

Guidelines for Cash Interventions in Somalia

An initiative of Horn Relief as the Chair of the Cash Working
Group of the Food Security and Economic Development Sectoral
Committee and the IASC Agriculture and Livelihoods Cluster



Funded by the European Commission

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INTRODUCTION

Cash interventions (also known as *cash transfers*) are a way of providing resources to a population and/or providing a source of income. Cash interventions are increasingly being used by the humanitarian and international development community as a means of providing items to populations in need, and to protect, establish or re-establish livelihoods.

Cash interventions are appropriate if essential goods or services are available but the targeted populations do not have the income to purchase them or to access services such as healthcare and education. In-kind support such as food aid and distribution of essential items are suitable when essential goods are not available in the market and need to be brought in from outside the project area.

The group of interventions classified as “cash-transfer interventions” are growing in popularity as they are found to be feasible and appropriate responses to many humanitarian crises, short term emergencies and longer term livelihood issues. Cash interventions can assist with population needs across sectors (food security, livelihoods, nutrition, water, shelter, education...) and can be used in different types of programs - to meet emergency needs, prevent the onset of crisis at critical times of the year; assist with early recovery and assist populations with development needs when the situation stabilises. Cash interventions can be run as stand-alone programs or they can complement other activities.

In response to the Indian Ocean tsunami in 2004, the humanitarian community used cash interventions on a scale not seen before, with documented success. Today, many aid agencies routinely consider cash interventions as an option for meeting the needs of their beneficiaries. The increase in experience of cash programming has enabled some agencies to have documented guidelines on the use of cash programming. Guidelines from agencies such as Oxfam GB, ICRC, Horn Relief and ACF should be considered by agencies working in Somalia as further reading. Although they have not been written with specific contexts in mind, they provide a more detailed description of the many aspects of cash programming than is contained within these Guidelines for Somalia. Further, Horn Relief provides a training program complementing the implementation manual it has developed based on the Somali context.

In Somalia, non-governmental organisations have been implementing cash interventions since at least 2003 and there is now considerable documentation of learning from these projects. Evidence indicates that cash interventions can be implemented successfully in Somalia despite the complex nature of the situation including the security risks and the threat of corruption. As a result, many organisations working in Somalia have shown interested in learning and sharing information about cash interventions.

These new Guidelines for Cash Interventions in Somalia have therefore been designed as a way of harmonising existing guidelines (including those above) as well as the experiences of agencies working in Somalia. The guidelines take into account the elements of cash and voucher programming that are now included in international standards for humanitarian interventions such as the revised SPHERE Minimum Standards in Disaster Response (draft 2010) and the SEEP Economic Recovery Standards (2009).

These guidelines are intended to -

- Provide a minimum standard for all cash interventions implemented in Somalia
- Promote uniformity in implementing cash based responses in Somalia
- Guide expectations of cash based responses in the Somali context

In Somalia, the lines between emergency, early recovery, development are blurred, as the country faces regular cycles of drought and floods within a protracted conflict. As a result, these guidelines outline the key aspects to consider when planning any type of cash intervention regardless of “the stage of development”.

These guidelines are intended for all agencies operating in Somalia to represent a common approach to programming for food security and livelihood activities in Somalia. The guidelines outline the **minimum acceptable standard** for cash interventions and provide the justification for recommending certain types of programming depending on the target groups and the season.

No assumptions are made in this guide about restricting the use of cash or vouchers to specific stages of emergencies. Rather they consider the **minimum assessment and planning processes that agencies should go through when designing cash interventions**. Decisions about the appropriateness of cash interventions must be made on a case by case basis while considering the basics of cash programming outlined in these guidelines.

These guidelines were commissioned by the Food Security and Economic Development Sectoral Committee of the Somali Support Secretariat and by the IASC Agriculture and Livelihoods Cluster for Somalia and funded by the European Commission.

The guidelines were developed by Horn Relief, as both the Chair of the Cash Working Group of the Food Security and Economic Development Sectoral Committee of the Somali Support Secretariat and the Chair of the Cash Taskforce for the Agriculture and Livelihoods Cluster.

These guidelines are endorsed by the IASC Agriculture and Livelihoods Cluster and by the Economic Development Sectoral Committee of the Somali Support Secretariat as the minimum acceptable standard for cash programming in Somalia.

It should be noted that these guidelines do not include any guidance on micro-finance uses of cash.

AN OVERVIEW OF CASH INTERVENTIONS

Cash interventions are a relatively new option open to the humanitarian and international development community as a way of providing resources to a population and helping vulnerable households meet their needs. They are growing in acceptance by both donors and agencies and are now being used to meet a wide range of objectives and in a number of different contexts - as an emergency response, during early recovery, to prevent a crisis or to address longer term issues related to chronic poverty. Some examples of the uses for cash interventions in different context are highlighted in the table below.

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

Source: ICRC /IFRC Guidelines

The appropriateness of cash interventions depends on certain pre-conditions being met, perhaps the most important of which is a functioning market, close to beneficiaries. **Without the presence of a local market containing the goods that beneficiaries need, cash interventions are not appropriate.** A rapid market assessment (outlined in the next section) provides information about the state of the market. This information can then be weighed against the pre-conditions for cash programming to help determine whether cash interventions are an appropriate intervention. In some cases, support to the market will be needed before cash interventions are appropriate.

The pre-conditions for cash programming are:

- A functioning market, close to beneficiaries
- Availability of products at a reasonable price
- Traders willing to participate (in a voucher program) and with the financial capacity to purchase goods and the logistical capacity to transport them to the region (or easily supportable).
- No excessive taxation on goods

- A functioning and reliable system through which payments can be made to traders (vouchers) or beneficiaries
- Security conditions are stable or appropriate mitigation measures can be employed
- A reliable recipient identification system

Interventions for supporting markets

For many reasons, it is possible for markets to be disrupted and not function for a period of time. In Somalia, this may be due to seasonal issues such as flooding or heavy rain, that blocks roads and prevents goods being transported or it may be due to insecurity.

If the local market has been disrupted or is weak, there are interventions that may help support the market, and improve the opportunities for cash interventions. This is done by providing support to traders, suppliers, wholesalers or other market players.

Some examples of possible market support projects include:

- Improving or repairing infrastructure, such as damaged roads or bridges, to enable the movement of goods into the markets close to beneficiaries
- Providing support to traders (grants, loans, in-kind assistance or credit) to allow them to rebuild their stocks so that beneficiaries can access the items they need
- Support financial services to allow traders, producers or micro-finance institutions restart their business
- Support transportation of goods through provision of cash for licenses or permits, vouchers for fuel
- Providing regular market information to traders and others involved in the market system so that they are able to respond appropriately.

Cash interventions directly to beneficiaries

With the increasing use of cash interventions has come an increase in the variation in the names given to different interventions. However, a number of basic categories of cash interventions still exist and these are each described in the table below. Each of the categories is a way to provide direct assistance to beneficiaries. Different cash interventions are more suitable at different stages of emergencies and agencies should consider the context in which they are working when determining the most appropriate type/s of cash intervention to be implemented. This decision making process is outlined ahead.

Name	What is it?
Unconditional cash transfers Sometimes called <i>cash relief</i> or <i>unconditional cash grants</i>	Cash is provided to recipients with no condition attached. Recipients are free to spend the money as they choose. When basic needs have been identified through assessments, this is often the most appropriate response, as it allows households to prioritise their own needs. This is the most common type of transfer immediately after an emergency because it is quick to administer. Examples in Somalia: <ul style="list-style-type: none"> • Cash given to drought affected households to meet basic needs • Cash given to households who cannot participate in cash for work (CFW) projects • Cash given to internally displaced (IDP) households to meet needs not

	being met by other responses
<p>Conditional cash transfers</p> <p>Usually named by their purpose e.g. cash for shelter, cash for livelihood recovery, cash for education.....</p>	<p>Cash is provided to recipients with the explicit understanding that the money is to be used for a specific purpose (e.g. rebuild homes, re-establish livelihoods).</p> <p>These transfers are often given in instalments and monitored to ensure that it is being used for the “correct” purpose before receiving additional instalments.</p> <p>Conditional transfers should not be made when basic household’s needs are not being met.</p> <p>Conditional transfers are sometimes used as a development response to encourage households to access certain services such as keeping children in school, getting children vaccinated etc. Conditional transfers should not be provided unless the intended service is readily available and functioning to an acceptable standard.</p> <p>Examples in Somalia:</p> <ul style="list-style-type: none"> • Cash for livelihood recovery • Cash for shelter • Cash for small business
Cash for work	<p>Cash for work is a type of conditional cash transfer, where payments are made to households or individuals on the completion of specified work.</p> <p>The work projects usually involve rehabilitation or construction of community assets.</p> <p>CFW projects can be implemented when there is a large amount of available labour and adequate micro-projects can be identified. However, the purpose of cash for work is to ensure that beneficiaries earn enough income to meet basic needs and/or other essential long term or short term needs.</p>
Vouchers	<p>Vouchers can either specify a cash amount, or specific commodities or services that the voucher can be exchanged for. Both cash and commodity vouchers are designed to be exchanged in pre-selected shops, with specified traders/service providers or at specifically organized fairs. This intentionally restricts beneficiaries in their selection of traders/services.</p> <p>Cash vouchers have a specific monetary value, allowing recipients some control over their spending.</p> <p>Commodity vouchers define the items or services for which the voucher can be exchanged.</p> <p>Combined vouchers (cash and commodity values) also exist.</p> <p>Examples in Somalia:</p> <ul style="list-style-type: none"> • Voucher for water • Voucher for animal health care • Voucher for seeds • Some agencies are providing a voucher to denote payment of CFW activities. The vouchers are then exchanged by the beneficiaries at the local money transfer company.

Cash transfers to reduce expenditure	<p>Grants or waivers to reduce the cost of basic services.</p> <p>For example, waiving user fees for healthcare for specific population groups, grants to schools to cover education fees, etc.</p> <p>These are mainly used in development settings, but a few examples exist for emergencies.</p>
<p>Social protection measures</p> <p>Sometimes referred to as <i>social safety nets</i>, or <i>social transfers</i></p>	<p>Social protection is the sub-set of public actions – carried out by the state or privately – that address risk, vulnerability and chronic poverty. They can be divided into three categories: social insurance, social assistance and standards.</p> <p>Usually done in conjunction with government bodies</p> <p>Social insurance: This involves individuals pooling resources by paying contributions to the state or a private provider so that, if they suffer a ‘shock’ or permanent change in their circumstances they are able to receive financial support.</p> <p>Social transfers: Non-contributory transfers to those deemed eligible by society on the basis of their vulnerability or poverty. Examples include cash transfers and also fee waivers for education and health care.</p> <p>Examples in Somalia:</p> <ul style="list-style-type: none"> • Regular cash payments made to most vulnerable households in Somaliland & Puntland (over multiple years)

Source: Compiled from ICRC, Oxfam, ACF and Horn Relief Guidelines, and Harvey et al (2009)

More information about each type of cash intervention, and their advantages and disadvantages can be found in the section on planning and decision making.

Why should cash interventions be considered as an option?

Increasingly, aid agencies are moving away from the paternalistic approaches to aid used in the past where assistance was provided based on assumed needs and available goods rather than specific needs of the population. There is now increasing understanding of different contexts and beneficiary needs and allowing beneficiaries increased control over aid flows.

Cash interventions can be relatively quick methods of providing resources to populations in need. When required items are available in the market, providing cash to beneficiaries allows them to purchase the goods they need instead of being provided with goods that might be inappropriate and later sold to earn some cash income.

Empowerment and dignity of beneficiaries	<p>Choice is put into beneficiary hands. Cash allows beneficiaries to purchase their own goods rather than stand in line for handouts.</p> <p>Beneficiaries have control over the aid received and can quickly convert it into the items they need. People in Somalia are used to receiving cash support through remittances. They are used to handling cash and to making choices about purchases and cash interventions allow people to continue to act “as normal”.</p>
Multiplier effects	Cash interventions support the local economy often allowing communities to recover more quickly.

	<p>If purchased goods are produced locally, cash interventions not only support the beneficiaries but also the producers.</p> <p>Cash interventions can help households repay their debts and rebuild the credit system within the community.</p>
Flexibility of cash	<p>Households do not have exactly the same needs as each other and each household has different priorities even when affected by the same event.</p> <p>Unconditional cash interventions allow beneficiaries to make choices and prioritize spending to meet their specific household needs. It enables a wide range of needs to be met rather than focusing on specific items usually provided by in-kind distributions.</p> <p>Cash interventions allow households to spend on items that are not traditionally given as in-kind support, such as medical treatments or school fees or to pay off debt which is critical to pastoralists.</p> <p>After in-kind distributions it is common for households to sell a portion of the items to meet other needs. By providing cash, households have faster access to the items they need and the cash retains its value. When households try and sell food aid or non-food items that have been provided to them, they may not receive the 'real value' of the commodity but may be forced to sell it for a reduced price because of the situation.</p>
Reduced logistics requirement	<p>Cash interventions, in particular unconditional cash grants, have a lower logistic requirement than in-kind distributions, often making them faster to deliver, particularly during wet seasons when transportation of items becomes difficult.</p>
Cost effectiveness	<p>Since cash interventions tend to have little or no logistic, transport and warehousing costs (albeit higher administrative costs), they are often most cost-effective than in-kind distributions. Also, a higher proportion of the total project often goes directly to the beneficiaries.</p>
Speed of implementation	<p>Cash distributions can often be done relatively quickly once targeting is complete.</p> <p>Cash can be quickly converted into needed items by beneficiaries</p> <p>Administrative requirement needs to be considered in choosing appropriate interventions as some interventions such as vouchers or cash for work tend to take longer to organise than unconditional cash transfers.</p>
Gender and intra-household issues	<p>Some evaluations of cash interventions found that the additional cash in the household reduced tensions between men and women.</p> <p>Cash interventions are often targeted towards women as they are usually responsible for the management of the household.</p>
Security	<p>In conflict prone areas, all assistance – in-kind or cash is at risk of diversion. Some evaluations have found cash programming to be more secure because it spends less time in transit than in-kind assistance and it can be hidden more easily by beneficiaries.</p>

	Cash interventions that can organise the cash to be provided locally, with little travel time (such as through the <i>hawala</i> in Somalia) is often the safest and most efficient way of providing resources.
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Source: Compiled from Cash guidelines by Horn Relief, ICRC, Oxfam & ACF

When are cash interventions NOT appropriate?

Cash interventions **are only appropriate if the items needed by the beneficiaries are available in the local market or if traders can bring in the needed items quickly.**

Concerns such as security, misuse, corruption, diversion are not reasons NOT to implement a cash program. Risk analysis is considered a key aspect of cash interventions and is discussed further in these guidelines. Consideration of mitigation or avoidance measures must be done in order to ensure that cash is delivered in an efficient and safe manner to the target beneficiaries.

	Some examples of when cash interventions are NOT appropriate.....
Markets	<ul style="list-style-type: none"> • If there is damage to infrastructure or disruption to the local market is severe and emergency relief is needed very quickly • The required goods are not available in the market and cannot be brought in because of government restrictions, conflict or any other reason • There is high inflation or risk of high inflation in the near future • The required cash injection is so large compared to normal trade, that it is likely to have an inflationary effect in itself • Too few traders operate, controlling the market and are likely to increase the price of goods
Security and corruption	<ul style="list-style-type: none"> • Cash could be used or seized by elites or militia, putting staff and beneficiaries at risk and the situation cannot be avoided or mitigated in any way • Security risks are perceived by the beneficiaries as being too high and they prefer in-kind assistance
Skills and capacity	<ul style="list-style-type: none"> • The capacity within the organisation are insufficient to implement a cash transfer project within the required timescale and skills/capacity cannot be acquired from outside

Source: Compiled from ICRC /IFRC, Oxfam and ACF Guidelines

ASSESSMENT

Assessments provide a comprehensive picture of the current situation. Many organisations have their own guidelines for conducting field assessments so assessment methodology is not detailed here. However, when implementing a cash program, it is important to remember to not only conduct a basic needs assessment but to also collect market information in order to understand if cash interventions are an appropriate response.

Needs assessment

The purpose of a needs assessment is to understand the impact of the situation on the population and what is needed to address the issue.

A needs assessment should outline the impact of the situation on:

- **Immediate (basic) needs:** Assess the affected households' ability to meet their immediate needs. Immediate needs will include food, water, the means to cook (fuel and cooking utensils), shelter, soap, clothing, health and education services, and debt repayment.
- **Livelihoods:** Assess the affected households' capacity to support themselves. This will likely include loss of income, food production (cereal, livestock), access to markets, livestock water and drugs, impact on water availability, terms of trade, security issues and the impact on local structures/ organisations on which households depend.
- **Coping strategies:** Assessment of the coping strategies of the affected households' will give you an indication of the urgency of the need and the level of crisis the household is facing. Common coping strategies include reducing daily food intake; consuming cheaper food; reducing household expenditures on items such as clothing, medical care, and education; and reducing the number of dependents in the household (through migration, for example, or having household members live with other relatives).

Ensure that assessments include the perspective of the affected community (not only the leaders).

Ensure that community leaders are included.

Ensure that information is triangulated (validating diverse opinions and not just the opinion of leaders, or one or two people).

Distress coping strategies may include sale of productive assets, undertaking dangerous or degrading activities such as trading sex for food or other commodities. Vulnerable groups are more likely to employ distress coping mechanisms early as they often lack social support and saleable assets.

At a minimum, a needs assessment should state:

- What is the situation?
- What is the impact of the shock on people's livelihoods and their ability to access sufficient food and income?
- How are people coping with the situation?
- Who is most affected? How many people need assistance?
- What assistance do they need? (remember that different population groups and different livelihood groups may need different assistance)
- How long will they need this assistance?
- What are other agencies doing?

Market assessment

The purpose of a market assessment is to find out whether the items that were identified in the needs assessment are available in the local market, at a reasonable price and of appropriate quality.

Cash interventions are an appropriate response for providing resources to people only when the market is functioning. As a result, **an assessment of the local market is considered a minimum standard for cash interventions**. The market assessment must be sufficient to determine if the pre-conditions for cash interventions are met.

A market assessment need not be complicated but should be done at or around the same time as the needs assessment and before designing a project. In an emergency, checking the local market availability and prices and talking to traders if they have adequate stock to meet demand or whether seasonal issues are impacting stock levels, is often enough to decide if cash programming is appropriate and whether the markets will be badly impacted by an in-kind distribution or goods.

Both the revised SPHERE Standards and the SEEP Early Recovery Standards highlight the need for both humanitarian and recovery actors to implement actions that will support and encourage recovery of the local market. Market actors (traders, transporters, suppliers etc) are part of the affected community and they play an important role in the local economy. Inappropriate humanitarian responses can cause damage to market function and trade networks, making the community as a whole, worse off. Market function and supporting the local economy should therefore always be considered when designing projects.

At a minimum, a rapid market assessment should tell you:

- Is there is a market close to the beneficiaries? Or will there be any major costs to the beneficiaries for transporting goods back from the market?
- Are the needed items** available in markets close by or can local traders bring them in?
- Are there seasonal issues with the supply of the required items?
- Are the needed items available in sufficient quantity to meet the demand?
- Can items be purchased by beneficiaries at a reasonable price?
- If you are planning on doing cash for work you also need to assess the local labour market - what the local skilled and unskilled labour rates are and what times of year is labour most in demand (and for what activities). This is discussed in more detail later in these guidelines.

**Depending on the results of the needs assessment, the market assessment will need to include assessment of different items and/or different markets.

- Basic needs – Check the availability and price of food items and non-food items like soap and kerosene.
- Livelihood recovery – Check the availability of goods needed to restart business, availability of credit, and the market opportunities available for these businesses.
- Shelter – Check the availability and price of key shelter materials
- Ask traders about the quantity and quality of the items they can provide

When considering livelihood recovery interventions or livelihood diversification activities it is often necessary to do a more in-depth market assessment. A more detailed assessment can tell you the economic viability of proposed livelihood activities; provide information about the existing labour market in the area and what type of training may be needed. Guidance on the more in-depth market assessment is not provided here and agencies are encouraged to seek assistance on this before embarking on livelihood diversification activities.

Minimum standards for assessments

- Conduct and document a needs assessment.
- Conduct and document at least a rapid market assessment or ensure that you have adequate information from secondary sources to justify the appropriateness (or not) of cash interventions.
- Assessments should be shared with other agencies

Further Reading

- Oxfam GB, IRC, InterAction and Practical Action Consulting. Emergency Market Mapping and Analysis (EMMA) Toolkit. 2009.

Emergency market mapping and analysis (EMMA) is a set of tools and guidance notes. It has been specifically designed for humanitarian staff in sudden-onset emergencies to better understand, accommodate and make use of market-systems. EMMA provides accessible, relevant guidance to staff who are NOT already specialists in market analysis (Albu, 2009). The EMMA toolkit is designed to be used as soon as an emergency situation has begun to stabilise (not at the initial, rapid assessment phase).

When to use EMMA?

- EMMA aims to encourage speedy rough-and-ready market-system analysis during the first few weeks of an emergency situation. It is designed for use in rapid-onset emergency situations.

Typically, EMMA is used:

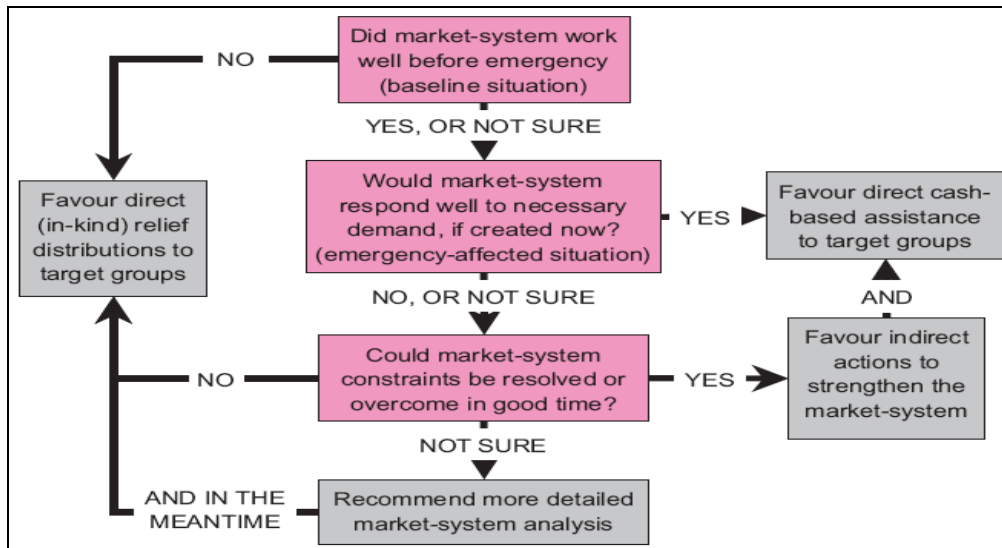
- once absolute priority needs (survival) are already being addressed
- once displaced people have settled, at least temporarily
- once market actors (e.g. producers, retailers, traders) have had a chance to assess their own situation and begin devising coping strategies

EMMA may continue to be useful for many weeks (or even months) into a crisis, if humanitarian agencies' understanding of key market-systems that relate to emergency needs remains sketchy, or to monitor changing market conditions. It may be valuable for early-recovery programming if no other more rigorous market analysis is feasible.

Further information about EMMA can be found at
<http://practicalaction.org/icts/print/emma-toolkit>

PLANNING AND DECISION MAKING

Whether planning a humanitarian response, early recovery or a response during stable times, the process of planning a cash intervention is the same. That is, once the needs of the population have been identified and a market assessment has been done, it is important to decide on the most appropriate and feasible way to provide the items to the beneficiaries. The figure below should help decide if it is better to provide in-kind assistance or if cash interventions might be appropriate – either as direct support to beneficiaries and/or indirect support to markets, or both.



Source: BRCS HES (2010)

What type of cash intervention is most appropriate?

Once it has been decided that cash interventions are an appropriate response, decisions still have to be made about **which type** of cash intervention will be most appropriate for the situation. There are many types of cash interventions as described in the overview of cash interventions. Each one has advantages and disadvantages and these should be considered when deciding which type of cash intervention to use.

To decide on the type of response it is important to consider the following:

- The type of needs identified and the results of the market assessment
- The urgency of the identified needs
- The season and the timing of existing livelihood activities. If the response is based on an understanding of how people's livelihoods function, it is more likely to provide assistance that is appropriate and that does not undermine people's efforts to help themselves
- The livelihood group/s in need
- The labour capacity of the vulnerable groups
- How long people will need assistance in order to recover
- Gender issues
- The availability of micro-projects (for CFW)
- The security context
- Staff capacity

Consider the urgency of needs

Some types of cash interventions are easier and quicker to design and implement than others. If beneficiaries have urgent unmet needs it is **not appropriate** to take time to organise the more complicated interventions like vouchers or cash for work.

- When needs are urgent → provide unconditional cash transfers. Unconditional cash transfers can be implemented relatively quickly after targeting, especially in the Somali context, where money transfer companies (*hawala*) are often easily accessible to the population.
- Unlike unconditional cash transfers, cash for work and voucher programs take time to plan and organise properly. Provide unconditional cash transfers for a period (suggest one month) so that the beneficiaries can meet their needs while the project team organises CFW, vouchers or other cash interventions with the community.

Consider the timing of intervention

Another important consideration for planning cash interventions in Somalia is timing. Timing refers to seasonality, ongoing livelihood activities, and upcoming events (such as the harvest, livestock migration, religious festivals, elections etc). **Project design must consider the Somali seasonal calendar to better understand the likely impact of a cash injection.**

Timing issues must also be considered to ensure appropriate choice of intervention and to prevent the disruption of the local labour markets. It is important to remember that timing issues often vary by livelihood group. The table below outlines some examples of timing considerations in the Somali context.

Examples of appropriate cash interventions by livelihood group and season

	Jan – March	April – June	July – Sept	Oct-Dec
	JILAAL	GU	XAGAA	DEYR
Pastoralists	<p>This is the main time for livestock migration in search of water and pasture.</p> <ul style="list-style-type: none"> • Consider providing unconditional cash transfers to household members before livestock migration • Consider CFW activities for family members left in the villages (including rehabilitation canals, culverts, slaughter slabs. • Vouchers for animal water 		<ul style="list-style-type: none"> • Providing unconditional cash transfers may prevent sale of livestock at a time of low livestock price. 	
	<ul style="list-style-type: none"> • Vouchers for animal health (throughout the year) 			
Agriculturalists	<ul style="list-style-type: none"> • Cash transfer during this time may help prevent consumption of a green (early) harvest. 	<p>At the end of the <i>Gu</i> season is the time of the main harvest.</p> <ul style="list-style-type: none"> • Post-harvest cash transfers are more likely to allow 		<p>This is the main time for land preparation and planting.</p> <ul style="list-style-type: none"> • Cash transfers that coincide with the planting season give

		agricultural households to invest in productive assets (Mattinen & Ogden, 2006)		<p>recipients an opportunity to purchase seeds and agricultural services.</p> <ul style="list-style-type: none"> • Consider providing unconditional cash grants to allow people to continue with their existing livelihood activities • Any CFW activities at this time should support agricultural activities AND not pay more than the going labour rate.
Fisher folk			Xagaa is the off-season for fishing communities' therefore poor households may need support at this time.	
General	<ul style="list-style-type: none"> • If households are struggling to meet their basic needs, it is not appropriate to provide cash for livelihood recovery unless the value includes a component to meet basic needs. • Unconditional cash transfers are an appropriate response for vulnerable groups at any time of the year. • In some communities, it may not be appropriate to spend long hours on labour activities (CFW) during Ramadan when participating households are not eating during the day. • Labour opportunities in Somalia are often seasonal. When these opportunities are not available, the needs of the population may be greater as they are unable to earn additional income. • The timing of existing seasonal opportunities should be taken into consideration when starting cash-for-work opportunities so as not to disrupt the existing labour market. 			
Urban/ IDPs	<ul style="list-style-type: none"> • Interventions for urban and IDP populations may not be affected by seasonality. However, if IDPs are staying with host families, then you must consider the livelihood of the host family. Cash payments can be provided at any time of the year but should take seasonal price fluctuations of goods into account. 			

Consideration of gender and vulnerability

Throughout the project cycle, issues of gender, cultural acceptability and vulnerability should be considered.

Gender roles, women's existing workload and time constraints should be understood and factored into decision making about the types of cash interventions that might be most appropriate. In some parts of Somalia it may not be appropriate for women to undertake public works, or it might be more appropriate for women to work at different hours to the men. Decisions need to be made on a project-by-project basis about how best to include both men and women into the cash intervention.

Some examples of ways to include women or labour-poor households into cash interventions include:

- Provide unconditional cash transfer
- Allow labour-poor households to nominate someone else (usually a family member) to work on their behalf
- Provide light duties for some workers (e.g. disabled)
- Allow time-poor households to work less hours for the same pay
- Allow women to work at different times of the day than men

In turn, other vulnerable or marginalised groups in the local community should be also considered. This may include minority clans or sub-clans as well as those traditionally thought of as vulnerable e.g. disabled, elderly, child-headed households.

Vulnerability impacts on peoples' ability to interact with the community, have access to social support, participate in work opportunities and may also impact peoples' ability to access market players (including credit). In the event of a crisis such as drought, flood or displacement, vulnerable groups are often the first to use damaging coping mechanisms as they lack the social support and access to assets of richer groups. These groups are therefore most at risk and must be considered throughout the planning process.

Some specific considerations about gender and vulnerability include:

- Marginalisation of some groups will impact their ability to participate in decisions about the project.
- Labour capacity of households affect their ability to participate in CFW activities
- Time constraints and the existing workload of women affects their ability to participate in CFW activities
- Vulnerable households often lack the social network and access to credit that other groups in the same community have
- Long term or repeated stresses on the community weakens traditional social safety nets and puts vulnerable households at more risk

Consideration of power relations and conflict sensitivity

As with gender and vulnerability, an issue that should always be considered when planning interventions, particularly in the context of Somalia, is power relations and conflict sensitivity.

Power structures within families and societies create various opportunities and restrictions on an individual's access and opportunities within the household, the community as a whole and within the market. Projects must take power relations into play and actively put in place measures to mitigate conflict.

Some examples of when power dynamics come into play include: between members of the same household, between members of different clans, between voucher beneficiaries and traders/service providers, between beneficiaries and non-beneficiaries as well as between leaders of the community and other members.

Suggestions on ways to reduce conflict in programming can be found in the section on risk analysis.

Combining interventions

It is possible to use both cash and in-kind interventions, and different types of cash interventions within the same project to meet different needs.

- If some items are available and other are not, then consider providing cash for the items in the local market, and ask local traders if they can bring in the remaining items. If local traders cannot provide the required needs, then arrange for them to be brought in as in-kind assistance.

- Even when items are not immediately available in the market, it may be faster for local traders (either with or without cash support) to bring in the items, than to go through agency procurement processes!
- Within a cash-for-work program, some households who are unable to work can be provided with unconditional cash transfers.
- Some groups with existing skills may receive cash grants for livelihood recovery while other people receive cash for participating in a training program
- Cash can be used to complement food aid to provide micro-nutrients (through fruit and vegetables) and help households increase dietary diversity.
- Cash can be provided for some items, while in-kind assistance can be provided for the items that are needed but are not available in the local market.
- Cash can be given to traders (through grants) to bring certain items to market, and cash transfers to beneficiaries to purchase them.

Determining the duration of intervention

There is no set basis for determining the duration of cash-based interventions. However, ideally, relief interventions should continue until the recovery process is underway. In Somalia, recovery is often dictated by seasonal factors, such as the time of the next harvest, the time until the next *Gu* rains or the how long it will take for livestock body condition to improve.

More often than not, however, the implementation period will be limited by availability of funds for the project. Regardless, the following should be taken into consideration when estimating the duration period of cash-based interventions:

- How long will people need assistance?
- What is the likely outcome for households when the project stops?
- Do households have access to additional assistance other than what this project will provide?
- When do you expect a recovery of the social coping mechanisms? e.g. credit revitalisation, social sharing

Even if it is not possible to implement a cash intervention for the length of time that it is needed, it is important to **make relief gaps known**. Coordination meetings and discussion with other agencies provide forums for discussing gaps and increasing the chance of other agencies taking on additional activities or making donors aware of the situation and requesting further funding.

Calculating the value of the cash transfer

The value of the cash transfer to be provided to beneficiaries depends on the objective of the project. However, it should be noted that the rate of recovery of the population is directly related to the value and the regularity of payment.

To calculate the value of the cash transfer you must consider the following:

- What do you want the money to cover?
- What is the price of these items in the local market?
- Is the price of the items likely to increase during the length of the program? If so, it might be appropriate to factor this into the value of the transfer
- Are the same beneficiaries receiving assistance from any other program? If so, the value of the items received through other programs should be considered.

- Discuss the calculated amount with community representatives to ensure that it is fair and that it takes into account seasonal and the specific local context.
- Specific considerations for cash for work interventions and calculating payment rates can be found in the section below.

Remember, if household basic needs are not met it is not appropriate to provide cash interventions to meet other needs. The value of cash interventions to meet household basic needs **should be at least the amount required to purchase the minimum expenditure basket (food and non-food items)** – found in Annex 3.

It is important for agencies to find out the village level prices of food basket items in their project area as that is the most accurate indicator of costs. Although FSNAU provides information of the cost of the minimum expenditure basket (food and non-food items) for different areas of the country, the markets selected for monitoring will not necessarily be representative of the local village market.

The items in the basket that is monitored by FSNAU can be found in the annexes. The items and quantities represent the minimum needs per household (6-7 members) per month.

Summary: Key questions for determining the most appropriate type of cash transfer project

- How has the population been affected? Which groups are most affected and how are they coping?
- Do households still have some form of income remaining?
If yes, consider if they can meet their needs themselves
- Do household have **urgent unmet immediate** needs?
If yes, provide unconditional cash transfers as this is often the quickest way to provide assistance.
- What other responses are going on (or planned)? Will all households' immediate needs be met by other responses?
→ Remember that households have a number of immediate needs outside of food
- Are there community or household assets that need rehabilitation or reconstruction?
If yes, considering implementing a cash-for-work component but remember that there will likely be some vulnerable households who will not be able to provide labour but will still need assistance
→ Unconditional cash transfers will probably be the best option for that group.
- How long will it take for poor household to get back to their pre-disaster income levels? Do households have other income options during this period?

If not, households will likely need support until they are able to return to their livelihood activities or they will need additional livelihood support once their basic needs are met.

→ Consider cash grants for livelihood recovery or providing livelihood assets if they are not available in the market.

Source: Adapted from Dunn, S (2007/8)

SPECIFIC CONSIDERATIONS FOR DIFFERENT TYPES OF CASH INTERVENTIONS

1. Unconditional Cash Transfers

Unconditional cash transfers are often the most appropriate intervention to address basic needs as it allows households to prioritise their spending.

Unconditional cash transfers are also appropriate for households with limited labour or time capacity who would otherwise be unable to participate in cash-for-work activities – e.g. women headed households who have many home duties to take care of or elderly headed households without the labour capacity to participate in work programs.

Advantages	Disadvantages
<ul style="list-style-type: none"> • When market is functioning, this is often the quickest way to provide resources to the beneficiaries • Beneficiaries have full control over the way they use the money • Lower administrative cost (than conditional cash interventions, CFW or vouchers) to implementing agency • Minimal involvement required from implementing agency at point of trade • Monitoring of spending is often more accurate because beneficiaries do not feel pressured to give a pre-determined answer as for conditional cash transfers. 	<ul style="list-style-type: none"> • Some donors have limits on the amount of funds that can be spent on unconditional transfers

2. Cash for Work (CFW)

There are a number of names given to work projects (including cash for work, labour intensive works, public works, employment generation works). It is therefore **important to make the distinction between Cash for Work projects and casual labour.**

Cash for work is a name for labour projects, specifically intended **to assist vulnerable households to receive a cash income.** The major differences between casual labour and cash for work are noted in the table below and should be considered when designing cash for work projects.

What is the difference between casual labour and CFW?

CASH FOR WORK PRINCIPLES	CASUAL LABOUR
Primary objective is to provide cash income to poor households	Primary objective is to complete a specific work project
The most food insecure and/or poorest households are targeted	Anyone interested can participate

The work project will benefit a large proportion of the community	The work element does not necessarily assist the community as a whole
A gender balance should be ensured where possible	Payment is made at market rate or higher depending on the urgency of completing the work
Continues until households are able to earn at least the cost of the minimum food (and non-food items) basket	Continues only until the work is complete (may only be a few days)
There is some consideration for physically vulnerable people who may not be able to complete the required amount of work	Only those who can work get paid

Source: Dunn, S (2007) (adapted from Creti & Jaspars, 2006)

Some key points about cash for work projects

- If household's basic needs are not being met, consider providing unconditional cash transfers while planning and organising cash for work activities.
- Decide on the micro-projects (work project) to be implemented together with the community. Cash for work projects should ideally rehabilitate, construct or maintain community assets
- Micro-projects should be **long enough to allow households to earn sufficient income to meet their basic needs**. It may be necessary to have multiple projects within the same area in order for participating households to work for sufficient duration.
- Households should be given the opportunity to earn **at least** an amount to meet the minimum expenditure basket (food and non-food items). Be aware that self-targeting approaches by setting the wage rate at a low level (so that only the poorest households will want to participate) can prevent households from earning sufficient income to meet their needs.
- Consider the vulnerability of participating households when deciding how often to make payment. If the project is going on for more than a couple of weeks **it is not appropriate to wait** and make payment only on completion of work.
- Coordinate with other agencies doing similar projects in the same area to ensure that there is no duplication of efforts and that payment rates are harmonised.
- Consider seasonal and timing issues with the community to determine if CFW is the most appropriate cash intervention. Remember that there is a timing opportunity to prevent debts and increase productivity of next season
- Ensure you have the technical capacity available to ensure good quality work on the micro-project. Otherwise consider a different type of cash intervention. Some local authorities in Somalia can provide technical guidance on such activities as road reconstruction and *berkad* rehabilitation however it is preferential to have technical support within the implementing agency.

Examples of possible CFW micro-projects in Somalia

- Water source construction or rehabilitation
- Canal clearing/ de-silting
- Road rehabilitation (particularly those used for transport routes)
- Reforestation activities
- Rehabilitation of schools, health centres or market places
- Construction of community latrines

- A minimum age of participation should be set and children should not be allowed to participate.
- Provide the necessary tools and safety equipment for the workers. Water and transportation for workers may also be needed.
- All cash for work project **must** consider how to include labour-poor and time-poor households who meet the vulnerability criteria. Some examples of ways to include these groups include:
 - Provide unconditional cash transfer
 - Allow labour poor households to nominate someone else (usually a family member) to work on their behalf
 - Provide light duties
 - Allow time-poor households to work less hours for the same pay
 - Allow women to work at different times of the day than men

Advantages	Disadvantages
<ul style="list-style-type: none"> • Enables construction or rehabilitation of community assets that will contribute to the recovery of the community as a whole. • Provide a sense of community ownership of project when people work together to achieve a common goal • Payment lower than local labour market makes targeting easy 	<ul style="list-style-type: none"> • Labour-poor, time-poor groups cannot participate unless provided with lighter duties, shorter working hours, or unconditional cash transfers • In some areas women are not allowed to participate in public works. • Many community projects require technical advice that may not be available locally or within the organisation • Can disrupt the local labour market if not planned carefully • Can interfere with local livelihood activities if implemented at the wrong time

How to work out CFW payment rates
<ul style="list-style-type: none"> • Work out fair amount of work per person per day (e.g. 1m of road work, 5m² of bush clearing....) • Skilled labour rates should be paid to supervisors. Supervisors need to ensure that participating households do the set amount of work, keep a register of participating households each day to enable correct payment. • Cash for work projects can then be paid according to the number of days worked per household or payment on completion of an amount of work per day. • Decide how to include women in the project (e.g. allow them to work shorter daily hours for the same rate of pay, allow them to do lighter duties – 0.5m of road work, 2m² of bush clearing....) • Decide how to include other vulnerable groups (e.g. some people are in urgent need of cash income but <u>unable</u> to do manual work) – consider paying unconditional cash transfers at the same payment rate, or allowing very light duties such as making tea, minding the children, etc • Labourers should earn at least enough money to meet their basic needs or basic daily living expenses. Ideally, project beneficiaries should be able to make enough money also to protect or recover their livelihoods.

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

Steps	Example
<ol style="list-style-type: none"> 1. Find out the local skilled and unskilled labour rate for the local area (from local authorities, and from the community) 2. Find out what other agencies working in the same area are paying for CFW projects 3. Find out if there are existing livelihood activities that must be undertaken at the time that you are planning CFW 4. Set CFW payment rate just under or equal to unskilled labour rate (especially when other local labour activities are needed) as per discussion with household 5. Minimum rate of payment should enable households to earn an amount to cover the cost of the minimum food and non-food basket each month (Annex 3). 	<p>e.g. Skilled labour rate = US\$4 per day e.g. Unskilled labour rate = US \$3 per day</p> <p>Another agency, Agency X is implementing CFW in the same project area and paying \$2.75 per day for unskilled labour and \$3.50 for supervisors</p> <p>No other casual labour opportunities are available in the area at this time.</p> <p>After discussion with Agency X and the community it is decided that all CFW projects should pay the same rate, just below the local labour rate. i.e. \$2.75 per day for unskilled labour and \$3.50 for supervisors.</p> <p>However, in the project area, the cost of the minimum food and non-food basket is US\$80 per month.</p> <p>This means that unskilled labourers need to work 31 days per month (not possible!) to meet even their most basic needs.</p> <p>After further discussion with Agency X it is decided that both agencies will increase the payment rate to the local labour rate. i.e. \$3 per day for unskilled labour and \$4 for supervisors.</p> <p>This means that by working 26 days per month (more realistic!), households will meet their needs.</p>

NB. The minimum amount paid per day for CFW projects should enable households to cover the cost of the basic food and non-food basket each month.

The maximum amount paid per day for CFW project should be the local labour rate so as not to distort the local labour market.

3. Conditional Cash Transfers

When deciding to implement conditional cash transfers be aware that if basic needs are not met, households are likely to spend at least a portion of the grant to meet basic needs. Either factor this into the value of the cash transfer, or consider providing unconditional cash transfers to meet basic needs before providing conditional transfers.

Conditional cash transfers (with the exception of cash for work) are usually provided as an early recovery response once basic needs are met, or as a development response to encourage use of basic services. Providing conditional cash transfers to ensure access to basic services should only be done if the services are available in the local area and are of sufficient quality.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Can help to directly ensure that objective of the organisation is met 	<ul style="list-style-type: none"> • Monitoring of beneficiary spending may not be accurate • Must ensure that the services are available to the target population and are of appropriate quality.

4. Vouchers

Vouchers can be used as a humanitarian response, for early recovery, rehabilitation or to address longer term issues depending on the objective of the project.

Vouchers are designed to be exchanged to purchase commodities from certified traders, either during fairs, at specific distribution outlets, in markets, or in special relief shops. The traders then reclaim the vouchers for cash at a bank, a money transfer service or directly from the implementing agency.

Voucher programmes can be used to encourage traders to enter the affected area, by providing them with a guaranteed market. They can also be given to ensure access to essential services including health services, education or milling/grinding of food aid, or access to productive assets such as animal health care or seeds. When using a voucher approach, consider using as many traders or service providers as possible. This will allow beneficiaries to retain some choice in the exchange of their voucher. This will also help prevent monopolies and help minimise market distortion.

Vouchers can have a cash value or stipulate specific commodities or services to be purchased. It is also possible to combine cash and commodities onto the same voucher.

- Vouchers and fairs

Fairs are usually organised when people are not easily able to obtain a specific commodity (seed, livestock, fishing tools, etc.), which is nevertheless available in sufficient quantities and quality within a reasonable distance of the affected area (Oxfam, 2006). Local traders are asked to bring their goods to a specific place at a designated time and beneficiaries attend and purchase the goods using the vouchers.

Fairs have many advantages, including:

- The recipients can select from the commodities on display, and choose what best suits their needs.
- The system ensures a wide range of commodities available for 'sale' by local traders/service providers, allowing choice to the beneficiaries.
- The project is usually not responsible for managing the transport of the commodities (although in some cases, if travel costs are high, it may be necessary to subsidise the expenses of vulnerable households and producers).
- They provide opportunities to exchange knowledge among buyers, producers, and traders.
- They mirror the 'normal' market trading system, ensuring a degree of dignity for beneficiaries while strengthening trading opportunities and links.
- Traders and local producers have access to cash (after exchange of the voucher with organising agency), which boosts their businesses and their household economy.

It should be noted however, that despite the above advantages, voucher fairs take considering time, human resources and administrative work that cash grants (ACF, 2007) and they restrict the choice of beneficiaries. This should be considered before deciding to implement a voucher approach.

The value of the vouchers depends on the objectives of the project, as well as the amounts and unit prices of the commodities that will be exchanged. Voucher-fair interventions usually aim to restore

production and trade, or to re-establish productive assets. The value of the voucher often depends on the level of production and assets that prevailed before the disaster, and the extent to which productive assets have been affected or lost (Oxfam, 2006). Vouchers are commonly used when beneficiaries have prioritised similar livelihood needs such as seeds, agricultural inputs, and veterinary drugs/equipment.

- Vouchers and shops/services

A voucher intervention can be implemented through local shops or with local service providers. The shop/service provider system may utilise either cash vouchers or commodities vouchers. The beneficiaries come to the shop or service provider and collect goods upon presentation of their vouchers. The vouchers can allow beneficiaries to decide what to buy from a range of specific goods, or any goods up to a certain value, or they may be tied to specific commodities.

The main reasons for adopting a vouchers and shop/service provider system are:

- To enable local shops/service providers to be involved in the recovery of the community.
- To provide a cash boost to small shops and local service providers rather than going through a bank.
- To minimise the necessary logistical support or providing the required goods in-kind

Voucher value = price of the commodity unit x amount of commodity needed

E.g. 1 Price of maize seed = \$20/kilo
Average HH needs 5 kg of seed → Value of seed voucher = \$20 x 5kg = \$100

E.g.2 Price of livestock vaccination = \$1/animal
Pastoralists have an average of 30 animals → Value of voucher = \$1 x 30 animals = \$30

Advantages	Disadvantages
<ul style="list-style-type: none"> • Commodity vouchers ensure beneficiaries spend on specific items • Involves local market players such as traders and helps the wider community recover as well as providing beneficiaries with needed items. • Voucher exchange is easy to monitor • Commodity vouchers are less vulnerable to inflation (or deflation) in market prices 	<ul style="list-style-type: none"> • Removes some level of control from beneficiaries (either the commodities they can buy or the traders or services they can access) • Higher administrative requirements than unconditional cash transfers. • Relatively long organisation time compared to other cash interventions. • Requires relationships with traders/service providers to be established • Risks of forgery (non-beneficiaries copying vouchers to access the services or goods) • The agency must obtain the technical knowledge to ensure quality of the products received by beneficiaries (i.e. vouchers for seeds, restocking, animal drugs, etc.)

5. Social Protection

Social protection programs can include a number of components, including social insurance and social assistance. Social assistance can involve providing regular unconditional transfers to the most vulnerable groups in the community gives time for traditional social transfer systems to rebuild.

Cash based safety nets are present in many developed countries today, providing support to vulnerable groups. Cash based safety nets are currently being implemented in other countries in the region including Kenya, Ethiopia and Zambia.

Social protection is a long term intervention used during recovery and development in stable contexts.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Provides longer term assistance to most vulnerable households in the community • Allows traditional support systems to recover from repeated crises • Predictable payment allows households to plan and spend appropriately 	<ul style="list-style-type: none"> • Requires long term commitment from political groups and donors and an appropriate implementation capacity (skills and infrastructures)

Minimum standards for planning cash interventions
<ul style="list-style-type: none"> • Ensure that you have considered how urgent the beneficiary needs are – if needs are very urgent, it is not appropriate to implement a complicated intervention that needs time to design. • Ensure that you have considered seasonal issues and the appropriateness of the timing of the intervention. • Ensure that you have considered how to include the most vulnerable groups in the project. • Ensure that you have made adequate provision for the inclusion of women into the project. • Ensure that the value of the transfer is appropriate, based on the identified needs of the beneficiaries and the prices of items in the local market (or the local labour rate for a CFW project). If you are targeting basic needs make sure you consider the cost of the minimum basket. • Ensure that you have appropriate project duration and have decided on the frequency of payment in consultation with the beneficiaries. • Ensure that technical capacity is provided if doing cash for work to guarantee the quality of micro-projects.

Further reading

Guidelines on cash interventions by the following agencies provide more guidance on planning and decision making for appropriate interventions.

- ACF (2007) Implementing cash-based interventions: A guide for aid workers. ACF – International Network, New York.
- Creti, P & Jaspars, S (Eds) (2006) Cash-transfer programming in emergencies. Oxfam GB. Oxfam Publishing. Oxford
- Gentilini, U. (2007). Cash and food transfers: a primer. Social Protection and Livelihoods Service, World Food Programme, Rome.
- Horn Relief (2010) A practical guide for cash-based responses in emergencies. Horn Relief, Nairobi.
- ICRC/ IFRC (2007) Guidelines for cash transfer programming. International Committee of the Red Cross (ICRC) and the International Federation of the Red Cross and Red Crescent Societies (IFRC), Geneva.
- Swiss Agency for Development and Cooperation (2007) Cash Workbook: A practice user's guide for the preparation and implementation of cash projects. SDC, Geneva

IMPLEMENTATION

The breadth and variation of cash interventions currently being implemented in Somalia make the writing of minimum guidelines of implementation difficult. Many agencies have their own guidelines and operating procedures that influence their method of work. However, there are some key aspects of project implementation in Somalia that are common to all types of cash interventions and these are highlighted in the following section. These include risk analysis, targeting, registration, selection of the cash distribution mechanism, recruiting and training staff, coordination and accountability.

Risk Analysis

An integral part of project design, especially in the complex environment of Somalia, is risk analysis. Good programming, particularly in South/Central is about reducing risks to both beneficiaries and staff. As a result, risk analysis and mitigation should be considered throughout the project cycle.

Appropriate planning and decision making should consider the risks associated with each decision and plans should be put in place either to mitigate or avoid each identified risk. The table below provides a general overview of how transparencies, planning, clear targeting, ongoing participation of the community and appropriate decision making can reduce risks to programming.

PROBLEM	SUGGESTIONS
How to reduce the security risk to staff	<p>Choose an appropriate cash transfer mechanism (eg. using <i>hawala</i> instead of direct distribution by project staff).</p> <p>Ensure that targeting is done in a transparent and participatory way.</p> <p>Recruit skilled staff and/or provide training to staff about project implementation.</p> <p>Have a written agreement with money transfer companies specifying the responsibilities of both the organisation and the transfer company. Money transfer companies usually assume full liability for loss or stolen monies and take responsibility for the transport of the cash to the beneficiaries.</p> <p>Cooperate with local authorities and keep them informed of project activities</p> <p>Develop a good working relationship with other agencies working in the same area.</p> <p>All agencies should develop and strictly follow a set of security guidelines for working in the field.</p> <p>A clearly explained method of complaint should be in place to allow complaint without violence and protect staff.</p>
How to reduce the security risk to beneficiaries	<p>Select an appropriate type of cash intervention for the security of the area. Do not put beneficiaries in more danger than the existing context. Talk with the community when deciding on the type of intervention.</p> <p>A transparency and clear targeting method will reduce the risks to beneficiaries as the community will be clear about why specific groups are being targeting while others are not.</p> <p>Where possible, give beneficiaries some flexibility of when to collect their cash (not everyone collecting money at a specific time or day).</p>

	<p>Consider specific security risks to women and seek community opinion on how best to mitigate or avoid the risks.</p> <p>Seek appropriate technical advice for the construction and rehabilitation of community assets to avoid injury during CFW activities.</p>
Ways to reduce corruption	<p>Be open with the community about the project.</p> <p>Work together with community leaders.</p> <p>Use clearly verifiable targeting criteria and verify beneficiary lists.</p> <p>Ensure that the beneficiaries are clear about their entitlements.</p> <p>Conduct post-distribution monitoring and ask beneficiaries if they received the correct amount of money.</p> <p>Ensure that beneficiaries are correctly identified during the payment process.</p> <p>Ensure that there is a clear mechanism for community feedback. This will help the project team identify problems during the project.</p> <p>Clear financial procedures and documentation ensuring that money can be traced throughout the project</p>
How to reduce risk of conflict	<p>Community mobilisation and awareness raising on the purpose of the project and groups to be targeted. Participation of the community and community leaders throughout the project cycle.</p> <p>Community based targeting – involvement of the community using a transparent process will help reduce tensions between beneficiaries and non-beneficiaries.</p> <p>Ensure that payments are made on time. Delays in payment can increase vulnerability of targeted households and cause tension within the community. Payment schedules must be shared with both the community and with the money transfer companies.</p> <p>Clear withdrawal or transition strategy will inform the community about the project and help limit expectations.</p>
How to monitor for signs of inflation and reduce the risk of inflation	<p>If using a voucher approach, ensure that as many traders as possible are participating. This helps ensure a competitive market.</p> <p>Monitor prices of food and non-food items in neighbouring markets to check that your project area is not unfairly increasing prices.</p> <p>Check exchange rates on a regular basis to ensure that cash retains its value.</p>

Targeting and Beneficiary Selection

The purpose of targeting is to ensure that programs benefit the intended population or groups within the population.

Targeting design is concerned with who is to be reached and why. Targeting for cash interventions, like in-kind and other interventions is often a difficult and time consuming process that must be undertaken with transparency and participation from communities. Cash interventions are often seen as more difficult to target because “everyone wants cash”. However, evidence shows that possibly because of the fear among agencies related to cash, in general, cash programs have been well targeted and carefully considered, and targeting has been no more difficult than for in-kind assistance.

Remember that like other types of assistance there are some instances where a whole community, or whole population group are in need of assistance. This may include sudden onset emergencies where all households in a given community have suffered similar losses. Universal (blanket) provision of cash grants may well be an appropriate response. A universal cash grant is as valid as a general food distribution to populations who cannot meet their needs (ACF, 2009).

When resources are limited or when only certain groups within the population need assistance, community based targeting is seen by many agencies as the most appropriate way to identify beneficiaries in Somalia. There are many documents written on the methodology of community based targeting so this process is not outlined here. However, the minimum acceptable standard for targeting processes is outlined below.

The Horn Relief Guide outlines in detail their method of targeting – Inclusive Community Based Targeting (ICBT). It explains how to ensure community representation, working with village relief committees and determining selection criteria.

It is recommended that agencies new to working in Somalia read these guidelines and provide training to all project staff on cash interventions before starting implementation of programs.

It is possible to request Horn Relief to conduct the training (contact details in Bibliography and Further Reading).

At a minimum, targeting procedures should include the following:

- The community should be aware of the project objectives
- The targeting approach should be clear to community and to agency staff
- Community participation: including open public meetings, meetings with trusted community members, as well as community leaders
- Participation from local authorities/elders must be actively sought
- Agencies should actively seek participation from minority and vulnerable groups
- Agencies should work together with a representative community committee or group of trusted individuals for beneficiary targeting, information sharing, feedback and complaints
- The role of the agency, community and beneficiary representative committees should be clearly defined and clarified
- Meetings and information sharing should be transparent and open
- Public meetings should be held with whole community to explain the project
- Selection criteria for targeting should be developed with the community
- Community representatives should prepare beneficiary lists based on selection criteria.
- Verification of beneficiary lists should be done by project staff – including checking of inclusion of vulnerable groups and ensuring beneficiaries meet selection criteria
- Accountability mechanisms should be in place to collect feedback information from the community (described ahead)

Source: Compiled from Horn Relief & ICRC/IFRC Guidelines

Developing Selection Criteria

Targeting criteria (selection criteria) should be developed together with the beneficiary community and will vary depending on the local context and the objective of the project.

Selection criteria are usually based on indicators of economic, social, political, physiological and physical vulnerability or on a combination of these vulnerabilities. Both exclusion and inclusion criteria can be used e.g. **excluding** households who own more than a certain number of goats or water tanks or **including** households who earn less than a certain amount per month.

Some examples of selection criteria are listed below.

- **Context-specific criteria**
 - Households that have lost more than 50% of their crop or livestock
 - Households who have lost their home
 - Households with debts of more than a defined amount (or as a proportion of their household income)
 - Households with no family support/ access to remittances
 - Households with no access to credit

- **Social welfare criteria**
 - Households with members who are chronically ill
 - Households with disabled members
 - Elderly-headed households
 - Child-headed households
 - Female-headed households
 - Households with more than 8 members and only one member with income capacity
 - Households with a monthly income of less than a defined amount

- **Specific vulnerable groups**
 - IDPs
 - Refugees
 - Host families
 - Pastoralist communities

- **Specific examples of selection criteria by livelihood group**

Pastoralists	Agriculturalists	Urban
<ul style="list-style-type: none"> • Households with no livestock • Households with no camels and no cattle and/or small number of shoats 	<ul style="list-style-type: none"> • Households with no land • Land size • Access to irrigation 	<ul style="list-style-type: none"> • Households with no permanent home • Households hosting IDPs • Households that are displaced

At a minimum, agencies should consider the following when developing selection criteria:

- Selection criteria should be developed together with the community
- Clear criteria that can be easily verified. They must be easily understood, measureable and easily verified (e.g. widowhood, number of children, number of livestock)

Community Representation

Community participation and mobilisation during the course of project implementation is a key aspect to ensuring success.

The community as a whole should be informed about the objective of the project and the processes that will be followed. In addition, there are certain aspects of programming, including targeting, registration and feedback procedures where the community play a key role. As a result, it is critical to ensure that the community members, whose opinions are sought at any stage, are representative of the community.

Agencies often have their own procedures in place about working with communities, including setting up committees specifically for the project, working with existing committees or having discussions with community leaders.

Regardless of the methods used agencies should consider the following:

- Be aware of the possible biases of informants
- Triangulate information received from community members
- Actively seek the opinions of both men and women
- Actively seek the opinions of minority groups (e.g. minority clans, IDPs)
- Actively seek the opinions of vulnerable groups (e.g. widows, disabled, elderly)

Beneficiary Registration

Registration is a key element of any distribution. A well carried out registration determines a trouble free and smooth distribution. Registration is a systematic method of collecting and recording information about people. It helps you understand the way a community is organised and in distribution, it is used to identify those people who are eligible to be included as recipient beneficiaries in a project as per agreed selection criteria.

The beneficiaries of a distribution must understand why the registration is necessary. If they do, then they will feel more committed to its success and will be able to play an active role in making that happen.

Accurate registration information is important because it can be used to:

- Make detailed plans for the distribution
- Identify those people who are particularly vulnerable
- As a basis for resolving problems and claims during distribution
- Proof of record for recipients of relief

The registration system must be able to give you all the information to plan and carry out an accurate, smooth and trouble free distribution. For example, you may want to know the total population, the total numbers of households, the numbers of boys and girls under five years of age, the number of people with disability, the number of female headed households and so on. A simple counter book, with columns ruled in it, is sufficient to record the details of each household. An example of a registration format can be found in the annexes.

When registration is completed, there is still need to verify those on the list to confirm compliance with agreed selection criteria. Ideally, this should be done in public meetings where names on the register are called out and confirmed in public by the community. In this meeting, complaints can also be voiced and addressed. After the meeting/s registration lists should be updated and validated as final list of eligible recipients. Recipients can then sign or leave their thumb print on the registration lists as proof of receipt of the cash payments.

Two examples of beneficiary registration forms used by agencies in Somalia can be found in the annexes.

Selecting a Cash Distribution Mechanism

Globally, agencies implementing cash programming have a number of cash distribution mechanisms open to them including direct distribution (hand-to-hand distribution), bank accounts, smart cards, post office transfers and even payment through the mobile phone network. In most parts of Somalia however, these mechanisms are unavailable. The main distribution methods used by agencies in Somalia are direct distribution and using money transfer companies (*hawala*).

Experience has found that the money transfer companies are a secure and reliable way to deliver money to the field. This is especially important for agencies working in Somalia through remote implementation. By working with a money transfer company, the risks of carrying cash into the field is passed to the money handlers as they are used to working in the Somalia context. Hawala companies can be found throughout South/Central Somalia as well as in the northern areas of Puntland and Somaliland.

The money handlers will need to be paid a commission for their work. However in many cases the commission enables companies to travel directly to the target villages and camps to reduce the travel times for the beneficiaries.

An example of a Memorandum of Understanding between an agency and a money transfer company can be found in the annexes.

When choosing a money transfer company you should consider:

- Network coverage
- Professionalism
- Community opinion/trust
- Administrative capacity
- Financial capacity
- Management capacity

Source: Horn Relief, Implementation Manual (2010)

At a minimum, agencies should:

- Assess the possibility of working with a local *hawala* company (or using another third party such as a local trader or local businessman with financial capacity) rather than making direct payments.
- Have a written agreement or Memorandum of Understanding with the money transfer company that specifies the responsibilities of both the agency and the money transfer company for the implementation of the project.

Recruitment and Training of Staff

Cash programming is a skill and like other sectors, it is important that staff either has experience, or receive comprehensive training on cash interventions.

Each agency has their own guidelines on human resources. However, a number of key staff are needed in cash interventions and these positions should be considered.

- At least one team member with cash intervention experience is an advantage
- When implementing CFW projects, ensure there is expertise in place to ensure that the rehabilitation or construction work is technically sound and adequately implemented.
- Staff should receive training on cash interventions, the project itself and the methods for implementation
- Field staff should have community mobilisation skills as it is important that there is good participation from the community, good targeting and accountability to beneficiaries at all stages of the project.
- A number of field monitors will be needed to ensure that post-distribution monitoring is carried out.
- Cash interventions have a high administrative burden, so adequate support staff should be in place.

Coordination

As with other types of intervention it is important to coordinate activities both at the field level and at regional levels to avoid duplication and increase the impact for the beneficiaries.

- In Nairobi, a number of coordination bodies exist including:
 - Cash Working Group of the Food Security and Economic Development Sectoral Committee (chaired by Horn Relief and for which in the sectoral committee there are a number of other working groups: food aid, livestock & agriculture)
 - IASC Clusters (including Agriculture and Livelihoods Cluster (chaired by UNFAO))

Any agency working in Somalia is welcome to attend these meetings.

- At regional and district levels within Somalia it is recommended that agencies organise or attend coordination meetings for agencies and local authorities.

Coordination meetings provide a forum for sharing of information such as assessments, methodologies or evaluation reports and for making relief and recovery gaps known. This allows for a greater voice to the donor community.

Accountability

Accountability is the means by which power is used responsibly. Humanitarian accountability involves taking account of, and accounting to, disaster survivors (HAP-I, 2007).

Aid agencies exercise significant power in humanitarian crisis through their control over essential goods and services, such as food, medical aid and shelter. However, until recently, the "helping power" of emergency relief agencies has been fairly unregulated as few organizations formalized procedures to allow disaster survivors to participate in decisions about services or complain about poor practices (HAP-I, 2007).

To address the issue of the lack of accountability in aid, a consortium of UN and NGO agencies formed the Humanitarian Accountability Partnership – International (HAP-I) in 2003. The Principles of Accountability developed by HAP-I are the core elements of good practice in accountability in humanitarian situations. Further, HAP-I produced a set of benchmarks and indicators for accountability and quality management in humanitarian work (The HAP Standard 2007) and these should be considered by all agencies working in humanitarian responses.

At the heart of the accountability standards are the Principles of Humanitarian Action and the premise that beneficiary communities should be included throughout the project cycle – in decision making, discussions, feedback processes and information sharing. **This is expected even in an emergency context.**

Principles for Humanitarian Action

Primary principles

- **Humanity:** upholding the right of all persons to receive and give assistance.
- **Impartiality:** providing humanitarian assistance in proportion to need and with respect to urgency, without discrimination based upon gender, age, race, impairment, ethnicity and nationality or by political, religious, cultural or organisational affiliation.

Secondary principles

- **Informed Consent:** ensuring that the intended beneficiaries, or their representatives, understand and agree with the proposed humanitarian action and its implications.

- **Duty of care:** ensuring that humanitarian assistance meets or exceeds recognised minimum standards pertaining to the wellbeing of the intended beneficiaries.
- **Witness:** reporting on policies or practices that affect the wellbeing of disaster survivors.

Tertiary principles

- **Transparency:** ensuring that all relevant information is communicated to intended beneficiaries or their representatives, and other specified parties.
- **Independence:** acting under the authority of the governing body of the agency and in pursuit of the agency’s mandate.
- **Neutrality:** refraining from giving material or political support to parties to an armed conflict.
- **Complementarity:** operating as a responsible member of the humanitarian assistance community.

The standards then go on to provide agencies with performance benchmarks, indicators and means of verification on the areas listed below. Some of the benchmarks highlight areas already mentioned in these guidelines. Examples of benchmarks are highlighted below but it is recommended that agencies read the full list of benchmarks to ensure quality programming.

The HAP Standard 2007 Benchmarks	
Transparency	The agency shall make the following information publicly available to intended beneficiaries, disaster-affected communities, agency staff and other specified stakeholders: (a) organisational background; (b) humanitarian accountability framework; (c) humanitarian plan; (d) progress reports; and (e) complaints handling procedures
Beneficiary participation	The agency shall enable beneficiaries and their representatives to participate in programme decisions and seek their informed consent
Staff competencies	The agency shall determine the competencies, attitudes and development needs of staff required to implement its humanitarian quality management system
Complaints handling	The agency shall establish and implement complaints-handling procedures that are effective, accessible and safe for intended beneficiaries, disaster-affected communities, agency staff, humanitarian partners and other specified bodies

An example of a form for complaints handling can be found in the annexes.

Financial accountability is another key aspect that should be considered in all interventions. Financial accountability means that you can account for how the money for the program has been spent. For all interventions (cash or otherwise) it is important to keep sufficient documentation to enable a clear understanding of how monies have been spent (e.g. how much went directly to beneficiaries). This provides valuable information to the agency about cost-effectiveness and efficiency.

At a minimum, agencies are expected to include the following accountability procedures:

- Participation of beneficiary communities throughout project cycle
- Provide clear information to communities about their entitlements and the duration of intervention
- A procedure must be in place for discussion with the community if implementation problems arise
- A clear feedback mechanism must be in place to receive complaints and suggestions from the community (beneficiaries, non-beneficiaries or other interested parties)
- Clear record keeping of the finances for the project

Minimum standards for implementing cash interventions

- Ensure that you have designed the program fully considering risk analysis. Good programming can assist with mitigating and avoiding risks to both beneficiaries and staff.
- Ensure that the project community is involved in all stages of the project cycle.
- Provide training to staff on cash programming and specific project implementation processes.
- Hold a public meeting to discuss the objectives of the project, beneficiary selection criteria, entitlements and any other aspect of the project.
- Use clear, easily verifiable selection criteria.
- Work through a community structure (such as a committee or existing structure) to produce a beneficiary list.
- Agency staff or local partners should verify a random selection of the beneficiary list to ensure good targeting.
- Consider using a local money transfer company rather than directly distributing cash.
- Accountability mechanisms – feedback mechanisms and other aspects of accountability should be considered throughout project cycle.
- Put measures in place for financial accountability.
- Coordinate activities with other agencies working in the same location.

Further Reading

- Slater, R & Farrington, J (2009) Cash transfers: targeting. Project Briefing No. 27, November 2009. Overseas Development Institute
- Horn Relief (2010) A Practical Guide for Implementing Cash Based Responses. Horn Relief, Nairobi

Horn Relief is an NGO that has been working in Somalia since 1991. They have recently updated a previously published manual - a Practical Guide to Cash-Based Responses in Emergencies. The Horn Relief guide outlines in detail Somalia specific implementation guidelines including some that are referenced here. It is recommended that agencies working on cash programs in Somalia read the Horn Relief Guide in order to better understand the specific working environment and how to implement an appropriate cash program in Somalia. Their manual also contains detailed information on their method of targeting (Inclusive Community Based Targeting) that might be useful to other agencies. Further, Horn Relief manual is supplemented by a short training course based on the implementation manual and a training guide that the organization has used for its own staff and other international and local NGOs. The training course is suited for Project Managers and field staff of a cash program and agencies can request the training by contacting Horn Relief directly at hrnairobi@hornrelief.org

- HAP-I (2007) HAP 2007 Standard in humanitarian accountability and quality management. Humanitarian Accountability Partnership –International. <http://www.hapinternational.org>

MONITORING AND EVALUATION

Monitoring

The purpose of monitoring is to check the process of implementation (including the resource inputs and activities being implemented) and the resulting products, and determine whether any changes are needed to the project design.

Monitoring is a continuous process and should be done throughout project implementation.

To know if the project has met the objective, ideally all projects should aim to include:

- A baseline survey to understand the situation before implementation of the project
- Regular monitoring of the context so that changes to the project can be made if necessary
- Regular post-distribution monitoring to ensure that beneficiaries received the correct amount of money and how the beneficiaries utilized the cash
- Regular, documented market price monitoring to check that prices have not increased
- Evidence provided in a final report of the impact of the project (measured as a change from the baseline)
- A final evaluation (either internal or external)

In practice however, especially in an emergency context, very few baseline studies are carried out. Recovery and development programs that tend to be implemented for a longer period should aim to include each of the above.

Ongoing monitoring of the context is important so adjustments can be made to the project as necessary. Regularly talking to traders about the availability of goods, monitoring the price of key goods in the local markets and monitoring exchange rates in the project area will give you a good idea about whether the cash being provided is retaining its intended value.

Mechanisms for feedback from the community might also provide useful monitoring information such as the success (or not) of targeting, issues with the money transfer company, security issues or the appropriateness of the specific cash intervention.

At a minimum, all agencies should be able to provide information to other agencies on the following:

- Number of people receiving cash
- How much money (or vouchers) is being distributed to each household
- What is the situation in the local area and why is cash being provided

Post-distribution monitoring (PDM) should be done after each distribution of cash to beneficiaries. The purpose of PDM is real-time evaluation and guidance for the project. PDM data should be comparable from month to month so that changes in the project can easily be found. The PDM data can also be used to understand when beneficiaries are ready to change to recovery interventions or development interventions depending on how they are spending the money.

- e.g. if beneficiaries are regularly spending a large portion of the cash transfer on food and very little on livelihood activities, they are still struggling to meet basic needs. This can tell you that you need to increase the value of the cash transfer or continue for a longer period.

Market price monitoring: It is often difficult to predict what will happen to market prices, particularly after a major disaster where large-scale recovery is unpredictable and complex. This means that prices need to be continually monitored even if the risks of price changes (particularly price increases) are initially thought to be small. Somalia is dependent on imported items and the country is therefore subject to price changes depending on the world market. Market price changes affect the ability of

the beneficiaries to purchase the desired goods therefore **regular market price monitoring is a minimum requirement for cash interventions**. An example of a market monitoring form can be found in Annex 8.

If prices in the local market are changing considerably, try and find out why. The Food Security and Nutrition Analysis Unit (FSNAU) regularly monitor a number of markets throughout Somalia and their staff will be able to help you better understand the market situation.

Monitoring indicators depend on the project objective however there are a number of areas that all cash intervention should be monitoring.

At a minimum, all cash interventions should monitor the following:

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

Source: Adams & Harvey (2006) Issue Paper 6

If implementing CFW activities, monitoring should also include the quality of the micro-project

When measuring the impact of the cash intervention it is important to consider that cash interventions often have a number of unintended impacts. Talk to traders, beneficiaries, non-beneficiaries and any other key stakeholders to get an idea of what the unintended impacts might be. Ensure informants are asked to express both positive and negative impacts.

Some examples of impacts of receiving cash are noted in the table below. Agencies should consider whether any of the following are appropriate, or whether other unintended impacts (both positive and negative) could have arisen as a consequence of their intervention.

Examples of impacts from cash interventions

Beneficiary spending	Households are able to regularly meet their basic needs Households are able to purchase the items set by a conditional transfer If households did not buy the intended items, find out why. Perhaps the value of the transfer was too low, or basic needs were not met or the priorities of the beneficiaries were not correctly identified.....
CFW projects	Impact of the micro-project on the community e.g. better access to water throughout the year, reduced time to reach market Clean up activities may have health impacts The local employment opportunity may have reduced the need for migration of household members
Social and psychological benefits	Empowerment of women and men – creating a sense of dignity Reduced tension in the household between men and women Inclusion into community activities for minority and vulnerable groups who would

	otherwise often be excluded
Household economy	Debt repayment Improved access to credit Retention of productive assets at a time when they might have had to be sold
Market	Stimulation of petty trading within the project area → reduced dependency on other types of aid Revival of the credit system Local traders may have increased their volume of sales
Nutrition	Households retain usual number of meals each day when they might have had to reduce the number or size of meals. Meals contain a wider diversity of ingredients → better intake of micronutrients
Negative impacts	Has the project finished too quickly? → How will beneficiaries cope when it is finished? Has the project gone on too long? → Are participants receiving cash payments when there are local labour opportunities available? Has the right cash intervention been chosen? → Would a different intervention produce the same impact? Has the project created security risks to beneficiaries or had negative impact on women and other vulnerable groups?

Evaluation

The purpose of evaluation is to learn and reflect on what went well and what could have been improved. An evaluation will determine if the project has met the intended objective/s in the most appropriate way. Evaluation usually occurs at the end of the project.

Evaluation of a project can be done either internally (by project staff) or externally (by an outside party, usually a consultant).

Different donors have different criteria about minimum evaluation requirements. These may be determined by specific knowledge gaps or research interests of each donor but often the Organisation for Economic Cooperation and Development (OECD) – Development Cooperative Directorate (DCD-DAC) Evaluation Criteria are used as a basis for evaluations of development programs. The OECD-DAC criteria (below) are the key aspects of programs and should be considered when designing the project as well as during evaluation!

The seven OECD-DAC criteria for evaluations

Relevance/ Appropriateness	Is the project in line with local needs and priorities (as well as donor policy)? Appropriateness is the tailoring of humanitarian activities to local needs, increasing ownership, accountability and cost-effectiveness accordingly.
Connectedness	The need to ensure that activities of a short-term emergency nature are carried

	out in a context that takes longer term and interconnected problems into account.
Coherence	The need to assess security, developmental, trade and military policies as well as humanitarian policies, to ensure that there is consistency and, in particular, that all policies take into account humanitarian and human-rights considerations.
Coverage	The need to reach major population groups facing life-threatening suffering wherever they are.
Efficiency	Efficiency measures the outputs (qualitative and quantitative) achieved as a result of inputs. This generally requires comparing alternative approaches to achieving an output to see whether the most efficient approach has been used.
Effectiveness	Effectiveness measures the extent to which an activity achieves its purpose, or whether this can be expected to happen on the basis of the outputs. Implicit within the criterion of effectiveness is <i>timeliness</i> .
Impact	Impact looks at the wider effects of the project – social, economic, technical, and environmental – on individuals, gender and age-groups, communities and institutions. Impacts can be intended and unintended, positive and negative, macro (sector) and micro (household).

Minimum standards for monitoring and evaluation of cash interventions

At a minimum, all agencies implementing cash interventions should monitor the following:

- Number of people receiving cash
- How much money is being distributed to each household
- What are people spending the cash on?
- How accessible are the markets?
- Where are people buying key goods?
- What is happening to prices to the local market?
- Did people receive the right amount of cash?
- Were beneficiaries able to spend the money safely?

Further reading

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Useful websites

1. Famine Early Warning Systems Network (FEWSNET) website – <http://www.fews.net>
2. Food Security and Nutrition Analysis Unit - Somalia (FSNAU) website – <http://www.fsausomali.org>
3. Integrated Food Security Phase Classification (IPC) website – <http://www.ipcinfo.org>
4. Overseas Development Institute (ODI) website – <http://www.odi.org.uk>

ANNEXES

ANNEX 1: Compilation of minimum standards for cash interventions

Project cycle	Minimum standards
Assessment	<ul style="list-style-type: none"> • Conduct and document a needs assessment. • Conduct and document at least a rapid market assessment or ensure that you have adequate information from secondary sources to justify the appropriateness (or not) of cash interventions. • Assessments should be shared with other agencies <p><u>Needs assessments should include:</u></p> <ul style="list-style-type: none"> • What is the situation? • What is the impact of the shock on people’s livelihoods and their ability to access sufficient food and income? • How are people coping with the situation? • Who is most affected? How many people need assistance? • What assistance do they need? (remember that different population groups and different livelihood groups may need different assistance) • How long will they need this assistance? • What are other agencies doing? <p><u>Rapid market assessments should include:</u></p> <ul style="list-style-type: none"> • Is there is a market close to the beneficiaries? Or will there be any major costs to the beneficiaries for transporting goods back from the market? • Are the needed items available in markets close by or can local traders bring them in? • Are there seasonal issues with the supply of the required items? • Are the needed items available in sufficient quantity to meet the demand? • Can items be purchased by beneficiaries at a reasonable price? • Do beneficiaries have access to credit, in particular pastoralists and agricultural communities? • If you are planning on doing cash for work you also need to assess the local labour market - what the local skilled and unskilled labour rates are and what times of year is labour most in demand (and for what activities)
Planning and decision making	<ul style="list-style-type: none"> • Ensure that you have considered how urgent the beneficiary needs are – if needs are very urgent, it is not appropriate to implement a complicated intervention that needs time to design. • Ensure that you have considered seasonal issues and the appropriateness of the timing of the intervention. • Ensure that you have considered how to include the most vulnerable groups in the project. • Ensure that you have made adequate provision for the inclusion of women into the project. • Ensure that the value of the transfer is appropriate, based on the identified needs of the beneficiaries and the prices of items in the local market (or the local labour rate for a CFW project). If you are targeting basic needs make

	<p>sure you consider the cost of the minimum basket.</p> <ul style="list-style-type: none"> • Ensure that you have appropriate project duration and have decided on the frequency of payment in consultation with the beneficiaries. • Ensure that technical capacity is provided if doing cash for work to guarantee the quality of micro-projects
Implementation	<ul style="list-style-type: none"> • Ensure that you have designed the program with risk analysis in mind. Good programming can assist with mitigating and avoiding risks to both beneficiaries and staff. • Ensure that the community is involved in all stages of the project cycle. • Provide training to staff on cash programming and specific project implementation processes. • Hold a public meeting to discuss the objectives of the project, beneficiary selection criteria, entitlements and any other aspect of the project. • Use clear, easily verifiable selection criteria. • Work through a community structure (such as a committee or existing structure) to produce a beneficiary list. • Agency staff or local partners should verify a random selection of the beneficiary list to ensure good targeting. • Strongly consider using a local money transfer company rather than directly distributing cash. • Accountability mechanisms – feedback mechanisms and other aspects of accountability should be considered throughout project cycle. • Put measures in place for financial accountability. • Coordinate activities with other agencies working in the same location.
	<p><u>Targeting procedures should include:</u></p> <ul style="list-style-type: none"> • Targeting approach should be clear to community and to agency staff • Community participation → including open public meetings, meetings with trusted community members, as well as community leaders • Participation from local authorities/elders must be actively sought • Agencies should work together with a representative community committee or group of trusted individuals for beneficiary targeting, information sharing, feedback and complaints • Agencies should actively include minority and vulnerable groups • Meetings and information sharing should be transparent and open • Public meetings should be held with whole community to explain the project • Selection criteria for targeting should be developed with the community • Community representatives should prepare beneficiary lists based on selection criteria. • Verification of beneficiary lists should be done by project staff – including checking of inclusion of vulnerable groups and ensuring beneficiaries meet selection criteria • Accountability mechanisms should be in place to collect feedback information from the community (described ahead) <p><u>Developing selection criteria:</u></p> <ul style="list-style-type: none"> • Selection criteria should be developed together with the community • Clear criteria that can be easily verified. They must be easily understood,

	<p>measurable and easily verified (e.g. widowhood, number of children, number of livestock)</p> <p><u>The cash distribution method:</u></p> <ul style="list-style-type: none"> • Assess the possibility of working with a local hawala company (or using another third party such as a local trader or local businessman with financial capacity) rather than making direct payments. • Have a written agreement or Memorandum of Understanding with the money transfer company that specifies the responsibilities of both the agency and the money transfer company for the implementation of the project. <p><u>Accountability:</u></p> <ul style="list-style-type: none"> • Participation of beneficiary communities throughout project cycle • Provide clear information to communities about their entitlements and the duration of intervention • A procedure must be in place for discussion with the community if implementation problems arise • A clear feedback mechanism must be in place to receive complaints and suggestions from the community (beneficiaries, non-beneficiaries or other interested parties) • Clear record keeping of the finances for the project
Monitoring and evaluation	<p>At a minimum, all agencies implementing cash interventions should monitor the following:</p> <ul style="list-style-type: none"> • Number of people receiving cash • How much money is being distributed to each household • What are people spending the cash on? • How accessible are the markets? • Where are people buying key goods? • What is happening to prices to the local market? • Did people receive the right amount of cash? • Were beneficiaries able to spend the money safely? • CFW projects should monitor the quality of the micro-project/s
	<p><u>Information sharing with other agencies:</u></p> <ul style="list-style-type: none"> • Number of people receiving cash • How much money is being distributed to each household? • What is the situation in the local area and why is cash being provided?

ANNEX 2: Relevant SPHERE and SEEP Standards

SPHERE Minimum Standards for Disaster Response

Source: SPHERE Standards, Revised draft (2010)

Food assistance Standard 2: Cash and voucher transfers

Where appropriate, cash and vouchers are considered a response to address basic needs, and to protect and re-establish livelihoods, where goods and services are available in the local area but lack of income limits people's access to them.

Food security & livelihoods standard 1: Programming food security and livelihoods

People have access to adequate and appropriate responses in a manner that ensures their survival, prevents erosion of assets, builds resilience and upholds their dignity.

SEEP Minimum Standards for Economic Recovery

Source: SEEP (2009) Minimum Standards for Economic Recovery. SEEP Network

Common Standard 3: Support long term recovery - Immediate post-crisis programming can, and should, facilitate longer term recovery of markets and institutions

Common Standard 4: Inclusive and transparent program design and implementation

Common Standard 5: Use both direct and indirect mechanism to achieve impact on target populations

Common Standard 6: Coordinate efforts for greater impact

Common Standard 7: Build technically competent teams

Common Standard 8: Collect and apply learning

Assessment and Analysis Standard 1: Food security and livelihoods: Where people are at risk of food insecurity, programme decisions are based on a demonstrated understanding of how they normally access the food, how the markets are functioning, the impact of the disaster on current and future food security, and hence the most appropriate response.

Assessments and Analysis Standard 2: Assessments synthesize relevant information about affected households' livelihoods, market systems, and socio-political factors.

Assessments and Analysis Standard 4: Analysis of assessment data is timely, transparent, and relevant to monitoring and program decision needs.

Assessments and Analysis Standard 5: Results are disseminated to provide comprehensible guidance to appropriate decision makers.

Access to Assets Standard 1: Asset programming is conducted in a manner that facilitates long-term economic recovery, while taking into account issues of targeting, equity, transparency, and security.

- **Key Indicator:** Activities that provide assets assess the viability of the recipients' previous economic activity, the recipients' skills, technical capacity and priorities and the potential profitability of the economic activity to be supported as well as its environmental impact.
- **Key Indicator:** Programs assess potential risks to the physical security of beneficiaries, their assets, and resulting income, and take steps to address these risks before transferring assets.
- **Guidance Note:** Programs assess the potential impact on local markets when procuring and distributing assets

ANNEX 3: Minimum expenditure basket (food and non-food items)

Source: Food Security and Nutrition Analysis Unit for Somalia

** Please note that the basket is subject to revision as FSNAU conduct additional baseline surveys.

MINIMUM BASKET	SOUTH		CENTRAL/NORTH	
	Minimum Food (per household per month)			
	Urban Town	Rural Town	Urban Town	Rural Town
SORGHUM	95kg	95kg	95kg	95kg
W. FLOUR	3.75kg	3.75kg	3.75kg	3.75kg
SUGAR	5kg	5kg	5kg	5kg
V. OIL	4Lt	3Lt	4Lt	3Lt
MILK	15Lt	x	20Lt	x
MEAT	4kg	2kg	10kg	5kg
TEA LEAVES	0.5kg	0.5kg	0.5kg	0.5kg
SALT	1.5kg	1.5kg	1.5kg	1.5kg
COWPEAS	6kg	x	4.0kg	x
	Minimum Non-Food			
Kerosene	1.5Lt	1.5Lt	1.5Lt	1.5Lt
Soap (Laundry Bar)	4pcs	4pcs	4pcs	4pcs
Firewood (bundle)	30	x	10	x
Water (Jerican 20Lt)	5	5	5	5
Human Drugs (SoSh)	20,000	10,000	20,000	10,000
Grinding Cost	30kg	30kg	9kg	13kg
Clothes (SoSh)	30,000	30,000	30,000	30,000
School Fees (SoSh)	90,000	52,000	90,000	52,000
Social Tax (SoSh)	12,500	12,500	12,500	12,500
Other (SoSh)	30,000	30,000	30,000	30,000

ANNEX 4: The Principles of Humanitarian Accountability

The Principles of Humanitarian Accountability Source: HAP-I (2007) Humanitarian Accountability Standard	
Commitment to humanitarian standards and rights	Members state their commitment to respect and foster humanitarian standards and the rights of beneficiaries
Setting standards and building capacity	Members set a framework of accountability to their stakeholders. ¹ Members set and periodically review their standards and performance indicators, and revise them if necessary. Members provide appropriate training in the use and implementation of standards
Communication	Members inform, and consult with, stakeholders, particularly beneficiaries and staff, about the standards adopted, programmes to be undertaken and mechanisms available for addressing concerns.
Participation in program	Members involve beneficiaries in the planning, implementation, monitoring and evaluation of programmes and report to them on progress, subject only to serious operational constraints.
Monitoring and reporting on compliance	Members involve beneficiaries and staff when they monitor and revise standards. Members regularly monitor and evaluate compliance with standards, using robust processes. Members report at least annually to stakeholders, including beneficiaries, on compliance with standards. Reporting may take a variety of forms.
Addressing complaints	Members enable beneficiaries and staff to report complaints and seek redress safely.
Implementing partners	Members are committed to the implementation of these principles if and when working through implementation partners.

ANNEX 5: Example beneficiary registration form - 1

Source: Oxfam GB

Column Number

(1). (2). (3). (4). (5). (6). (7). (8)

H/h no.	Name of man/ husband	Name of woman/ wife	Names of dependents	Ages (M)	Ages (F)	Total in h/hold	Comments
	Hamisi Juma	Asia Meza	Asha Iddi		12	5	
			Ahmad Juma	8			
2	Edward Mangi	Stela Sheba	Mwanaidi Juma		5	3	
3		Mary Katesi	Ana Mangi	-	3		
			Evaule Mangi	9		3	
			Rephael Mangi	4			
4	Widow	Sarah Kapipi	Teresa Vita		18	4	
			Samson Vita	10			
			Patty Vita	4			
5	Daniel Kalabo		Peter Kalabo	12		3	
			Festo Kalabo	8			

H/h No.	Name of wife/ woman	Name of husband/ man	Children and dependents	Ages (M)	Ages (F)	Total in H/hold	Comments
	Ebei	Longole	Apuu Longole	6		4	
			Akai Longole	3			
2	Amuron	Kidewa	Ajikon Kidewa		10		
			Atir Kidewa		7		
			Napei Kidewa		3		
3	Midong	Kidewa	Mukoo Kidewa	5		2	
4	Lochom	Ekata	Losike Ekata	5		3	
5	Adirkingol		Asekon Nate		7	2	

The beneficiary registration form can provide different pieces of information such as:

- The total registered population by adding column (7)
- The total number of households by counting downwards the final serial number in column (1)
- Children under five years of age can be found by selecting from columns (5) and (6)
- Those eligible for NFI distribution that targets people above the age of 15 year by adding column (2 & 3) and selecting from columns (5) and (6)
- The final column (8) gives space for recording any additional information such as people with special needs, people with disability, the elderly, orphans, people with chronic illness or simply indicating the nature of vulnerabilities as per the agreed targeting criteria.

The second of the two examples in this format reverses the column for men and women, so that the woman is seen more easily as a household head. Since items are normally distributed to women, and it is their names, which are called out at the distribution, it makes sense for the woman's name to be listed first.

In this example, the women in households 2 and 3 are co-wives with their husband listed in both households, but counted only in the first household.

ANNEX 6: Example beneficiary registration form - 2



BENEFICIARY REGISTRATION FORM

Date/Tariikh:

Region/Gobolka.....

Village/Tuslo:

#	Name/	Female	Male	Age	Name of household head	Family size/	Land holding in Hectares				Residence/	Signature/ xariira
							<i>Lahaanshaha Dhaqaa - Hectares</i>					
	<i>Magaca</i>	<i>Dhadig</i>	<i>Lab</i>	<i>Da'ada</i>	<i>Magaca madama qoyaha</i>	<i>Tirada qoyaha</i>	Owned (in ha) <i>Leh</i>	Rented (in ha) <i>Ijaar/Kir</i>	Temporary use in (ha) <i>Isticmaal</i>	Total Wadar	<i>Deganaan</i>	
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												

ANNEX 7: Example complaints handling form

Source: Save the Children



Date/Time	Person calling	Contact No.	Location	Complaint	Receiver of complaint	Action required	Date completed

ANNEX 8: Example market monitoring form



SOCIAL SAFETY NET PROJECT

Sanaag & Karkaar Regions, Somalia

Date	
Name of data collector	
Region	
District	
Name of market	

Item	Quantity	Currently available in the market? (tick if available)	Price (SoSh)
Maize	50kg		
	1kg		
Rice	50kg		
	1kg		
Sorghum	50kg		
	1kg		
Wheat flour	50kg		
	1kg		
Sugar	50kg		
	1kg		
Vegetable oil	1 Litre		
Milk	1 Litre		
Meat (goat)	1 kg		
Milk powder	1 kg		
Cowpeas	1 kg		
Tea leaves	1 kg		

Salt	1 kg		
Item	Quantity	Currently available in the market? (tick if available)	Price (SoSh)
Kerosene	1 Litre		
Soap (Laundry Bar)	1 piece		
Firewood	1 bundle		
Charcoal	1 sack (50kg)		
Water	Jerri-can 20Lt		
Grinding Cost (of cereals)	Per kg		

Livestock prices

		Currently available in the market? (tick if available)	Price (SoSh)
Camel	Local		
	Export quality		
Cattle	Local		
	Export quality		
Goat	Local		
	Export quality		
Sheep	Local		
	Export quality		
Dry fish	1 kg		
Fresh fish	1 kg		

Daily labour rate (unskilled labour)	
Exchange rate USD/ SoSh	

ANNEX 9: Example Service Contract with Money Transfer Company

Source: Horn Relief



SERVICE CONTRACT

BETWEEN

AND HORN RELIEF

FOR

XXX PROJECT

PREAMBLE

This service contract is entered into between XXX represented by XXX, situated at XXX District of XXX region hereinafter referred to as **the Contractor**; and

Horn Relief represented by the Executive Director, situated at Mijikenda Road, off Olenguruone Road, Lavington, Nairobi, Kenya and P.O. Box 70331-00400, Nairobi, Kenya hereinafter referred to as **Horn Relief**.

WHEREAS, the Contractor and Horn Relief stand for and actively uphold the Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief;

WHEREAS, the Contractor and Horn Relief have realized that the above-mentioned values can be effectively upheld throughout the project entitled **XXX Project** hereinafter referred to as the Project;

WHEREAS, each party has agreed to collaborate for the realization of the Project; and

Therefore, this contract is entered into on the terms and conditions stated hereunder.

1. OBJECTIVE OF SERVICE CONTRACT

1.1 The Contractor and Horn Relief to endorse the contract as the instrument, which will establish and clarify the partnership of the two parties to achieve the goal and objectives of the project.

1.2 To ensure the full coordination of a humanitarian response in the form of cash relief and cash for work to the vulnerable communities in XXX region; the Contractor has agreed to undertake specific activities for the implementation of the project.

2. RIGHTS AND OBLIGATIONS OF THE CONTRACTOR

The Contractor agrees to execute the project under the following Terms and Conditions.

2.1 Deposit an amount of **USD XXX** in a bank account to be given by Horn Relief as a cash security guarantee.

2.2 Make all payments to intended recipients as, when and where required in the agreed currency and notes.

2.3 To serve the most destitute and vulnerable people as determined by Horn Relief and the Local Authorities despite clan affiliation.

2.4 Provide a full account of payments made at the end of each month; with the necessary supporting documents (Monthly statement, Copies of Signed payroll and Signed payment receipts).

- 2.5 Provide the required personnel and ensure that the necessary security, logistics (vehicle, driver and fuel) and communication (thuraya or mobile) arrangements are taken care to ensure that the beneficiaries are paid on time and in a secure environment.
- 2.6 To print receipt books for the payments in triplicate (3 copies) in which one copy is provided to the beneficiary, one copy to Horn Relief and a copy is kept by the contractor for their records. A sample of the receipt books to be printed will be provided by Horn Relief to the contractor and the contractor must ensure to comply with this sample.
- 2.7 To indemnify Horn Relief against any cash loss that may arise during the transfer, transport and/or distribution of the cash, and to make good of any such losses. In such instance, the Contractor is fully responsible for returning all lost or stolen funds to Horn Relief within a period of 30 days from the time in which the incident has occurred.
- 2.8 To carry out the project cash distributions with due diligence and efficiency.
- 2.9 To be responsible for the security of the funds and provide security, at own expense, during all payment periods on site of payment and provide for reasonable security in the movement of all funds between locations.
- 3.0 Not to engage in payment of any beneficiaries without the presence of the designated Horn Relief staff person on location, or without the permission of a Horn Relief staff person.
- 3.11 To ensure payment lists of beneficiaries and payment instructions from Horn Relief are diligently adhered to.
- 3.12 If the Contractor, for any reason or due to any act of God, is compelled to discontinue the activities covered under this contract, the Contractor shall return any unspent amount from the Project to Horn Relief along with a full financial report of all funds spent.
- 3.13 The Contractor shall dedicate a suitable number of employees to the management of the Project. Employees engaged by the Contractor for the implementation of the Project will be under the sole employment of the Contractor without any legal relationship whatsoever with Horn Relief. Horn Relief will be exempt of any claims, damages, expenses or costs incurred by the Contractor employees.
- 3.14 Horn Relief will be exempt of any claims, damages, expenses or costs incurred by third parties or sub-contractors used by the Contractor during the implementation of the Project.
- 3.15 Where any billboards are constructed or signs erected or displayed, the Contractor shall give due credit to Horn Relief and donor.
- 3.16 To comply fully with the terms and conditions of the contract.

3. RIGHTS AND OBLIGATIONS OF HORN RELIEF

- 3.1 Horn Relief through authorized representatives has the right to visit the project area in order to hold discussions with the Contractor on project related concerns. Horn Relief will stay fully informed on the progress of the activities.
- 3.2 Horn Relief shall cooperate with the Contractor according to the signed contract.
- 3.3 Horn Relief shall transfer periodic installments not to exceed the cash guarantee amount of USD 216,000 at any one time to the Contractor in advance of agreed upon distribution dates. The final payment will not be made to the contractor until Horn Relief has fully verified all the payment documentation provided by the Contractor.
- 3.4 Horn Relief shall provide to the Contractor a list of the recipients including details pertaining to their identity, location and amounts payable.
- 3.5 Horn Relief shall pay a commission of 6% on all transfers for the services provided by the Contractor in regards to the distribution of cash to the beneficiaries of the Project.
- 3.6 The Contractor will be paid in USD from Horn Relief Bossaso office. Funds will be transferred to the Contractor's account. The Contractor will acknowledge the receipt of payment by issuing an official receipt to that effect as required by Horn Relief.
- 3.7 The Contractor shall make payments to the beneficiaries in accordance to the instruction and the monthly payroll provided by Horn Relief and in accordance with the terms and conditions of this contract.
- 3.8 Horn Relief will not reimburse any additional expenses in excess of approved amounts released to the Contractor.

3.9 The Contractor is fully responsible for the use of funds once funds are received from Horn Relief.

3.10 The contract duration will be for **XXX months beginning on XXX and ending on XXX.**

4.0. TERMINATION

4.1 This Contract will automatically terminate with immediate effect on the Termination Date.

4.2 Notwithstanding clause 5.1 above, this Contract may be terminated by Horn Relief or by the Contractor giving to the other not less than 14 days notice in writing.

4.3 Horn Relief shall also be entitled to terminate this Contract at any time if it reasonably believes that there has been a fundamental or serious breach of this Contract by the Contractor.

4.4 Horn Relief shall also be able to terminate this Contract at any time if in its reasonable opinion any activity by the Contractor is likely to bring Horn Relief into disrepute.

4.5 Horn Relief shall also be able to terminate this Contract at any time up to the Termination date if an event occurs which makes the start or continuation of the Services impossible. This may include (but is not limited to) conflict, floods, hurricanes, any action of man or an act of God (a "termination event"). Such a termination event will be determined at the absolute discretion of the Commissioning Managers.

4.6 The Contractor will not at any time after the Termination Date represent her or himself as being in any way still connected with Horn Relief.

5.0 GOVERNMENT LAW AND LANGUAGE

5.1 This Contract shall be governed by and in accordance with the laws of Kenya, and shall be subject to the non-exclusive jurisdiction of the Kenyan courts.

5.2 For the purpose of this Contract, English shall be considered the applicable language.

6.0 VARIATIONS

6.1 No variations to this Contract shall be valid unless in writing and signed by or on behalf of both parties.

7.0 NOTICE

7.1 All notices under this contract will be given in writing and will be deemed to have been properly submitted when delivered by one of the following means: personal delivery to the designated representative; by e-mail with notification of receipt; and by registered mail at the specific designation of the parties as set forth below:

8.0 SIGNATURE

9.1 The following signatures are a representation of all parties understanding and commitment to the aforementioned roles and responsibilities. This contract comes into effect upon signature by all parties below.

Representative from Horn Relief:

Representative from XXX:

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____