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THE CASH TRANSFER IMPLEMENTATION GUIDE

**Part of the Cash Transfer
Programming Toolkit**

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Acronyms

CaLP: The Cash Learning Partnership

CARMs: Community Accountability and Reporting Mechanisms

CCT: Conditional Cash Transfer

CTP: Cash Transfer Programming

DFID: Department for International Development (U.K.)

ELAN: Electronic Cash Transfer Learning Action Network

MCDL: Mercy Corps Digital Library

MERG: Markets, Economic Recovery and Growth Team

MEL: Monitoring, Evaluation and Learning Team

PALM: Procurement, Administration and Logistics Management Team

POS: Point of Sale

RFB: Request for Bids

RFP: Request for Proposal

SLA: Service Level Agreement

SOPs: Standard Operating Procedures

UCT: Unconditional Cash Transfer

MPG/MPT: Multi-purpose Cash Grant, Multi-purpose Cash Transfer

MPCA: Multi-purpose Cash Assistance

Terminology

Condition: A limiting or modifying circumstance. Conditions are used within conditional cash transfer programs (CCTs): Program participants must fulfill designated requirements before they receive money. However, once they receive that money, they are free to spend it as they wish. Note that conditions are not ways in which implementing agencies can restrict what program participants purchase. (See “restriction” below.)

Conditional cash transfer (CCT): A CTP program type where a program participant must complete a condition—usually by demonstrating a behavior (such as keeping a child enrolled in school)—to receive a cash transfer. CCTs do not restrict *what* people may purchase.

Restriction: Something that restricts, a limitation or regulation. Within CTP, restrictions are used to influence *what* beneficiaries purchase or to prevent them from purchasing certain goods, typically alcohol, tobacco products, and other “anti-social” items. A restriction is not a “condition” for receiving a transfer; instead, it applies *after* the transfer has been made.

Minimum Expenditure Basket (MEB): What a household requires to meet basic needs—on a regular or seasonal basis—and its average cost over time. “Basic needs” are defined by affected households themselves, International Humanitarian Law, and Sphere Standards.

The MEB is a critical component in setting the cash transfer value. Although primarily focused on recurring monthly expenditures, MEBs often also account for specific seasonal or recovery needs.¹

Survival Minimum Expenditure Basket (SMEB): Where the MEB is defined as, “the amount required to meet basic needs,” the SMEB is the expression of the *minimum* cost of living needed for physical survival and implies the deprivation of a series of rights. Increasingly in humanitarian settings, agencies are starting to set transfer values based upon the SMEB.

Multi-purpose grant (MPG): Synonymous with “unconditional cash transfer;” a commonly-used term that describes a cash transfer to a household to cover, fully or partially, a set of basic and/or recovery needs. Alongside multi-purpose grant, you may also hear a cash transfer referred to as a **multi-purpose transfer (MPT)** or **multi-purpose cash assistance (MPCA)**.

Service provider: A third party entity contracted to perform a function supporting the implementation of a cash transfer program (typically data management and/or payment distribution services). Service providers may include e-voucher or e-cash companies; formal financial institutions (such as banks); informal money transfer agents (such as *hawalas*); and mobile network operators (MNOs).

Unconditional cash transfer (UCT): A type of CTP program whereby money is transferred to a program participant simply by that person qualifying to participate in the program. (This is in contrast to CCTs, where program participants are required to “do something” to receive a transfer.) Like CCTs, however, once participants receive their money, they are free to spend it as they see fit.

¹ CaLP Glossary, <http://www.cashlearning.org/resources/glossary#MEB>

Cash Transfer Programs (General)

Cash transfers² are direct payments of money to a recipient. They may be paid directly by Mercy Corps or by a third party intermediary, such as a bank. Cash transfers come in two forms: **unconditional**, meaning the recipient receives cash simply by qualifying as a program participant within the program’s scope, or **conditional**, meaning the recipient must do something to receive the cash.

Unconditional cash transfers (UCTs) are given to recipients without any requirements. While agencies typically have an idea of how the transfer will be spent (based upon needs assessment, etc.), UCTs allow program participants to choose exactly which purchases are most critical to them, and where and when they want to spend their money. The frequency of payment and/or the size of the cash transfer may influence how participants spend their money. One-time, large payments are often used to invest in livelihoods; whereas multiple, smaller payments are often used to cover basic household needs like food, medicine, and clothing. (See the Text Box “Does Payment Frequency Influence How Cash Is Spent?” for more information.)

UCTs are Mercy Corps’ preferred cash transfer type. They offer flexibility and ease for program participants; they are also the most straightforward implementation methodology for Mercy Corps.

PROGRAM PROFILE

UCTs: Meeting the Needs of Refugees in Europe

Four years of civil war in Syria—as well as conflict and the on-going deterioration of economic opportunities in countries such as Iraq, Afghanistan, Pakistan, and South Sudan—created a humanitarian crisis in Europe. By October 2015, over 600,000 refugees had arrived in Europe in that year alone,



Corinna Robbins/Mercy Corps

the majority sailing on makeshift rafts and boats to enter Greece from Turkey. Refugees arrived with almost no belongings, to begin their arduous travel through the continent in search of opportunity. To assist them as they traveled, Mercy Corps provided critical migration information to refugees as well as money to address basic needs during their journey through Greece. Refugees were given pre-paid debit cards worth €90 for individuals or €250 for families. Recipients could use the cards to pay for goods in shops or to withdraw cash directly from ATMs. Cash transfers were the only type of assistance flexible enough to meet the needs of this mobile, highly-diverse population.

² Mercy Corps has adopted the term “cash transfer” to align our terminology with US government rules and regulations. “Transfers” are given to individuals, and “grants” are given to institutions or groups for public purpose. You may see this type of programming referred to as “cash grants” by other organizations and donors.

Increasingly, many agencies and donors are referring to UCTs as “multipurpose grants” (MPGs), “multipurpose transfers” (MPTs), or “multipurpose cash assistance” (MPCA), because the transfers are often used to cover a wide range of needs (i.e., food, shelter, NFIs, WASH services, etc.).³ UCTs, MPGs, MPTs, and MPCA are synonyms for our intents and purposes.

Conditional cash transfers (CCTs) are typically used to promote a certain type of behavior or to encourage an event (e.g., they may be tied to school attendance or to rebuilding a home destroyed in an earthquake.) Program participants must complete certain tasks —“conditions”—to receive the money. Once participants have met these conditions, they are free to spend their money in any way they choose. **Cash for work** (CFW) programs are a type of conditional cash transfer program.

Often, CCTs will be given in tranches to mark progress toward the ultimate goal. Because the conditions always need to be verified by the implementing agency, CCTs may also create additional burdens for program participants (in time) and for the implementing agency (in time and costs). As such, CCTs should be used with clear justification (e.g., cash for work programs which are clearly linked to needed infrastructure rehabilitation). It is not recommended to use CCTs in the immediate aftermath of a crisis, when people need quick access to food, temporary shelter, and other basic needs.

Also note that once cash is transferred to program participants, there is no mechanism to control how that money is spent by program participants. Although conditions (and CCT programs) can encourage certain behavior or investments pre-transfer, they are generally not an effective way to influence or control participants’ *spending*. If your objective is to control or restrict what participants can purchase (i.e., seeds or building materials), a voucher program may be more suitable to your overall objective. For additional information, see the text box “What if I Want to Restrict How Participants Spend their Cash?” in Activity C.)

Does Payment Frequency Influence How Cash is Spent?

In November 2013, Typhoon Haiyan—the strongest ever recorded storm to make landfall—hit the Philippines, leaving over 6,000 people dead and displacing more than 4.1 million. In January 2014, Mercy Corps launched TabangKO, a cash transfer program to help those impacted meet immediate, post-disaster needs and reestablish livelihoods. All participating households received the same total amount, but the transfer frequency varied. Research conducted by the team in May 2015 revealed that households who received a single, lump sum cash payment—versus those who received three smaller, monthly payments—were more likely to own productive assets by the program’s end, increasing their resilience to future shocks.⁴

³ This trend is partly due to different/distinct UN Agency mandates, with new terms such as “MPG” indicating that there is no specific sectoral focus associated with the transfer (in contrast to transfers for shelter needs from UNHCR or food needs from WFP, for example.)

⁴ Beyond Meeting Immediate Needs: The Impact of Electronic Cash Transfer Approaches on Disaster Recovery and Financial Inclusion, Mercy Corps Digital Library, <https://mcdl.mercycorps.org/gsd/ docs/TabangKOBeyondImmediateNeedsSummaryEval.pdf>

PROGRAM PROFILE

CCTs: Traders Stock Up to Rebuild Markets in South Sudan

Conflict, raiding, and the burning of agricultural land from 2013-14 left many in South Sudan's Unity State acutely malnourished. Households had resorted to the most extreme coping mechanisms to survive: foraging for wild food, eating next year's seeds, and drinking cattle blood. Food aid programs are particularly expensive to run in a country with almost no roads. And air drops of food from WFP appeared to make little difference. As people's purchasing power shrunk and traders themselves suffered violence and looting, markets deteriorated, compounding the devastation.



Lindsay Hamsik/Mercy Corps

Mercy Corps South Sudan advocated for the use of UCTs and CCTs to improve food security outcomes. In a program funded by DFID, traders were provided CCTs in tranches to stock specific staple items to help food-insecure households access a more diverse and nutritious diet. (Later tranches were linked to performance and use at earlier stages.) At the same time, households were given UCTs to meet their urgent needs, with the overwhelming majority of households (96%) purchasing food, while 38% also purchased non-food items, and 32% bought health-related services.

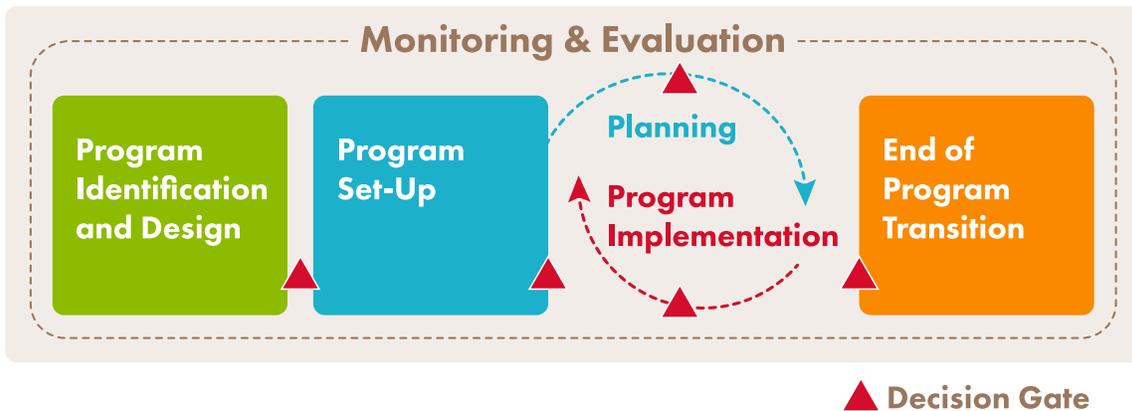
How to Use this Guide

The Cash Transfer Implementation Guide is written for Program Managers actively managing cash transfer programs. If you are reading this Implementation Guide, we assume you are familiar with the preconditions for CTP and the advantages and disadvantages of cash transfer programs. If you are not, please read the Cash Transfer Programming Methodology Guide⁵ as well. It lays out the rationale and best practice for all CTP types, including cash transfers. It also covers basic program identification and design issues.

TIP If you are considering distributing cash transfers electronically (*i.e.*, using e-transfers), please use the Cash Transfer Implementation Guide in partnership with the E-transfer Implementation Guide.⁶

Cash transfer programs—like all program types—rely on good program management⁷ and successful partnerships between multiple teams, including Finance and Operations. All procedures, tools, and templates outlined in this Implementation Guide were endorsed and/or created by the International Finance Team and the Procurement Administration and Logistics Management (PALM) Team. As such, all teams involved in designing and implementing a cash transfer program should use this Guide as their reference document.

PROGRAM MANAGEMENT MANUAL



Implementation Guide Structure

The Cash Transfer Implementation Guide is divided by relevant activity. Activities are lettered (A-F) and presented in a logical order, but not necessarily a chronological one. Depending upon your particular context, you may choose to start with a different activity or run various activities simultaneously. Below, we provide a process diagram to demonstrate how these activities may be linked together in a program. Please use this and the Example Workplan (Annex 1) as general guidance and adjust as appropriate.

⁵ The Cash Transfer Methodology Guide, Mercy Corps Digital Library (MCDL), <https://mcdl.mercycorps.org/gsd/docs/CTP1MethodologyGuidewAnnexes.pdf>

⁶ The E-transfer Implementation Guide, MCDL, <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>

⁷ For additional information about Program Management at Mercy Corps (PM@MC), visit: <https://pmmc.mercycorps.org/>

Implementation Guide Tools

Tools and templates relevant to each activity are referenced within that section and collected in a final checklist at the end of each activity. Each tool and template contains instructions about how/when to use the tool; who is responsible for completing it; and where it should be filed. Annex 2 is a compilation of all the checklists in an easy-to-print format.

Please remember that good cash transfer program management is simply good *program management*. In that respect, any tools provided here should be used in partnership with documents required by Mercy Corps' Program Management Manual.⁸ Program Managers are also expected to understand the overarching Finance and Operations policies and procedures.

Senior HQ Finance and Operations team members have drafted specific guidance for Finance and Operations Teams in Annex 18 and Annex 19, respectively.

Rather than create a separate activity devoted exclusively to monitoring and evaluation (M&E), we have integrated relevant M&E activities into each activity. (For example, Activity C: Determining the Transfer Type includes a section on conducting a baseline study to establish market prices as well as a link to a Market Price Survey template.)

Process Diagram and Workplan

Program activities are not linear. They may be carried out before, after, or in partnership with other activities. It is difficult to capture this in a two dimensional document. We have tried to do so by breaking activities into discrete sections and providing a process diagram to show an example path you could take to piece them together.

The Example Workplan (Annex 1) also demonstrates the ways in which program activities may be carried out simultaneously within your program timeline.



⁸ Program Management Manual, MCDL, <https://mcdl.mercycorps.org/gsd/docs/ProgramManagementManualPMM.pdf>



Sean Sheridan for Mercy Corps

ACTIVITY A

Laying the Foundation

The initial tasks listed below are critical to the success of your cash transfer program and are an essential part of your set-up process.

Document Standard Operating Procedures (SOPs)

It is highly recommended to document standard operating procedures (SOPs) when implementing a cash transfer program. SOPs may cover an entire program—if the program is small—or only the steps of a program that require additional clarity.

To create buy-in, draft SOPs in partnership with all teams that will play a role in the program. This may happen during a formal Kick-off Meeting, once your program has been funded, or shared during that event. Sample SOPs can be found in Annex 3 of this Guide and in Annex 9 of the E-transfer Implementation Guide.⁹

Processes typically outlined in SOPs include:

- › Communication and feedback plan
- › Market price monitoring plan/procedures
- › Data management plan
- › Payment distribution process (including the role of service providers and the internal review and approval processes needed to effect payments)
- › Any additional information that teams feel should be clarified, including internal roles and responsibilities

⁹ E-transfer Implementation Guide, MCDL, <https://mcdl.mercycorps.org/gsd/ docs/E-TransferGuideAllAnnexes.pdf>

Clarify the Roles and Responsibilities of Local Partners

If you are partnering with another organization to implement your cash transfer program, you will need to clarify the roles and responsibilities of Mercy Corps and the partner. Typically, these are outlined in the partner's signed sub-award or service contract. Some program activities that may be especially important to clarify are:

- › Participant selection and verification
- › Payment schedules and documentation
- › Data management and sharing protocols¹⁰
- › M&E activities (including Community Accountability and Reporting Mechanisms)
- › Policies and codes of conducts to address safeguarding children and the prevention of corruption, exploitation, discrimination, and abuse
- › External communications, particularly if working in a sensitive area

Clarify the Roles and Responsibilities of Service Providers

Mercy Corps often contracts external service providers to help facilitate cash payments. When service providers lack prior experience working with an NGO or supporting a cash transfer program, some degree of orientation may be required to achieve successful service delivery. Typically, a Service Level Agreement (SLA)¹¹ is signed alongside a service contract. Program activities that may be especially important to clarify are:

- › Payment schedules and documentation requirements
- › New client account registration
- › Data management and data sharing protocols
- › Reporting activities, including formats, schedules, and expectations
- › Level of ongoing technical support

Take Caution with Low-capacity Service Providers

Mercy Corps often partners with service providers—such as mobile network operators (MNOs), data management companies, or financial service providers—to assist with e-transfer programs. To date, we have found that managing service providers with low capacity has been one of the most time-consuming and problematic aspects of implementation.

Investing time at the outset to understand your partner's capacity and clearly define roles, responsibilities, and expectations has been an effective way to minimize the challenges likely to cause unexpected delays. During work planning, consider factoring in extra staff time to adequately support lower capacity service providers. See Activity C for more information, as well as the Electronic Cash Transfer Learning Action Network's (ELAN's) "Mobile Money Assessment and Contracting Guide."¹²

¹⁰ For an online set of tools and graphics to help integrate good data management into your program, refer to the ELAN's Data Starter Kit for Humanitarian Field Staff, <http://elan.cashlearning.org/>

¹¹ SLAs are covered in more detail in Activity C: Selecting Your Service Provider.

¹² Reeve, Greg, for the ELAN, Mobile Money Assessment and Contracting Guide, MCDL, <https://mcdl.mercycorps.org/gsd/docs/MobileMoneyAssessmentContractingGuide.pdf>

Establish Community Accountability and Reporting Mechanisms (CARMSs)

Establishing mechanisms for sharing feedback and complaints is an essential component of managing and adapting any type of program. It can also bring to light issues lost in routine program monitoring. CARMSs should be established as a first step of implementation to allow community members to provide feedback and raise concerns about all program activities. General guidance for establishing CARMSs is provided in the CTP Methodology Guide.¹³ Mercy Corps' agency guidance for establishing CARMSs can be found in Annex 4.¹⁴

CARMSs are particularly useful if you are transferring cash through an electronic transfer system, as they provide an additional channel to capture feedback and/or troubleshoot transfers. They also generate data that provides additional insights into a service provider's treatment of program participants and service delivery expectations (e.g., number of days until new accounts are open, wait times, etc.)

Coordinate with Peer Agencies

Coordination with peer agencies is an essential component of CTP implementation. It is particularly important when selecting target areas and program participants (to ensure all affected areas are covered); when setting the value of a cash transfer; in price monitoring (to share costs and increase range); and in procuring a payment delivery mechanism (since coordination can provide a better bargaining platform with service providers and ensure service providers can meet all demands.)

Oftentimes, Mercy Corps is one of a number of agencies implementing CTP in a particular country. Coordinating with other agencies to select target areas and program participants helps avoid duplication, so aid can be more effectively utilized. If, for example, three agencies are providing cash transfers in the same target area, there may be little value in Mercy Corps transferring cash in that same area.

Coordination is also critical in setting the cash transfer amount, and an effective platform for this is the local Cash Working Group (if present), a coordination mechanism that usually accompanies the UN Cluster system. Coordinating cash transfer amounts does not necessarily mean that Mercy Corps must provide the exact amount of assistance as others, but increasingly that is required by donors.¹⁵ If we do deviate from set transfer amounts for programmatic reasons, we must be aware of the various transfer amounts agencies are using and be ready to explain and justify to participants and donors why they differ. (Despite this, it can be considered bad form to deviate from agreed-upon transfer amounts and, occasionally, government officials will step in to mandate previously agreed-upon transfer values.)

Price monitoring¹⁶ can also be more effective when undertaken in coordination with others, since agencies can pool resources and cover more markets consistently. Coordination can also allow agencies to cover more secondary information on markets/prices and supply chains, provided by groups such as the Famine Early Warning Systems Network, National Statistics Bureau, WFP, and/or the Cash Working Group or Clusters.

¹³ <https://mcdl.mercycorps.org/gsd/docs/CTP1MethodologyGuidewAnnexes.pdf>

¹⁴ Staff misconduct can have a detrimental effect on cash-based interventions and impede trust in Mercy Corps. CARMSs should include a fast-lane and confidential mechanism to allow complaints about staff abuse or neglect to be quickly investigated by Mercy Corps leadership.

¹⁵ A note of caution: Flexibility in transfer amounts is rarely possible when multipurpose cash (MPCA/MPGs) is included in a country or regional Humanitarian Response Plan (or some other agreed-upon appeal document.) In these scenarios, a standard transfer amount is often included as part of the proposal or recommended programming, and we are expected to implement programs in alignment with that transfer amount.

¹⁶ More details on price monitoring, as well as specific price monitoring tools, can be found in the M&E section of Activity C.

Coordinate and Communicate with Other Key Stakeholders

Cash transfer programs may require more coordination efforts than in-kind assistance programs. Partly, this is because misconceptions about cash play out locally—assumptions that cash is “more desirable,” that it may lead to anti-social behavior, or that recipients will spend it “poorly.” To make sure any concerns are addressed, it is best practice to engage key stakeholders early, including in local government. Determine who you should contact and how you should engage them.¹⁷

Overall, we strive for transparent and well-communicated programs. Keep in mind, however, that in certain contexts, communicating too much about when we may be moving large amounts of cash—or when vulnerable individuals may be receiving it—can be a security risk. Always balance concerns specific to your context with the general, “rule of thumb” guidance provided here.

Local Government Authorities

Always explain the proposed cash transfer program to key figures in the local community who coordinate, support, or approve humanitarian aid and recovery programs. This may be an official government position or an informal community elder role. Ideally, it is good practice to have a letter of support or some other kind of endorsement from local authorities no matter what your program type; this takes on added significance with cash transfer programs. Since getting approval for cash transfer programs may take additional time, we recommend you start these conversations early (if possible, during the proposal development phase).

Local Business Owners

Inform local business owners—through a Chamber of Commerce, local Business Association, or informal business network—about your program. Let them know you plan to distribute cash, how much you will be distributing, and when distributions will start. Sharing this information serves two purposes. First, it can increase goodwill towards your program, since an influx of cash into the community will increase demand for goods and services. Secondly, it gives business owners an opportunity to prepare (by stocking up or resupplying quickly.) Depending on security concerns in the area, you may want to balance the benefit of warning traders about increases in demand with the need to keep your distributions as safe as possible. You may also want to talk with them about the importance of not taking advantage of this opportunity by inflating prices.

Selected Communities

Following a disaster, some cash transfer programs provide blanket distributions of cash (e.g., cash is provided to everyone in a select geographic area). More often, however, we provide cash transfers to a select, or “targeted,” group of people. Because cash is useful to everyone (its very benefit!), we have a responsibility to clearly communicate to selected communities who will be receiving cash and why. Clear communication should be on-going, accessible (visible signage, repeated verbal communication, open door policy, etc.), and updated as a situation evolves.

¹⁷ Annex 1: Stakeholder Register Template, Program Management Manual, MCDL, <https://mcdl.mercycorps.org/gsd/docs/PMAnnex1StakeholderRegister.pdf>



You may need to balance the desire to engage the community in the selection process and the benefits of transparency with limiting community knowledge of the details on how you select participants. If you make selection criteria too obvious, certain individuals may attempt to “game” the selection process by appearing to be more vulnerable than they actually are.

Unfortunately, there is no magic bullet for dealing with communities or individuals who feel excluded from receiving aid. Yet, the more people feel engaged in the selection process—inputting into selection criteria or gaining a clear understanding of the selection rationale—the more likely they are to accept its outcome. For additional information on program participant selection, see “Geographic and Program Participant Identification” in the CTP Methodology Guide.¹⁸

Establish an M&E and Quality Assurance Plan

Mercy Corps’ Program Management Manual (PMM)¹⁹ provides general guidance on monitoring, evaluation, and quality control and assurance. All programs should establish an overall M&E plan, based upon the information provided in the program’s logical framework and proposal. The M&E plan is the key planning tool for project M&E efforts, providing details such as what will be collected, from whom, how often, etc.

To meet a program’s key M&E requirements, the following M&E activities are typical in a cash transfer program:

- › Baseline study
- › Baseline market price survey
- › Regular market price monitoring
- › Cash transfer distribution monitoring
- › Post-distribution monitoring (PDM) (with both program participants and service providers)
- › Endline and final evaluation

Mercy Corps also requires teams to create a description of deliverables for each program activity. A “description of deliverables” refers to a set of documents which describe the quality specifications of an activity. Information gathered through monitoring and evaluation should be analyzed regularly to adapt the program as needed.

Monitoring for **program quality and accountability** may focus on:

- › Whether the program met participants’ needs
- › Participants’ satisfaction with the transfer mechanism and process
- › Wait times, travel times, and expenses associated with obtaining the transfer

¹⁸ <https://mcdl.mercycorps.org/gsd/docs/CTP1MethodologyGuidewAnnexes.pdf>

¹⁹ <https://mcdl.mercycorps.org/gsd/docs/ProgramManagementManualPMM.pdf>

- › Protection concerns raised by the distribution mechanism or process (*i.e.*, whether the participants felt safe at the distribution site or were comfortable with the distribution mechanism/process)
- › The service provider’s experience
- › Whether conditionality was met (in a CCT program only)

Monitoring for **program impact** (“outcomes”) may focus on:

- › How the cash was spent (broken down by participants’ age/sex)
- › Female/male access to, and control of, the cash
- › Change in coping strategies or reported priority needs
- › Ability to save, access new opportunities, or invest in livelihoods
- › Impact on non-participants, if any
- › Impact on markets
- › Financial inclusion objectives, if relevant

Together, these M&E activities are used to understand community satisfaction, program impact, quality and accountability, market impact, and identify problems early. What each M&E activity measures will vary according to your program’s specific information needs.²⁰

²⁰ Remember, the Design for Impact Guide (<https://thedig.mercycorps.org/>) is your one-stop-shop for program logic, outcomes, and agency-endorsed indicators.

ACTIVITY A: LAYING THE FOUNDATION

Checklist & Tools / Templates

Checkbox	Main Steps	Tool/Template	Responsible
<input type="checkbox"/>	Hold Kick-off Meeting	Example Workplan (Gantt Chart) (Annex 1) PPM Annex 4: Tip Sheet—Creating a Schedule PPM Annex 7: Sample Kick-off Meeting Agenda	Program Finance Operations M&E Security
<input type="checkbox"/>	Establish SOPs	Sample SOPs (Annex 3) Sample SOPs from E-transfer Guide: Annex 9	Program Finance Operations M&E
<input type="checkbox"/>	Clarify roles and responsibilities with partners (if applicable)	Sub-award or service contract PM@MC Tip Sheet—Managing Programs in Partnership	Program Finance or Operations (if certain tasks are delegated to partners) Compliance (if drafting a sub-award or MOU) Partner(s)
<input type="checkbox"/>	Establish CARMs	CARMs guidance (Annex 4)	Program
<input type="checkbox"/>	Communicate with stakeholders (local government, business owners, and selected communities)	Annex 1: Stakeholder Register Template, Program Management Manual ²⁰	Program M&E
<input type="checkbox"/>	Establish M&E Plan	Standard MC Indicator Plan Template ²¹ DM&E Tip Sheet #12: Developing a Monitoring System ²²	Program M&E
<input type="checkbox"/>	Participate in local cash coordination meetings/mechanisms (if they exist)		Program

²¹ Annex 1: Stakeholder Register Template, MCDL, <https://mcdl.mercycorps.org/gsd/docs/PMAnnex1StakeholderRegister.pdf>

²² Standard Mercy Corps Indicator Plan Template, MCDL, <https://mcdl.mercycorps.org/gsd/docs/Indicator%20plan%20template%20MC.xls>

²³ DM&E Tip Sheet #12, Developing a Monitoring System, MCDL, <https://mcdl.mercycorps.org/gsd/cgi-bin/library?a=q&r=1&hs=1&t=0&c=all&h=dt&q=dm%26e+tip+sheet+12>



Mercy Corps

ACTIVITY B

Identifying and Registering Program Participants

Identify Program Participants

Please see the CTP Methodology Guide²⁴ for guidance on program participant identification across all CTP methodologies, as well as **exercises to verify participant lists**.

If you are working off lists generated by someone else—another agency, a government body, or community leaders—confirm that the individuals on the list gave consent for their data to be shared. If this did not take place, decide how you will notify individuals about Mercy Corps' use of their data.²⁵

Sample Participant Selection Criteria²⁶ can be found in Annex 5 and a Program Participant Verification Form can be found in Annex 6. Keep in mind that your vulnerability criteria may change as the context changes. For example, during the initial response to an acute crisis—when there is limited time to develop context-specific vulnerability criteria—adopting the criteria and targeting approach defined by UNHCR and the Protection Cluster is sufficient. However, as the context stabilizes and there is time to assess vulnerabilities and needs, you may shift to scoring criteria to meet contextualized nuances.

Register Program Participants

Once program participants have been selected and verified, collect details for each participant on the Participant Registration Lists (Annex 7). Participant verification and registration can be done simultaneously or during separate community visits.

24 <https://mcdl.mercycorps.org/gsd/docs/CTP1MethodologyGuidewAnnexes.pdf>

25 For more information on best practice related to registration and informed consent, see the ELAN's Tip Sheet #4 from the Data Starter Kit: A Primer for Humanitarians, <http://elan.cashlearning.org/wp-content/uploads/2016/06/Registration-tipsheet.pdf>

26 If program participant selection criteria – or other pertinent program details – change significantly from the proposal or during implementation, the changes must be recorded in a Note to File (Annex 8).

The Participant Registration List may seem like a relatively basic form, but it is a critical document, linking specific participants to their cash transfers. It may also be modified to track that conditions have been met in CCT programs. To make them useful, registration lists must include certain features:

- › Full name of the program participant, sex, and age
- › Full name of an alternate who can receive the cash on behalf of the program participant if they are unavailable or unable to travel to the distribution site
- › Sex and age brackets of all household members
- › Registration date
- › Identification (ID) type and ID number
- › Contact information (preferably a phone number and house address/location of house)
- › Confirmation that the participant meets program eligibility requirements (i.e., family status, lactating woman, etc.)
- › Participant's signature/fingerprint
- › Any participant-specific data related to your program's M&E or donor requirements
- › Any specific data related to your service provider's KYC obligations (as required; see the text box "KYC Requirements of Financial Service Providers" at the end of this Activity)

Other features might include:

- › Family profile
- › Status as head of household
- › A place to note that conditionality was met (in a CCT program)

A master list—or consolidated database—of all program participants must exist. (This is essential to ensure accuracy of program reports and to provide an auditable record of program activities.) Based

Register Alternates Alongside Participants

Certain program participants may be unable to attend every distribution event, so you should register "alternates" for program participants. (See Annex E: Tip Sheets—"How Do I Handle Absences?" in the CTP Methodology Guide for more information.²⁶) An alternate is not required to attend each distribution, s/he is simply allowed to in the event the registered program participant cannot.

To register an alternate, collect the alternate's name and ID information and indicate which program participant the alternate is tied to. Keep in mind that this will likely increase the amount of information you are required to collect (to account for all the alternates' details) as well as your monitoring efforts (to verify only registered alternates are filling in). Despite this, it is an important step in tracking who money is distributed to, and will significantly reduce delays and issues during your distributions.

Program Participant IDs

Recording identification information for program participants can be difficult. Participants may not have IDs or may be using a variety of IDs. Generally, any form of legitimate ID can be accepted, including family ration cards, health cards, national ID cards, and voting cards. (Unless you are working with a service provider bound by KYC requirements—see the text box "KYC Requirements of Financial Service Providers" above for more details.) Photo ID is preferred, but balance this preference against any protection and security concerns and/or any limitations of your participant registration database.

If you anticipate participants will have difficulty providing IDs, you may choose to create program-specific ID cards for them or allow community representatives to identify participants. If, in your context, you can devote time to helping participants secure formal IDs, this is particularly useful endeavor, since it can support other protection goals. However, not all programs—particularly in an emergency setting—will be able to devote time and funds to this effort.

27 Annex E: Tip Sheets, CTP Methodology Guide, MCDL, <https://mcdl.mercycorps.org/gsd/docs/CTPMethodologyGdAnnexETipSheets.pdf>

upon this master list, we recommend that you create individual Participant Registration Lists specific to each distribution site for easy referencing. (This is particularly true when you have numerous distribution sites and/or a large number of program participants.) Participants must sign or fingerprint²⁸ next to their details on the Registration List to confirm they received their cash. In countries or communities where program participants are unlikely to have formal IDs, the signature/fingerprint line serves as additional verification. If program participants are willing and you have the robust technological capacity to manage a database of large files, you may also photograph each participant, linking a numbered file (e.g., jpg 001, jpg 002) next to their fingerprint as additional identification.

Digital Registration Systems and Shared Data Management Platforms

Increasingly, selection and registration data is digitally collected (e.g., on tablets or smart phones) and transferred into spreadsheets and online data management platforms. To take advantage of the ease and efficiencies provided by this type of technology, we must understand what risks are associated with these systems and how to mitigate against data breaches. The ELAN has produced a robust Data Starter Kit for Humanitarian Field Staff²⁹ to help teams understand the data lifecycle and how to responsibly collect, store, and dispose of data.

Alongside the increased use of digital registration systems, jointly-implemented cash programming is also becoming more frequent. In these scenarios, Mercy Corps is one implementing agency within a larger consortium. Oftentimes, program teams use registration documents or other forms created by a coordinating body and/or feed registration data into a shared data management platform (e.g., RAIS—Refugee Assistance Information System used by UNHCR and its implementing partners in Lebanon.)

Always check to see if there is an existing program participant information management or registration system in place. Sometimes decisions about which system to use are donor driven. In these cases, Mercy Corps does not have a choice. In other situations, one NGO may be using a particular system and it appears easiest if other NGOs simply join the same system. If there is flexibility, carefully assess which system actually makes sense for your program and properly scope and detail your program's registration and/or information needs. Whatever system you choose ultimately becomes the backbone of your day-to-day implementation and monitoring, so it is critical that it meets all of your internal needs.

KYC Requirements of Financial Service Providers

Know Your Customer (KYC) information is a series of nationally-mandated data points that financial institutions must collect to satisfy banking regulations. The specific data requirements vary tremendously based upon country, region, and/or the actual transfer amount. To minimize any potential impacts on your program, it is important to discuss up front with your service provider what KYC data is required. To determine which party is best placed to collect KYC data, consider two key priorities:

- Minimizing the frequency program participants are asked for KYC data
- Establishing secure data collection, storage, and sharing practices

Set clear roles and responsibilities for the collection and management of KYC data, typically in SOPs or other operational documentation.³⁰

28 For guidance on collecting signatures and fingerprints, see Annex E: Tip Sheet #1: <https://mcdl.mercycorps.org/gsdl/docs/CTPMethodologyGdAnnexETipSheets.pdf>

29 A Data Starter Kit for Humanitarian Field Staff, ELAN: <http://elan.cashlearning.org/>

30 Tip Sheet #3: Know Your Customer (KYC) Regulations, A Data Starter Kit for Humanitarian Field Staff, ELAN, <http://elan.cashlearning.org/wp-content/uploads/2016/05/KYC-tipsheet.pdf>

Use Registration to Communicate Other Program Details

Since registration may be the first formal interaction program participants have with Mercy Corps, it can be an important opportunity to communicate key program details. Familiarize program participants with the program, its objective and length; selection criteria (if appropriate here) and verification exercises; and the registration process. Also clarify with participants any efforts you are making to ensure their safety during program implementation. And ask about any concerns participants might have.

MONITORING & EVALUATION

Verification of Program Participants

Participant verification is carried out to confirm that participants meet the selection criteria. It is usually completed when participants are selected by someone other than a Mercy Corps team member (e.g., a community selection committee or implementing partner). Verification should take place with a representative sample of participants randomly selected from the community's or partner's list (Annex 6: Participant Verification Form). For additional guidance, see the Monitoring, Evaluation, Research and Learning (MERL) team's Tip Sheet on Sampling³¹ and Sample Size Calculator.³²

Baseline Study

A solid baseline study provides the basis by which results can be compared at the end of the program. Baselines are especially important for measuring outcome-level indicators (e.g., behavior change or use of skills over time, improved incomes, etc.) that help accomplish your program's goal. Your M&E plan should include clarity on what will be measured (e.g., indicators) and the methods required for the baseline study. Since baseline data should be collected on indicators before activities relevant to those indicators have begun, baselines are often conducted early in program implementation. In cash transfer programs, it may be possible to collect your household baseline information during the select targeting and registration process.

TIP > It often helps if you design your endline at the same time as the baseline so that they coordinate.

Whether your baseline includes a full survey of all program participants, or is conducted based on a representative sample, depends upon your objectives, program plan, and donor. Talk to your M&E staff in country about how best to manage the baseline process.

See the DM&E Tip Sheet #5: Baselines³³ for further guidance.

31 Tip Sheet on Sampling, MCDL, <https://mcdl.mercycorps.org/gsd/cgi-bin/library?a=q&r=1&hs=1&t=0&c=all&h=dt&q=tip+sheet+sampling>

32 Sample Size Calculator, MCDL, <https://mcdl.mercycorps.org/gsd/cgi-bin/library?e=q-000-00---0all--00-0-0--0prompt-10---4----dt--0-11--1-en-9999---20-mchome-sample+size+calculator--00031-011-0-0utfZz-8-00&a=d&c=all&cl=search&d=HASH0e8e49f43b0fca2b15ae6f>

33 DM&E Tip Sheet #5: Baselines, MCDL, <https://mcdl.mercycorps.org/gsd/docs/MELTipSheetBaselines.pdf>

ACTIVITY B: IDENTIFYING & REGISTERING PROGRAM PARTICIPANTS

Checklist & Tools / Templates

Checkbox	Main Steps	Tool/Template	Responsible
<input type="checkbox"/>	Select and confirm target geographies with other implementing agencies	Note to File (Annex 8) and written approval from donor if altered	Program Operations (Security)
<input type="checkbox"/>	Determine participant selection criteria and process	Sample Participant Selection Criteria (Annex 5)	Program
<input type="checkbox"/>	Select participants or conduct participant verification	Participant Verification Form (Annex 6)	Program M&E
<input type="checkbox"/>	Register participants (ensure informed consent)	Participant Registration List (Annex 7) CaLP Protecting Beneficiary Privacy: Annex 2—Informed Consent Template ³³	Program
<input type="checkbox"/>	Reemphasize program details during registration		Program
<input type="checkbox"/>	Create master Registration List; create separate Registration Lists by distribution site if necessary	Participant Registration List (Annex 7)	Program
<input type="checkbox"/>	Conduct a baseline study	DM&E Tip Sheet #5: Baselines ³⁴	Program M&E

³⁴ Protecting Beneficiary Privacy, CaLP, <http://www.cashlearning.org/downloads/calp-beneficiary-privacy-web.pdf>

³⁵ <https://mcdl.mercycorps.org/gsd/docs/MELTipSheetBaselines.pdf>



Sean Sheridan for Mercy Corps

ACTIVITY C

Determining the Transfer Type, Amount, Frequency and Disbursement Mechanism/Provider

Determine the Transfer Type

Cash transfers come in two types: **unconditional**, meaning the participant receives the transfer simply based on qualifying as a program participant, or **conditional**, where a participant must complete some sort of activity to receive their transfer. Cash for work programs are a type of conditional cash transfer program: Participants must complete a certain number of work hours to receive payment.³⁶

Whether your program is an unconditional cash transfer (UCT) program or a conditional cash transfer (CCT) program is likely a decision that was determined during your program's design phase and captured in your proposal.

If you are still weighing options, know that **Mercy Corps' preference is always unconditional cash transfers**, because it reflects our belief that people know best what they need to recover from emergencies and crisis. Since UCT programs do not require the extra step to monitor that conditions were met, they are our simpler to implement than CCT programs.

If you have programmatic reasons to monitor or mark changes in participant behavior before transferring cash—for example, your program is designed to increase attendance at school or repair damaged housing—a CCT program might make the most sense. However, although certain conditions must be met for cash to be transferred, once a program participant has received their money, they are free to spend it any way they wish. Make sure, as you are considering CCT programs, that you doing so for a clear, legitimate programmatic outcome. We do

36 Although this is a type of conditional cash transfer, cash for work program guidelines are captured separately in the Cash for Work Implementation Guide.

not want to implement CCT programs simply because we feel participants *should* do something to receive cash (which is a value judgment, not a programmatic necessity.)

TABLE ONE

	UNCONDITIONAL CASH TRANSFERS (UCT)	CONDITIONAL CASH TRANSFERS (CCT)
ADVANTAGES	<ul style="list-style-type: none"> • Most flexible of all CTP types • More “dignified;” respects participants’ own prioritization of needs 	<ul style="list-style-type: none"> • Useful to encourage behavior change to meet specific program objectives
DISADVANTAGES	<ul style="list-style-type: none"> • NGO has less control over spending • May be perceived as more risky in insecure environments (but check assumptions) 	<ul style="list-style-type: none"> • Conditions can influence spending patterns • Requires extra monitoring to ensure conditions are met • Fulfilling conditions may pull program participants from other productive activities • Conditions could place an unnecessary burden on already vulnerable people or delay receipt of their cash

What If I Want to Restrict How Participants Spend Their Cash?

CTP terminology can be confusing and, occasionally, people mistake two very different concepts: the idea of attaching conditions to receipt of a cash transfer, and the concept of restrictions (*i.e.*, restricting purchases.) These two terms are not synonymous.

As described earlier, conditional cash transfers require a participant to do something before they receive their money. (For example, a participant must register their child for school before receiving a cash transfer.) Once they receive their money, participants can spend it as they see fit. In contrast, restrictions built into a cash transfer program attempt to influence what participants can spend their money on after they receive it. (For example, participants can only purchase food, or participants cannot use the transfer to pay rent.)

If you find yourself wanting to restrict participant

purchases (*i.e.*, cash for shelter)—and there is a programmatic reason for doing so—then a voucher program may make more sense in your context. You could also consider providing cash in tranches, with the second or third tranches being conditional on how the first tranche was spent. Keep in mind that restrictions like this add a significant monitoring burden. Also, although programs can set restrictions on purchases, in practice, it is virtually impossible to enforce them once money has been transferred to an individual (outside of excluding that person from future transfers).

If you want to restrict purchases because you worry that the cash, once received, will be spent on items you do not agree with, check your own assumptions about how people in need use assistance. Also make sure your participant selection is accurate. Global experience of CTP has time and again disproved assumptions that recipients of cash spend it “inappropriately” or that cash is a “riskier” form of assistance than others.

Determine the Transfer Amount

The transfer amount is based upon earlier assessments, such as your rapid needs and market assessments. Your transfer amount should be linked to your program objectives. Some of the main questions to ask while setting the transfer amount include:

- › What needs is the cash transfer intended to meet?
- › What do you anticipate program participants purchasing? / What are your program participants' priorities? (As defined by them, not you!)
- › How much do these items/services currently cost in the local market?
- › What are participants able to pay for on their own (e.g., what is the gap?)
- › What are other agencies doing? Is there a coordinating body—such as a Cash Working Group—working to standardize transfer amounts?

When you set your transfer amount, remember to include any costs participants will incur to access that transfer (transportation costs, for example, or ATM fees associated with withdrawing cash) and build in a cushion to avoid accidentally eroding the value of their transfer. Local tax laws can also heavily influence transfer amounts. Certain countries may waive taxes on money that is transferred for humanitarian purposes; others may do so up to a certain threshold. Know what laws apply to you and structure your program accordingly.

When setting the cash transfer amount, also take into account any seasonal or anticipated price fluctuations. If your program will take place during one of these periods, consider increasing or decreasing the transfer amount to accommodate price fluctuations. Prices can be determined by reviewing secondary research (other assessments or, in some cases, national statistics bureaus) or by conducting a baseline market price survey (see the M&E section below). It is acceptable to change the transfer amount over the life of the program with clear justification, and you might want to budget for this possibility from the start.

Additional information can be found in the text boxes below on MEB and SMEB calculations, as well as in “Setting the Transfer Amount” (Chapter 2 of the CTP Methodology Guide.³⁷)

Setting MEB or SMEB Transfer Amounts

Increasingly, the transfer value for multipurpose cash transfer programs is based on a locally-calculated Minimum Expenditure Basket (MEB). Often, it is calculated in coordination with a local Cash Working Group. In principle, your MEB calculation is based upon what a household requires in order to meet basic needs—on a regular or seasonal basis—and its average cost over time. Mercy Corps can play a critical role in ensuring this amount is fair and takes into consideration all household members—not just the head—by encouraging that “the basket” is composed from input from a range of household members (males, females, different age brackets, etc.).

Depending on your context and the range of price variation by location, the MEB may be calculated nationally or localized to specific marketplaces. The transfer value provided to households will typically be a portion of the total MEB and should reflect peoples' ability to meet some of their needs themselves (typically about 70-80% of the total MEB.) In some countries and contexts—most often emergency responses—organizations are also calculating an SMEB (Survival Minimum Expenditure Basket). The SMEB focuses only on the minimum amount needed for physical survival (in other words, less money than an MEB).

37 <https://mcdl.mercycorps.org/gsd/docs/CTP1MethodologyGuidewAnnexes.pdf>

Determine the Transfer Frequency

Not only do you need to determine how much you will transfer, you also need to understand how often you will transfer money. Lump sum/single cash transfers are typically used in programs aiming to replace assets. (For example, Mercy Corps provided a one-time, large cash transfer to displaced people in Iraq to help them settle in to their new locations.) Smaller, more frequent payments are typically used to meet basic needs over a period of time, for example, to cover a three-month hunger gap. Keep in mind, however, that **setting the transfer frequency is both a programmatic decision and a practical one**. Numerous times, Mercy Corps teams have had to alter their transfer frequency due to tax implications (e.g., a lump sum transfer would have been taxed too highly³⁸) or because the costs associated with the accessing the transfers made multiple transfers uneconomical. Similarly, in programs where participants traveled long distances to access their transfer or spent considerable time waiting, post-distribution monitoring has unsurprisingly revealed that participants would have preferred a single, larger payment.³⁹

When considering frequency of transfers, take into consideration:

- › What are your program objectives?
- › Which, if any, taxes apply? Do these alter for single or multiple transfers?
- › What costs or burdens are associated with participants accessing their transfer (e.g., ATM fees, transportation fees, wait times, etc.)?
- › What are Mercy Corps' transfer costs (e.g., what fees, if any, does the service provider charge? Do these fees change for single or multiple transfers?)
- › The increase in staff time/admin responsibilities that multiple transfers may incur (either through managing the actual disbursement or reconciling payment documents)
- › For any program utilizing a regulated financial institution (oftentimes an e-transfer program): do Know Your Customer (KYC) regulations apply to transfer amounts above a particular threshold?



Sean Sheridan for Mercy Corps

38 See "Setting the Transfer Amount" in the CTP Methodology Guide for additional information, MCDL <https://mcdl.mercycorps.org/gsd/docs/CTP1MethodologyGuidewAnnexes.pdf>
39 <https://mcdl.mercycorps.org/gsd/docs/TabangKOBeyondImmediateNeedsSummaryEval.pdf>

Determine the Disbursement Mechanism

Oftentimes, teams find determining how cash will reach their program participants—the disbursement mechanism⁴⁰—to be the most challenging aspect of implementing CTP. But choosing a disbursement mechanism or service provider need not be.

Cash can be transferred in three primary ways:

1. Physical cash/check distributed through a third party (e.g., a bank, *hawala*, security company, trader, etc.)
2. E-cash, through a bank account, prepaid card, mobile phone, or other payment device
3. Physical cash distributed directly by Mercy Corps (e.g., “cash in envelopes”)

Each of these three methods has advantages and disadvantages (see Table Two below). However, a cash distribution conducted directly by Mercy Corps team members (option #3) **should always be the last resort**.

Use the Response Analysis (Annex 9) to work through the decision-making process, documenting the assessments and analyses you conducted to arrive at your final decision.

When evaluating various disbursement options, start by looking at how people typically obtain cash and pay for items in their community. Then consider:

- › What is the overall amount of cash you will transfer, and what is the individual amount of each transfer?
- › How many transfers will take place? How frequently?
- › On average, how far will program participants need to travel to reach cash-out locations (i.e., ATMs, bank branches, mobile money network agents, the disbursement venue, etc.)?
- › Do certain disbursement mechanisms reduce risks associated with transferring cash in your target areas?
- › Are remittances common? If so, how are they typically received?
- › Do participants use the banking system?



Sarah Castagnola/Mercy Corps

40 CaLP and other organizations may refer to this as a “delivery mechanism” or “payments mechanism.”

- › Do they currently use mobile phones?⁴¹ Do individuals own the phone, or is it shared? To what degree do women have access to, and control of, a mobile phone?
- › How long will it take to contract with service providers and set up distributions for each option (*i.e.*, will it take you three months to prepare for a one-time distribution?)
- › What are Mercy Corps' costs with each option (both in terms of money and time)? What are participants' costs (including time, withdrawal fees)?
- › If relevant, can the disbursement mechanism be easily taken to scale (either by increasing the number of program participants, increasing the number of transfers, or by broadening geographic reach)? Do any of these changes impact service provider's fees?
- › What solutions are other agencies using in the same, or nearby, areas? Could economies of scale be reached by coordinating with others? Could coordination simplify the experience for program participants, reduce interview fatigue, or reduce assistance duplication?
- › Does the local government disburse social service payments? Through what means?
- › Are there any secondary advantages or impacts available with particular disbursement types? (For example, do certain options increase access to financial services, link to community savings groups, or provide streamlined opportunities for data collection and management?)

TIP › Be sure to account for all costs when considering payment options! Often we overlook many of the hidden costs that do not appear as part of the transfer fees, but are incurred through use of a particular system or process. These costs can primarily affect Mercy Corps (NGO-borne fees)—such as fees for system set-up, training, on-going maintenance, or replacement costs—or can primarily impact our program participants (program participant-borne fees)—such as fees to withdraw funds, check account balances, transportation costs, etc. However, they can greatly impact participants' satisfaction with the product and with the program overall.

⁴¹ See CaLP's Sample Mobile Usage and Awareness Questionnaire for more information, <http://www.cashlearning.org/downloads/05-sample-mobile-usage-and-awareness-questionnaire.doc>

TABLE TWO

	SERVICE PROVIDER: PHYSICAL CASH /CHECK	SERVICE PROVIDER: E-TRANSFER	DIRECT BY MERCY CORPS STAFF
ADVANTAGES	<ul style="list-style-type: none"> • Mitigates Mercy Corps' cash handling risks • Can increase geographic range or number of participants reached • Can mitigate corruption by separating duties • May be convenient for participants if the cash-out partners are located in common marketplaces 	<ul style="list-style-type: none"> • Mitigates Mercy Corps' cash handling risks • Anonymity of e-cash can mitigate risks for participants • Participants can access cash on their own schedule • Can mitigate corruption and diversion; provides a digital trail of funds • Often, provides real-time data monitoring • May be linked to larger financial inclusion goals • Can increase scale 	<ul style="list-style-type: none"> • Always an option, provided security allows • No service fee payments to service provider • Eliminates risks associated with working with unknown service provider
DISADVANTAGES	<ul style="list-style-type: none"> • May be expensive • Options in target area may be limited or nonexistent 	<ul style="list-style-type: none"> • Often the most expensive option, unless program will deliver multiple transfers to same group • Often takes the longest to set up • Limited network coverage or nascent MNO environment may impact quality of service or coverage • If technology is new to participants, requires significant training and monitoring 	<ul style="list-style-type: none"> • Mercy Corps bares all risks associated with disbursing cash • Increases risks of fraud or diversion; without third party, checks and balances are reduced • Places a significant burden on Mercy Corps staff • High administrative costs for Finance and Program teams • Limited opportunity for reaching scale

Program Profile: Disbursement Mechanisms

With these advantages and disadvantages in mind, we profile three Mercy Corps cash transfer programs, the constraints they faced, and the types of disbursement mechanisms/service.

PROGRAM PROFILE

Nepal

Following the 7.8 earthquake in April 2015, much of Nepal’s infrastructure was damaged or destroyed. While pre-positioning work had been done to identify potential service providers in the event of an emergency, the physical damage post-quake was so extensive that very few pre-identified financial institutions or mobile network operators (MNOs) could operate.

Mercy Corps provided emergency assistance to 24,000 disaster-affected households in four districts, and cash assistance was a logical solution: People’s needs were extensive and diverse and goods were available in the market. After exploring a range of disbursement options—including remittance companies, mobile money, and bank-based transfers—the country team settled on two primary distribution mechanisms: vendors/traders and SACCOs (Savings and Credit Cooperatives).

Initially, Mercy Corps Nepal pursued only vendors/traders, because targeted villages were remote and traders had the ability to reach more rural areas. Furthermore, the traders themselves would benefit from their distribution fees (receiving US\$1 for every US\$75 they distributed) as well as purchases made by cash transfer recipients at their shop. Since the traders were also affected by the disaster, the increased business would help their businesses recover faster.

However, the team soon found that working only with vendors/traders was not sufficient. Vendors with enough cash flow to carry out the distribution were located in more urban areas, up to a six-hour drive for intended recipients.



Tom Van Cakenberghe for Mercy Corps

At this point, Mercy Corps Nepal expanded distribution options by drawing on its prior experience working with SACCOs. SACCOs were a logical solution: Many operated with missions similar to Mercy Corps’ and connecting cash transfer recipients to formal financial institutions pre-positioned them for additional governmental assistance (contingent upon an account ownership at a formal financial institution.)

Both SACCOs and vendors/traders ended up being tremendous partners in the response effort.

PROGRAM PROFILE

Iraq

Following the outbreak of fighting in December 2013, armed conflict spread throughout Iraq, resulting in widespread displacement and humanitarian need. In January 2015, Mercy Corps conducted a rapid assessment in four governorates. Vulnerable households identified their priority needs as rent for shelter and food. Due to limited work opportunities, households faced an income gap of US\$334 per month—about half the average total monthly expenditures—resulting in increased borrowing and negative coping strategies. With a €2M program funded by ECHO, Mercy Corps was able to help 4,680 households



Corinna Robbins / Mercy Corps

meet immediate needs. Conflict-affected households were provided a single unconditional transfer of approximately €330; vulnerable households received a series of two unconditional transfers of €246 each.

Mercy Corps partnered with two informal money transfer agent networks, or *hawalas*, to make the transfers. *Hawalas* were chosen because of the absence of a banking system in all governorates. Even in the few governorates where banks were available, they did not have sufficient funds or capability to manage the number of program participants, and travel to them was risky.

PROGRAM PROFILE

Ukraine

Almost 10,000 people have died and 1.7 million were displaced since April 2014, when the conflict in Ukraine's eastern oblasts of Luhansk and Donetsk (the "Donbass") erupted.

Mercy Corps' work in the country was tailored to respond to needs of individuals in both the government-controlled and non-government controlled areas of Luhansk Oblast. Because it was impossible for Mercy Corps to transfer money to the non-government controlled side of the conflict—and thereby tap into banking infrastructure operating within the "Luhansk People's Republic"—individuals received direct distributions of food and non-food items to meet their emergency needs.

Internally Displaced People (IDPs) in government-controlled Luhansk Oblast, however, were provided



Brendan Hoffman for Mercy Corps

with three monthly transfers of unconditional cash (approximately US\$85) to meet their non-food needs. After evaluating a range of formal financial institutions, Mercy Corps Ukraine chose to work with OshadBank, the State Savings Bank. OshadBank was selected because its reach—particularly in rural areas in Luhansk—is deeper than many newer banks. It is also a primary bank used by the government for the transfer of other social payments such as state pensions and disability payments. Furthermore, OshadBank was the only bank operating along the frontlines. In support of the humanitarian response, OshadBank also agreed to lower its transfer fee from 4% to 1%.

Select Your Service Provider

To distribute cash through a service provider or e-transfer provider such as a bank or MNO, follow Mercy Corps' procurement procedures to contract a service provider.⁴² Depending on the value of the contract, this will likely require an open, competitive tender process, unless you are considering a technical provider who would fall under one of Mercy Corps pre-qualified supplier lists.⁴³ Once you have selected your service provider and agreed upon a fee structure, you must enter into a written contract with that service provider.

Overall, the procurement process is one of joint ownership, led by Programs and heavily supported by Operations. **Program responsibilities** include: writing the SoW, suggesting advertising venues, (likely) leading the selection process, documenting the selection process, leading creation of the contract, and managing the contract.

⁴² Mercy Corps' Field Procurement Manual was being updated when this Cash Guide was finalized. Please see the Digital Library for the agency's current procurement guidance.

⁴³ Check the Digital Library for current pre-qualified supplier lists.

Operations responsibilities include: logging tender actions, organizing the advertising, ensuring selection is documented properly, assisting with contract creation, and once signed, tracking progress of the contract.

The sections below will cover specific instructions related to cash transfer programs, including managing a successful procurement, characteristics of a good service provider, and contracting recommendations.

Manage a Successful Procurement

Although this process should follow Mercy Corps' normal procurement procedures, there are three elements that can be challenging for teams working on cash transfer programs:

- › Confirming the value of the contract
- › Drafting clear RFBs/RFPs that provide sufficient information for potential service providers to respond well
- › Selecting a service provider that actually delivers what is promised, on time and on budget

Before You Start the Procurement Process

Estimate the time to complete a procurement action: In general, assume it will take up to six weeks to procure a service provider, including two weeks to analyze the market; a minimum of two weeks to conduct a tender (open and public or not); and two weeks to evaluate responses and pose questions to service providers. (Your Operations Manager can provide a more exact estimate for your context.)

When procuring these services, keep in mind that we are often asking companies to provide services outside of their normal operating processes, to a new or different clientele, or in a new area of operation. This may mean that we need to negotiate a bit more, or work with the providers to co-develop a delivery plan. For cash programs, we are rarely procuring an "off the shelf" service package.

Often, while assessing various disbursement mechanisms, you will have spoken with many of the potential service providers in your implementing area, giving you a good sense of what services are available and their general costs. If you do not have a base understanding—or still need a clear picture of options in your country—consider different information-gathering tools before launching a competitive procurement process (e.g., market surveys, Requests for Information/Expressions of Interest). This information can often prove very useful when evaluating bids from service providers.

There are efforts underway to simplify and/or expedite these procurement processes, such as establishing pre-qualified and global agreements for certain products (*i.e.*, e-vouchers, prepaid debit cards, etc.) Contact the Markets, Economic Recovery & Growth (MERG) and PALM Teams for the most up-to-date information.

Establish the value of potential contracts. Before starting the process to procure a service provider, you will need to estimate the total value of the anticipated contract. This is necessary to determine the procurement threshold and proper procurement processes.

For the purposes of this process, **the contract value is based on the fees to be charged by the service provider only** and does not include the value of the total money to be transferred. These fees might include: commission, hardware costs (*i.e.*, cards, phones etc.), and startup training or customization of a platform. If you cannot make an estimate using the service provider's actual fee structure, estimate the applicable threshold by assuming their transfer/distribution fee is 5% of the total amount of money to be distributed.

For a summary of procurement thresholds, refer to Mercy Corps' Procurement Manual.⁴⁴

TIP > If you are conducting a tender for a pilot or a small start-up project, but anticipate expanding your program later, the PALM Team recommends that you include both your initial pilot figures as well as your potential project at scale. This will allow you to scale-up your program without conducting a separate tender for the full program.

Prepare Your RFB/RFP

The more specific and detailed you can be in your RFB/RFP, the better able service providers will be to present their product(s). Ultimately, this results in more realistic options from which to choose. When preparing your RFB/RFP:

- > Thoroughly explain the operating environment so service providers understand how their services will help your team accomplish its goal. (You may also consider allowing service providers to propose alternative solutions to meet your stated needs.)
- > Include explanations or definitions for key terms that the private sector may use differently. (Be especially clear about expected functionalities and use cases.⁴⁵)
- > Provide clear instructions on the presentation of fees and rates. The cost proposal requirement in the RFB/RFP should always require that each cost or fee element to be paid by Mercy Corps is presented separately (e.g., distribution fees are listed separately from data management fees.) Some services providers will want to present the fee structure in their own format, but most are able and willing to follow guidance specified by us.
- > Require that service providers state their cash flow requirements necessary to carry out the distributions.
- > Be clear about what functions are required and what are optional, as well as how responses will be scored in competitive processes.
- > Allow sufficient time for providers to respond to your tender. (Ideally, allow four-six weeks; if shorter, share as much information as possible to help service providers prepare adequate bids.)

TIP > RFPs are much more complicated for an e-transfer program; for this reason, please also read the E-transfer Implementation Guide.⁴⁶ While the steps covered in this Implementation Guide apply to both physical cash and e-cash, cash delivered electronically requires additional assessments of network coverage, service provider capacity, user capability, etc. See also "Recommended Minimum Standards to Implement a Mobile Banking Program,"⁴⁷ and "E-transfers One Year Later: Workshop"⁴⁸ produced by the Mercy Corps Philippines team.

44 Please see footnote 42

45 The ELAN's Prepaid Card Products for Humanitarian Programs: Actors, Insights & Recommendations includes a comprehensive list of common humanitarian program definitions which differ from their private sector equivalent (e.g., an INGO "Program Manager" and a "Program Manager" such as MONI. MCDL, <https://mcdl.mercycorps.org/gsd/docs/ELANPrepaidCardsforPrograms.pdf>

46 <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>

47 Recommended Minimum Standards to Implement a Mobile Banking Program, MCDL, <https://mcdl.mercycorps.org/gsd/docs/MinStandardsMobileBankingPhilippines.pdf>

48 E-transfers: One Year Later Workshop (Minimum Standards for an E-transfer Program), MCDL, <https://mcdl.mercycorps.org/gsd/docs/MinimumStandardsETransfersChecklist.pdf>

Advances are most often required when the service provider you have contracted either does not have sufficient capital (liquidity) to cover the total value of payments to be made or when they do not fully trust Mercy Corps to pay them within a reasonable amount of time. Oftentimes, a service provider’s hesitation to work without an advance is a combination of both factors, combined with a lack of familiarity with our process or organization.

Wherever possible, **Mercy Corps’ preference is for fees/costs to be paid on a reimbursement basis**, *i.e.*, after the distributions have been made and documented. Include language about this in the RFB/RFP itself.

The RFB/RFP can directly address the advance/cash flow issue in a couple different ways:

1. You can restrict eligibility to only those firms with the liquidity to provide credit terms for the disbursements (*i.e.*, repayment within 30 days of invoice). Keep in mind that in some contexts, this may severely limit your options.
2. You can provide options for how the distribution might be financed, such as:
 - a. Reimbursement
 - b. Reimbursement with funds to be placed into a holding or segregated account by Mercy Corps until after the disbursement is made
 - c. Funds advanced to the service provider before the disbursement—with certificate of insurance against loss or theft
 - d. Funds advanced to the service provider with no formal assurances

If you pursue option 2, cash flow requirements must be incorporated into the selection scoring.

If the service provider requires an advance, that advance should, wherever possible, be kept to a limited proportion of the total money to be distributed (*i.e.*, 20% advanced, and 80% + fees as a reimbursement.)

We encourage you to contact the Treasury and MERG Teams at headquarters to get additional information on bank contacts, other financial market information, and/or average rates for similar services.

TIP > Mercy Corps prefers to limit the use of advances as much as possible. When a service provider requires an advance to supplement their liquidity, try to negotiate for the advance to be only a portion of the total amount to be distributed. Also plan to advance only for the specific upcoming distribution, rather than all combined distributions.

Characteristics of a Good Service Provider

Working with service providers can be tricky: Programs depend heavily on the service provider’s capacity to deliver work that may be outside their normal business processes. In practice, we have found that some of the most successful partnerships and smoothest programs partner with service providers who:

- > Ask questions to understand the program objectives, target communities, and timelines
- > Have a longer-term business plan or incentive for the target communities which extends beyond your program’s timeline

- › Proactively assign sufficient staff and resources to the project
- › Actively communicate about setbacks, challenges, and potential sticking points in the distribution design.
- › Have prior experience working with NGOs and/or humanitarian assistance programs (although this is not a requirement for a good partnership)

Ultimately, superior service providers see themselves as an active partner in program delivery and are invested in building relationships with the target community.

Contract with Your Service Provider

The contract should clearly detail the services the vendor will provide. It should also always be tailored to your local context, including changes to accommodate local legal requirements and the specifics of your program design/disbursements. However, as a general rule of thumb, all contracts (Annex 10) and their annexes must cover at least:

- › The anticipated amount to be transferred, including number of recipients, number of transfers per recipient, transfer amount per recipient, and total amount to be transferred
- › The transfer schedule—the dates and specific locations (if known) of planned transfers OR timing and method of notification of transfers (if not known)
- › Fee calculation, with distribution fees separated from data management or any other fees (for example, is the commission calculated on the total amount disbursed, or is it a flat rate per transfer?)
- › Conditions and timelines for advancing funds (if required) to be disbursed by the provider. Contracts should identify the holding or segregated account⁴⁹ in which the advance will be held and the transfer conditions to provider. It should also detail the process for reconciling any advances with actual distributions.
- › Payment schedule to the service provider (e.g., monthly based upon amount transferred in the month)
- › Documents required from service provider to issue payments (e.g., invoice, receipts, etc.)
- › Roles and responsibilities of Mercy Corps and the service provider before, during, and after payment disbursements, including specifics of: program participant (and alternates) ID requirements, and who is responsible for the transportation of funds to remote locations
- › Liability and risk concerns—who controls the funds at each point of the disbursement process and the contract’s legal jurisdiction.
- › If applicable, requirements to maintain insurance coverage and notices of any status changes

The content of contracts is jointly produced between the Operations and Programs Teams. Contracts must be closely reviewed by in-country legal counsel and the Country Finance Manager/Director. Final approval and final signature is normally the responsibility of the Country Director or, if applicable, the designated representative according to the Approval Authority Matrix.

When working with service providers for e-cash programs, Mercy Corps’ experience has shown that the most effective partnerships document service expectations and process standards in a **Service Level Agreement (SLA)**.⁵⁰ An SLA is an agreement between the service provider and Mercy Corps that focuses on specifics of

⁴⁹ Please consult the Treasury Team at HQ for specific guidance related to holding accounts.

⁵⁰ Reeve, Greg, ELAN: Mobile Money Assessment and Contracting Guide, MCDL, <https://mcdl.mercycorps.org/gsd/docs/MobileMoneyAssessmentContractingGuide.pdf>

performance standards, processes, and expected service quality. This differs from a contract, a legal document which outlines the services to be provided, duration, cost, and legal relationship between the two parties. Examples of strong SLAs can be found in Annex 11. Detailed contracting guidelines for e-cash service providers can also be found in Annex 8 (E-cash Contract Checklist) of the E-transfer Implementation Guide⁵¹ and Part 3 of the Mobile Money Assessment and Contracting Guide.⁵²

MONITORING & EVALUATION

Baseline Market Price Survey

To effectively monitor your program's impact on the market, it is important to establish a baseline for market prices against which you can measure price changes once your program begins. This helps you determine (or reconfirm) the transfer amount. The baseline market price survey is conducted during the design phase as a key piece of information to set your transfer amount. Since a gap often exists between when the program was designed and when implementation begins, it is good practice to verify your original data again and set your baseline for ongoing market price monitoring and post-distribution monitoring (PDM).

To conduct the baseline price survey, fill out the Baseline Price Survey template (Annex 12) with the most commonly-needed items (determined by your needs assessment and in consultation with local team members) and establish the current market price and availability for each item, as well as the average high and low season prices. Compare these figures to those you collect once program implementation begins to determine if prices are still within normal bounds. Then, input the data collected into the Market Price Monitoring Database (Annex 12a). In some countries, secondary data on market prices will be available. WFP and organizations like FEWS NET often regularly collect prices and may be a good resource to consult. If secondary prices data is available, you may not need to allocate further resources to collecting your own price data.

Increasingly, as agencies move towards harmonization and increased coordination of cash programs, market monitoring is being shared/coordinated across agencies to generate improved data sets and increase efficiencies in resource allocation. Check with your local Cash Working Group before you establish a Mercy Corps-only market monitoring system.

51 <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>

52 <https://mcdl.mercycorps.org/gsd/docs/MobileMoneyAssessmentContractingGuide.pdf>

**ACTIVITY C: TRANSFER TYPE, AMOUNT, FREQUENCY AND DISBURSEMENT
MECHANISM PROVIDER
Checklist & Tools / Templates**

Checkbox	Main Steps	Tool/Template	Responsible
<input type="checkbox"/>	Determine/ confirm transfer type	Note to File (Annex 8) if changed; if required, written approval from donor	Program
<input type="checkbox"/>	Verify baseline market survey data conducted during design phase	Market Price Survey (Annex 12)	Program
<input type="checkbox"/>	Coordinate transfer amounts with other implementing agencies	Note to File (Annex 8) if changed; if required, written approval from donor	Program
<input type="checkbox"/>	Determine disbursement mechanism	Decision Tree and Response Analysis (Annex 9)	Program
<input type="checkbox"/>	Contract third party vendor or service provider, if necessary	Cash Transfer Contract examples (Annex 10) Annex 8: E-cash Contract Checklist, E-transfer Implementation Guide SLA examples (Annex 11)	Program Operations



Vassiliki Lembesis/Mercy Corps

ACTIVITY D

Communication and Training

Communicate General Program Information

Communicating program details is an important component of transparency and successful program implementation. Program participants should understand the program's overall aim, the criteria and rationale for selection (if appropriate), and the process for receiving their transfer. This is especially true if this is their first time participating in a cash transfer program or if the distribution mechanism is unfamiliar to them. Determine the best time to communicate key program information. Ideally, this would be close to the first transfer, so people remember any instructions. However, you might choose to communicate program details earlier if you are also using that meeting to distribute program-related materials (e.g., ID cards, ATM cards, or mobile phones.)

Community representatives (and alternates/helpers, if applicable) should also be invited to attend program information sessions to better understand the transfer process and assist participants.

During these sessions, cover:

- › The overall cash transfer process, from registration through to distribution and program evaluation
- › The transfer schedule and amount
- › Participant responsibilities during disbursement, including providing an approved type of ID, signing/fingerprinting, etc.
- › Any safety and security risks associated with cash handling
- › How to give feedback and receive assistance through CARMs
- › The monitoring process and what to expect

- › How any collected personal data will be used or shared
- › Consequences for failing to comply with program procedures
- › Any other pertinent program details

TIP › A principle of good programming is that—at some stage—you communicate why and how participants were selected for a program. This will look quite different from program-to-program. Sometimes, if you are conducting community-based targeting, the selection criteria are publically agreed-upon. Other times, you may convey this information one-on-one after conducting household vulnerability assessments.

Additional Training Topics for E-Transfer Programs

Cash transfer programs are often relatively simple programs. However, when a team is using a new technology to disburse cash—for example, a bank card tied to an ATM system or mobile money—it is critical to devote sufficient time to ensure participants understand how to access their transfer.

Alongside program participants, teams may also need to devote time and resources to training service providers and/or payment agents, since humanitarian programs can pose new challenges for them.

E-transfer Training Topics for Program Participants

Potential additional topics include:

- › The technology itself: how it works; requirements for PIN entry, identification, etc.
- › Any fees associated with the technology (e.g., transfer fees, costs associated with accessing a support hotline, balance inquiry fees, incorrect PIN entry fees, foreign exchange fees if applicable, etc.)⁵³
- › Responsible PIN and account management (i.e., do not share your PIN with others)
- › How, when, and where participants can access their cash (during set agent hours, 24-hours a day, etc.; specific cash-out locations; ID requirements at cash-out points, etc.)
- › Detailed instructions on using an ATM/Point of Sale (POS) if they have not used one before
- › Any additional requirements that might be associated with the service (i.e., in certain mobile money programs, participants may be required to keep their mobile money account active by conducting a certain number of transactions per month)
- › Any limits or restrictions placed on their accounts (e.g., daily cash withdraw maximums, minimum account balances, etc.)
- › How to replace lost equipment (e.g., SIM card, mobile phone, debit card, etc.)

⁵³ For additional information, see “Training: Inclusion for the Most Vulnerable” (pages 19-20), E-Transfer Implementation Guide, <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>

Trainings should be simple and dynamic to help participants remember key points. Successful training techniques include simulations, role-playing, demonstrations and posters depicting the process through pictures, especially for illiterate or semi-literate participants. While designing trainings and materials, always take into consideration the literacy and numeracy levels of your intended audience. Examples of training materials can be found in Annex 13: Sample Training Material⁵⁴ of the E-transfer Implementation Guide. The ELAN has also collected **sample training materials** for global e-transfer programs.⁵⁵

Utilizing E-Transfers to Increase Financial Inclusion

Emergency program participants are often excluded or underserved by formal financial systems. Typically, they rely on hard currency and informal financial services offered by family or community members. They may ask friends or neighbors to act as “money guards,” holding cash for a nominal fee, or borrow food from a neighborhood store (store credit). Cash may be stored under a mattress or invested in assets such as jewelry or livestock. Disasters can disrupt these previously relied-upon informal systems and coping mechanisms: People may lose physical cash stored in their homes or with money guards, or access to purchasing with store credit.

Leveraging cash transfer programs to improve access to financial services can potentially break disaster-vulnerability cycles. Improved access to financial services can diversify where and how people save; open more avenues to access cash and credit; and increase

access to livelihood protection tools such as insurance.

Many questions still remain about how to responsibly link e-transfer recipients to financial services. We do know that simply transferring cash through a digital platform rarely leads to sustained use of new financial services.⁵⁶ Successful financial inclusion programs make a deliberate effort to connect e-transfer recipients to products that are well understood and trusted and to financial institutions with a long-term interest in that client base.

Always keep in mind, however, that the focus for all emergency programs should be to get life-saving assistance out the door. Be wary when considering new technology, products, and services for participants coping with crisis. For additional information on financial inclusion in CTP, consult “Financial Literacy Findings and Recommendations: TabangKO and Simulako Programs”⁵⁷ and the Financial Services Primer for Humanitarians.⁵⁸

E-transfer Training Topics for Service Providers and/or Payment Agents

Programs implemented by organizations like Mercy Corps occasionally stretch service providers beyond their comfort zone. We may not be their typical client and our program participants may not be their traditional user. In these situations—when we ask payment agents to use new technology (such as POS units) or to alter their practices (such as checking specific forms of ID), it is critical to provide them with additional training as well. In some situations, you might also want to clarify any expectations for cash-out processes or other steps in your program. Make sure to also introduce service providers to our protection considerations and concerns, as these may be new concepts for them.

54 Annex 13: Sample Training Material, The E-transfer Implementation Guide, MCDL, <https://mcdl.mercycorps.org/gsd/ docs/E-TransferGuideAnnex13SampleTrainingMaterials.pdf>

55 Cash delivery mechanism – sample training materials, <http://www.cashlearning.org/elan/cash-delivery-mechanism-sample-training-materials>

56 ELAN, “Can E-transfers Promote Financial Inclusion in Emergencies?” Case Studies from Bangladesh, Ethiopia and Zimbabwe, <http://www.cashlearning.org/elan/elan-resources>

57 “Financial Literacy Findings and Recommendations: Tabangko and Simulako Programs,” MCDL, <https://mcdl.mercycorps.org/gsd/ docs/MC2013PhilippinesTabangkoFinancialLiteracy.pdf>

58 Krishnan, Vaidehi, ELAN: Financial Services Primer for Humanitarians, MCDL, <https://mcdl.mercycorps.org/gsd/ docs/FinancialServicesPrimerELANMC.pdf>

For additional tips for successful e-transfer partnerships—and a better understanding of typical hurdles—see the ELAN research paper, Partnering for Success,⁵⁹ which noted seven key findings related to e-transfer programs.

To better evaluate your service provider’s capacity, review the ELAN’s Mobile Money Assessment and Contracting Guide.⁶⁰

ACTIVITY D: COMMUNICATION AND TRAINING
Checklist & Tools / Templates

Checkbox	Main Steps	Tool/Template	Responsible
<input type="checkbox"/>	Communicate key programmatic details to participants		Program
<input type="checkbox"/>	Design participant (and/or service provider) trainings	Annex 13: Sample training materials, E-transfer Implementation Guide The ELAN’s online collection of training resources	Program
<input type="checkbox"/>	Prepare participant (and/or service provider) training; arrange location/rent space Prepare materials: fingerprint pads, ink, posters, required documents, etc		Program
<input type="checkbox"/>	Conduct participant training	Participant Registration List (Annex 7)	Program
<input type="checkbox"/>	Conduct service provider training (if applicable);		Program

59 Partnering for Success: E-cash Use in Humanitarian Programming, ELAN, MCDL, <https://mcdl.mercycorps.org/gsd/docs/Partnering4SuccessECashELAN.pdf>
 60 <https://mcdl.mercycorps.org/gsd/docs/MobileMoneyAssessmentContractingGuide.pdf>



Tom Van Cakenberghe for Mercy Corps

ACTIVITY E

Distribution (Cash Disbursement)

Our guidance on distribution is divided into two primary sections.

The **first section** explains how to **plan and document** your distribution based upon whether your program includes conditions (e.g., a UCT program versus a CCT program). The main tools you will use for this are your Distribution Plan (Annex 13) and Distribution Form (UCT: Annex 14 or CCT: Annex 15). A Distribution Plan is a high-level tool used to chart your distribution for each location. Think of it as the overall schedule for distributions throughout the life of the program.

A Distribution Form documents transfers to individual program participants on a specific day and at a specific location. It serves as the list of recipients scheduled to receive cash at each specific distribution.

Guidance in the **second section** covers your **process for managing distributions**. This process depends heavily upon the type of distribution mechanism you have chosen. Teams conducting e-transfers through a bank/MNO will have very different areas of concern than those utilizing an informal money transfer agent (e.g., *hawala*) or distributing cash directly.

The second section is divided into two sub-sections:

1. **The distribution process as it applies generally** across most scenarios.
2. Factors **specific to a service provider/disbursement mechanism**. Guidance is outlined for specific scenarios, including:
 - › Physical cash/check distributions by a service provider
 - › E-transfers
 - › Physical cash distributed by Mercy Corps

Only apply the sub-section(s) that is relevant to your particular program.

Complete Your Distribution Plan

Regardless of which distribution mechanism you use, all cash distributions should have a completed Distribution Plan (Annex 13). A Distribution Plan helps to clarify roles and responsibilities of different team members and/or service providers; clarify communication points; ensure staff and administrative resources are available on distribution days; and plan cash flows for the office as well as overall program spending.

Prior to distribution, prepare a Distribution Plan for each site. Programs should create a both summary Distribution Plan covering all program areas, as well as a separate, detailed Distribution Plan for each distribution site. Each Distribution Plan should contain the following:

- › A unique distribution number⁶¹
- › The location of the distribution (town/village/community) and names of any local authority figures who may need to be consulted or invited
- › The date(s) cash will be distributed
- › The anticipated number of participants receiving cash
- › The amount of cash to be distributed to each individual or the overall amount to be distributed on that day
- › The team member(s) assigned to perform the distribution and/or contact information for the service providers involved in the distribution
- › The team member (s) assigned to monitor the distribution

The Distribution Plan is then approved by the Program Manager (or equivalent), with copies provided to the Finance and Operations teams. The Distribution Plan is a “living” document and should be reviewed and updated on a regular basis.

TIP › Include your Finance and Operations Teams in developing the Distribution Plan. This way they are given warning that large payments will be made to service providers. Operations may need to help you with security, ensure that vehicles are available, and/or help with procuring services or managing the service provider contract.

⁶¹ A unique distribution number is typically some derivation of date + sequence; the distribution number helps differentiate **between multiple distributions within the same location**. For additional guidance, see the instructions page for Annex 13: Distribution Plan.

CCT Programs Only: Verify Conditions

CCT programs require an additional step before funds are disbursed: confirmation that the condition was met by the program participant. This condition confirmation process should be accounted for when you establish your Distribution Plan. It should also be reflected in your Distribution Form and supporting documentation.

Your Distribution Form (Annex 15: CCT) is essentially a modification of your Program Participant List. It includes additional columns to record that the program condition was met and for the participant to sign that s/he received their cash. If your transfer amount will vary depending upon level of participation, you may also need to include an additional column to demonstrate any transfer calculation and the amount owed. CCT programs often require additional support documentation to verify a condition was met. Common examples are captured in the Table Three below.

If you are using a data management platform, check that the system can help you track conditions. This is especially important if you are using the platform to generate your Distribution Form.

TABLE THREE

CONDITIONS AND COMMON SUPPORTING DOCUMENTS	
TYPES OF CONDITIONS	SUPPORTING DOCUMENTATION EXAMPLES
<ul style="list-style-type: none"> • Basic HH construction (shelter or latrine rehab) • Apprenticeship / training / basic employment • Service access (vaccinations, medical clinic) • School attendance • Business support 	<ul style="list-style-type: none"> • Photographs, receipts, monitoring visit reports • Attendance records, performance reviews, monitoring visit reports • Receipts, provider records • Attendance records • Receipt, photographs, business plans

Manage Distributions

The Overall Distribution Process

The steps listed below cover all aspects of managing a distribution. Not all steps will be carried out by Mercy Corps team members for all programs; some may be completed by the service provider or another third party.

AT LEAST ONE WEEK PRIOR TO DISTRIBUTION

- › Confirm Distribution Plan and support needs with Finance and Operations.
- › Conduct gender and protection analyses to inform safety, management, and scheduling issues for distribution.
- › Locate the distribution site: Ensure all locations are secure and adequate to manage the number of program participants you expect to serve per day. Secure any required permissions to use the site. Consider adequate protection from the weather, safe and dignified crowd control to manage queues, and contingencies for people with special needs (e.g., elderly, pregnant and lactating women, people with chronic health conditions, disabled, etc.)
- › Prepare your Distribution Form (Annex 14 or 15) and share with your service provider.
- › If needed, pay any negotiated advance. (See Text Box “Paying Your Service Provider” later in this Activity for specific documentation needs.)
- › Plan for staffing: At a minimum, two Program team members must be present to monitor and/or assist with crowd control. Ideally, you should also have an M&E Officer present to run the CARMs mechanism. However, these numbers are just a general rule of thumb. If you will be serving a large number of program participants, you may want to increase the number of team members present.
- › Notify community representatives about the upcoming distribution so that they can be present to help with issues that may arise, including verifying participants’ identities.

ONE TO TWO DAYS PRIOR TO DISTRIBUTION

- › Inform program participants of the timing and location of the distribution. Give the minimum amount of warning possible without severely hampering participants’ ability to reach the distribution site (particularly if travel is required.) For example, you might notify a small village the day of a distribution. In a large urban center—or where people need to travel to a distribution site—you may give more notification.
- › Collect any other distribution materials. Include copies of M&E Monitoring forms and Notes to File. Collect banners, markers, pens (or ink pads for thumbprints), tape, tablets or any other devices used to track transfers made. Include chairs, tarps to shield from sun or rain, and/or drinking water to make any waiting tolerable.

THE DAY OF DISTRIBUTION

At the Distribution Site:

- › Bring copies of the relevant Distribution Forms (Annex 14 or 15) to the site.
- › Arrive early to prepare the site. (This may include setting up ropes to indicate where people should queue; adding signage if there are multiple steps within the distribution process; creating separate entrances/exits for men and women; setting up areas for sitting or resting in the shade; etc.)
- › Set up your CARM station or process for managing complaints and feedback.

Once the Distribution Has Begun:

- › Each participant must present the required ID when it is her/his time to receive cash. Upon receipt, the participant signs/fingerprints the Distribution Form (Annex 14 or 15) to confirm receipt.⁶² After all participants have received their cash, the team members leading the distribution—as well as the community representative(s) or service provider—sign and date the Distribution Form.
- › Distribution may also be an opportunity to collect missing data on program participants, new data (if needed), and/or baseline data for ongoing monitoring of the program. This information can be collected while program participants wait in line (to avoid delays during distribution) or when they receive their cash.

POST-DISTRIBUTION

- › Update the Distribution Plan (Annex 13; or database) based upon actual distribution figures from your signed Distribution Form(s) and file according to your in-country filing system.⁶³
- › File any Cash Distribution Monitoring Forms (Annex 16) or Note to Files (Annex 8) regarding incidents during the distribution.
- › Debrief with the team about adjustments to improve the next distribution. Consider: the distribution process, safety, service delivery, support given to people with special needs, etc.
- › Service providers will invoice for the amount transferred and any agreed-upon commission or fees. This will likely be within one to two weeks of the distribution. At this point, you will need to process the payment request with your Finance team. (See the text box “Paying Your Service Provider” for specific documentation needs.)

If You are Conducting a High-Volume Distribution

High-volume distributions require additional planning and logistics to ensure program participants are processed quickly and do not face undue burdens. Ideally, set up multiple cash distribution points within your individual distribution site and split your Distribution Form into two (e.g., A-M and N-Z, or 1-500 and 501-1000) or any other logical breakdown, to prevent having multiple full/master lists floating around at a distribution point.

Managing Subsequent Distributions

Generally, management staff should attend the first few distributions to ensure they are functioning well. For subsequent distributions, they should attend arbitrarily, with no prior notification, to conduct spot checks.

⁶² If you have allowed alternates, see Tip Sheet #2: How Do I Handle Alternates/Substitutions?, Annex G in the CTP Methodology Guide.

⁶³ PMM Annex 10: Program File Contents Checklist, <https://mcdl.mercycorps.org/gsd/docs/PMMAnnex10ProgramFileChecklist.pdf>

Pay Your Service Provider

To complete payment for the transfer when **no advance is required**, submit the following documents to the Finance team:

- A Payment Request
- Annex 17: Cash Transfer Settlement Form
- Service provider's invoice
- Copy of signed contract and any amendments
- A copy of the completed detailed Distribution Plan (Annex 13) and Distribution Forms (Annex 14 or 15), signed by program participants as well as team members and/or local community members present at the distribution

In scenarios where your service provider **requires an advance**, submit the following documents to the Finance team approximately one week before the cash advance is due:

- A Payment Request form to pay the advance
- The supporting documents to process the advance: a copy of your signed contract/amendment(s), a copy of your detailed Distribution Plan (Annex 13) for that location, as well as a copy of the corresponding Distribution Forms (Annex 14 or 15)

To complete the payment after the distribution has taken place, submit:

- A second Payment Request (which is the remaining balance plus any fees)
- Annex 17: Cash Transfer Settlement Form
- Service provider's invoice
- Copy of signed contract/amendments
- A copy of the completed Distribution Forms (Annex 14 or 15), signed by program participants as well as team members and/or local community members present at the distribution)

Additional Distribution Considerations

Your program's plan for managing distributions will be heavily dependent on how you plan to deliver cash as well as your contract with the selected service provider. As such, we have divided distribution guidance below into three primary scenarios:

- › Physical cash/checks distributions by a service provider
- › E-transfers
- › Direct physical cash distributions by Mercy Corps

Within each of these potential scenarios, you will also need to take into account whether distributions are taking place at your provider's traditional place of business (e.g., a bank branch) or at a new business location (e.g., a centralized distribution site selected by your Program team.) Your program may also need to accommodate multiple distribution methods within its single, overarching framework (e.g., debit card distribution in an urban core combined with traditional direct cash distribution managed by a money handling company in rural areas).



TIP Many of the specific steps, timing, and division of roles and responsibilities will vary depending upon your contract or SLA with your service provider. Issues like security, distribution site distance for program participants and Mercy Corps team members, and liquidity can all influence how you structure distributions. No guidance document can accurately capture all possible distribution iterations; for this reason, please reach out to the MERG Team for assistance.

Physical Cash/Check Distributions by a Service Provider

Typical service providers involved in cash distributions may include banks, informal money transfer agents (*hawalas*), SACCOs or other microfinance entities, and traders. The primary variable to consider when managing these types of distributions is whether the distribution will take place at that service provider's **regular place of business** (e.g., a brick-and-mortar bank branch) or **at a new location** (e.g., an informal money transfer agent traveling out to a village where their agent network is not present.)

Cash distributions at a service provider's business location can be some of the easiest to manage, because your program's cash transfers are routed through existing systems. Community members are used to seeing cash exchanged at these locations and the risk of transferring cash is mitigated as part of the business's normal operating procedures. Additionally, program participants may already be familiar with the service provider you have selected through other financial transactions they regularly conduct.

Cash distributions can also be carried out by a service provider, but at **a distribution site other than their typical business location**. For example, after the earthquake in Nepal, Mercy Corps contracted 14 SACCOs, one bank, and two local traders to distribute cash in 24 villages across four districts. Distribution sites included schools and community spaces.

In these scenarios, Mercy Corps teams still avoid the risks associated with carrying and distributing cash. These types of distribution are quite common when operating in remote or underserved areas. Keep in mind, however, that since your service provider is operating outside of their normal business procedures or geographic area, these distributions may require significant logistical management from Mercy Corps. (For additional guidance on best practice managing distribution sites, see "Direct Distribution of Physical Cash by Mercy Corps" below).

DISTRIBUTION CONSIDERATIONS: AT YOUR SERVICE PROVIDER'S REGULAR PLACE OF BUSINESS

In an ideal situation, program participants would receive their cash alongside the service provider's regular customers, arriving sporadically throughout the business day. What often happens, however, is that program participants arrive all at once, essentially transforming that business location into a distribution site. Both parties may need additional assistance. Participants may need extra support to move through the distribution process quickly. The service provider may also need additional support if we have—for example—altered their standard ID verification or documentation processes.

To manage this successfully and to ensure that traffic from your program does not impede the service provider’s normal business activity, consider providing additional support at the business location during the distribution.⁶⁴ Support may include:

- › Managing crowds in a respectful and dignified way, including contingencies for people with special needs (e.g., elderly, pregnant and lactating women, people with chronic health conditions, disabled, etc.)
- › Providing additional program information to program participants
- › ID verification (agreed-upon in advance)
- › Assisting participants who may struggle to understand the process (i.e., those who are illiterate or are unfamiliar with the business location)
- › Collecting participant feedback on the distribution process

DISTRIBUTION CONSIDERATIONS: AT A NEW LOCATION FOR YOUR SERVICE PROVIDER

If your service provider is distributing cash outside of their regular place of business, the distribution will be similar to direct cash distributions organized and implemented by Mercy Corps. (In other words, they will require a lot of work from both Mercy Corps and the service provider.) Make sure you have agreed in advance—likely during contracting—which organization is responsible for each step within the distribution process. Activities that should be assigned responsibility can include:

- › Securing a building/location for the distribution that is safe and accessible
- › Transporting cash to the distribution site
- › Registration and ID verification
- › Managing the flow of people during the distribution in a way that is dignified and provides contingencies for people with special needs
- › Monitoring safety during the distribution
- › Providing additional information (about other products, services, entitlements, etc.)



Corinna Robbins/Mercy Corps

E-transfers

In the right environment, e-transfers through a service provider can provide the best of both worlds: cash is no longer physically distributed by the service provider or by Mercy Corps, and program participants can withdraw their cash at their own convenience. However, negotiating contracts with the various private sector actors involved in e-transfers—typically, banks, and MNOs—can be a lengthy, time-intensive process. If the network

⁶⁴ Keep in mind this will look very different from service provider-to-service provider.

environment is underdeveloped, Mercy Corps can also end up investing considerable time and energy managing individual cash-out agents in program areas.

If your team will be transferring cash electronically, make sure to access the other guides and resources we have regarding e-transfers, including:

- › The E-transfer Implementation Guide:⁶⁵ a step-by-step guide for implementing an e-transfer program
- › Annotated Bibliography for Mercy Corps Philippines:⁶⁶ a complete list of internal and external documents produced by the Mercy Corps Philippines team.
- › Electronic Learning Action Network (ELAN):⁶⁷ regularly-updated resources for e-transfer program managers and private sector partners

Remember, e-transfer programs often have some sort of distribution (of hardware, mobile phones, ATM cards, etc.) The process to distribute hardware or goods associated with an e-transfer program will be similar to a cash distribution conducted by Mercy Corps, or a typical commodity distribution component. For additional guidance, you may refer to the instructions for directly distributing cash (covered below in “Direct Distribution of Physical Cash by Mercy Corps”) to understand best practice for distribution logistics.

As e-transfer products and service providers continue to evolve, reach out to the MERG Team for the most up-to-date recommendations.

Direct Distribution of Physical Cash by Mercy Corps

Mercy Corps teams should only directly distribute cash when no suitable third party vendor or service provider exists. Although directly distributing cash gives Mercy Corps complete control over the distribution, it is the least desirable option, since the security risks associated with distributing cash are borne solely by us. This method also requires the involvement of significantly more Mercy Corps team members to ensure segregation of duties and to reduce the risk of fraud associated with moving and distributing large amounts of cash.

Although in some ways simpler to set up—and seemingly less expensive than using a service provider—direct distributions by Mercy Corps incur significant costs in staff time and resources.

If you have conducted your response analysis to scan all possible disbursement options (documented with Annex 9: Response Analysis) and have decided to distribute cash directly, follow both the general guidance for distribution management as the start of Activity E as well as specific instructions below.

Additional steps and safeguards when Mercy Corps is directly distributing cash include:

PRIOR TO DISTRIBUTION

- › Submit your Cash Advance request. Make sure you have given sufficient warning to your Finance team. Since you will likely be requesting a large advance, your Finance team needs time to process such a large withdrawal and ensure sufficient cash on hand. This is especially important in countries with currency controls or where we may have difficulty procuring large volumes of cash at a time. The request should be part of the cash flow projections done for each future month’s planning.

65 <https://mcdl.mercycorps.org/gsd/docs/E-TransferGuideAllAnnexes.pdf>

66 Annotated Bibliography for Mercy Corps Philippines, MCDL, <https://mcdl.mercycorps.org/gsd/docs/MercyCorpsPhilippinesAnnotatedBibliography2015.pdf>

67 ELAN website, <http://www.cashlearning.org/elan/elan>

- › Plan for staffing at the distribution. At a minimum, it is important to have one Finance team member and two Program team members at each distribution. However, consider the number of program participants you will be serving: If it is large, you may want to increase the number of team members present.
- › Organize the cash: If transfer amounts are uniform, place the exact amount in individual envelopes to avoid counting large amounts of cash in public. If the quality of bills is good enough to use a counting machine, consider using one to speed the process and reduce the potential for human error.
- › When you withdraw the cash from the bank, consider the transfer value and ensure that you get cash in denominations to match. For example, if you are transferring US\$25 to each participant, ensure you have a sufficient number of US\$5 bills for each recipient.

THE DAY OF DISTRIBUTION

- › Finance Team members present at the distribution must remain in control of the cash at all times.
- › Plan carefully for security with the Operations Team. Security planning includes both the safe movement of team members and cash to the distribution site, as well as security while at the site.
- › Generally, management staff should attend the first few distributions to ensure they are functioning well. For subsequent distributions, they should attend arbitrarily, with no prior notification, to conduct spot checks.

POST-DISTRIBUTION

- › Clear the Cash Advance. At the end of the distribution, team members leading the distribution complete their Distribution Form by inputting the total amount of money received, total amount of money disbursed, and any remaining, unclaimed difference.
- › Once the distribution is complete, the advance should be cleared with Finance and documentation reconciled within the required time limit for clearing advances. Generally this would happen as soon as the distribution team returns to the office.

Specific guidance for Operations and Finance team members supporting these distributions are included in Guidelines for Finance Staff (Annex 18) and Guidelines for Operations Staff (Annex 19).

MONITORING & EVALUATION

Monitoring the Distribution—Process Monitoring and Quality Assurance

M&E activities carried out during distributions monitor the process; they can also serve as a good opportunity to conduct quality assurances and control. While Program team members manage the actual distribution, M&E or other Program team members should monitor the distribution, document any unusual events (substitution of participants, etc.), and complete a Cash Distribution Monitoring Form (Annex 16).

The Cash Distribution Monitoring Form captures participant feedback about the distribution process to increase efficiency of future distributions or to record any problems that may require action. It should be completed by a team member not involved in directly distributing cash. If that is not possible, then those carrying out the distribution can also

complete the Cash Distribution Monitoring Form. Program staff should meet to analyze the information collected to determine whether adjustments need to be made to the distribution process for future distributions.

With consent of participants and where appropriate, Program staff should also photograph the distribution to document its occurrence.

Post-Distribution Monitoring (PDM)

Post-distribution monitoring (PDM) is conducted with program participants and is primarily focused on process and results. PDM should be conducted in a reasonable time period after each cash transfer, typically two weeks after a transfer has taken place.

If your program used an e transfer system that did not have a specific distribution date (*i.e.*, cash was transferred to program participants' mobile money accounts and they could collect it at their convenience), conduct your PDM about two weeks after the participants were notified the cash had been sent. Past programming has shown that even when given the option to pick up the cash any time, most people still do so very close to the actual transfer date. Make sure to add questions to your PDM form to cover when they collected the funds, if they kept any in the account as savings, etc.

Also review your M&E plan to identify your information needs for your PDM tools. By building the questions directly from the indicators in your M&E plan, the questionnaire and data collection process will be more efficient. Refer to Annex 20: PDM Monitoring Forms for more tools and templates.

The most common PDM tools used with participants are household (HH) surveys and focus group discussions (FGDs).

Household PDM surveys should follow sampling tip sheet recommendations from the MEL team.⁶⁸ Typically, these surveys collect two kinds of information: quality assurance/accountability data and data to measure progress on the project's performance monitoring indicators.

Household PDM surveys should be administered to a representative sample of program participants using simple random selection (SRS) from the overall participant list.⁶⁹ For more information on sampling, please refer to the MEL Tip Sheet: Sampling⁷⁰ and the MC Sample Size Calculator.⁷¹ As sample size determination can be challenging, please reach out to the MEL Team for assistance.

If you are noticing trends that you do not understand from the data collected through HH and vendor surveys, focus group discussions⁷² (FDGs) are a great way to uncover explanations for those trends.

68 <https://mcdl.mercycorps.org/gsd/docs/MELTipSheetSampling.pdf>

69 Sometimes SRS is not possible, so a 2-stage cluster PPS sampling might be used instead.

70 <https://mcdl.mercycorps.org/gsd/docs/MELTipSheetSampling.pdf>

71 <https://mcdl.mercycorps.org/gsd/cgi-bin/library?e=q-000-00---0all--00-0-0--0prompt-10---4----dt--0-11--1-en-9999---20-mchome-sample+size+calculator--00031-011-0-0utfZz-8-00&a=d&c=all&cl=search&d=HASH0e8e49f43b0fca2b15ae6f>

72 MERL Team's Tip Sheet #4: Conducting FDGs, MCDL, <https://mcdl.mercycorps.org/gsd/docs/MELTipSheetFocusGroups.pdf>

ACTIVITY E: DISTRIBUTION

Checklist & Tools / Templates

Checkbox	Main Steps	Tool/Template	Responsible
<input type="checkbox"/>	Establish Distribution Plan and provide copies to Finance and Operations	Distribution Plan (Annex 13)	Program
<input type="checkbox"/>	Create Cash Distribution Form (from the Participant Registration List)	Distribution Form (Annex 14 or 15)	Program
<input type="checkbox"/>	If service provider requires an advance:	Payment Request Distribution Plan (Annex 13) and Distribution Form (14 or 15) Copies of contract and amendments	Program Finance
<input type="checkbox"/>	Prepare materials for distribution site		Program
<input type="checkbox"/>	Distribute cash (if directly distributed by Mercy Corps)	Cash Distribution Form (Annex 14 or 15)	M&E Program
<input type="checkbox"/>	Monitor and support the distribution (if working with a service provider)	Cash Distribution Monitoring Form (Annex 16)	Program Finance
<input type="checkbox"/>	Return undistributed cash to Finance, if applicable	Distribution Form (Annex 14 or 15), completed and signed	
<input type="checkbox"/>	Settle payment with service provider	Payment Request Distribution Plan (Annex 13) and Distribution Form (14 or 15) Copies of contract and amendments	Program Finance
<input type="checkbox"/>	Adapt program processes based up monitoring feedback	PDM Monitoring Forms (Annex 20)	Program



Tom Van Cakenbergh for Mercy Corps

ACTIVITY F

End-of-Program Transitions

The careful planning and stakeholder management that you built throughout your program implementation have laid the foundation for your program's end. It is important to review your End-of-Program Plan at least 90 days prior to your program's end date. End-of-Program transitions are covered in detail in the Program Management Manual.⁷³ Specific guidance around ending a cash transfer program includes communicating the last distribution date, collecting and sharing lessons learned, including service provider performance; and conducting a final document check.

TIP Your final distribution should occur at least one month prior to your program's end date. This will allow you to reconcile distribution documents and pay final invoices to your service provider, if applicable.

Communications Plan

Make sure that your End-of-Program Plan includes steps to communicate your program's close-out with participants, service providers, and other key stakeholders. Remind all groups of the final distribution date so they can prepare for the transition. For all cash transfer programs, the final distribution date should be at least 30 days prior to the end of the grant agreement. As an example, if the program end date is June 30, the final cash transfer should take place before May 30.

Lessons Learned

For the benefit of future cash transfer programs—and their Program Managers!—please document the important lessons you learned implementing your program. As much as possible, these should include an assessment of

⁷³ <https://mcdl.mercycorps.org/gsd/docs/ProgramManagementManualPMM.pdf>

partnerships (particularly cash-handling service providers) as well as an analysis of barriers and/or opportunities that arose related to gender, safety, dignity, and inclusion of individuals with special needs. Ideally, this information will have been collected and reported on throughout implementation and then compiled into a Final Report. At a minimum, this Final Report should be shared with your region’s Senior Program Officer and the MERG team.

TIP > As part of your program close-out, enter your program information into the Cash Atlas, a global database of cash transfer programs managed by the Cash Learning Partnership (CaLP): <https://www.cash-atlas.org/login>

The MERG team also shares lessons learned through a Program Profile template. (Many past programs are captured in Annex G in the CTP Methodology Guide.) To add to this growing body of information—or to model your lessons learned document on this format—feel free to use the Program Profile template (Annex 21).

Prequalified Supplier Feedback

If you used a service provider from Mercy Corps’ pre-qualified supplier list, summarize their performance in the pre-qualification folder under “References.” The Summary of Performance is documented and signed by the Program Manager and budget holder who signed the contract. If the service provider failed to meet their contractual obligations, escalate this issue to the PALM and MERG Teams. Both can review the pre-qualification to ensure that performance is being monitored globally and that the pre-qualified supplier list is up-to-date.

Final Check on Documentation and Archiving

Program staff should check the description of deliverables and program documentation to ensure they are completed and filed correctly. Page 35 of the Program Management Manual contains explicit instructions for creating a description of deliverables. Mercy Corps’ Program Records and Archiving Policy⁷⁴ outlines the contents of the Program File.

Record Keeping and Archiving—Section 7 of the Field Finance Manual⁷⁵—contains instructions on archiving Finance documents.

MONITORING & EVALUATION

Final Evaluation

The Program Management Minimum Standard stipulates that final program evaluations must be carried out and a report be made available. These evaluations can be very simple for smaller or less complex programs (e.g., a documented endline study report only), or can be more detailed for larger or more complex programs (e.g., an external impact and performance evaluation.) Evaluations can be internal or external, depending upon donor requirements, available funding, internal capacity levels, objectives of the evaluation, and other circumstances.

⁷⁴ Program Records Retention and Archiving Policy, MCDL, <https://mcdl.mercycorps.org/gsd/docs/ProgramRecordRetentionPolicyProceduresAllAnnexes.pdf>

⁷⁵ Field Finance Manual, MCDL, <https://mcdl.mercycorps.org/gsd/docs/FieldFinanceManual2013.pdf>

Almost all types of evaluations will involve an endline study, using the same tools as the baseline study to compare results and determine to which changes the program has contributed. The choice of other evaluation methods will depend on the type of program, the resources available, and the type of questions the evaluation is trying to answer. In order for an evaluation to contribute to increased program quality, evaluation findings should be clearly documented and circulated broadly within Mercy Corps and among other stakeholders, as appropriate. The evaluation report should include a description of the evaluation methodology, findings, recommendations, and lessons learned.

For additional information on final evaluations, see Tip Sheet #4: Conducting Final Evaluations of Cash Transfer Programs, Annex G in the CTP Methodology Guide.⁷⁶

ACTIVITY F: END-OF-PROGRAM TRANSITIONS			
Checklist & Tools / Templates			
Checkbox	Main Steps	Tool/Template	Responsible
<input type="checkbox"/>	Review and update your End-of-Program Plan		Program
<input type="checkbox"/>	Conduct a final evaluation	Evaluation SOW Template Guidelines on Evaluation Reports Tip Sheet #4: Conducting Final Evaluations of Cash Transfer Programs, CTP Methodology Guide	Program M&E
<input type="checkbox"/>	Document lessons learned and service provider performance	Program Profile Template (Annex 21) PALM Pre-qualification Folder—"References"	Program
<input type="checkbox"/>	Communicate final program details with participants	Note to File (Annex 8) if changed; if required, written approval from donor.	Program
<input type="checkbox"/>	Ensure required documentation is appropriately filed	See Program Records Retention Policy for details Section 7, FFM	Program Finance

76 <https://mcdl.mercycorps.org/gsd/docs/CTP1MethodologyGuidewAnnexes.pdf>

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.



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