done (building a bridge, clearing a road, etc.), while the primary objective of cash-for-work is to provide a temporary employment opportunity for vulnerable households. The secondary objective of a cash-for-work project is to complete the activity (although this is important too!).

### **Box 10: What is a micro-project?**

The work that is undertaken during cash-for-work is often referred to as a “micro-project”. It is important to remember that although the main aim of the overall project might be to provide cash to the beneficiaries, the completion of the micro-project and its impact on the community is also important. As a result, CFW micro-projects should be determined in collaboration with the community and should ideally be something that will benefit the whole community.

Adeso most commonly uses CFW activities to engage in small-scale community projects that respond to priority needs identified by respective communities. This encourages community ownership and helps ensure that the community will utilize the resulting micro-project.

### **Identifying appropriate micro-projects (work projects)**

If a cash-for-work project is being implemented, alone or in combination with a cash relief distribution, discussions on possible micro-projects should be included in the community meetings. The targeted community should identify the micro-projects in order to enhance ownership and sustainability. Community-based organizations (CBO) representatives, key informants, committee members and, in IDP settings, members of the host community should also be included as part of these meetings. Encourage the participants to identify their main livelihood problems and to analyze causes, effects and possible solutions to these. This could be done by asking participants to do the following:

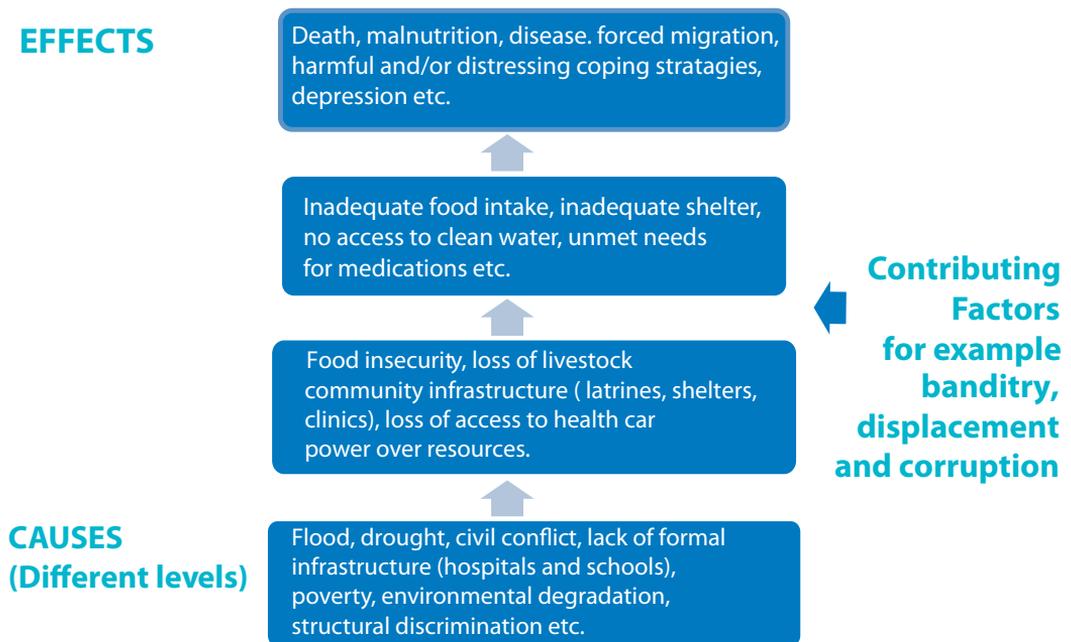


Photo credit: Daniel Gerstle (© Adeso)

1. Produce a list of problems;
2. Analyze the causes and effects of these (see figure 4 below);
3. List potential solutions, or micro-projects, that could solve these problems;
4. Consider if any of the proposed projects address the root causes;
5. Prioritize among the proposed projects.

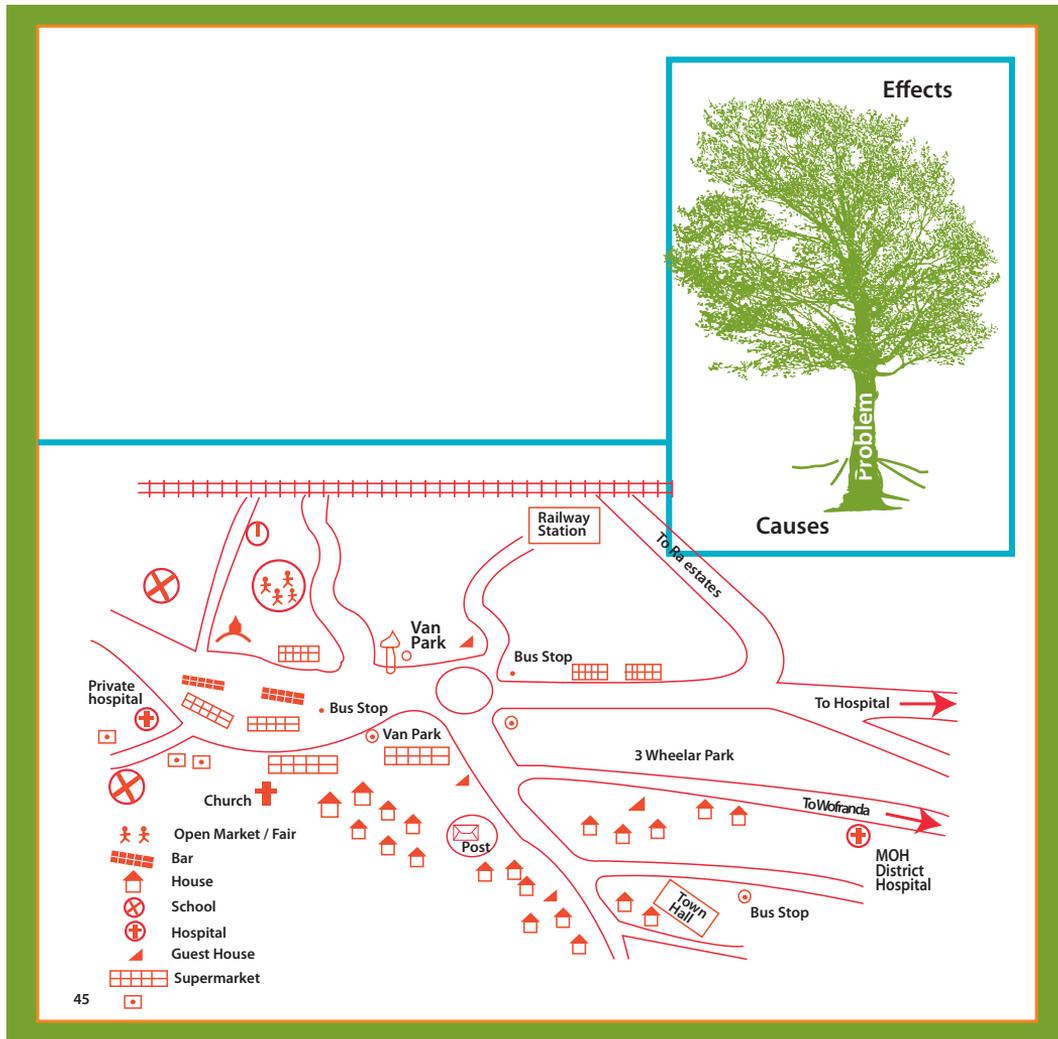
It may also help to engage in a mapping exercise of existing resources (such as residences/water points/roads/bridges/schools/health clinics/markets...) in order to get a picture of where micro-projects could be implemented. This helps assess whether resources are concentrated in the same area and whether one group or clan has greater access to water points or services than another. Help project staff lead discussions and ensure that micro-projects will serve the whole community.

**Figure 4: Examples of causes and effects**



Another way of analyzing problems is to draw a 'problem tree' where community members list their problems as the stem of the tree, causes at the roots, and effects as the branches of the tree (Figure 4). A community mapping exercise identifying existing resources will also assist community members to identify their needs (Figure 4).

**Figure 5: Problem tree and community mapping**



A rapid feasibility study that includes exploring the impact on the environment and on neighboring communities should be conducted before making the final decision on which type of micro-project to undertake. The nature of the issues identified, the micro-projects proposed, and budgetary constraints will then determine what is feasible and the best option. Ultimately, micro-projects should comply with the criteria outlined in Table 13 page 70.

**Table 13: Examples of criteria for selection of micro-projects**

Factors	Processes
<b>Positive impact on livelihood and recovery</b>	Projects that can address the root causes of the crisis while addressing livelihood recovery should be prioritized.
<b>Communal projects</b>	<p>Communal, rather than private or individual projects, should be promoted, as these will ultimately benefit a greater number of households.</p> <p>The construction/rehabilitation of private water wells/dams and private latrines remain controversial, especially since their impact on the larger community is very difficult to quantify. However, communities often request such projects. For more on this issue see Adeso’s example below.</p>
<b>Contribute to preparedness for future emergencies</b>	Projects that can maximize impact on preparedness for emergencies such as rangeland renewal will benefit the community in the long term.
<b>Require low technological and material input</b>	Low technological and material input often mean that communities are better able to maintain rehabilitated sources once the project is finished. It is however important to remember that projects should be completed to an appropriate standard and therefore technical support such as engineers (either internal or external) may be required to supervise the work.
<b>Reasonable timeframe and scope of work</b>	Realistic projects should be identified, both in terms of work required and time frame needed.
<b>No negative environment impact AND no negative impact on other communities</b>	This may require a rapid feasibility study to assess the project impact on the environment and other communities. For example, rehabilitation of water channels may negatively change water flow to communities in other locations. Assistance from external sources such as government officials or consultants may sometimes be required to determine whether the project is appropriate.
<b>Sustainable</b>	Projects must be sustainable once finished and the benefits of the project for the future should be ensured. Consider if a sustainable community-based maintenance systems can be developed (e.g. improved new roads, water channels, etc.) and the security risks in losing control over resources.
<b>Gender sensitive</b>	<p>When selecting a project, both men’s and women’s priorities must be taken into account. The project must also consider how women and men can participate equally in the project.</p> <p>How the project may impact differently on women and men must be analyzed in the rapid assessment, including the ownership of the project (e.g. the project must ensure that men don’t gain power over women in managing community resources).</p>

## Adeso Example:

Micro-projects implemented by Adeso have included:

- Road rehabilitation such as road repairs, bush clearing and construction of drainage systems;
- Construction, rehabilitation and upgrading of surface water sources;
- Rangeland and environmental rehabilitation such as rainwater harvesting, soil and water erosion prevention structures (check dams, rock dams, sub-surface dams, etc.);
- Construction of latrines;
- Rehabilitation of public infrastructures like public schools, hospitals, etc.

## Procurement of materials

Procurement of materials should be carried out well ahead of time, considering the seasonal calendar (i.e. poor roads condition to transport material), to avoid delays in project implementation. This may have to be balanced with the risk of incurring costs associated with providing security for and warehousing materials purchased early. Whenever possible, the material should be purchased locally to enable the project to further support the local economy. The local political, ethnic and social dynamics should also be considered. For example, in the Somali context of clan affiliation, purchasing materials from different traders can avoid creating resource-based conflicts.

To help plan procurement, the project engineer or manager should prepare a micro-project data sheet (also known as a scope of work) for each site (see Annex 6 page 100). The micro-project data sheet includes information on the timeframe, number of CFW laborers allocated to the site, materials and tools required, transportation needs for materials or laborers based on the scope of work drafted for each specific micro-project. This helps both the project staff and logistics officer plan the procurement of materials and tools and also organize transportation and additional logistical needs.

## Establishing work norms

In consultation with committee members and beneficiaries, the agency should establish work norms regarding:

- **Work Schedule** (number of days of work per week and number of weeks of work per month): Adjust to match the total amount of the grant, allocated to the beneficiaries. Take care to ensure that the demands of the work do not clash with livelihoods and the religious calendar. Consider the traditional division of labor along gender lines. Women may not be able to work early in the morning if they have to go to the market. In Muslim contexts, many beneficiaries may not have the energy to undertake labor-intensive tasks during Ramadan.
- **Age requirement:** Set age limits. Children under 18 years should not participate in micro-projects.

- **Frequency of payments:** Disburse monthly payments after 3-4 weeks of work. However, depending on when the project is undertaken in the disaster response cycle if essential assistance is required urgently for the beneficiaries to meet their basic needs, consider making a payment prior to starting the work, or in the first week.
- **Work ethics:** Develop measures to address non-attendance at work. For example, a laborer could lose their daily wages unless they show reasonable cause, or manage to send another household member to work in their place.
- **Water, transportation, and special accommodation:** Establish relevant arrangements to provide beneficiaries with water at the work sites, and transportation to and from the work sites every day. Adeso has sometimes encouraged local female traders to set up small shops and mobile restaurants to provide food to beneficiaries on sites.
- **Agency responsibility and safety procedures:** Ensure that beneficiaries have been trained on safety procedures on work sites and that basic safety equipment is provided to beneficiaries engaged in dangerous work. The agency may decide to decline responsibility for any injuries resulting from the micro-projects, by asking beneficiaries to sign a liability waiver prior to the work.

#### **Box 11: Examples of ways to ensure women's participation in work projects**

Ensure the micro-project is close to home (small travelling time)

- Allow women to send a relative to work on their behalf (but still get paid)
- Include micro-projects that have a lighter workload
- Allow women to work in teams (on Adeso sites, women would collect the stones while the men would break the stones and the women would pick the stones in a group of 2).
- Allow women to work less hours per day for the same daily rate as the men
- Allow women and men to work on separate projects (or on the same projects at different times of the day) if separation of the sexes makes it more likely for women to participate

Some examples of cash-for-work forms can be found in the annexes. These can be used as a basis for agencies to develop their own forms.

- Beneficiary registration form
- CfW payment sheet
- Time sheet (Attendance)
- Liability waiver
- Data design sheet (Scope of work)

## Implementing Voucher Projects

### Deciding on the type of voucher (cash value or commodity)

As discussed earlier, vouchers can have either a cash value or they can purchase certain commodities. Determining whether to provide a cash-value voucher or a commodity voucher should be done in the planning stage (Section 3) by comparing the disadvantages and advantages of each method, how urgent the beneficiary needs are, and what items beneficiaries require. Once the type of voucher has been decided, the design process can begin.

Use of vouchers for water supply has been introduced in Somalia as an improvement to the water trucking for short-term emergency response. Selected beneficiary households are issued with cash vouchers through which they can redeem a specified quantity of water in a given period from their usual water suppliers.

### Designing the voucher

One of the main risks of implementing a voucher approach is the risk of forgery. Designing the voucher is therefore a critical step in the implementation process. It is possible to design the vouchers in several ways, depending on the context.

Two possible approaches are:

1. Single-use, fixed value (or commodity) voucher: Designed like a raffle ticket and exchanged for a fixed quantity of commodity that is collected at once.

Example: Each voucher is valued at 1000Ssh and the whole amount must be used at once. No change is given.

Each voucher exchanged for 100kg of maize. The whole amount must be collected at the same time.

2. Multiple-use, fixed value (or commodity) voucher: A voucher designed to cover beneficiary water needs for a specified period – usually a week, fortnight or month. The voucher is designed to allow the beneficiary to regularly collect agreed quantities of water over the specified period. The vendor must maintain a register for the beneficiary to sign whenever they collect water until they exhaust the value of the voucher.

Example: The total value of the voucher is 1000 Ssh, but is broken into four parts of 250 Ssh. This way, households can elect to spend as little as 250 Ssh at a time or spend all the 1000 Ssh at once.

The total amount of maize to be collected is 100kg, but the beneficiary is able to collect up to 25kg a week over a 4-week period if they desire or they can collect it all at once.

### Box 12: Examples of what to include on a voucher

- > Project name
- > Implementing agency and project donor logos
- > Voucher number
- > Beneficiary name (or number)
- > Value of the voucher in appropriate currency OR commodities to be purchased
- > Location details (village and district, etc.)
- > Beneficiary signature or thumb print
- > Date when the voucher is issued
- > Period of validity

Whichever design you choose it is advisable to include a counterfoil<sup>3</sup> that contains the details on the voucher. The counterfoil is retained by the agency and can be used to reconcile the redeemed vouchers with those that were distributed.

### Selection of traders

Traders that participate in voucher projects receive a number of benefits including and increased customer base, which means increased revenue and profits. As such, participating traders should be selected with care, ensuring that the beneficiaries are happy with those chosen. If the project will be implemented for an extended time, it is possible to have a rotating roster of traders so that more traders receive the benefits of being involved in the project. This method however will require more awareness campaigns with the beneficiaries so that they are aware where they can redeem their vouchers.



Photo credit: Daniel Gerstle (© Adeso)

3. A counterfoil is the portion of the voucher (like the stub of a raffle book) that remains with the agency. The counterfoil contains all the information on the voucher such as the beneficiary number and can be used to reconcile the redeemed vouchers with those distributed.

All the traders selected for the project should be asked to sign a contract or a Letter of Agreement (LoA) that outlines their responsibilities to the project and the responsibilities of the agency.

- > All the participating traders will require training on the use of the voucher system
- > Providing the beneficiaries with good customer service (no discrimination because they have a voucher and not cash)
- > What beneficiaries are allowed to purchase
- > What happens if the traders provide items that are not listed on the (commodity) voucher
- > Specific commodities that are required (especially related to quality) if any
- > How the traders will exchange the vouchers for cash with the agency
- > How often the traders will be able to be paid?
- > How long with the project last?

### **Fairs**

If the market is functioning adequately, and goods are available locally, it should be fairly simple for the vouchers to be used alongside cash in these stores. Traders make a profit on their sales, and so have a simple interest in selling more! Accepting vouchers should not bring them significant added inconvenience provided that they are able to receive payment from the agency at regular intervals.

Where a ready market through established formal traders does not exist for the goods that you want to make available, or where you want to open up the market to small informal 'traders', you may have to 'organize the market' yourself. These markets are often known as 'fairs' and have become common for beneficiaries to buy seeds and livestock (ACF Cash Guidelines, 2007).

More information on organizing fairs can be found in the ACF Cash Guidelines.

### **The redemption process**

Whether you decide to use a cash-value voucher or a commodity voucher, it is good practice to include a set period of validity. This is period during which the voucher can be redeemed for goods by the beneficiary (the redemption process). Without this period being stipulated there is a risk that beneficiaries will come to the traders after the project has finished and demand to be provided with the goods!

There are no rules for how long the validity period has to be. It should be long enough so that beneficiaries are able to get their goods without rushing, and short enough so that traders can plan their stock for the correct numbers of project beneficiaries. If the vouchers are for purchasing basic food items, then a period of one month may be sufficient. If the vouchers are for agricultural inputs, then a longer period may be required, since purchases will be made in accordance with seasons.

The traders that are participating in the project should be clearly identified so that beneficiaries know which shops they can use for voucher redemption.

All voucher beneficiaries should be provided with training about what the vouchers entitle them to, where they can be redeemed, what to do if they have problems with the traders and what the validity period of the voucher is.

### **The payment process**

The payment process is how the traders will receive the money owed to them by the agency once the beneficiaries have redeemed their vouchers.

It is easiest to inform the traders (or groups of traders) of a specific day per month that they can be paid. On this day, traders must bring all the vouchers that they have been "paid" by the beneficiaries. The project officer must count them and pay the traders the equivalent value in cash.

### **Reconciliation of vouchers**

Once all the traders have returned their vouchers to the agency, project staff must reconcile them with the vouchers that were distributed. This process enables the agency to learn a lot of information about the project:

- > Whether all the distributed vouchers have been used
- > Which traders are preferred by the beneficiaries
- > If beneficiaries are redeeming their whole voucher in one place or using more than one trader (if using a multiple use voucher)

The reconciliation of vouchers is a time consuming process that requires considerable administrative support.

## Section 4: Implementation

### Main points to remember!

- All project staff should receive training in cash-based responses.
- An MoU should be signed between the agency and each committee to ensure that roles and responsibilities are clear.
- If working with another party for financial services (e.g. Hawala, banks, mobile phone company, post office, etc.), a contract should be signed between the agency and the service provider.
- The targeting process should start by mobilizing support from the community.
- Selection criteria should be as specific as possible and finalized together with the community.
- Close monitoring by project staff is needed during verification of the beneficiary lists. Ensure participation by all groups during vetting and verification.

### Cash-for-work

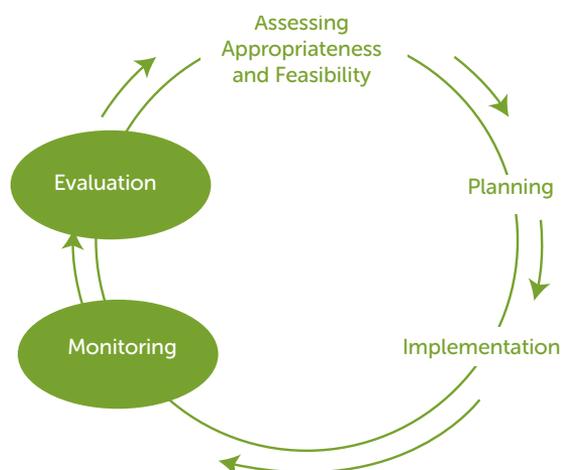
- Micro-projects should be identified by the community, be realistic, feasible and as sustainable as possible.
- CFW projects should include many workers and be long enough to ensure households earn enough money to meet project objectives .
- Special provisions should be made at work sites to ensure a gender sensitive environment.
- CFW projects require logistic support and may require technical support to ensure quality micro-projects.

### Vouchers

- Careful selection of traders is necessary.
- Training of both traders and beneficiaries will be needed.
- Voucher design should include counter-forgery measures.
- Consideration is needed to ensure a smooth redemption process (beneficiary-trader).
- Consideration is also needed to ensure a smooth payment process (trader-agency).
- Ensure adequate administrative support is available for reconciliation of vouchers.

- > Each of the agency guidelines (referenced in Section 1) contains information that will assist with project planning.
  - > ACF (2007) Implementing cash-based interventions: A guide for aid workers. ACF, New York.
  - > ACF (2012) Emerging good practice in the use of fresh food vouchers. ACF International.
  - > ACF (2012) Meta-Evaluation of ACF Fresh Food Voucher Programmes. ACF International.
  - > Longley, C (2006) Seed voucher in emergency programming. Lessons from Ethiopia and Mozambique. HPG Background Paper. Humanitarian Policy Group. Overseas Development Institute. London, U.K.
- Somalia WASH Cluster (2010) Guidelines for water access by voucher.

## Section 5 – Monitoring and evaluation



The purpose of monitoring throughout the life of the project is to check the process of implementation, that it is appropriate to beneficiaries' needs, and that the resulting impacts determine whether any changes are needed in the project design. It usually is necessary to provide an accurate and transparent account on how resources are being used and regular financial monitoring can help with this.

Cash grants or the provision of wages for work may seem more difficult to monitor than in-kind distributions because of the difficulties in ensuring that the money is spent on what it is intended for. However, agencies can still monitor the cash spending patterns and can use this to analyze the impact of the project.

It is also appropriate that an external evaluation is conducted at the end to assess the extent to which the cash-based response was an appropriate emergency response.

Evaluation determines the outcomes and the intended and the unintended effects of the response in greater depth. Then all stakeholders, including communities, project staff and donors, can reflect on strengths and weaknesses of the particular project. Evaluation of cash programs will contribute significantly to the learning and impact of cash responses.

### What to Monitor and Evaluate?

A basic monitoring framework for a cash-based response might include the following:

- A comprehensive baseline assessment – What is the situation before the project starts?
- Regular progress monitoring – this should include both process and impact monitoring
- Market price monitoring
- Final evaluation

The development of a monitoring and evaluation framework should be done at the planning stage of the project and involves identifying both process and impact monitoring indicators.

1. Process indicators – are used to determine if the project is being implemented as expected or whether changes need to be made.
2. Impact indicators – are used to measure the progress towards achieving the results.

Information collected during the baseline survey will be measured against project outputs. This may include information on level of vulnerability, food security, income, assets, or coping mechanisms and may already be available from secondary sources (see Section 2, from methods for gathering information). The indicators should reflect improvement from the baseline data. It is also important to monitor and evaluate the potential negative impacts of providing cash benefits, such as on markets, on the environment and on communities. See Annex 7 for a sample log frame of a cash-based project. Table 14, Page 82 gives examples of monitoring processes and indicators.

Having access to regular project monitoring information helps the team identify if changes are needed.

In some projects Adeso had to make major changes in order to achieve the project objective. This is normal and can only be done when the problems are identified early through ongoing monitoring.

Project changes could include:

- The method of cash distribution
- The beneficiary list (if found to be incorrect)
- The amount of money to be paid to each beneficiary (if found to be insufficient to meet project objective).
- The location of the project (if security concerns are too great, or if community is forced to move to another location).

### Some guidelines for monitoring include:

- Design and use simple, practical monitoring systems and forms;
- Make sure that updated monitoring information is available and easily accessible to all project staff, including management. Project evaluators will also be interested in the project monitoring. Monitoring information should be updated monthly if possible.
- Remember that raw data needs to be analyzed or translated into understandable language as soon as possible after collection; Develop simple key questions such as “Who received what?”, “What was spent on what?”. Box 13 page 84 for monitoring information to be gathered.
- Use participatory methods and share the results with community members to get them to validate results.
- Gather information at various times during the project so that different observations can be made.
- Do not wait too long to monitor so that you do not have to rely too much on memory.

**Table 14: What to monitor**

Monitoring Activity	Suggested Information to be Monitored
Baseline Study	<ul style="list-style-type: none"> <li>➤ Vulnerability data (the criteria developed by the agency)</li> <li>➤ Risks of cash misuse and diversion</li> <li>➤ Livelihood types and amounts</li> <li>➤ Demographic profiles of communities to be targeted</li> <li>➤ Sources of food in the region</li> <li>➤ Daily food consumption (number and quality of meals)</li> <li>➤ Asset ownership</li> <li>➤ Sources of income in the region</li> <li>➤ Household cash spending patterns</li> <li>➤ Average household debt</li> <li>➤ Migration in search of work</li> <li>➤ Wealth ranking and wealth groups</li> <li>➤ Coping strategies</li> <li>➤ Security conditions (political/power dynamic between the clans and sub-clans present)</li> </ul>
Market survey (either as part of the baseline survey or conducted separately)	<ul style="list-style-type: none"> <li>➤ Location and functionality of the local markets</li> <li>➤ Availability, source, and price of food and non-food items</li> <li>➤ Market price of key goods</li> <li>➤ Exchange rate</li> <li>➤ Access to credit</li> </ul>
Progress reports	<ul style="list-style-type: none"> <li>➤ Condition of roads and whether or not transporters are operating</li> <li>➤ Security situation within the district, particularly along the main transport routes, including increase or decrease in the number of checkpoints</li> <li>➤ Seasonal changes (end of rains, start of rains, calving, harvest periods for specific crops - both locally and in neighboring districts, etc.) and unusual events (drought, flood, disease outbreak, etc.).</li> <li>➤ Religious festivals and their associated market effects</li> <li>➤ Bans or impediments to the trade of particular items, locally, nationally, or internationally. Include any changes in national border situations</li> <li>➤ Population changes (influx or return of IDPs, seasonal migrations for pasture or labor opportunities)</li> <li>➤ Other project interventions (WFP food distribution, school feeding, food for work implemented by other organizations and NGOs)</li> </ul>

<b>Market monitoring</b>	<ul style="list-style-type: none"> <li>&gt; Exchange rates and reasons for currency fluctuations</li> <li>&gt; Number and types of commodities available in the market.</li> <li>&gt; The price (and volume) and basic food and non-food items in the local markets. Main reasons for price fluctuation (if any).</li> <li>&gt; Amount of money owed to traders and debt repayment rates.</li> </ul>
<b>Case studies/ Interviews with sample households within each location</b>	<ul style="list-style-type: none"> <li>&gt; Amount of cash received</li> <li>&gt; Impact of the project on the: <ul style="list-style-type: none"> <li>&gt; Ability to meet basic food and non-food needs</li> <li>&gt; Reliance on distress coping mechanisms</li> <li>&gt; Power relation within household</li> <li>&gt; Livelihood assets recovery</li> </ul> </li> </ul>
<b>Photos</b>	Pictures should be taken before and after micro-project implementation, during community mobilization, during cash distribution to beneficiaries, of case studies' interviewees, etc.
<b>Post-distribution monitoring exercises</b>	<ul style="list-style-type: none"> <li>&gt; Number of people receiving cash</li> <li>&gt; Amounts of cash distributed and on what dates.</li> <li>&gt; Specifics of what the cash was spent on by beneficiaries</li> <li>&gt; Whether the targeted people were able to collect their cash benefits safely (security conditions and effectiveness of the targeting)</li> <li>&gt; If the distribution was undertaken according to the timeline</li> <li>&gt; Any corruption by agency staff</li> <li>&gt; Amount of women's participation</li> <li>&gt; Status and quality of the micro-projects</li> <li>&gt; Current levels of vulnerability</li> </ul>

### **Adeso Example: Market price monitoring**

During 2006/7 Adeso was implementing a cash-based response in southern parts of Somalia. As a result of a global financial crisis, the prices of food and fuel increased rapidly. Because the project team was conducting regular price monitoring in the local markets they were able to quickly realize that the amount of cash being provided to beneficiaries was no longer sufficient to meet their basic needs. Discussions were quickly held with donors to increase the available funding for the project. Unfortunately additional funds were not available. As a result the intended impact of the project was not achieved.

## Minimum monitoring requirements for cash-based responses

The large amount of information that could be monitored during humanitarian responses (cash-based or otherwise) often seems daunting to project teams. This can translate into a lack of project monitoring and teams unable to recognize that their project needs alteration. As a result, the Overseas Development Institute (ODI) has recommended some minimum monitoring requirements for cash-based responses to ensure that at least the basic level of information is collected.

### Box 13: Minimum monitoring requirements for cash-based responses

ODI recommends that at a minimum all cash interventions should monitor the following:

- What are people spending their cash on?
- How accessible are the markets?
- Where are people buying key goods?
- What is happening to market prices?
- Did people receive the right amount of cash?
- Were beneficiaries able to spend the money safely?

Source: Adams & Harvey (2006) Issue Paper 6

Evaluation: If monitoring exercises are conducted properly, the evaluation will be less extensive and will build on the results of the monitoring activities. The evaluation should analyze the achievements of the project against the indicators for meeting the goals and objectives developed at the beginning of the project.

Determine who the evaluation is for and how the results will be used, to ensure that the evaluation exercise is useful and avoid the findings being ignored.

**Table 15: What to evaluate**

Activity	Suggested Evaluation Criteria
Evaluation	<ul style="list-style-type: none"><li>➤ Number of people who received their grant allocation as planned;</li><li>➤ Effectiveness of the targeting process (Were the most vulnerable people the ones targeted? Did this include women, men, girls and boys from all groups in the community?);</li><li>➤ Cash spending patterns;</li><li>➤ Impact of the project on the debt/credit system:</li><li>➤ Technical quality of the micro-projects;</li><li>➤ Impact of the micro-projects in supporting livelihoods;</li><li>➤ Improvements in coping mechanisms of targeted communities (reduced harmful or distressing coping mechanisms);</li><li>➤ Change in gender or power relations at the household and community levels;</li><li>➤ Capacity of the Village Relief Committees to manage the rehabilitated infrastructure (i.e. micro-projects);</li><li>➤ Market responses to the intervention (inflation; ability of the traders to meet increased demand; beneficiaries' access to markets);</li><li>➤ Accountability of the implementing agency to the beneficiaries and other stakeholders;</li><li>➤ Effectiveness of coordination between implementing agencies;</li><li>➤ Cost effectiveness;</li><li>➤ Unintended impacts of the projects.</li></ul>

A number of donors are adopting the OECD-DAC criteria for evaluations. If the project team is aware of the evaluation criteria during project design, they can ensure that the project is designed in an appropriate way. The OECD-DAC evaluation criteria are as follows:

**Table 16: OECD-DAC Evaluation criteria**

<b>Relevance (Appropriateness)</b>	Does the project meet the needs of the beneficiaries? Is it based on an assessment of the situation? Is it in line with beneficiary preferences? Is the objective appropriate for the context and situation?
<b>Efficiency</b>	How much has been achieved relative to the amount of input (money)?  This is generally worked out by comparing the cost of alternative approaches to see which approach gets the best impact for the lowest cost (value for money).
<b>Effectiveness</b>	To what extent has the project met its objectives? What were the major factors influencing the achievement of objectives (or non-achievement)? Timeliness is usually considered here.
<b>Impact</b>	The positive and negative changes produced by the project – either directly or indirectly.  Impact looks at the wider effects of the project – social, economic, technical, and environmental – on individuals, gender and age groups, communities and institutions.
<b>Sustainability</b>	Are the benefits of the project likely to continue after the project finishes?

Source: <http://www.oecd.org/dataoecd/15/21/39119068.pdf>

### **Who should monitor and evaluate?**

The appointment of a monitoring officer or a monitoring and evaluation (M&E) officer is important to exclusively focus on this component. The M&E officer should work closely with other project staff to ensure learning from on-going monitoring and feed this information into project design and activities.

## Section 5: Monitoring and evaluation

### Main points to remember!

- > Baseline information needs to be collected so that changes can be measured.
  - Collect information on level of vulnerability, food security, income, assets, coping mechanisms, etc.
- > Continuous monitoring of both process and impact indicators is recommended.
  - Safety of beneficiary spending
  - Household expenditure patterns
  - Market prices
  - The impact of the cash on needs and livelihood
  - The progress of cash-for-work projects
- > Monitoring data should be analyzed on a regular basis in case project changes need to be made.
- > Market price monitoring and analysis is considered a minimum requirement for cash programming.
- > An evaluation at the end of the project should check that the project has met its objectives and if there are ways to improve the project process next time to get a better impact.

## Section 6 – International standards

There are a number of international standards that are relevant to cash-based responses.

SPHERE (2011): Humanitarian Charter and Minimum Standards In Disaster Response

- The SPHERE Handbook is a set of internationally recognized common principles and universal minimum standards for the delivery of quality humanitarian responses.
- The minimum standards cover six primary life-saving areas of humanitarian aid: water supply, sanitation and hygiene promotion; food security and nutrition; shelter, settlement and non-food items; and health action.
- The revised 2011 edition of the standards has integrated cash transfers throughout the handbook.
- The revised 2011 edition recognizes that new approaches to aid, such as cash and voucher transfers and local purchases are replacing in-kind shipments of humanitarian assistance.

SEEP (2010): Minimum Economic Recovery Standards

- The Minimum Economic Recovery Standards describe the minimum level of technical and other assistance to be provided in promoting the recovery of economies and livelihoods affected by crisis.
- The guide uses the same structure developed by SPHERE (as described in the Handbook) for its standards, namely, key actions, key indicators, and guidance notes.
- The Minimum Economic Recovery Standards have been accepted as a companion standard to the SPHERE Handbook 2011 Edition.
- The Minimum Economic Recovery Standards Handbook is presented in six categories. The first two sections, Core Standards and Assessments and Analysis Standards, set out basic considerations essential to the other technical standards and all activities supporting economic recovery.
  - The Core Standards are the minimum requirements to ensure quality and accountability and provide the processes and procedures required to implement good practice.
  - The Assessments and Analysis Standards deal with market systems, household economies, and broader economic constraints and opportunities—the pre-conditions to economic recovery.

HAP (2010): The 2010 Standards in Accountability and Quality Management

- The Humanitarian Accountability Partnership (HAP) International was established in 2003 to promote accountability to people affected by humanitarian crises and to acknowledge those organizations that meet the HAP Principles of Accountability.

- By applying these principles, an organization becomes accountable for the quality of its work to people it aims to assist and on whose behalf it is acting.
- In order to provide an objective, consistent and logical approach to verifying that HAP members apply and meet the Principles of Accountability, HAP developed the 2007 standard in humanitarian accountability and quality management. This has been revised in the 2010 edition.
- The Principles of Accountability can be found as an annex in the 2010 edition. They are:
  - Commitment to humanitarian standards and rights
  - Setting standards and building capacity
  - Communication
  - Participation in programs
  - Monitoring and reporting on compliance
  - Addressing complaints
  - Implementing partners

#### Somalia IASC (2010): Minimum Guidelines for Agricultural and Livelihood Interventions in Humanitarian Settings

- The “Guidelines for Cash Interventions in Somalia” were developed by Adeso and commissioned by the Agriculture and Livelihoods Cluster and the Cash Based Response Working Group for Somalia.
- The Guidelines have been adopted by the Agriculture and Livelihoods Cluster as the official standard of good practice on cash transfer programs in Somalia.
- The guidelines are intended to promote a harmonized approach to implementing sector interventions at country and local levels.

#### **Further Reading:**

- HAP (2010) The 2010 Standard in Accountability and Quality Management. Humanitarian Accountability Partnership [www.hapinternational.org](http://www.hapinternational.org)
- ICRC (1992) The Code of Conduct for the International Red Cross and Red Crescent Movement and Non Governmental Organizations (NGOs) in Disaster Relief
- SEEP (2010) Minimum economic recovery standards. The SEEP Network. Second Edition. Washington DC. [www.seepnetwork.org](http://www.seepnetwork.org)
- Somalia IASC (2010) Minimum guidelines for agricultural and livelihood interventions in humanitarian settings. FAO Nairobi.
- SPHERE (2011) Humanitarian charter and minimum standards in disaster response. 2011 Edition. [www.sphereproject.org](http://www.sphereproject.org)

## Conclusion

Based on Adeso's experience over eight years of undertaking cash-based response projects, this manual highlights:

- The positive impact that these interventions can have in the right circumstances, if implemented carefully;
- Cash-based responses can meet emergency needs, help communities to recover their livelihoods after an emergency and can contribute to more long-term, sustainable solutions if combined with other strategies, such as capacity building;
- Micro-projects enable communities to re-build their infrastructure themselves and can contribute to preparedness for future emergencies by establishing an enabling environment;
- At the core of any cash-based activity is the dignity and empowerment of beneficiaries.

The practical elements in undertaking cash-based responses should follow a particular emphasis on the ICBT approach. ICBT aims to target those who are the most food or livelihood insecure, including marginalized groups, women, men, elders, youth, girls and boys, by fully engaging the community throughout the project. The ICBT approach also helps in building trust between the agency and the community, ensuring accountability to beneficiaries and minimizing the security risks associated with cash transfers.

Other elements that appear crucial for successful implementation are:

- A comprehensive analysis of the project context;
- Effective risk mitigation strategies (in addition to the ICBT approach);
- Coordination and information mechanisms (between agencies, money transfer companies, security platforms, donors, and communities);
- A degree of flexibility;
- Capacity building of community partners; and
- Effective and continuous monitoring and evaluation mechanisms that ensure "proactive accountability".

Adeso recognizes that women are generally more likely to spend the cash benefit towards household needs and thus promotes the participation of women. Given the limited amount of research on the implementation of cash-based responses, Adeso encourages further research on women's roles in cash-based projects and on how to ensure a gender sensitive approach.

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# Annexes

## Annex 1: Beneficiary registration form

Staff Member:

Date:

A: HOUSEHOLD CHARACTERISTICS					
A1	Beneficiary Name (4 names):				
A2	Kenya National ID Number:				
A3	Adeso ID:				
A4	Age:		A5	Sex (M/F):	
A6	Spouse/next of kin (4 names):				
A7	Family Size (Number):		A8	Number of Children under 5:	
A9	Village:				
A10	Division:				
A11	District:				
B: LIVELIHOODS					
B1	What is your main livelihood/ income?				
	Riverine/farmers	Agro-pastoralist		Remittances	
	Pastoralist	Business/trade			
C: ASSET OWNERSHIP					
C1	How many of the following assets do you or household members own (enter number owned)?				
	a) Sheep	b) Goat	c) Cattle	d) Donkey	e) Camel
	f) Any other, please state				
D: CURRENT STATUS					
D1	What were your main reasons for settling?				
a)	Loss of animals	b)	To receive food/water aid	c)	To be assisted by family
d)	Security				
e)	Child's education	f)	Other (Please specify)		
E: MOBILE PHONES					
E1	Do you own a mobile phone (Yes = 1, No = 2)?				
E2	Which network do you currently use?				
a)	Safaricom	b)	Airtel	c)	Yu
d)	Orange				
E3	If you do own a mobile phone, how often do you use it?				
a)	Every Day	b)	A few times a week	c)	Less than once a week
E4	What is your telephone number?				
E5	Have you used mobile banking such as MPESA or Airtel Money before (Yes = 1, No = 2)?				
E6	If you do use mobile banking, how often do you use it?				
a)	Every Week	b)	A few times a month	c)	Less than once a month

## Annex 2: Liability waiver with casual laborers

### Liability Waiver and Agreement between Casual Laborer and Adeso during Cash-for-Work activities

I \_\_\_\_\_, casual laborer and beneficiary of said project based at site \_\_\_\_\_, recognize the articles below to be a waiver of any responsibility of Adeso from the following liabilities and a true statement of all the commitments and agreements I have made with Adeso during this short employment period:

1. I agree to work at a rate of US \$ .... per day for 6 hours minimum based on completion of tasks assigned by the field Officer and other Adeso Project Management staff.
2. I agree to sign all documentation provided by the Adeso representative on that site that proves the hours and days worked and that such documentation will be the only basis for which Adeso will make any salary payments to me.
3. I agree that unless I finish the task(s) assigned to me that day I am not eligible to receive the full payment and an amount can be deducted based on my daily output.
4. If I am ill or otherwise incapable of performing my duties, with the authorization and verification of the Field Officer, I am allowed to bring a replacement for that period from my household and no other household.
5. I agree that I am engaging in work by my own free will and without force/influence from Adeso or any other party.
6. I exempt Adeso from liability for any injury or death caused as a result of working on this particular site, including injury and death caused by others working on site, such as another casual laborer or vehicle and its driver.
7. I agree that Adeso has provided me with safety guidelines and training to prevent as much as possible any injury or death. Adeso is also not responsible for the injury or death of a replacement laborer in my household if I am sick or unable to take on my duties.
8. I agree to follow the rules and regulations provided by Adeso in this project:
  - That I will not be late coming to work
  - That fighting/creating insecurity will result in deregistration
  - That carrying weapons (guns, pistols, knives, etc.) is not allowed.
  - That disrespect to my superiors will not be tolerated
  - That negligence or not following safety measures will increase my risk of injuries
  - That I will wear appropriate gear/clothes/shoes for safety during working period
  - That I will utilize transport following the safety guidelines

I authenticate that this contract is made with my full mental and physical capacity and is a true statement of the agreements I have made with Adeso at my own free will.

Casual Laborer:

Witnessed by:

Signature:

Signature:

Name:

Name:

Date:

Date:



## Annex 4: Cash-for-work payment sheet

No.	Name of the HH Head	M/F	ID No.	Name of spouse	CFW/CR	Days Worked	Daily Rate	Amount	Signature
1		M	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
2		F	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
3		F	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
4		F	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
5		F	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
6		F	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
7		F	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
8		F	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
9		M	XXXXXXX		CFW	20	\$ 3.50	\$ 70.00	
BENEFICIARIES		9							
<b>TOTAL CASH</b>								\$ 630.00	

## Annex 5: Cash payment receipts

### ADESO Cash Payment Receipt

No°:

Name of the money transfer company:

Address:

Telephone Number:

Payment Voucher Number:

Date:

Branch:

Receiver's Name:

Village/Town:

Total Amount:

Received Amount in Words:

\_\_\_\_\_

Signature of Paying Cashier

\_\_\_\_\_

Signature of Head of Committee

\_\_\_\_\_

Signature of Receiver

## Annex 6: Data design sheet for micro-projects

Description of the context and need for a micro-project (with reference to locations, number of sites, state of disrepair, etc).

Detailed description of the proposed works (with reference to works to be done, step-by-step activities, number of CFW laborers needed for each of the activities, length of time needed, etc).

Design details/data (if necessary include drawings, calculations, etc.)

General or Specific Requirements

**For example:** large number of women selected as CFW beneficiaries. Each worker will be part of road group not exceeding 33.

- All workers to report to central ground in Afmadow and in a central place in their villages, where they will be transported by trucks to their work sites.
- All groups to carry their own water in the plastic jerry cans provided to them by the implementing agency.

Resources required (all type of activities combined) including tools, materials, transport and special requirements for workers:

For example:

No	Description	Quantity needed	Unit Price US \$	Total Cost US \$
1	Rakes	150	X	Y
2	Wheel barrows	200	X	Y
3	Cement	150 bags	X	Y
4	Paint	300 pots	X	Y
5	Water containers	45 drums	X	Y
6	Transport x to y	6 return trips	X	Y

Timeframe (including visual table listing all activities and time required)

### Other

For example: No skilled worker is required. The community will take responsibility for the security and storage of all tools used at the site.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

## Annex 7: Sample log frame for a combined cash relief and cash-for-work project

Objectives	Measurable indicators	Means of verification	Important assumptions
<p><b>GOAL:</b> Wider problem the project will help to resolve</p>	<p>Quantitative ways of measuring or qualitative ways of judging timed achievement of goal</p>	<p>Cost-effective methods and sources to quantify or assess indicators</p>	<p>(Goal to Super goal): External factors necessary to sustain objectives in the long run</p>
<p>1. To provide cash to targeted communities through cash grants and cash-for-work projects to meet immediate needs of most vulnerable families. Environmental and water retention micro-projects and increased community drought cycle management</p>	<p>1. Characteristics of famine do not develop: mass population movements for food are contained; mass starvation is prevented.</p>	<p>1. Monitoring systems (FEWS/Net, FSAU, OCHA, local and international NGOs in the field)</p>	<p>1. Complementary programmes are being implemented in terms of health, food and nutrition where relevant; Security is maintained and communities continue to share in desired outcomes.</p>
<p>ii. Through cash-for-work labor, to construct and rehabilitate environmental and water retention micro-projects and increase community drought cycle management.</p>	<p>2. Strengthened family/community coping strategies and social support systems</p>	<p>2. Monitoring systems (FEWS/Net, FSAU, OCHA, local and international NGOs in the field); Purchasing patterns interviews with beneficiaries undertaken.</p>	<p>2. Donor funding is available for this and other programs within the emergency's timeframe</p>
	<p>3. Reduction in land/soil erosion and improved water catchment</p>	<p>3. Strategic Environmental Impact Assessment (SEIA) - to be carried out by Adeso separately</p>	
<p><b>PURPOSE:</b> The immediate impact on the project area or target group ie. the change or benefit to be achieved by the project</p>	<p>Quantitative ways of measuring or qualitative ways of judging timed achievement of purpose</p>	<p>Cost-effective methods and sources to quantify or assess indicators</p>	<p>(Purpose to Goal): External conditions necessary if achieved project purpose is to contribute to reaching project goal</p>
<p>1. Increased purchasing power of targeted families enabling them to meet their basic needs.</p>	<p>1i. Increased water and food consumption and debt relief</p>	<p>1i. Baseline/follow-up survey</p>	<p>1i. Cash transfer companies have adequate capacity; cash distributed is sufficient to meet the cost of basic livelihood needs; number of affected people stays within estimated limits</p>

<p>2. Prevention of further environmental degradation and icreate increase in water availability.</p> <p>3. Enhancement of community drought cycle management and disaster preparedness.</p>	<p>1. Increased activity of local vendors/credit sources</p> <p>2. Increased pastures and water catchment areas; a decrease in soil erosion</p> <p>3. Active structures in the community to address drought preparedness</p>	<p>1. Monitoring systems (FEWS/Net, FSAU, OCHA, local and international NGOs in the field)</p> <p>2. SEIA, monitoring systems (FEWS/Net, FSAU, OCHA, local and international NGOs in the field)</p> <p>3. Baseline/follow-up survey</p>	<p>1. Cash is used locally and prices do not inflate; complementary programmes are implemented</p> <p>2. Identified micro-project locations are feasible and accessible</p> <p>3. Rains come and vegetation regenerates</p>
<p><b>OUTPUTS:</b> These are the specifically deliverable results expected from the project to attain the purpose</p> <p>1. Improved purchasing power of 36,000 beneficiaries through cash disbursements to 6,000 families.</p> <p>2. Further environmental degradation prevented and improved availability of water created by estimated 40 micro-projects.</p> <p>3. Village level drought preparedness structures initiated in target communities</p>	<p>Quantitative ways of measuring or qualitative ways of judging timed production of outputs</p> <p>1 i. Cash-for-Work disbursed to laborers from the target families in accordance with registration lists</p> <p>1 ii. Cash dispersed to the targeted destitute families and individuals in accordance with registration lists</p> <p>2. Completion of an estimated 40 micro-projects (number will vary slightly based on environmental and engineering assessment, as well as total number of laborers required at each site).</p> <p>3i. Selection of personnel; inspection and maintenance of new and existing infrastructure.</p>	<p>Cost-effective methods and sources to quantify or assess indicators</p> <p>1. Cash transfer records, registration lists and payment receipts cross checked by community representatives</p> <p>2. Inspection and report by Adeso (HR) staff; feedback from SEIA, monitoring systems (FEWS/Net, FSAU, OCHA, local and international NGOs in the field)</p> <p>3i. Membership registration; maintenance reports</p>	<p>(Outputs to purpose): Factors out of project control which, if present, could restrict progress from outputs to achieving project purpose</p> <p>1. Cash disbursements are made by cash transfer companies within a given timeframe; exchange rates do not significantly effect payments.</p> <p>2. Materials and labor available; materials used are secure from theft.</p> <p>3. Community cooperation and ability to participate</p>
			<p>3ii. Village members have the capacity to implement lessons learnt</p>

<p>3ii. Drought preparedness training completed.</p> <p><b>INPUTS:</b> This is a summary of the project budget (sub-budgets and total as in Annex B)</p>	<p>3iii. Attendance lists; implementation of lessons learnt; training feedback</p> <p>Financial outturn report as agreed in grant agreement</p>	<p>4. Micro-projects function as expected given environmental factors.</p> <p>(Activity to output): Factors out of project control which, if present, could restrict progress from activities to achieving outputs</p>
<p><b>ACTIVITIES:</b> These are the tasks to be done to produce the outputs</p>	<p>Sum A Supplies/Materials: GBP 174,300; Sum B Non Personnel: GBP 4,440 Sum C Personnel: GBP 53,116 Sum D Personnel Support: GBP 4,410 Sum E Other: GBP 6,750 Sum F Agency Support: GBP 1,7011 Sum G Contingency: 0 Sum H Total: GBP 260,027</p>	<p>1. Communities agree with programme objectives and methodology and are able to select the most vulnerable families on the basis of criteria; Security is maintained during registration and disbursement</p>
<p>1i. Payment by trained HR staff of two installments of 55 GBP to 4,200 laborers for 22 days per through the Cash-for-Work component, reaching a total approximately 25,200 beneficiaries at the close of a six month period, based on a household size of 6.</p>	<p>1. Adeso progress report; building contracts; payment receipts.</p>	<p>2. There is sufficient means of differentiation between vulnerable beneficiaries and other groups in the target area at the time of registration.</p>
<p>1ii. Distribution by trained Adeso staff of 37.50 GBP to 1,800 eligible families through cash relief #, reaching a total of approximately 10,800 beneficiaries at the close of a six month period, based on a household size of 6.</p>	<p>2. Selection list documents (from community mobilizer)</p>	<p>3. Access to land agreed by community;</p>
<p>2. Approximately 40 environmental, drought prevention, and livelihood infrastructure micro-projects implemented using Cash-for-Work labor.</p>	<p>3. Attendance lists cross checked; training evaluation reports.</p>	<p>4. Selected individuals are able to attend and benefit from training.</p>
<p>3. Approximately 30 communities trained in natural resource management and maintenance of infrastructure projects.</p>		











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