



Cash and Vouchers Manual

SECOND EDITION 2014



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Acknowledgements

This second edition of WFP's Cash and Voucher Manual was developed with the active contribution of a number of Headquarters' divisions and offices as well as regional bureaux and country offices. These include:

- Budget and Programming
- Common Logistics Services
- Communications
- Emergency Preparedness and Support Response
- Field Security
- Finance and Treasury
- Gender Office
- Government Partnerships
- Information Technology
- Legal Office
- Office of Evaluation
- Nutrition
- Partnership and Advocacy Coordination
- Performance Management and Monitoring
- Policy and Programme
- Supply Chain
- Bangkok Regional Bureau
- Cairo Regional Bureau
- Dakar Regional Bureau
- Johannesburg Regional Bureau
- Nairobi Regional Bureau
- Panama Regional Bureau
- Country Offices

All contributions are gratefully acknowledged.

Foreword

Today, WFP leads the global food assistance response. At the heart of the response, WFP is committed to excellence no matter the transfer modality deployed, be it in-kind food, cash, vouchers or a combination of all three. It is in the spirit of this commitment that we are pleased to publish the second edition of WFP's Cash and Vouchers Manual.

Over the past five years, WFP's use of cash and vouchers has grown rapidly, across crises, geographical areas, affected populations and economies. Furthermore, with the reaffirmation of WFP's corporate strategy, as outlined in the Strategic Plan 2014–2017, this trend is expected to continue in the coming years.

This new edition of the Cash and Vouchers Manual captures the latest corporately endorsed business processes and procedures, providing the most up-to-date tools (i.e. analytical, assessment, monitoring) that have been developed through close intra-departmental collaboration between Headquarters divisions, in particular Resource Management and Accountability and Operations Services, and substantive contributions from regional bureaux and country offices.

The revision and update of the Cash and Vouchers Manual is an important part of a wider effort to support country offices in gaining the skills and knowledge to choose the transfer modality(ies) that best fit(s) the intervention's context and objectives. Other parts of this effort include the roll-out of face-to-face cash and vouchers training to country office staff, the launch of multifunctional e-learning modules that staff and partners can use on demand, as well as the development of a cash and vouchers website that will contain even more resources for the use by country offices.

As WFP strives to meet the needs of the people it serves with the most effective support, we will continue to develop and update resource materials, reflecting the progress the organization is making in its innovative delivery of food assistance in an ever-changing world.



Ramiro Lopes da Silva
Assistant Executive Director
Operations Services

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i. About this manual

PREFACE - NOTE TO MANAGEMENT

The Business Process Model

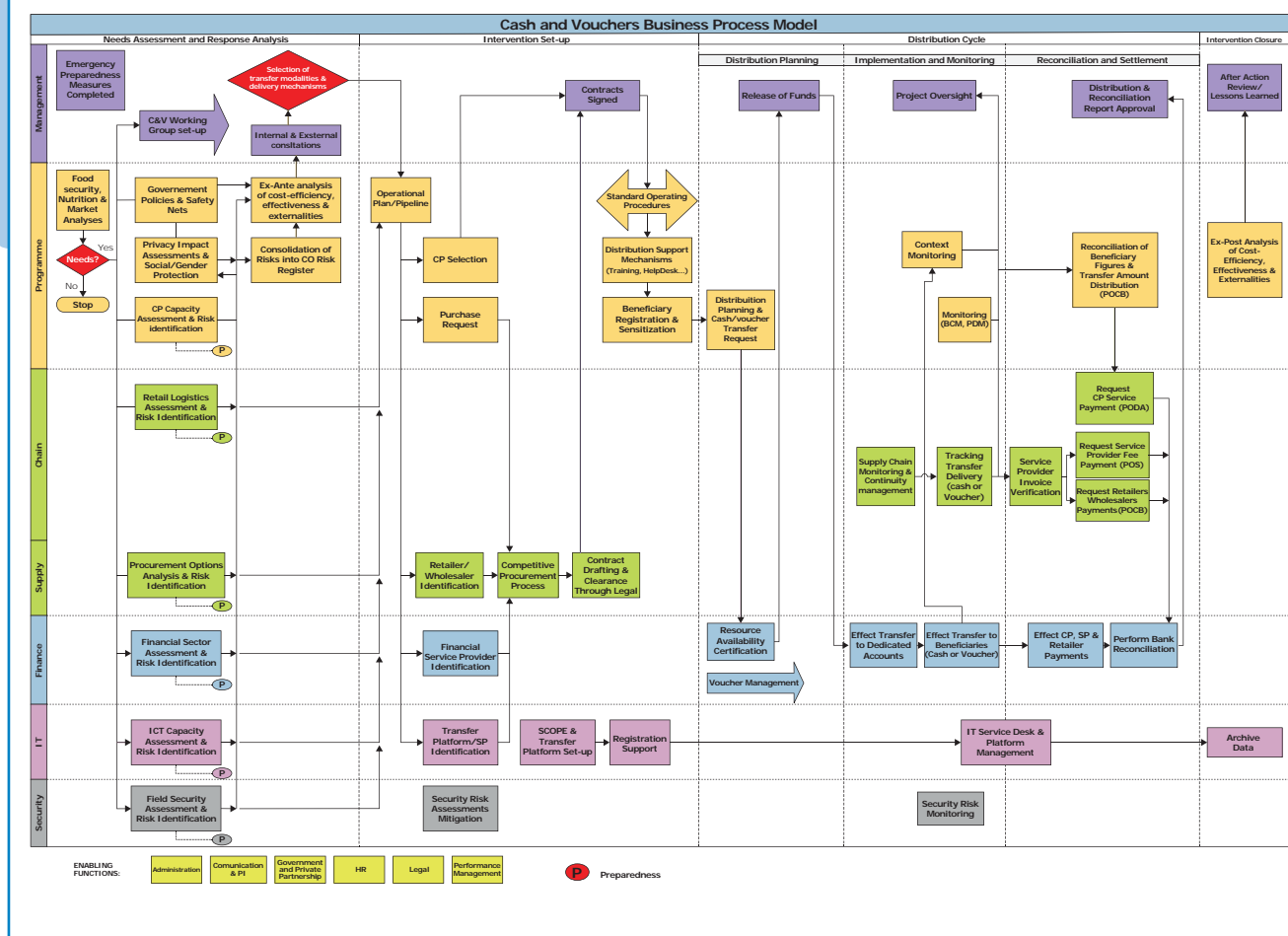
The revised [Business Process Model \(BPM\)](#), endorsed by the WFP Cash and Voucher Steering Committee in 2014, guides the set-up and implementation of cash and voucher (C&V) programming at the country office level, clearly defining the roles and responsibilities of all involved units – including Management, Programme, Logistics and Procurement (Supply Chain), Finance, IT and Security – throughout the four stages of the operation. The BPM draws strongly on WFP’s growing experience with C&V programming in the field, and integrates best practices from country offices with transparency requirements and adequate segregation of duties.

This manual follows the structure of the BPM to provide comprehensive guidance to all country office units involved in C&V programming during the needs assessment and response analysis, intervention set-up, distribution cycle, and intervention closure stages.

Purpose

In September 2014, a new corporate [Business Process Model \(BPM\)](#) for C&V programme implementation was endorsed by the Cash and Voucher Steering Committee as the business model guiding WFP’s C&V operations at the country level. The new BPM draws significantly on WFP’s growing experience with C&V programming in the field, and integrates best practices from the field with transparency and adequate segregation of duties, clearly assigning roles

Figure 1: C&V Business Process Model



and responsibilities during the **needs assessment and response analysis**, the **intervention set-up**, the **distribution cycle** and the **intervention closure** phases to the different units in a country office. This manual, together with the [Responsible/Accountable/Consulted/Informed \(RACI\)](#)¹ matrix, builds and expands on the corporate BPM, defining corporate safeguards, standards and procedures to guide transfer modality selection and the use of cash and/or vouchers in WFP food assistance programmes throughout the project cycle from needs assessment, response analysis and design, to implementation and evaluation. It refers the reader to models, tools and templates that should be used at each specific step.

This manual is divided into four main sections:

Section A covers the needs assessment and response analysis processes for selecting the most appropriate transfer modality and subsequent response design processes.

Section B covers the intervention set-up processes for selecting the most suitable delivery mechanism, selecting and contracting WFP's partners and service providers, and establishing the standard operating procedures.

Section C covers the implementation processes for distributing the transfer, monitoring the assistance delivery and effect, as well as the procedures for reporting and reconciliation.

Section D covers the evaluation processes with regard to the transfer modality choice, its rationale, and its effectiveness in achieving the objectives of the programmes.

Even though this manual seeks to comprehensively cover all the different aspects that intersect with C&V programming, from the needs assessment to the intervention closure stage, it should be used in conjunction with other WFP guidance (refer to the Programme Guidance Manual – PGM – and other references included in the manual).

Audience

The transfer modality selection process, the intervention set-up and the implementation of a cash-and/or voucher-based project are multifunctional processes.

Consequently, this manual is aimed at:

- All WFP staff in all functions and units at country offices, regional bureaux and Headquarters level. This includes Management, Programme – including Vulnerability Analysis and Mapping (VAM) and monitoring and evaluation (M&E) – Logistics and Procurement (Supply Chain), Finance, Information Technology (IT) and Field Security, as well as enabling functions, including Administration, Communications and Public Information, Government and Private Partnerships, Human Resources, Legal Office, Resource Management and Performance Management.
- Regional bureaux and Headquarters staff who are part of the review and approval process (project documents, contract agreements, etc.) for projects using cash and/or vouchers and who are involved in the evaluation of such programmes.
- Potential cooperating partners and United Nations sister agencies, in order for them to understand WFP tools and internal procedures in the operational use of these transfer modalities.

¹ The RACI matrix is an integral part of this manual and clearly defines which unit is responsible, accountable, consulted and informed during each of the processes and sub-processes identified in the business model.

Vision: Transfer Modality is a Choice

A transfer modality is a mode for distributing resources; it is a means, not an end.

With the institutional shift from food aid to food assistance, WFP now has three distinct transfer modalities for distributing resources to target beneficiaries:

- Food in kind (in-kind contribution and/or procured)
- Vouchers
- Cash

Choosing the right transfer modality or a combination of modalities should be based on **appropriateness**, i.e. on their comparative advantages in meeting beneficiary needs and achieving programme objectives in a cost-efficient and effective manner. Whichever modality is used (in-kind food, vouchers, cash, or a combination), programmes, projects and activities must be consistent with WFP's mandate and strategic framework.

Cash and vouchers, together with food, provide WFP with additional flexibility in responding to hunger and nutrition issues, and allow the organization to tailor a food assistance response to the needs of beneficiaries – including those with special needs – and their contexts (i.e. what is possible, acceptable and/or feasible in a given situation), facilitating their access to available food in the local markets.

A **combination** of transfer modalities can potentially mitigate the negative impacts of any one modality when used on its own (see Box 1).

Box 1: Examples of transfer modality combinations and timely phasing of modalities

Children receive corn soya blend in kind, while their parents receive vouchers and cash to cover family food needs.

According to market availability, it may be more suitable to distribute staple foods in kind and to complement this with a voucher to purchase fresh food items, such as meat, fish, dairy, vegetables and fruits, to promote a balanced, diversified and nutritious diet.

An example of smart programming involving transfer modality alternation is when a planned shift is made from cash and/or voucher transfers to in-kind food distributions during the lean season when prices are high due to low supply and increased demand.

Approach to Programming

The basic principles and approaches of WFP's needs assessments, response analysis and project design remain unchanged with the introduction of cash and vouchers. Detailed assessment must always be completed to identify the impact of the shock and beneficiary needs.

The diversification of transfer modality options requires: (i) a systematic analysis of markets to determine suitability of a market based response; and (ii) a better understanding of the context through a series of sectoral capacity assessments. These will identify what is possible and feasible in a given context, and what is acceptable for beneficiaries in order to ensure that the chosen transfer modality is the most appropriate option.

ii. Concepts

Transfer Modality

A transfer modality is the mode in which assistance is transferred to targeted beneficiaries. For WFP, this can be in-kind food, vouchers and/or cash (see Box 2). A transfer modality is a means; it is neither a project nor an objective per se.

Box 2: Transfer Modality

Cash transfers

A cash transfer is monetary assistance in the form of physical cash or electronic disbursement to a targeted individual or household that enables direct access (or access through a cooperating partner, host government and/or a service provider) to food from the marketplace.

Voucher transfers

A voucher transfer is assistance to a targeted individual or household in the form of a paper or electronic entitlement redeemable at preselected retailers or at specifically organized fairs for a predefined list of commodities, but not for cash. Retailers where vouchers can be redeemed are selected and contracted by WFP or its partners based on specific selection criteria [B.3.2.2].

The two main types of vouchers are:

Commodity voucher, which is redeemed for fixed quantities of specified foods. The value of this voucher is expressed in quantities of food.

Value voucher, which is redeemed for a choice of specified food items with the equivalent cash value of the voucher. The value of this voucher is expressed in monetary terms.

NOTE: In some cases, beneficiaries are allowed to receive cash in return for value vouchers (cash back) to enable beneficiaries to purchase fresh food (not available at the contracted retailers) in the open market. The country office should define the maximum amount.

Food in-kind transfers

An in-kind food transfer is assistance to a targeted individual or household in the form of dry or wet rations (cooked meals).

Distribution Models

For cash and/or voucher transfer modalities, which rely more on different commercial and technological solutions available on the market, compared with food distributions, different delivery mechanisms and instruments can be used to provide food assistance. Although they are different in every country where WFP operates, they can however be grouped into four distribution models: immediate cash, cash account, paper voucher and electronic voucher (see also Figures 2 and 3).

Cash distribution models

Immediate cash: Cash is made immediately available to beneficiaries via direct delivery (e.g. on working site) or via collection from an agent or bank counter. In both cases, beneficiaries are not required to open an account.

Cash account: Cash is distributed through accounts that beneficiaries have opened with a selected financial service provider. There can be as many accounts as targeted families or, in other circumstances, one account can be used by a group of beneficiaries. In both cases, individuals will have several alternatives to access cash, e.g. at the bank counter, with automated teller machine (ATM) cards and cell phones.

Figure 2: Cash Distribution Models

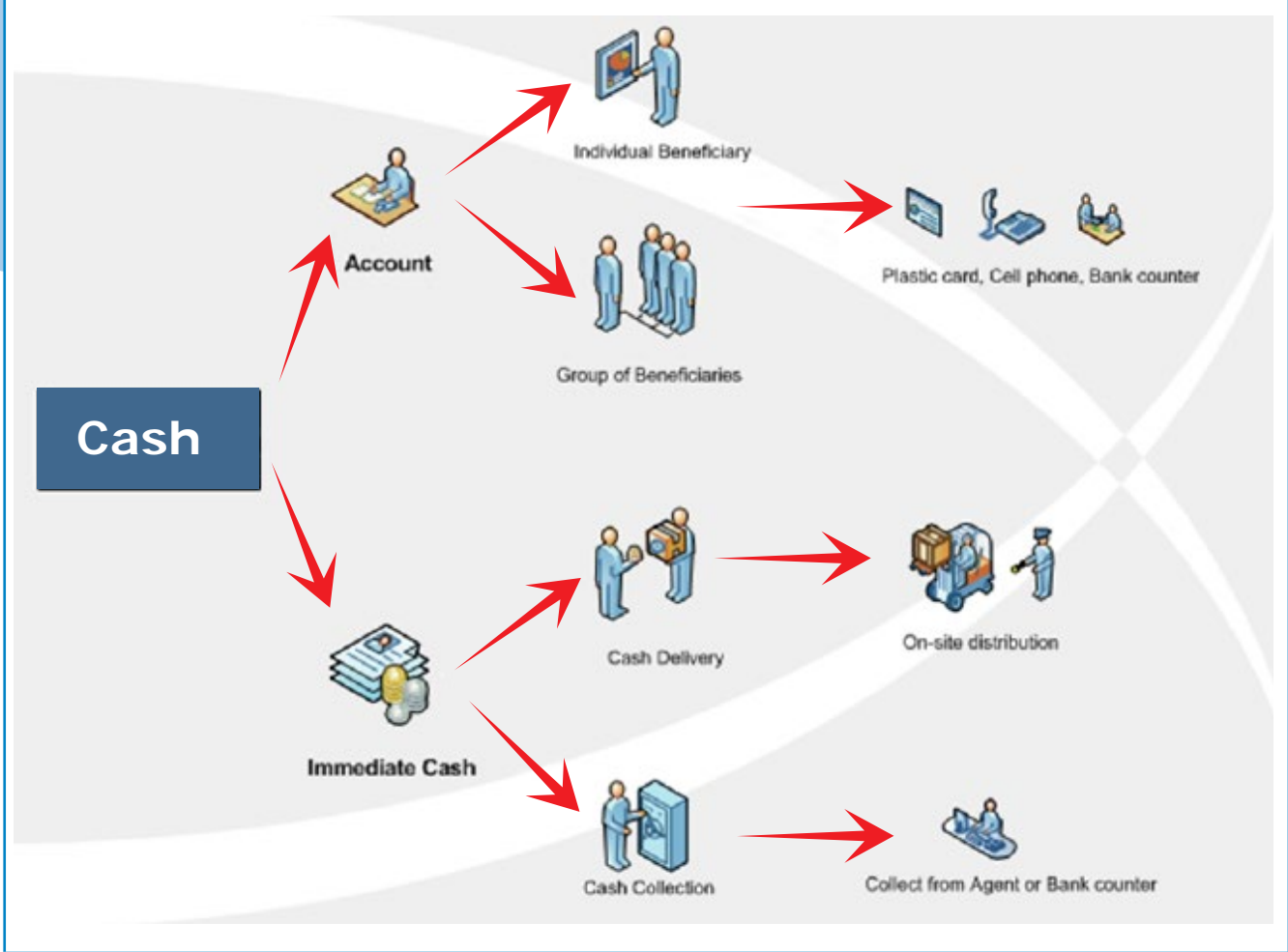
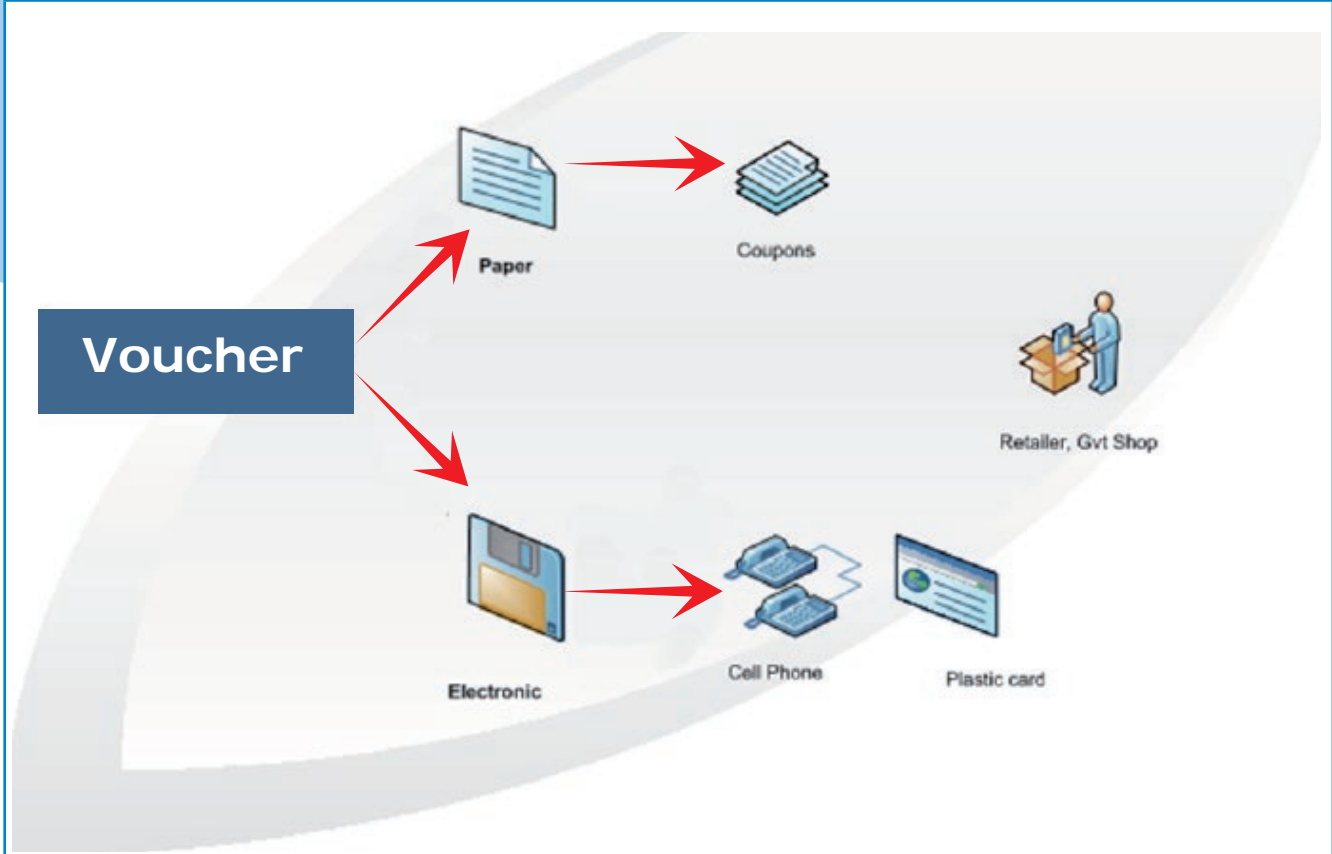


Figure 3: Voucher Distribution Models



Voucher distribution models

Paper voucher: The beneficiary receives paper coupons and/or a scratch card that has a commodity or monetary value and that can be exchanged at contracted retailers or at specifically organized fairs. Both cash and commodity vouchers can be exchanged for items or services, but not for cash. Paper vouchers are distributed on a monthly basis and have a predefined validity period.

Electronic voucher: Electronic vouchers (e-vouchers) carry information on the monetary value of assistance or items and quantities they can be exchanged for on a barcode, a magnetic band or microchip on the card, or by short message service (SMS). Electronic voucher instruments (bank card, cell phone, SCOPECARD, etc.) are issued to beneficiaries only once, whereas their redemption value or quantity is credited remotely at predefined temporal intervals.

Delivery Mechanism

For each of WFP's distribution models, a number of different delivery mechanisms can be employed to transfer the food assistance to the beneficiaries, depending on the type of services, infrastructure and beneficiary preferences available in the context of the operation. The delivery mechanisms can range from physical delivery at the community level to establishing cash collection points, paying cash into a bank account, or transferring cash or voucher values through more sophisticated electronic solutions (Box 3).

Box 3: WFP Tools for food assistance		
Transfer modality	Distribution model	Delivery mechanism
Cash Transfers	Immediate Cash	Cash Collection
		Cash Delivery
	Cash Account	Individual Bank Account
		Group Bank Account
		Bank Card /Pre-Paid Cards e-money
Voucher Transfers	Paper Vouchers	Paper Vouchers
		Scratch Cards
	E-vouchers	Bank Card/Pre-Paid Cards
		SMS/e-transfers SCOPECards
Food in-kind distribution	Distribution of Food Rations	

Delivery Instrument

The delivery instrument is the item or the items needed to physically make the cash or voucher transfer happen. Examples of instruments include a mobile phone, a paper coupon or a plastic card.

Conditionality

Box 4: Conditionality terminology²

Unconditional assistance:

Unconditional assistance makes no reciprocal demands on beneficiaries.

Conditional assistance:³

Conditional assistance imposes requirements on beneficiaries, such as participation in work, training, attending school, and adhering to health treatment (requirements must not include monetary contribution nor repayment from the beneficiary). The transfer, whichever its modality, is given after recipients have performed some task or activity as a qualifying condition of receiving the assistance.

Labour/training conditionality

WFP's conditional transfers are usually made in return for participation in work or training (e.g. food assistance training/asset creation activities).

Food assistance for assets (FFA) activities are intended to directly help beneficiaries as well as support the wider community through the outputs of the labour.

Behavioural change conditionality

Assistance can also be used to encourage or influence behaviour change (e.g. following health advice or treatment, attending nutritional education classes or sending children to school).

² This terminology applies to all transfer modalities.

³ Cash Learning Partnership and some non-governmental organizations categorize conditionality as: (i) qualifying conditions (work, attendance to school/medical checks, etc.); and (ii) use conditions (food, education, non-food items).

PART A

NEEDS ASSESSMENT AND RESPONSE ANALYSIS

WFP/AmJad Jamal

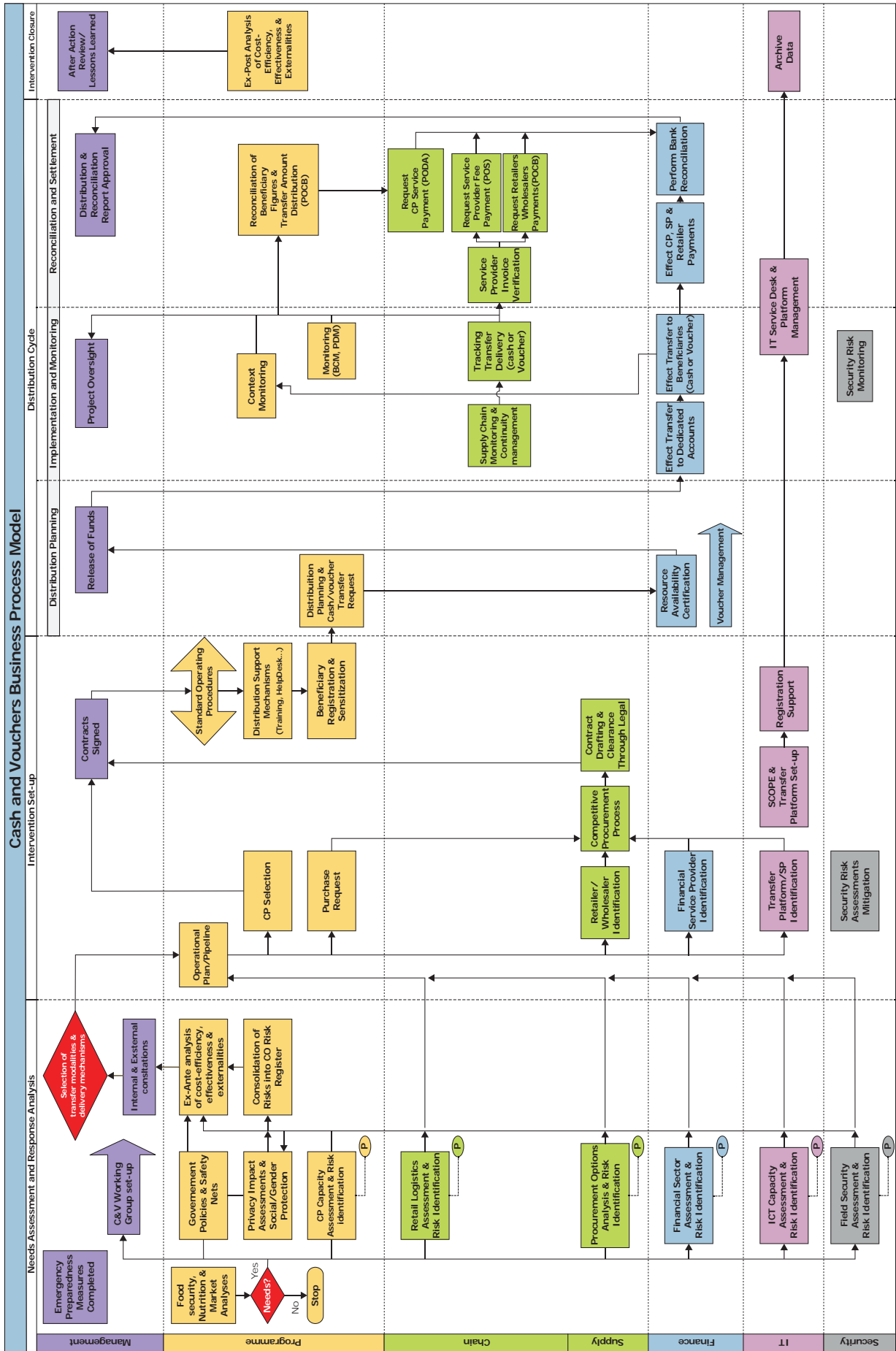


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Figure 4: The Business Process Model



- ENABLING FUNCTIONS:
- Administration
 - Communication & PI
 - Government Partnership
 - HR
 - Legal
 - Performance Management
- Preparedness

The C&V Working Group

The management of the country office is responsible for establishing the C&V cross-functional working group. The establishment of this coordination body is of fundamental importance, especially during the early stages of introducing cash or vouchers as a transfer modality to a country office's portfolio, as each unit will have new tasks and responsibilities to be added to its respective "usual business", as visualized in the BPM. The coordinated implementation of C&V related tasks will increase the probability of success and the smooth roll-out of cash and/or voucher programming.

The group should include at least one representative from the Programme Unit; one representative from the VAM Unit; representatives from the Supply Chain (one representative from the Logistics Unit and one representative from the Procurement Unit); one representative from the Finance Unit; one representative from the IT Unit and one security officer or focal point.

It is the decision of the country office management to include staff from other functional areas, such as representatives from Communications/Reporting, Donor Relations, Resource Management, Administration and others. In small country offices where staff is limited, one member of the group may represent more than one unit; however, it is important that she or he is able to cover all responsibilities and that appropriate segregation of duties is ensured.

The C&V Working Group is nominated by the country office management (the Country Director or Deputy Country Director) and ideally chaired by the Deputy Country Director (DCD). If no DCD exists at the country office, this coordination role may be assigned to the Head of Programme or to the head of another unit as decided by the Country Director. The C&V Working Group should meet regularly and the meetings should maintain an operational focus.

The purpose of this group is to ensure that all units are equally informed and involved in the planning, set-up and implementation of a cash- or voucher-based operation, that all units are aware of their respective roles and outputs, and that each unit fulfils its responsibilities within the agreed timeframes, since the actions and outputs of other units are often dependent on the compliance of others. The C&V Working Group should orient its tasks and outputs according to corporate guidance and tools and seek technical advice with relevant focal points at regional bureau and Headquarters as necessary.

Cash and Vouchers in Emergency Preparedness

Aligned with the Joint Directive OM2014/003 Action Oriented Preparedness, Readiness and Response, preparedness for C&V programming is integrated into the Emergency Preparedness and Response Package and is therefore to be considered as a **mandatory routine exercise**.

Box 5: Cash, vouchers and emergency preparedness

As of 2015, cash and voucher programming is fully integrated into the WFP corporate Emergency Preparedness and Response Package, including the **Minimum Preparedness Actions (MPAs)**, **Emergency Readiness Actions (ERAs)** and **Standard Operating Procedures (SOPs)**.

Standard actions to comply with the **MPAs** for a potential C&V emergency response include the completion of mandatory market, policy and sectoral assessments; cost-efficiency and effectiveness analysis; establishment of a roster for cooperating partners and service providers; training of staff; and preparation of the standby agreements with potential partners and service providers.

Standard actions to comply with the **ERAs** for a potential C&V emergency response include to update the multisectoral assessment, and to update the different rosters for service providers.

Standard actions to comply with the **SOPs** for a potential C&V emergency response include activate agreements with cooperating partners and service providers, validate that results of market and sectoral assessments still hold true, and start the operational arrangement for the launch of cash and voucher interventions.

It is the responsibility of the country offices' management to ensure that minimum preparedness actions, emergency readiness actions and standard operating procedures are in place and include all necessary elements for making and informed decision about the most appropriate transfer modality in case of an emergency.

Corporate MPA, ERA and SOP checklists and more detailed guidance on emergency preparedness, including C&V, can be accessed at the [OPweb under Preparedness Planning](#).

SECTION A

NEEDS ASSESSMENT AND RESPONSE ANALYSIS

This section of the manual covers the steps that a country office must undertake to:

- determine whether there is a need for WFP to intervene with a food security response in a country or region;
- gather and analyse the necessary data to make an informed decision about the most appropriate transfer modality for the specific context;
- identify the risks associated with the use of C&V for each sector (market, supply chain, finance, IT, etc.);
- conduct the cost-efficiency and cost-effectiveness analysis of transfer modalities;
- select the most appropriate transfer modality in the given circumstances;
- assign clear roles and responsibilities to each unit during the needs assessment and response analysis phase.

The Needs Assessment and Response Analysis section contains guidance for all units, including Management, Programme, Supply Chain (Logistics and Procurement), Finance, IT and Security. While all units should have an understanding of the overall business model and processes, individual chapters may be more relevant to some units than others.

A.1 Transfer Modality Selection

Consistent with the established [WFP Programme Design Framework](#), the Business Process Model sub-processes illustrated in Figure 5 outline the evidence-based decision-making process to select the most appropriate transfer modality(ies). The information and analysis requirements listed under each sub-process are aligned with corporate practices in general and with programme Directive OD2011/004 issued in December 2011 and are therefore **mandatory**. These requirements are not limited to cash and vouchers.

 [Programme Directive OD2011/004](#), paragraph 2.2

Given the many drivers influencing markets and the often rapidly evolving contexts, country offices must conduct and regularly update needs, market and sectoral

assessments. The regularity of updates will depend on the specific context of each country office, but it is recommended that at least the rapidly changing indicators are updated on a yearly basis, or whenever a country or region is exposed to a shock. Country offices may use primary, secondary or a combination of primary and secondary data sources for this purpose, as long as the quality of secondary data sources is satisfactory. All sources used must be clearly referenced in the assessments, including date, geographic area, scope, and responsible institution or author.

Stage 1 - Needs Assessment Process

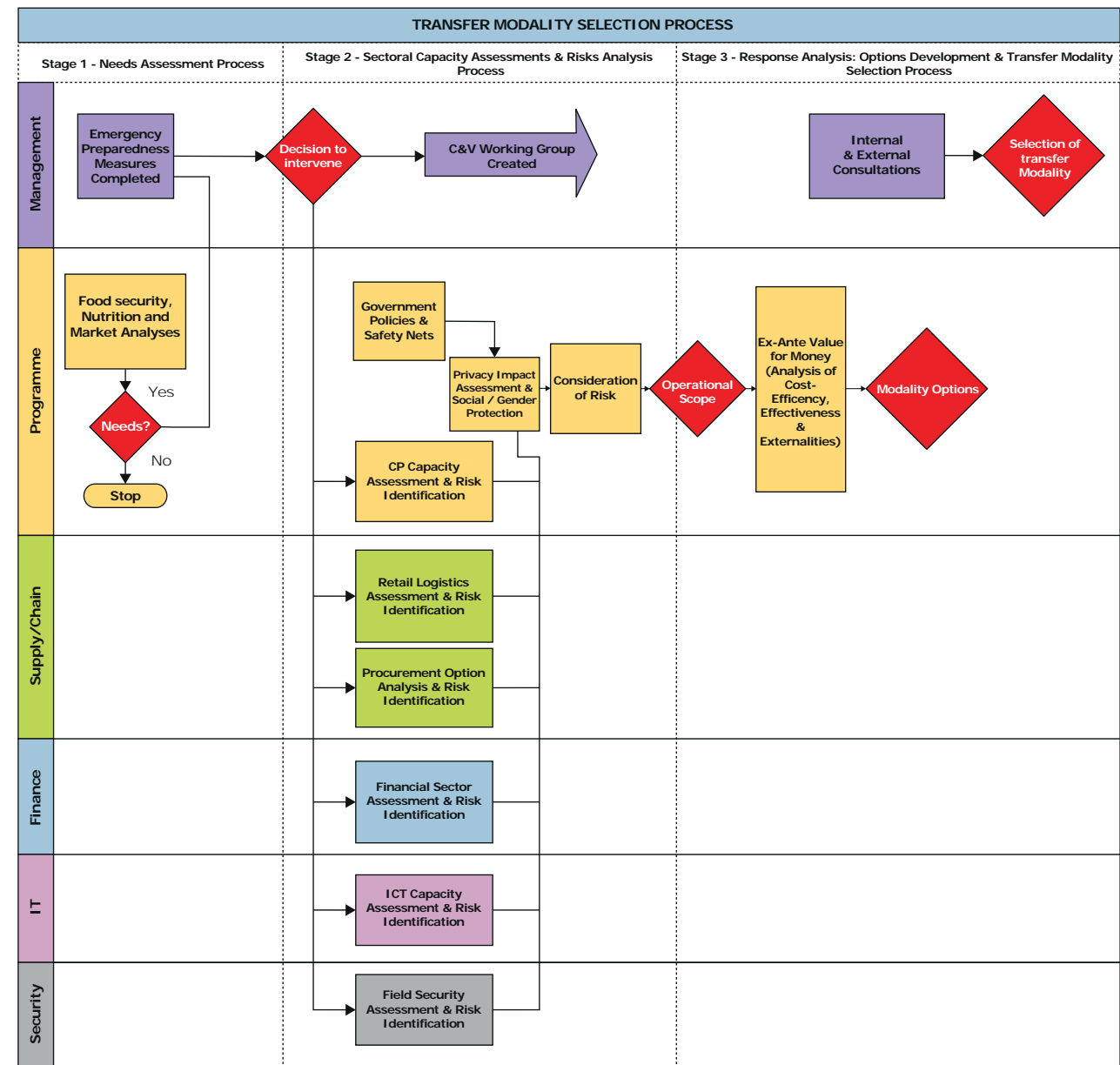
The needs assessment process includes activities to analyse household food and nutrition security as per WFP standard. Through this process, basic information on geographic and household targeting, estimation of beneficiary numbers and their profile is captured. The needs assessments also contain a market assessment component, which evaluates the functioning and trends of food and labour markets, including their regional integration, supply chains, capacity to respond to an increase in demand, the availability and quality of the food accessible at reasonable and stable prices, and the opportunities for beneficiaries to access them safely.

This phase supports WFP's decision to intervene in any given context in order to address identified needs and determine the suitability of a market-based response option. Once this step is completed and a need for WFP to intervene is identified, a C&V working group must be set up at the country office level in order to undertake the following planning and implementation steps in a coordinated manner.

Stage 2 - Sectoral Capacity Assessments and Risk Analysis Process

The first task of the C&V Working Group is to coordinate the timely implementation of all sectoral assessments and help draw conclusions. The data captured through the sectoral capacity assessments, including the cooperating partner capacity; financial sector capacity; logistics retail assessment and procurement options analysis; information and communications technology (ICT) sector capacity; and field security risk informs WFP of what is operationally feasible with respect to the various transfer modality options,

Figure 5: Transfer modality selection process



while identifying related operational risks and associated mitigating measures.

At this stage and under the responsibility of the programme, information on context suitability according to government policies and safety-net analyses, beneficiaries' acceptance and willingness to participate in modality-specific activities, and privacy/social protection considerations should also be factored into the decision-making process.

Stage 3 - Response Analysis: Options Development and Transfer Modality Selection Process


This includes: (i) the development of several


transfer modality options (encompassing the calculation of related entitlements); (ii) the comparison of these options in terms of cost-efficiency, effectiveness, externalities and risks; and (iii) the selection of the most appropriate transfer modality (or a combination of modalities) through a consultative process and based on a clearly documented rationale.

The three stages, combined, will support the selection of a resource-efficient and effective transfer modality, or a combination of transfer modalities, that has the highest probability of meeting the objectives of the intervention.

The responsibilities of each unit allocated under each stage of the transfer modality selection

process, as illustrated in Figure 5 and with general outputs as illustrated in Box 6, are consistent with corporate guidance and should therefore be respected. The [Responsible/Accountable/Consulted/Informed \(RACI\)](#) matrix provides further guidance on the roles and responsibilities for each of the sub-processes contained in the BPM.

 [Decision Memo From Cash For Change Steering Committee On Scaling Up Cash And Voucher Programming: Standard distribution Models and Responsibilities, issued in november 2011](#) (note that the C&V Business Process Model has since been modified as reflected in the present manual).

 The **Distribution Models, Process Flow and Inventory** will be circulated as an additional support document.

A.1.1 SET-UP OF THE CASH AND VOUCHER WORKING GROUP (C&V WORKING GROUP)⁵

Once the need for WFP to intervene with a food assistance response has been determined, it is the responsibility of Management to establish an intersectoral C&V Working Group for the country office, as described above.

 [C&V Working Group Terms of Reference](#)

A.2 ASSESSMENTS

A.2.1 NEEDS ASSESSMENTS

A.2.1.1 INTEGRATION OF MARKET ANALYSIS INTO THE NEEDS ASSESSMENT

Market analysis should be systematically incorporated into the [Comprehensive Food Security and Vulnerability Analysis](#) (CFSVA) and the [Emergency Food Security Assessment](#) (EFSVA). The CFSVA provides baseline information prior to emergencies, while after a shock or series of shocks, the baseline is reassessed via the EFSVA to capture the impact. Both assessments analyse the effects of markets on food security and vulnerability to predict possible responses of markets to potential shocks and, most importantly, to indicate the potential role of markets for food security interventions, i.e. to establish the feasibility and suitability of a market based response.

If the required market information and analysis are not adequately included in existing WFP analyses or external studies, a complementary, stand-alone market analysis becomes necessary to establish the appropriateness of using in-kind food, cash and/or vouchers. Aspects to be analysed will be established on a case-by-case basis by Programme and VAM, in consultation with the regional bureau and VAM at Headquarters. An indicative list of market-related aspects for inclusion in the market analysis is given in Box 7. For more detailed guidance, follow the links at the bottom of this sub-section.

Box 6: General outputs of the response analysis process

- Review of the intervention plans of the government and other actors to identify gaps in the food assistance needs of the affected population;
- identification of response activity options for WFP;
- identification of transfer modality options for each activity;
- analysis of the strengths, weaknesses, opportunities and threats (SWOT) associated with each identified response activity and transfer modality, based on the conducted assessments;
- identification of the major risk factors;
- assessment of the acceptance of the modality by all relevant stakeholders;
- recommendation of the most appropriate response activity(ies) and transfer modality(ies); and
- recommendation of an intervention approach, including delivery mechanisms, targeting, timing, scale and duration.

⁵ The first task of the C&V Working Group will be to engage in the process that leads to the selection of the appropriate transfer modality to support the food security intervention. In spite of the group's denomination, this analysis is not biased towards cash or vouchers, and thus can result in the selection of in-kind food, voucher and/or cash transfers.

Box 7: Aspects to consider as part of a market analysis

- Identify and roughly sketch the **supply chain of key staple and fresh food commodities** that are critical to the food security of vulnerable households.
- Analyse the **current and historic availability** of both staple and fresh food commodities in local markets, including potential recent changes and patterns of seasonality.
- Analyse the overall **market environment** in which food commodity trade takes place, including relevant government policies and regulations, the (current) socio-political situation, security, road and transport infrastructure,* and corruption.
- Describe the **market structure** in terms of actors and institutions of relevant supply chains, **barriers and constraints** to enter trade or maintain and increase levels of supply, as well as market catchment areas.*
- Analyse the **market conduct**, i.e. price-setting behaviours, weights and standards, including the transparency of transactions, competition and potential corruptive behaviour.
- Identify key **market outcomes**, such as seasonality and volatility patterns of prices, and market integration with supply sources, including the physical flow of commodities.
- Analyse the **market's potential for responding** to increases in demand, e.g. storage facilities, duration of stocks, stock replenishment lead-time, and expected price developments due to increased levels of demand.*
- Provide/collect price data and develop **price scenarios** for different **food commodities**. These data are used in developing potential food baskets and transfer values, and in supporting cost-efficiency/effectiveness analysis that can facilitate decisions if and when to switch between different transfer modalities or food baskets depending on seasons.*
- Analyse the dynamics of the **labour market**, including its functioning and wage levels.
- Analyse **demand conditions** of affected populations: their **physical and economic access** to local markets (including inflation patterns of food and non-food commodities, households' purchasing power, livelihood and market participation behaviours, self-sufficiency and resilience statuses, and preferences).
- Formulate and – if possible – map food market-related **recommendations** on: (i) **suitable areas**; (ii) appropriate food products per area; (iii) **periods** of the year; (iv) scale conceivable to support either in-kind, cash- or voucher-based interventions; and (v) how to **address identified bottlenecks** for traders to meet increased demand and strengthen respective supply chains.

* In consultation with Logistics to ensure consistency and complementarity with the Macro Supply Chain Assessment and the Micro Retailer Capacity Assessment.

NOTE 1: Complementarities exist between the VAM market analysis and the Macro Supply Chain Assessment (part of the Retail Logistics Assessment, Section A.2.2.4) conducted by Logistics. It is recommended that VAM staff consult closely with Logistics when adapting the market data collection and analysis tools to ensure that resources are maximized, especially during the data collection process. In view of both VAM's and Logistics' requirement for information about market supply chains, each for the ir own specific analysis and planning purposes, a template for joint VAM/Logistics assessments during sudden onset emergencies was developed. The VAM market analysis feeds into the needs assessment and, as such, occurs before the sectoral assessments. Close consultation during the assessment stages will ensure that Logistics can make good use of the information collected by VAM related to supply chains, and during the Macro Retail Supply Assessment focus on new information needs arising from the VAM analysis, on logistics contingency planning responsibilities, as well as






on finding solutions for supply chain bottlenecks identified by VAM.

NOTE 2: Market, economic and consumer safety risks should be identified at this stage. The process for developing a comprehensive macro risk analysis, integrating other operational dimensions, should be further refined and expanded during stage 2 (feasibility and risk analysis).

NOTE 3: [Market-based programming](#) encompasses a whole spectrum, from market-based assistance to market strengthening and development.

Beyond market-based assistance through local markets, which covers local procurement of in-kind food, cash- and voucher-based responses, the country office can seek to resolve an identified bottleneck through short-term activities to restore market functionality short-term bottlenecks to market functionality are typically addressed by the Logistics unit.

For detailed guidance on market assessment, please refer to the [VAM website](#) and the following documents available in the PGM:

-  [Market Questionnaire](#)
-  [Trader Questionnaire](#)
-  [Market Analysis in the Context of Needs Assessment and Modality Selection Process - General Terms of Reference](#)
-  [Market Analysis Report Outline](#)
-  [A Joint VAM-Logistics Trader Capacity Assessment](#)

A.2.1.2 GOVERNMENT POLICIES

The government policy analysis identifies what is **politically possible** when responding to identified needs according to the host government's annual plans, programmes, priorities, legislation and rules. This may have a significant influence on the country office's choice of transfer modality. Additionally, this analysis identifies opportunities for partnerships, institutional capacity development needs, and the possibilities for a hand-over strategy following the project design phase. It identifies and characterizes key policy and strategy frameworks that govern overall engagement in a country (which may be covered by existing partnerships with United Nations agencies/partners such as the United Nations Development Assistance Framework). In compliance with Directive [OD2011/004](#) (§2.2), this analysis is **mandatory**.

The Programme Unit is responsible and the country office management accountable.

A.2.1.2.1 SOCIAL PROTECTION REVIEW FOCUSED ON HUNGER-RELATED SAFETY NETS

Aligned with the WFP Strategic Plan 2014–2017 and the [2012 Update of WFP's Safety Net Policy](#), a social protection review focused on hunger-related safety nets should be performed to identify and understand existing social protection strategies, capacities and programmes as part of the overall context analysis. This review enables WFP to identify opportunities to integrate into or help build national social protection schemes by supporting governments and partners in developing, implementing and assessing sustainable food assistance programmes. It also provides information to critically assess programme design choices, such as transfer modalities.

The social protection review should begin with an initial scan of existing information, seeking relevance for food security and complementarity with ongoing initiatives. In addition to country-relevant sources of information such as coordination groups and country focal points, three additional sources for information exist through the International Labour Organization and the World Bank, as indicated in Box 8.

In addition to desk research, the review entails an engagement and overall coordination process with the government and other stakeholders. It also includes a review of existing safety-net evaluation

Box 8: Sources of information on social protection

- [The Social Protection Floor Initiative \(SPF-I\)](#)⁶
- [The World Bank Social Protection and Labor](#)⁷
- [The Inter-Agency Social Protection Assessment/SPARCS, guided by the SPIAC-B](#)⁸

⁶ Together with other United Nations agencies, the World Bank, the International Monetary Fund and other partners, WFP is a member of the **SPF -I**, which was established in 2009 by the United Nations Chief Executives Board and is co-chaired by the International Labour Organization (ILO) and the World Health Organization. The SPF-I includes "basic social security guarantees to ensure at a minimum that, over the life cycle, all in need have access to essential health and income security which together secure effective access to goods and services defined as necessary at the national level". In conjunction with the SPF-I, the ILO offers Social Protection Expenditure and Performance Reviews (SPERs), which provide detailed information on the performance of national social protection schemes in selected countries.

⁷ The World Bank Social Protection and Labor website also provides resources on social protection. This resource offers toolkits, data, publications and reports.

⁸ WFP engages in social protection coordination and advocacy at a global level through the **Social Protection Inter-Agency Cooperation Board (SPIAC-B)**, an interagency coordination mechanism composed of representatives of international organizations and bilateral institutions. Through the SPIAC-B, WFP engages with international partners in the Inter-Agency Social Protection Assessment, which aims to improve the performance of social protection and labour (SPL) systems by creating an "open source" platform for collaboration, based on defining and assessing key system metrics and outcomes. The **Inter-Agency Social Protection Assessment** proposes to "develop common instruments and methodologies for the assessment of key SPL system components, building on existing work by the World Bank and other agencies, so as to move towards a more standardized approach to assess country SPL systems". This assessment was previously known as the SPARCS initiative, a project of the World Bank. The Inter-Agency Social Protection Assessment will provide information on social protection and labour systems in the future. See [Social Protection Inter-Agency Cooperation Board](#).

Box 9: Aspects to consider during the rapid social protection review – Checklist⁹


Step 1: Initial scan	<p>Scan for existing analysis of social protection at the country level and assess its applicability, particularly for information on hunger-related safety nets and transfer modalities. In addition to the Social Protection Floor Initiative and the Inter-Agency Social Protection Assessment (see Box 8), you can refer to the Atlas of Social Protection (ASPIRE) and the Centre for Social Protection.</p>
Step 2: Rapid social protection analysis	<p>If analysis is non-existent or insufficient, perform a rapid social protection review beginning with institutional mapping:</p> <ul style="list-style-type: none"> • What are the social protection related policies of the host government and potential donors and relevant regional entities? • Which ministries are involved in social protection? Is there an interministerial coordinating body within the government? • What government social protection initiatives are ongoing or planned? • What organizations (local and/or international) are involved in social protection? What do they do (roles and responsibilities)? In which geographical locations do they work? How do they interact with target populations? Where are the overlaps? Where are the gaps? What are the strengths and weaknesses of the institutions? What are the organizational profiles/typologies? • What are the existing institutional coordination mechanisms for social protection schemes? • Are there relevant policies, strategic plans and programmes of action WFP operations should support (food security and nutrition, school feeding, disaster risk reduction and management, resilience, growth processes)?
Step 3: Focus on hunger-related safety nets (HRSN)	<p>Identify and focus on hunger-related safety nets:</p> <ul style="list-style-type: none"> • What are the existing safety-net legal/policy/governance environments? • What safety-net initiatives are ongoing, completed or planned? What information do they gather, particularly regarding targeting, coverage, purpose or objective, effectiveness, efficiency, type of transfer modality? • Are they focused on food security and, if not, is there an opportunity for WFP to play a role? • Who funds, plans, directs and implements hunger-related safety nets? • What is the hosting government's level of interest in partnering with WFP (both to implement specific activities and to absorb inputs, such as training)? • What are the existing institutional coordination mechanisms for HRSN? • What evaluations have been performed on HRSN in recent years? • What lessons have been learned from past or existing HRSN or safety-net programmes at large?
Step 4: Highlight useful information on transfer modalities	<p>Review the range of standard distribution models, as they have been used in previous, ongoing or planned HRSN:</p> <ul style="list-style-type: none"> • Which transfer modalities are the government and other agencies/organizations using in safety net programmes and projects? • What lessons have been learned on the effectiveness of different transfer modalities, their combination, or their use that can be incorporated into WFP programming? • What are the current institutional capacities for HRSN in terms of management/finance/technical service delivery/organization and sustainability? • What are the systems associated with HRSN presently available (e.g. targeting criteria approaches and mechanisms, delivery mechanisms, monitoring mechanisms)?

⁹ Developed for this manual by the Policy, and Programme and Innovation Division.

documents with particular attention to the effectiveness of modalities in context. The country office should review what is available and build on what works (i.e. programmatically, politically and fiscally sustainable).

For detailed guidance on government policies and hunger-related safety-net analysis, refer to:

 [WFP Safety-Net Guidelines](#)

 [EFSA, Chapter 5.3 \(p. 197\): Institutional-Stakeholder Analysis](#)

A.2.1.3

PRIVACY IMPACT ASSESSMENT

All operations, be they in-kind food distributions, cash or voucher transfers, require that WFP collects, processes, stores and, to some degree, shares personal information on beneficiaries. As per WFP’s forthcoming Corporate Beneficiary Personal Data Protection and Privacy Guidance, WFP must treat all personal identity information and sensitive personal data of beneficiaries as **strictly confidential**. WFP staff handling beneficiary information must be aware that this information needs to be carefully safeguarded, as the disclosure of such information could contribute to harming or threatening the safety and livelihoods of the individuals and their households and pose risks for the Programme. Personal identity information and sensitive personal data about beneficiaries includes the information in Box 10.

The WFP internal Privacy Impact Assessment (PIA), which as required by the Corporate Beneficiary Personal Data Protection and Privacy, is conducted periodically at each country office and helps WFP to identify where

risks of violating privacy principles exist and which steps need to be taken to mitigate those risks and ensure compliance with the personal data protection and privacy principles.

For external parties, including financial, market and operational partners, a PIA should be conducted in order to ensure that the introduction of new transfer modalities are not jeopardizing the privacy and protection of beneficiary data. To gather the information required for the PIA, some key questions have been introduced to each of the sectoral assessments required prior to the selection of a transfer modality. It is Programme’s responsibility to analyse the PIA inputs from the different functions during the operational risk consolidation, and take them into consideration for the selection of the transfer modality.

For detailed guidance on personal data protection and privacy, refer to:

 [The Personal Data Protection and Privacy Corporate Guidance](#)

A.2.1.4

BENEFICIARIES’ GENDER AND PROTECTION CONSIDERATIONS AND PREFERENCES

Aligned with the Strategic Plan 2014–2017 (§26), while undertaking the needs assessments, Programme should analyse the gender and protection concerns according to the different transfer modality and delivery mechanism options in order to ensure that programmes do not add to or exacerbate the harm that people are exposed to. Programme should also ensure that opportunities for additional gender and/or protection-related positive externalities are pursued when designing the response.

Box 10: Personal identity information and sensitive personal data

Personal identity information	Sensitive personal data
<ul style="list-style-type: none"> • Name • Address • Identity number • Biometric data, such as photos, fingerprints, etc. (although in some jurisdictions this is also considered “sensitive”) • Financial account numbers 	<ul style="list-style-type: none"> • Racial or ethnic origin • Physical or mental health status • Sexual orientation • Political affiliation • Religion • Criminal record • Genetic information • Membership in a trade union • Ex-combatant status • Refugee displacement status

Box 11: Aspects to consider when analysing protection and gender in connection with transfer modality(ies) and delivery mechanisms

- **Beneficiaries' safety:** Identify the different risks (e.g. physical attacks, theft/robbery, sexual assaults, intimidation) affecting the safety of the targeted population; who is the source of the risk; who (within the household or the community) is exposed to it, where and when. Assess whether these risks become more or less pronounced if different transfer modalities are used and whether and how it is possible to overcome them.
- **Lack of identification documents (IDs):** Analyse who among the targeted population has easy access to identification documents, who does not and why (e.g. women, children-headed households, elderly, refugees, stateless persons and internally displaced persons may experience difficulties, depending on the context), and to what extent the lack of such documents may hinder access to assistance (registration and distribution) according to transfer modality. Assess how WFP could facilitate the acquisition of identification documents, taking into account the possible risks of holding an identification (ID) card and the alternatives for identification.
- **Lack of access to technology:** Identify which digital technologies/platforms are required to transfer cash, food or vouchers and to what extent they are already available, accessible, familiar, acceptable and/or utilized by the targeted population, especially by the most vulnerable (e.g. men/women, those in urban/rural areas, older persons, persons with disabilities, children-headed households, illiterate), and which transfer modality, or combination of, is most suited for those lacking access to and/or knowledge of technology.
- **Gender roles and household tension/violence:** Analyse power dynamics and decision-making processes within the household, with specific regard to financial and food security-related roles and responsibilities (management of resources such as food and cash, child feeding, income). Assess whether the household's environment is prone to any form of gender based violence or discrimination, what the immediate and underlying causes are, who those most at risk are (men/women, girls/boys, elderly/young). When applicable, analyse the specificities of polygamous families. Analyse whether and how the transfer modality can directly or indirectly exacerbate or minimize tension/conflict in the home.
- **Social tension/conflict:** Analyse the nature, manifestations and sources of conflict or tensions (in terms of economic disparities, political/social discrimination, unequal access to natural resources, access to land and property entitlements) between ethnic groups, clans, families and other groups, if any. Identify who are the actors involved, the populations at risk, and if men and women are impacted differently. Analyse how the transfer modality will impact on these tensions and whether it may inadvertently fuel or reduce them, expose or reduce exposure of populations to risk.
- **Negative community perceptions:** Analyse how local communities perceive international assistance in general, food assistance especially, and WFP assistance in particular, and if the perceptions differ from one group to the other, for example, from men to women, from one ethnic group to another. Identify viable ways to build acceptance among the population. Analyse the local communities' perceptions over the use of various transfer modalities, and identify which one is considered as the most acceptable and why. Assess local communities' expectations, views and needs in terms of: (i) their participation in the decision making processes that affect them; (ii) their access to accessible and timely information on procedures and processes that affect them; and (iii) their access to the safe complaints and feedback mechanism.
- **Diversion of assistance through corruption, fraud and other means:** Identify the different forms of actual and potential diversion of assistance (systematic corruption, illegal taxation, collusion, fraud by individuals) in targeted localities, who is responsible for them (e.g. community leaders, food management committees, local authorities, retailers, cooperating partners/civil society groups, WFP staff, assisted population), and whether and how that impacts on social dynamics as well as on targeted people's capacity to access and benefit from food assistance. Analyse how the use of different transfer modalities (cash, voucher or in-kind) can exacerbate or minimize the various forms of diversion of assistance.
- **Manipulation of assistance for political purposes:** Identify if and how authorities and/or national non-governmental organizations (NGOs) manipulate humanitarian assistance, including food assistance (e.g. manipulation of geographic targeting, of specific beneficiary groups or appropriation of food allocation for political purposes), and to what extent that impacts on social dynamics as well as on people's capacity to access and benefit from food assistance. Identify the groups negatively affected by such practices. Analyse how the use of different transfer modalities (cash, voucher or in kind) can fuel or reduce the various forms of political manipulation and better protect the population at risk.

The analysis identifies acceptable and suitable response options for transfer modality(ies) and delivery mechanism(s) from the beneficiaries' perspective taking into account safety, dignity and gender concerns, including risk of stigmatization, identification and access to technology, intra-household dynamics, social cohesion and community power relations, corruption and manipulation of assistance, in addition to beneficiary food habits and preferences.

Information on gender and protection-related aspects to take into consideration, as summarized in Box 11, can be obtained from a variety of sources, depending on the context in which the country office is operating. In addition to existing secondary data (CFSVAs, EFSAs, Household Economy Approach, monitoring reports and others), typical sources may include: cooperating partners or other partner organizations working in the area of intervention with regular contact and knowledge of the beneficiary population; stakeholder consultation mechanisms already practiced by the country office (for example, focus groups with men and women, seasonal livelihood programming and community-based participatory planning processes, and others); and household surveys.

A.2.2 SECTORAL CAPACITY ASSESSMENTS

A series of sectoral capacity assessments factoring in identification of risks are required to define the potential operational scope with respect to implementation of in-kind food, cash or voucher transfers in any given environment.

A.2.2.1 PROCESS

One of the first responsibilities of the C&V Working Group is the coordinated implementation of the sectoral assessments. Each unit is responsible for conducting assessments in its area of expertise, as shown in Box 12. The consolidated results of all sectoral assessments will allow the country offices' management to decide whether in-kind food distributions, cash or voucher transfers, or a combination of these modalities, is the most appropriate means for providing food assistance.

The choice of transfer modality(ies), as well as the selection of the delivery mechanism(s), will depend on the information that each sectoral assessment identifies in terms of the reliability of the food supply chain in the local markets; dependability of the financial sector and provision of financial services; availability of information technology infrastructure and services; and the capacity of potential cooperating partners and security environment. The identification of related operational risks are an integral part of the assessment.

The regular update of the sectoral assessments is also an integral part of the corporate [*Emergency Preparedness and Response Package*](#), which is mandatory for all country offices as per the [*Joint Directive OM2014/003*](#). Sectoral assessments and respective functional responsibilities are listed in Box 12.

A.2.2.2 FINANCIAL SECTOR ASSESSMENT AND RISK IDENTIFICATION

In compliance with the [*Joint Directive Operations Services and Resource Management and Accountability Departments Directive OS2013/003 RM2013/005*](#) (referred to as "Joint

Box 12: Sectoral assessments

Assessment	Responsible unit
Financial sector assessment	Finance
Information and communications technology capacity assessment	IT
Retail logistics assessment (macro and micro) and procurement options analysis	Logistics and Procurement (Supply Chain)
Cooperating partner capacity assessment	Programme
Field security assessment	Security

Box 13: Aspects to consider as part of a Macro Financial Sector Assessment**Five key indicators:**

- **Government supervision** of the banking and financial sector by the Central Bank, including anti-terrorism and anti money laundering legislation.
- **Ease of entry** for new banks or financial institutions to enter the market.
- **Competition** in the banking sector, including the presence and concentration of banks, microfinance institutions, and mobile banking operators.
- **Safety and consumer protection**, indicating the extent to which deposits with banks and financial institutions are protected or insured.
- **Efficiency** of the overall sector, including average cost of financial services and interest spread.

Additional items:

- Technology and networks available in the country (available through the information and communications technology capacity assessment).
- Credit ratings of financial service providers.
- Location and concentration of financial service providers, bank branches and ATMs in each region.

Directive”), Finance should undertake both macro and micro financial-sector assessments. The financial sector assessment, including both the macro and the micro component, is **mandatory**.

Finance shall conduct a **Macro Financial Sector Assessment**, which provides an overview of the country’s financial sector – how well it functions, where and to what extent it is present through physical branches or technological networks, and any specific risks or advantages that it poses. This information will assist the country office in determining whether the country’s financial sector can support the large transfers of cash needed to undertake C&V operations, and is a first step towards identifying potential financial service providers.

The outcome of the assessment is a report containing a textual narrative and a series of annexes that include more detailed information, based on sources including: World Bank data, the country’s Central Bank, and credit rating agency reports. Finance should update the macro assessment annually, or more frequently, as required to reflect the changes in the financial sector.

Depending on the country office’s plans for implementing cash and voucher, an Expression of Interest (EOI) or Request for Information (RFI) may be used to ask service providers to provide information, including their legal capacity to enter in a contract, number of years of experience in the business, financial

Box 14: Task

Tasks	Responsible unit
Macro Financial Sector Assessment	Finance
Roster specifications for financial service providers	Finance
Expression of Interest or Request for Information	Procurement
Micro Financial Sector Assessment	Finance
Financial Strength Assessment	Finance
Roster for financial service providers	Procurement (for management approval)

NOTE: Macro financial assessments are produced directly by Headquarters with support from country offices. To access the micro financial assessment templates, follow the link:

 [Micro Financial Assessment Questionnaire](#)

standing and other items as needed. The EOI/RFI process is undertaken by Procurement.

Finance shall then undertake a **Micro Financial Sector Assessment**, which scores individual financial service providers (FSPs) in order to indicate which ones could be potential partners for WFP. Service providers are evaluated based on information that they are requested to provide during the EOI/RFI process. Service providers

that have a sufficiently high score are then further evaluated using the **Financial Strength Assessment**, a more in-depth process that highlights any weaknesses in the FSP operations or holdings, by reviewing credit ratings, audit opinions and key financial strength ratios. This is an extremely important step, as it effectively “screens” potential FSPs in order to exclude any which might pose a risk to WFP’s programme or funds.

Box 15: Aspects to consider as part of MAITA

- High-level country ICT profile of the country facts on the technology and telecommunication sectors and related costs. Key statistics and country maps on international links, fixed line communications, mobile communications (voice and data), and electricity. Take stock of mobile money technical infrastructure, power and telecommunications coverage and infrastructure, including service availability and costs.
- Key ICT stakeholders in a country – government, partners and internal WFP, United Nations agencies and cooperating partners, retailer and technology service providers’ IT capacity (in terms of human resources, user, application capacity, infrastructure, hardware. including existing C&V transfer services contracts that WFP may be in a position to use).
- Government and regulatory framework of a country, covering government policy and regulatory framework (national ID, data privacy, biometrics, mobile banking, equipment imports, equipment licensing). Structure and competitiveness of the IT sector, state of liberalization in communication services, including any existing regulatory restrictions and restrictive business practices.
- Country-level safety-net infrastructure, to identify potential sources of beneficiary information and databases, and analyse the technical infrastructure of the government’s safety-net programme. Consider as well the potential applicability of safety net programmes of other major donors or cooperating partners.
- Technology service providers, to take stock, in close consultation with Finance, of potential technology-based banking and payment solutions and products for electronic transfers to beneficiaries, including acquirers and payment service providers (PSP), e.g. e-commerce PSP, digital content PSP, mobile network operators (MNOs) and banks. Issuers and consumer account providers such as e-money providers, MNOs and banks. Key areas of payment evolution, e.g virtual goods payment (virtual currencies, micro-payments); e-commerce and m-commerce (e-wallets, prepaid cards, bank transfer services); proximity payments (mobile near-field communication–NFC, mobile barcodes and SMS, contactless card, mobile-based point-of-sale terminal); and person to person (mobile money transfer, account-based services, multichannel international remittance). Review and establish inter-agency/partner relationships and take stock of technical capacities of these partners as potential service providers.
- WFP country office IT capacity in terms of adequacy of human resources and needs for skills augmentation, level of current engagement with C&V activities at country office, and readiness of existing infrastructure and services to meet requirements for C&V systems.
- High-level recommendation for the best technological ways to support either cash and/or vouchers in the country.
- IT service sector in country in terms of sector development, and range of C&V delivery solutions and services available. Technology trends, ICT penetration and innovation, including levels of adoption and usage. Availability of skilled ICT expertise and companies that might be able to supply and service C&V delivery-related hardware (e.g. point of service terminals or smart cards) in the field and/or deliver basic IT training to cooperating partners’ staff and retailers.
- Information- and technology-related risks to be included in the IT Risk Register that will be rolled into the Operational Risk Registry.
- SCOPE implementation: in terms of understanding ongoing or planned C&V programme activities, business readiness of country office and requirements to implement SCOPE, WFP’s standard beneficiary and transfer management solution.

In compliance with Joint Directive [OS2013/003 RM2013/005](#) and as a preparedness measure, based on the information collected through the Micro Financial Sector Assessment, Procurement should create a roster for FSPs that qualify for WFP interventions, according to **roster** specifications provided by Finance in collaboration with Programme.

A.2.2.3 ICT SECTOR ASSESSMENT AND RISK IDENTIFICATION

It is the responsibility of the IT function to undertake an assessment of the ICT sector. This assessment is **mandatory**.

The **Macro IT Assessment (MAITA)** must be conducted at least once every year (Box 15). Considering the continuous evolution of IT and communication technologies in the market, the short list of potential service providers must be reviewed and updated by IT in coordination with Procurement rules and regulations at least once every year. The **Micro IT Assessment (MIITA)** is to be conducted once a decision has been made on the geographical areas where C&V interventions are to be set up, and is focused on determining a detailed picture with regards to IT infrastructure and services in the localities where C&V operations are to be conducted. MIITA will document specific actions to be taken to address challenges, including appropriate implementation of SCOPE and other IT solutions, in order to effectively support C&V interventions.

The ICT capacity assessment tools contain questions relevant for the identification of risks, as well as mitigation measures specifically linked to the financial sector. This information will feed into the consolidated risk analysis.

In compliance with the Joint Directive [OS2013/003 RM2013/005](#) (§4.1.3), and as a preparedness measure, Procurement shall create a **roster** for IT service providers based on specifications for services provided by IT, in collaboration with Programme and Finance and informed by the results of the MAITA.

The MAITA informs: (i) the “consolidation of risks into the country office Risk Register” carried out by the C&V Working Group and coordinated by Programme; and (ii) Management’s decision on the “transfer modality and delivery mechanism selection” on the possibility of considering innovative IT solutions to carry out cash or voucher transfers to beneficiaries.

The MIITA is carried out whenever required. It is done based on an existing MAITA, and is performed as soon as discussions about implementing C&V intervention starts, and potential options for delivery mechanisms and potential geographical areas have been identified. Just as the MAITA, the MIITA is performed by the IT officer or IT focal point, with support available from the regional bureau and Headquarters advisory for country offices not having the appropriate local capacity.

This assessment is an in-depth look at what IT infrastructure and services exist in a given location where C&V operations will be deployed, taking into account the envisaged delivery mechanism options. This analysis should update the MAITA, and take into account the ground realities and the detailed coverage and quality of services in the target locations. Where the MAITA takes stock of and identifies the technical options at the country level, the MIITA goes down one level of detail and undertakes field missions to check actual coverage, presence, quality, consistency and relevance of service

Box 16: Task

Tasks	Responsible unit
Macro IT Assessment (MAITA)	IT
Micro IT Assessment (MIITA)	IT
Market analysis of available electronic transfer mechanisms	IT
Roster specifications for technology service providers	IT
Issue Expression of Interest or Request for Information	Procurement
Create roster for technology service providers	Procurement (for management approval)

providers, and identifies operational opportunities and challenges related to deploying technology solutions in the envisaged coverage areas.

The assessment will, in addition, gather the initial set of high-level business requirements to allow for fit/gap analysis of standard beneficiary, distribution and transfer management tools, such as SCOPE, that can be leveraged to implement the standard beneficiary, distribution and transfer management process.

The MIITA analyses in detail the technology and telecommunication options for a given intervention location in order to recommend the best solution options for the ex-ante decision-making process. This activity also determines the information security and the technological and systems infrastructure implications for ensuring that beneficiary data privacy and protection measures, as set forth by the personal data protection and privacy guidelines, are preserved for the envisaged C&V intervention.

As an output, given a specific C&V intervention, the MIITA defines the level of technological readiness, appropriateness, potential action plan and estimated costs for establishing a digital platform to support C&V operations.

The existing assessment templates and tools below are available for use in the PGM.

 [Macro IT Assessment – MAITA](#)

 [Micro IT Assessment – MIITA](#)

 [SCOPE - Country Office Desk Study Questionnaire Template](#)

 [SCOPE - Country Office High-Level Assessment Template](#)

 [SCOPE - Country Office Assessment Mission Report Template](#)

 [SCOPE - Country Office Business Readiness Template](#)

A.2.2.4 RETAIL LOGISTICS ASSESSMENT AND RISK IDENTIFICATION

The Logistics' role in C&V interventions is to assure and enable food supply; therefore, it is Logistics' responsibility to undertake the Retail Logistics Assessment, which, as all other sectoral assessments, is **mandatory**.

The Retail Logistics Assessment consists of three components:

- Macro Supply Chain Assessment
- Micro Retailer Capacity Assessment
- Cost-efficiency Analysis

Pros and cons for different supply chain options are consolidated into a Supply Chain Options Report, which is elaborated jointly with Procurement (see Section A.2.2.6).

The **Macro Supply Chain Assessment** determines the commercial supply chain's capacity to assure supply on WFP's behalf, i.e. to absorb increased demand and reliably transfer large quantities of food supply resulting from WFP cash and/or voucher transfers at scale. It measures the reliability of a region's commercial retail supply chain – from source/port to distributors, wholesalers, retailers and markets – against three indicators:

- (i) Volumes and flows (from sources to markets, diversity of supply, competition);
- (ii) Enabling environment (Logistics infrastructure and services, regulatory restrictions);
- (iii) Agility (ability to respond to shocks and sudden changes in demand).

This assessment should be updated on a yearly basis or, if required, more frequently to reflect important changes affecting the area of intervention. It is recommended that the Macro Supply Chain Assessment and its updates are conducted in coordination with VAM and Procurement, as the complementarities exist with the VAM market analysis (Section A.2.1.1) and the procurement options analysis (Section A.2.2.5). Infrastructural and costing information from in-kind logistics operations also provide useful inputs to the Macro Supply Chain Assessment.

Contingency planning is an integral part of the Macro Supply Chain Assessment. This process involves a risk analysis and planning exercise. It determines the potential impact of supply chain disruptions on the implementation of a cash or voucher programme. Macro and micro risks are categorized, and drivers of the main risks are determined. Contingencies for various disruptions are formulated, including temporary or partial switch to in-kind assistance. Human resources and cost estimates are provided for the most likely scenarios. The contingency plans should be updated whenever there are clear changes in risk likelihood or magnitude. The most salient results from the risk analysis and the associated mitigation measures will be included in the consolidated risk analysis conducted jointly by the C&V Working Group (see Section A.1.1) and coordinated by Programme.

The **Micro Retailer Capacity Assessment** is a detailed analysis of retailer capacity and their

dependencies in a specific area of intervention. It draws from official registers and statistics of relevant authorities of the country or area, as well as the retailer capacity questionnaires and VAM market assessments.

The third component is **the Cost-efficiency Analysis**. This analysis considers the implications of potential implementation scenarios on food in-kind logistics costs, as well as the country office's overall supply

chain costs, including those of the in-kind programmes. The latter is achieved through a Supply Chain Optimization Analysis.

The above three components feed into a **Consolidated Supply Chain Options Report** (see Section A.2.2.6) summarizing the strengths, weaknesses, opportunities and risks of the supply chain options as identified by Logistics and Procurement and their compatibility with Programme outcomes.

Box 17: Aspects to consider as part of the logistics retail assessment and operational risk analysis

1. Macro Supply Chain Assessment

- Supply chain map, key statistics on volumes and flows (from sources to markets and beneficiaries: logistics services and infrastructure, levels of competition, national strategic food reserves, in-kind operations).
- Context and enabling environment (insecurity, regulatory restrictions, fuel, banking systems – from Finance, connectivity from IT, partners' presence, existence of local/national food quality and safety regulations in place, etc.).
- Agility to respond to supply interruptions, cost increases and demand shifts (spare capacity, stocks, ease of substitution, time period to adjust, price reactions – in consultation with VAM).
- Contingency planning with proper risk ranking (categorize risks, causes and potential impact, likelihood) and response options (for most likely and critical risks or scenarios, including resource requirements to shift temporarily or partially to in-kind food).

2. Micro Retailer Capacity Assessment

- Geographical location and density of retailers (distance to beneficiaries, number of retailers per host population, access).
- Financial capacity (cash-flow capacity, average number of clients, replenishment cycle, own capital, access to credit, appropriate payment procedure according to its cash-flow capacity).
- Technical capacity (storage capacity, temperature-controlled storage, diversity of items, stocks).
- Availability of products specific to voucher transfer implementation equipment, power supply, telephone connection, Internet connection, mobile network access, numeracy/employees).
- Supply capacity (mechanism in place to ensure reliable sourcing, i.e. selection of suppliers, selection of commodities, control at delivery, stock rotation, measures to prevent spoilage or contamination, hygiene, quality of foods, shelf life, intact packaging, labels, etc.).
- Compliance with local regulation and relevant quality and safety standards (trading licence, VAT registration, compliance with local/national authorities food quality and safety standards, practices for handling expired or defective products, and consumer complaints).
- Competition (among retailers, among traders who supply the retailers, price fixing risk).

3. Cost-efficiency Analysis





- Logistics costs by location (port, transport, storage) for food in kind and for different retail supply chain options.
- Impact on landside transport, storage and handling (LTSH) for remaining in-kind operations.
- Supply chain optimization.

Box 18: Task

Tasks	Responsible unit
Macro Supply Chain Assessment	Logistics
Micro Retailer Capacity Assessment	Logistics
Cost-efficiency Analysis	Logistics
Consolidated Supply Chain Options Report	Logistics and Procurement

The Consolidated Supply Chain Options Report informs: (i) the “consolidation of risks into the country office Risk Register” carried out by the C&V Working Group and coordinated by Programme; and (ii) the management’s decision on the ‘transfer modality and delivery mechanism selection’ on supply chain options and reliability for ensuring supply on WFP’s behalf.

For detailed Logistics guidance on retail assessment, please follow the links below:

-  *Macro Supply Chain Assessment (template part of the Logistics Capacity Assessment)*
-  *Micro Retailer Capacity Assessment (questionnaire, inventory list and map)*
-  *Cost-efficiency Analysis (LTSH impact, supply chain optimization tool)*
-  *Consolidated Supply Chain Options Report (template and guidance) – see Section A.2.2.6*

A.2.2.5

PROCUREMENT OPTIONS ANALYSIS AND RISK IDENTIFICATION

Procurement must be involved in the design of in-kind food, cash and/or voucher operation from an early stage because the choice of supplier(s), the contracting approach and the contract structure all affect the efficiency and effectiveness of an operation, and thus also the achievement of the programme objectives. The procurement options analysis is

mandatory.

Procurement’s specific outputs during the assessment phase are:

(i) Procurement options analysis:

A methodical, comparative analysis of market intelligence and potential value of contracting options, given the operational context and objectives of the intervention. The analysis will need to include:

(a) Import parity price analysis: Import parity price comparisons for the anticipated basket commodities, including local, regional and international suitable/available options, compared against one final delivery point (all associated costs must be included).

(b) Merchant and service provider contracting: Determine both feasibility and risks associated with contracting different actors within a particular market (i.e. retail shops, supermarkets, wholesalers, traders, importers and manufacturers, as well as service providers such as FSPs, MNOs and printing services).

(ii) Risk identification: Identification and quantification of any risks potentially affecting WFP’s operations.

The objective of the **procurement options analysis** is to understand the implications and opportunities of sourcing decisions on the efficiency and effectiveness of the transfer modality options in achieving the objectives of the intervention. After understanding the implications and opportunities of the procurement (and contracting) options available in a particular market, Procurement must also optimize the options at hand in order to support the objectives of the intervention in an efficient and cost effective manner. The options include in-kind food (procured by WFP or in kind from the donors), vouchers (retail, supermarket, wholesale, trader, importer and manufacturer) and cash. The analysis should be based on Procurement’s existing market knowledge and information on the operational context. As listed above, the options analysis has two components, each detailed further in Box 19.

Detailed guidance on Procurement’s contributions to modality selection, along with additional information on each of the steps listed above, contracting options and the contracting processes, are available in the Guidance Note for Procurement for C&V.


Box 19: Aspects to consider as part of the procurement options analysis**1. Import Parity Price Analysis**


The import parity price analysis is required for all WFP food purchases and is used to guide the decision on whether a purchase should be local, regional or international. To truly understand the available options, analysis should be carried out by commodity for each location and over time. Seasonality, for example, can significantly affect the relative efficiencies of in-kind food versus what beneficiaries can individually purchase from the local market. The results may therefore show that the most economical choice for WFP may actually be a combination of transfer modalities, which may also vary across seasons.

2. Merchant and Service Provider Contracting

After identifying the various actors in any market, Procurement must develop the contracting strategy best suited to support the objectives of the intervention. When it comes to contracting merchants, the decision to contract retailers, supermarkets, wholesalers, traders, importers and/or manufacturers will have an impact on the efficiency, cost-effectiveness, risk exposure and mitigation of the intervention. Likewise, the contracting of service providers such as FSP, MNO and printing services needs to be reviewed against the data provided by the various sectoral assessments in order to choose the most optimal service providers in support of the intervention's goal.


For templates and tools supporting the above-listed activities, follow the below links:

 [Import Parity Price \(IPP\) Analysis \(Tool and Guidance\)](#)

 [Procurement and Contracting Options and Optimization Form](#)

supply chain perspective understanding the implications of, and adjusting for, integration.

See also:

 [Consolidated Supply Chain Options Report - Report Template and Associated Guidance](#)

A.2.2.6 CONSOLIDATED SUPPLY CHAIN SOLUTIONS AND RISKS

After completing the sectoral analyses, Logistics and Procurement must come together and review all options from a larger supply chain perspective. This joint consolidation is **mandatory** and is performed by **Logistics and Procurement (Supply Chain) jointly**. The objective of the Consolidated Supply Chain Solutions and Risks report is to review the implementation scenarios from a larger

A.2.2.7 COOPERATING PARTNER CAPACITY ASSESSMENT AND RISK IDENTIFICATION

The cooperating partner capacity assessment is aimed at assessing both the **programmatic/ technical and financial management capacities of potential cooperating partners (CPs)**, including NGOs, community-based organizations or governmental institutions, to implement food assistance programmes using either in-kind, cash or voucher transfer modalities. The assessment is led by Programme, with inputs from

Box 20: Aspects to consider as part of the procurement options analysis**1. A review of the operational context, including (but not limited to):**

- Operational constraints; and
- critical success factors for implementation of the intervention.

2. A comparative review of implementation scenarios, including for each scenario:

- Advantages, disadvantages, critical success factors, risks, flexibility;
- costs, resource requirements and time requirements for implementation; and
- risks and contingency options, considering impacts on the intervention as well as on WFP's overall operations.

3. A recommendation (or recommendations) for integration by Programme into the:

- Operational risk consolidation; and
- ex-ante cost-efficiency, effectiveness and externalities analysis.

Box 21: Issues to consider when assessing cooperating partner's capacity

<p>Minimum generic requirements for a CP</p>	<ul style="list-style-type: none"> • Is the organization accepted by the government? It must be recognized by the national authority governing a specific area of operation, permitting it to carry out humanitarian relief and development activities in the country or area. It is expected to have a physical office and therefore a contact address. • Is the organization willing to collaborate with the government infrastructure? It should have demonstrated willingness and ability to work with responsible government authorities at all levels. • Is the organization equipped with any self-regulative policy that is compliant with WFP's humanitarian principles and the United Nations code of conduct or is it willing to comply with them? • Does the organization have extensive experience in humanitarian, relief and/or development operations? • Does the organization have sound, specific programmes for food assistance and/or on issues related to food security and nutrition, advocacy and development that correspond to WFP's general priorities and target groups? • What is the geographical coverage of the organization in the country? Does it have capacity to rapidly expand into the targeted project area? • Does the organization have staff with basic skills in project and financial management, analytical skills and capacity in areas of commodity/transfer tracking, food assistance distribution and beneficiary participation? • Does the organization have adequate personnel and in-country organizational structures, including staff, field offices, vehicles and access to communication? The staff must be reliable, qualified and suitably experienced, with reasonable continuity in assignments. • Does the organization have a transparent institutional framework, active grassroots participation, information systems and documentation, technical knowledge and geographical presence? • Is the organization able to comply with WFP's monitoring and reporting requirements and have sound, reliable financial and accounting systems? • Is the organization willing and able to work with communities and community-based organizations? • Is the organization willing to coordinate with others? The NGO should ideally be an active participant in any established coordination mechanism for an operation. • Is the organization able to cover part or all costs of the non-food items, staffing and equipment required? While WFP may reimburse operational costs to the food assistance distribution, the CP should be able to cover part or all complementary inputs.
<p>Additional selection criteria regarding C&V programming skills</p>	<ul style="list-style-type: none"> • Does the organization have previous experience in cash- or voucher-based food assistance programmes? How did it perform? • Which transfer modality(ies) and delivery mechanism(s) is the organization experienced with? • What activities was/is the organization responsible for in such programmes? • Have these programmes undergone an external evaluation? (Where such an evaluation has been undertaken, WFP should request the report, providing another layer of assessing CP capacity.)
<p>Additional selection criteria regarding financial management skills (based on HACT micro-assessment)</p>	<ul style="list-style-type: none"> • Is the volume of expected expenditure significantly different to that of past expenditures? • Has there been a significant change in the administration and/or organizational structure in the past two years? • Have there been any incidences that indicate that financial reporting has been inaccurate or unreliable? • Have agencies noted any issues that could lead to inappropriate use of funds: <ul style="list-style-type: none"> – lack of segregation of duties – lack of supervision of staff – inadequate monitoring – inappropriate/untrained staff – inadequate accounting standards, policies, procedures – large cash operation • Has there been any incidence of unduly delayed financial reports? If yes, what are the reasons? • Is there any indication outside the above that there are weaknesses in internal controls and/or financial management?

Finance for the financial assessment aspects, and is, as all other sectoral assessments, **mandatory**.

When assessing capacity, the importance given to each of the programmatic and financial management aspects should be proportionate to the CP's potential role in a given project. To complete the CP roster, WFP should:

- (i) Evaluate potential partners' general eligibility for inclusion in the CP roster. The potential partners' meeting all the basic requirements for WFP partnership qualifies for the technical expertise and capacity evaluation.
- (ii) Conduct the technical expertise and capacity evaluation through a point-ranking system.
- (iii) Assess potential partners demonstrating willingness and capacity for financial management of cash/voucher distribution and shop reimbursement for Harmonized Approach to Cash Transfer (HACT) compliance by Finance.

Potential partners that cover a minimum of 70 percent of the technical capacity requirements should be included in the CP roster. If WFP benefits are not disbursed to the beneficiaries through the CP (for instance, the CP is only responsible for targeting and/or monitoring activities), then its financial management strength may not be critical.

In line with the Joint Directive [OS2013/003 RM2013/005](#) (§3.1.4 and 4.1.3), the CP's financial management capacity should be evaluated using the results of the HACT micro-assessment of the CP performed by the United Nations Operations Management Team (OMT).

OMT shall conduct a HACT micro-assessment for each CP that receives or is likely to receive cash transfers **above** an annual amount of usually USD 100,000 combined from all

agencies, or as locally agreed among the agencies. For CPs with planned annual cash receipts below USD 100,000, assessments to determine the most effective and efficient procedures may be conducted, if desired, by the involved agencies. These assessments are more basic in nature and only to assist in the selection of the appropriate partners, without applying the HACT at full scope. For example, no FACE form as detailed in the HACT framework would be used and supporting document requirements for cash and voucher transfer values would be per Directive [OS2013/003 RM2013/005](#).

The checklist in Box 21 provides guidance on which criteria should be evaluated when assessing potential CPs. Information should be gathered through meetings/interviews with the NGO's or government institution's management and finance staff, as well as a review of the organizations' project portfolio, organigram, network of sub-offices/field staff and, if available, review of project reports or evaluation for ongoing projects. Information can also be triangulated with key informants, such as government counterparts (at central and/or local level), cluster/sector working group leads, or sister United Nations agencies with previous experience in collaborating with the organizations the country office is considering for a potential partnership.

Wherever the assessment shows that the scrutinized NGO or government institution does not meet one or more criteria listed in the checklist, this may constitute a potential risk to WFP's operation, and should be identified as such in the consolidated Risk Register elaborated by the C&V Working Group under Programme coordination, along with its associated mitigation measures.

 [Sample Ranking Matrix for CP Rostering](#)

Box 22: Tasks and responsibilities

Tasks	Responsible unit
Cooperating partner capacity assessment (organization and programmatic aspects)	Programme
Harmonized Approach to Cash Transfers (HACT) micro-assessment to determine the CP's capacity to handle the projected cash and/or voucher transfer volume	Finance
Roster specifications for CP in the projected implementation area	Programme (+ Finance)
Roster for CP's qualification	Programme

In compliance with the Joint Directive [OS2013/003 RM2013/005](#) (§4.1.3), and as a preparedness measure, Programme assisted by Finance should create a **CP roster** informed by the results of the CP capacity assessment. If the incompliance with the criteria in the checklist is critical, then the NGO or government institution should be excluded from the roster. Further suggested roster criteria for CPs are available in the PGM.

For detailed guidance on the cooperating partner capacity assessment, refer to:

 [WFP working with NGOs and community-based organizations](#)

 [Criteria for an NGO to work with WFP](#)

 [HACT micro-assessment criteria](#)

A.2.2.8

SECURITY RISK ASSESSMENT

For the purpose of identifying security-related risks and associated mitigation measures, the **mandatory** Field Security Sectoral

Assessment is comprised of two components:

- The **Inter-agency Security Risk Assessment**, carried out by the United Nations Department of Safety and Security (UNDSS) in consultation with the United Nations Security Management Team (SMT).
- The **Cash and Voucher Security Risk Assessment**, carried out by the Field Security Officer or the country office security focal point with support from the regional bureau or Headquarters.

In accordance with the UNDSS policy and conceptual overview of the Security Risk Management Process, a credible **Security Risk Assessment (SRA)** is an essential prerequisite to the effective management of risk. The objective of an SRA, mandatory in all countries where the United Nations has a presence, is to identify and assess the nature of the risks to a United Nations operation or activity so that those risks can be effectively managed through the application of mitigating measures.

The SRA is the process of identifying those threats that could affect United Nations personnel, assets or operations and the United Nations vulnerability to them, assessing risks to the United Nations in terms of likelihood and impact, prioritizing those risks and identifying prevention and mitigation strategies and measures. The SRA is carried out by UNDSS on behalf of the United Nations Country Team.

Although a country SRA may be general to all United Nations agencies operating in a location, it contains specific information that will inform WFP operations. The SRA results will help to inform the selection of transfer modalities. Part of the assessment includes the **situational analysis**, a collection of concise narratives that aim to illustrate and identify the drivers of insecurity in the intervention environment. It is this narrative overview of the current security situation that “sets the scene” and provides the context for the structured vulnerability and threat assessments to follow. Most importantly, it provides a common understanding of the environment from the security perspective for decision-makers, supporting the selection of an appropriate transfer modality.

The level of detail in the situational analysis will depend on the information available, the analytical capacity of the security team and the complexity of the security environment. However, there are eight key areas that are typically considered, namely political, economic, social, environmental, infrastructure, country security forces, threat groups/actors and the United Nations mandate.

Information that may be of particular relevance to cash and/or vouchers in the situational analysis includes the sections covering **conflict**, and **law and order**, and **crime**. Current crime trends and the government’s response, as well as how these have affected the United Nations to date, will help to determine whether it is feasible to implement cash and/or vouchers in the given security environment. Economic factors, one of the main drivers of stability, are also assessed. Although the SRA is not a detailed analysis of the economy, but rather a brief description of the economic situation as it affects the stability of the country and more specifically the safety and security of the United Nations, it may help in the identification of general threats in relation to cash and/or vouchers. Similarly, the section on threat groups (groups and organizations that threaten stability and/or the control of the legitimate host government) will also provide useful background information.

In addition to the situational analysis, the **threat assessment** in the SRA assesses four threat categories (armed conflict, terrorism, crime, civil unrest) to identify events that may occur in the operating environment. When these are evaluated against the United Nations vulnerabilities and its programmes, the sum of the assessments provides a clear description of the operational context on which to base the **security risk analysis**. The analysis will determine what specific scenarios are likely to occur and what their impact on United Nations operations will

Box 23: Tasks and responsibilities

Tasks	Responsible unit
Country Security Risk Assessment	Management, Security (through participation in the United Nations Security Management Team)
Cash and Voucher Security Risk Assessment	Security field officer/security focal point with support from regional bureau/Headquarters

be. For example, criminality may be assessed as high risk in a given area, given that members of the international community are seen as affluent and in possession of high-value objects, including large amounts of cash in the case of a cash transfer operation. This risk analysis should be added to the macro and micro analysis, as described in the next section.

Cash and voucher SRAs

In addition to the country or area SRA, a specific SRA should be conducted for the cash/voucher transfer modality once it has been selected. While the template for a security risk assessment specific to cash and vouchers can be modified to suit the context, it includes guidance to help identify the specific security-related issues associated with that particular transfer modality. It helps to identify programmatic threats that may affect the intervention achieving its objectives. In this section, users are asked to detail whether processes and procedures associated with the distribution may result in complaints, violence, theft, food loss, diversion, etc., and to consider the delivery mechanisms of the cash/vouchers, the organization of the distribution (including physical conditions during the distribution), and the monitoring and evaluation processes.

Users are also asked to detail the existing security and safety procedures associated with the intervention. All of these may contribute to the strengths or weaknesses in security.

Based on this information, likely threat scenarios are determined in relation to the cash/voucher transfer modality(ies), and additional specific security measures are then identified to mitigate those security risks. These measures may relate to the physical transportation and delivery mechanisms of the cash/vouchers (including the capability of CPs/couriers/retailers), the storage and management of cash/vouchers, the physical location, the design and construction of the distribution and organization of the beneficiaries and staff, the perception of the beneficiaries, the communications associated with the transportation and distribution of cash/vouchers,

and the monitoring of cash/vouchers.

The SRA report informs: (i) the “consolidation of risks into the country office Risk Register” carried out by the C&V Working Group and coordinated by Programme; and (ii) management’s decision on the “transfer modality and delivery mechanism selection”. Once the transfer modality and mechanism have been selected by management, the cash and voucher SRA provides additional risk identification and associated mitigation measures.

For more detailed guidance on the C&V-specific Security Risk Assessment, follow the link to the template below:

 [C&V Security Risk Assessment – Template](#)

A.3 RISK ANALYSIS

After completion of the various assessments and before any decision is taken on the transfer modality or delivery mechanism, the country office should complete a detailed risk analysis, including mitigation actions (major assumptions considered), based on the consolidation of the risks identified through the needs assessment, market analysis protection and gender considerations, and the various sectoral assessments. The risks identified in the risk analysis will be incorporated in the overall country office Risk Register.

The guidance provided in this section is consistent with [WFP’s Enterprise Risk Management Policy and Risk Management Guide](#), which should be used as references when conducting this analysis. Box 25 indicates the steps to be undertaken for a multifunctional risk analysis on C&V terms.

Country office Risk Register: Documenting risk analysis and mitigating measures

The risks identified in relation to C&V should be incorporated into the country office Risk Register. Those risks considered “high” should also be considered for escalation and inclusion into the Corporate Risk Register compiled by Performance Management and Monitoring.

Box 24: Terminology

Risk categories

- Contextual risks refer to factors over which actors have little control (e.g. insecurity, conflict, economic crisis, recurrence of natural disasters).
- Programmatic risks are those related to failure to meet programme objectives and/or potential harm caused to others through interventions.
- Institutional risks are those internal to the organization and include fiduciary failure, operational security, reputational loss, and financial loss through corruption.

Risk analysis¹²

- Risk analysis refers to country-level risks related to the design and implementation of cash and/or voucher transfers in food assistance programmes from a multifunctional perspective (e.g. inflation, exchange rate fluctuation, price volatility, supply shortages, food quality and safety, capacity of financial institutions, security and political will).

Box 25: Process for making a risk analysis

Step 1	C&V Working Group to review identified risks, and consolidate them into the country office Risk Register, based on a multi-hazard approach. It is also advisable to include partners involved in the sectoral capacity assessments in the process.
Step 2	Based on the context and the nature of the project, agree on a broad list of relevant contextual, programmatic and institutional risks related to each considered transfer modality. The risks should be categorized according to WFP's five management results dimensions, linking the risks to the objectives.
Step 3	Describe the causes and effects of each risk. Risks faced by WFP stem from various causes and may have different types of effects. Identifying causes and effects assists in understanding why the risk exists, how it affects WFP, and what WFP can do to address it through mitigating measures (which will either address the causes of risks to help prevent the risk from occurring or address the effects to mitigate the impact of the risk).
Step 4	Rank the seriousness of each risk. The seriousness indicates the importance of the risk and is determined by scoring the likelihood and impact . Likelihood refers to the probability and frequency of the risk occurrence. Impact measures the consequences of the risk to the intervention's objectives. The risk seriousness is calculated by assigning scores between 1 and 5 to both likelihood (1 = very unlikely to 5 = very likely) and impact (1 = negligible to 5 = critical). Identification of risk seriousness assists in understanding and prioritizing the response. The focus should be on the high risks (e.g. where the transfer modality could negatively affect WFP's reputation, corporate strategic objectives, accountability requirements, financial safeguards or the security of beneficiaries or staff.)
Step 5	Define the response to each risk : (i) accept; (ii) control (implementing additional mitigation measures to reduce the risk to an acceptable level); (iii) avoid (terminating the activity if it is deemed too risky); or (iv) transfer (insurance, subcontracting or outsourcing implementation to other parties who can operate with lower risk safely). Where the response has been to "control" the risk, this implies that the risk level is perceived as too high and additional steps can be identified to lower the seriousness of the risk. In this case, future mitigation actions need to be identified, along with an identified implementing unit and completion dates.
Step 6	Risk management is a dynamic process. The risks and the implementation status of mitigation actions should be continuously monitored and tracked in order to ensure that serious risks are addressed.

¹² As defined for the purpose of this manual.

Box 26: Examples of cash and voucher transfers related risks and mitigating measures (illustrative and non-exhaustive)

Risk category	Responsible unit	Causes	Effects	Mitigating actions
Contextual	Increased exposure to currency exchange rate losses	High inflation/ local economy access to foreign currency is limited	Increase in operational costs; country office ability to accurately project cash needs is limited	Implement appropriate monitoring and reporting procedures that would enable faster shift from cash to in kind food; consider distributing assistance in foreign currency
	Price volatility (fluctuations)	Unpredictable harvest; low stocks of food; speculations; significant changes in the demand and supply	The actual food basket cost could be higher/lower than the budgeted cost	Market analysis/pricing reviews to adjust transfer values to meet market conditions and communication to retailers (for vouchers); agree on fixed price for fixed period with selected retailers (for vouchers); set a maximum limit for acceptable price increases and plan contingency in-kind transfers beyond this threshold
	Price fixing	Collusion among businesses	Prices are higher than regular market prices eventually resulting in reduced purchasing power of beneficiaries; a decreased number of targeted recipients due to less funding availability than planned for	Pricing surveys and national price bulletins are reviewed against beneficiary retailers and non beneficiary retailers, to ensure that the prices are consistent; design system favouring competition among retailers; monitor, identify and disqualify offending retailers
	Safety of food products available in the local market	Authorities inability to enforce quality standards for the food chain between suppliers and retailers (upstream quality insurance)	Beneficiaries exposed to food safety risks	Take into account food quality during the selection of transfer modality; include quality and safety standards in merchants' contracts; undertake measures to promote competition among retailers; implement beneficiary hotline to identify retailers selling poor quality
	Insufficient food available to meet increased demand	Temporary market supply chain bottleneck(s)	Beneficiaries are unable to meet their basic food needs; Objectives of the project are not achieved	"Early warning of supply monitoring", "transformational logistics" to eliminate supply chain bottlenecks and contingency planning for temporary switch to in kind

Box 26: Examples of cash and voucher transfers related risks and mitigating measures (illustrative and non-exhaustive) (continued)

Risk category	Responsible unit	Causes	Effects	Mitigating actions
Programmatic	Insufficient funds available in financial institutions to accommodate supplier request	Staff error/ mismanagement	Delay in payments to retailers	Ensure real-time monitoring of voucher redemption (reconciliation process) and timely cash call forward
	Hostility from local population who are not receiving cash and/ or voucher transfers	Existing and unmet needs of local population	Targeted beneficiaries fearing retaliation may not avail themselves of needed benefits	Sensitization of local population; explanation of targeting rationale; assess need for intervention for host community
	Vouchers exchanged for unauthorized items or cash	Collusion among beneficiaries and retailers	Transfer not used for intended purpose; project does not meet its food security/ nutrition objectives	Sensitize retailers and beneficiaries to voucher regulations; monitor to identify occasional or systematic abuse; disqualify if systematic abuse is found; review targeting and programmatic assumptions
	Assistance attractive to non-beneficiaries	Existing and unmet non-food needs of local population	Targeting inclusion error	Consider including conditionality such as work; strengthen targeting arrangements; consider physical verification of beneficiary list; ensure both beneficiaries and non-beneficiaries are well informed on the project objectives and targeting criteria
Institutional	Increased exposure to fiduciary risks/ reputational risks	Fraud; inadequate oversight; improper allocation of funds	Cash not used for intended purpose; not achieving value for money; and improper accounting for cash	Implement internal controls that promote transparency and accountability (e.g. penalties, civil society oversight, information verification)

NOTE¹: The cause and the mitigating action required for each risk described in the first part of the table are context specific. As a result, the ones presented are not relevant in all circumstances. It is up to the country office to define the suitable ones according to specificities of its intervention and environment.

NOTE²: A review of risks and mitigating actions identified by country offices piloting C&V transfer modalities are annexed to the Joint Directive OS2013/003 RM2013/005.

A.4 RESPONSE ANALYSIS: OPTIONS DEVELOPMENT AND TRANSFER MODALITY SELECTION

Based on the information collected through the needs assessments, the sectoral capacity assessments and the identification and consolidation of risks, and depending on the specific objectives of the intervention and the profiling of the groups targeted for assistance, the C&V Working Group should develop several response options (using different transfer modalities) to address the identified problem.

During the response analysis stage, the C&V Working Group compares these response options in terms of cost-efficiency, effectiveness and externalities in order to support the eventual selection of the most appropriate transfer modality(ies), i.e. a resource-efficient transfer modality with the highest probability of meeting the intervention's objectives.

The following paragraphs under this section should be considered as **interacting and interlinked**, the transfer value being adjusted to optimize the cost-effectiveness.

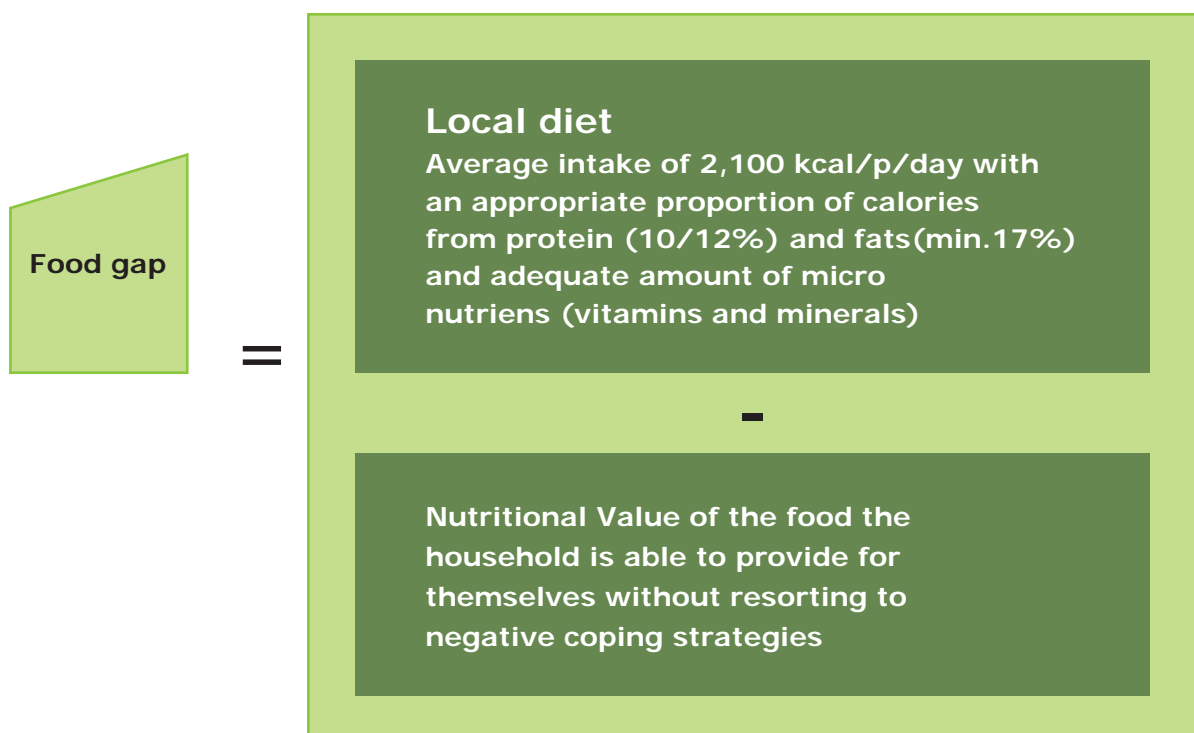
A.4.1 TRANSFER VALUE CALCULATION

A.4.1.1 FILLING A FOOD GAP

It is the responsibility of Programme to calculate the quantities or value of the transfer (either in kind, cash or vouchers) to be given to beneficiaries according to identified programme objectives.

If the objective is to address food needs, the food assistance expressed either in in-kind basket or transfer value for cash and vouchers should bridge the gap between people's food needs and their capacity to cover them without resorting to negative coping strategies. The food gap is established in Figure 6.

Figure 6: Food gap estimation



Box 27: Aspects to consider when determining the transfer value for nutrition-based assistance

- What is the nutrition and food security situation of the targeted population?
- What is the objective of the intervention (nutrition, food security, livelihood recovery)?
- Which commodities do beneficiaries consume?
- Which commodities do beneficiaries produce, if any?
- What is the average food diet of potential beneficiaries made of (food items and quantities)?
- Which commodities and types do beneficiaries prefer?
- What aspects of food preparation, cultural acceptability and local palatability have to be considered in determining the food basket?
- Which commodities are available in local markets at different seasons?
- Are commodity prices likely to rise during the duration of the project? What is the expected inflation?
- What are the current and projected food retail prices?
- What are the market labour wages?
- Is there an additional cost incurred in accessing the cash and/or the market?
- Do beneficiaries receive assistance from other programmes or partners? How does this assistance compare with the one proposed by WFP?
- Could the beneficiaries barter commodities for preferred foods? What are the terms of trade?
- For the beneficiaries, does the economic value of transfers prevail over the nutritional value?
- Is some control over the nutritional intake of the transfer critical according to the intervention objectives?
- What will the transfer cover or what essential needs is the transfer intended to cover?
- Which transfer frequency and duration is needed?
- Should the frequency or amount of the transfer vary depending on the household size, vulnerability, price changes, etc.?

A.4.1.2 NUTRITIONALLY BALANCED LOCAL FOOD BASKET


In line with the [2012 WFP Nutrition policy](#) advocating for the right food in the right place at the right time to the right people, the transfer value should be determined in order to ensure access to both macronutrients and micronutrients in addition to calorie intake.

Consequently, for C&V modalities, the transfer value determination consists of the calculation of the minimum balanced and nutritious food basket from the market, adapted to locally preferred diets and covering the identified food gap, as explained in Figure 7.

The local market prices refer to the forecasted retailer prices, as per the market price trend analysis findings, in the reference market that beneficiaries frequent.

If local market prices differ by more than 10 percent from one market to the other in the same area of intervention then, in compliance

with a Do No Harm approach, different transfer values should be attributed according to respective markets in order to preserve the beneficiaries' purchasing power.

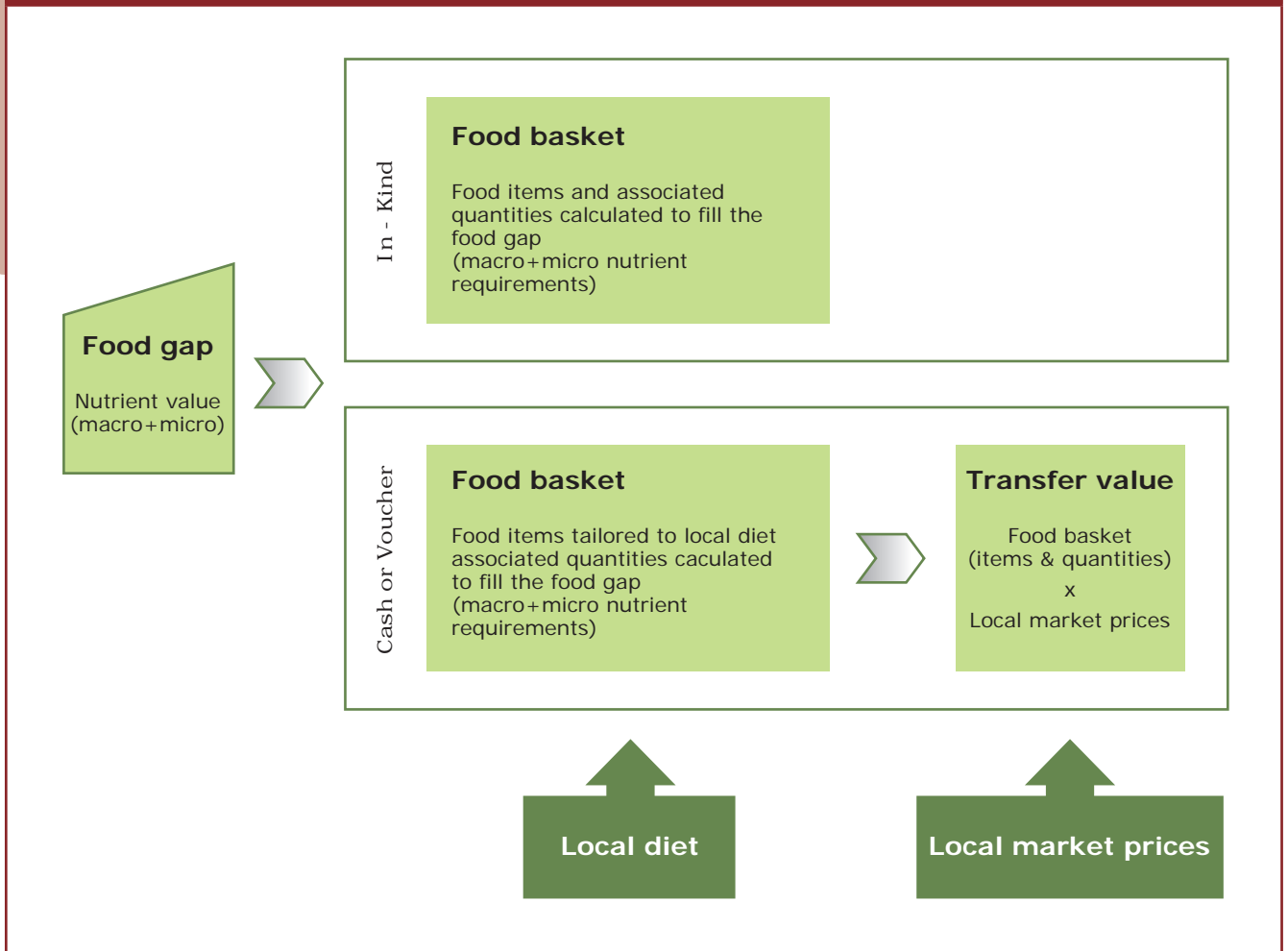
 *To determine the food basket and transfer value calculation, use the NutVal database.*

A.4.1.3 TRANSFER VALUE CALCULATION FOR FOOD ASSISTANCE FOR ASSETS (FFA)

Rations for asset creation-based assistance enable participants from food insecure households to contribute to meeting their households' immediate food needs while engaging in an activity that contributes to their longer-term food security or to the restoration of community assets and/or services (see Box 28).

The provision of incentives or payment using food, cash or vouchers is based on asset creation norms that are appropriate to the local circumstances.

Figure 7: Food basket design



Box 28: Aspects to consider when determining the transfer value for asset creation-based assistance


- Determine the monthly food gap of the target households.
- Translate the gap into a monthly transfer value according to description provided above under the "*transfer value calculation*" paragraphs.
- Based on the average daily wages (80-90 percent*), determine how many work-days the target households are required to work to meet their monthly needs.
- If the number of monthly labour-days does not cover identified needs (example: the household needs to work at least 35 days to meet its monthly needs), allow more than one member of the household to participate in work activities so they can earn enough to meet the household's needs.

* The transfer value should be slightly lower (80-90 percent) to the average accepted unskilled labour wage to avoid affecting labour markets (this does not include exploitative labour markets) and should be consistent with self-targeting objectives.

Box 29: Additional considerations for cash- or voucher-based food assistance for asset creation activities

It has to be clear to the WFP country office and to food assistance for assets (FFA) participants, government counterparts and cooperating partners that WFP's FFA programmes do not generate employment as such and cannot by any means be assimilated to job creation programmes per se. FFA programmes firstly fill an identified immediate food gap through a food, cash or voucher transfer, and while doing so the transfer is used as an incentive to the beneficiary to work on assets that they will directly benefit from – i.e. they would create the same assets on their own initiative if they had the resources and time (without FFA their time is indeed spent trying to fill immediate food needs instead of improving their assets), technical capacities and tools required. While the objective of WFP's FFA programme is not to generate employment, but to address immediate food needs through a transfer and address food security in the short and longer term through the creation of assets, the following factors may in some contexts and to some extent have an influence on how the country office designs or communicates its FFA activities:

- minimum standards and requirements for wages, benefits and security;
- national/local laws governing duration of continuing employment;
- national laws and international standards governing social and injury insurance during employment;
- minimum employable age according to national law, international standards and WFP policy;
- capacity of different beneficiary categories to undertake different types of work;
- taxation laws applicable to beneficiary earnings.

 For detailed guidance on work norms and ration definition for food assistance for assets, refer to the [Food Assistance for Assets Manual](#).

A.4.1.4 CONSIDERATIONS FOR VOUCHER TRANSFERS

Particular attention should be given to the selection of voucher transfers. They can be value or commodity based, or food or service vouchers.

A.4.1.4.1 CHOOSING THE VOUCHER TYPE (VALUE OR COMMODITY BASED)

Appropriateness of the type of voucher depends on the objectives of the programme

and the context. Factors to consider are listed in Box 30.

A.4.1.4.2 DISTINCTION BETWEEN A FOOD VOUCHER AND A SERVICE VOUCHER

According to the project objectives and the context (e.g. the market setting), a service voucher, such as a milling voucher, may be needed in addition to in kind or food-voucher transfers.

In line with the Joint Directive [OS2013/003](#) [RM2013/005](#) (§2.2.3), the transfer value of the service should be charged against other direct operational costs (ODOC) as food transformation and milling costs.

Box 30: Aspects to consider when choosing the voucher type

- Consistency with the objectives of the project (nutrition, access to food, diet diversity, etc.).
- Choice: offer more flexibility to beneficiaries and ensure compliance with their palatability and consumption patterns (consider value-based voucher) or restrict choice to ensure strict control over nutritional intake or diet diversification (opt for commodity-based voucher).
- Price volatility: allow the market to determine prices, allow beneficiaries to bargain for cheaper prices or choose better quality (opt for value-based vouchers), or when inflation or lack of competition exists, ensure beneficiaries' purchasing power is guaranteed and that this risk is transferred to the organization (opt for commodity-based vouchers).
- Possibility of negotiating commodity prices for both the beneficiaries (value-based voucher) and WFP (commodity based voucher).

A.4.1.5 MARKET PRICE FLUCTUATION AND TRANSFER VALUE ADJUSTMENTS

Price fluctuations, also known as volatility, occur due to variability and/or uncertainty of market conditions and can include bullish (upward movements) or bearish (downward movements) price trends.

Particularly, **usual price variability** is often a sign of **seasonally** varying supply and demand conditions and is, therefore, to a certain extent a predictable price pattern. Seasonality patterns and stable inflation need to be factored into the determination of (future) transfer values through seasonal variations/adjustments. Consider even to alter the transfer modality to accommodate feasibility and cost-efficiency implications of seasonality patterns.

In the case of **unpredictable and wide price fluctuations**, the country office must carefully consider the viability of using cash and/or vouchers compared with in-kind food distribution. Should the country office choose to use cash and vouchers, it may then consider one of the following approaches, ensuring that these are tailored to its own specific context:

- Continuing adjustment of transfer value to offset effects of price volatility. This protects the transfer value for beneficiaries against price changes. An ongoing sensitization campaign to ensure that beneficiaries understand the reasons for continuing variations in the value of assistance should be built into the project design. Additionally, careful consideration should be paid to the impact of the intervention on non-beneficiaries.
- Where electronic delivery mechanisms are in place, the transfer value adjustments are easy to factor in, but practical difficulties exist where paper vouchers are applied. In such cases, it would remain potentially a time and resource-intensive arrangement.
- Setting cut-off limits for maximum acceptable prices for a defined period of time. The value of cash/voucher transfers is set to absorb maximum acceptable price inflation, allowing for predetermined value increases over fixed intervals of time. The assumptions and details for this arrangement should be decided by Programme in consultation with VAM. Continuing price monitoring should be used to regularly validate the planned level of price inflation and volatility against its actual level. The country office must have a contingency

exit plan to respond to the situation when acceptable price inflation or fluctuation limits are exceeded by the actual price inflation.

Both approaches (and the combination of the two) used in the case of high price inflation and unusual price volatility have cost implications for the country office, which should be carefully budgeted. These cost implications can be very different according to context: increase in costs will be certainly more important when the exchange rates are fixed. If they are not, the local currency can become cheaper and have ultimately no cost implication for WFP as costs are calculated in United States dollars. There might also be cost savings if actual values are below budgeted values.

Prior consultation with both Headquarters and the regional bureau (Programme, VAM and Finance) on the best approach to adopt is highly recommended.

NOTE: *Price volatility and inflation considerations must form part of the risk analysis (A.3).*

A.4.2 EX-ANTE COST-EFFICIENCY, COST-EFFECTIVENESS AND EXTERNALITIES ANALYSIS

Among the most determining factors for selecting the transfer modality will be the ex-ante cost-efficiency and cost-effectiveness analysis. Cost-efficiency looks at the cost of an operation to WFP in terms of **outputs**; cost-effectiveness looks at the cost of an operation to WFP in terms of **outcomes**.

Externalities are outcomes of a given programme that are beyond the established objectives. They can have positive or negative impacts, which is why they have to be taken into consideration when analysing the advantages and disadvantages of a transfer modality compared to another.

In compliance with [Directive OD2011/004](#) (§2.2), the cost-effectiveness analysis is **mandatory** and should be led by Programme, with inputs from all functions as required.

It is difficult to estimate the actual outputs and outcomes of an operation before the implementation; many assumptions must be made about beneficiary behaviour and preferences, and some of the expected outcomes are not easily quantifiable. It is therefore understood that the ex-ante analysis should not be considered a scientific calculation. However, it should assist country offices to reflect on the

expected outputs and outcomes of each transfer modality, and help construct the argument for one over another, or for a combination of modalities.

The Omega Value Tool has been developed by WFP to facilitate the reflection around cost-efficiency, cost-effectiveness and externalities. It should be used to compare, ex-ante, the potential and expected cost-efficiency and effectiveness of different food baskets, equivalent or very similar in energy value, but delivered through different transfer modalities. Each basket's nutrient value is measured against its cost of delivery.

A.4.2.1 COST-EFFICIENCY ANALYSIS

The cost-efficiency is defined as the cost to achieve the desired **output** – in WFP's case delivering a balanced food basket covering the daily basic kilocalorie needs – to the targeted beneficiaries within an established timeframe.

The cost-efficiency is calculated by comparing the cost of delivering an in-kind food basket with the cost of providing beneficiaries access to a food basket, equivalent in terms of kilocalories, in the local market through vouchers or cash transfers. In Figure 8, the cost elements of the three transfer modalities are listed.

Specifically, for in-kind food: commodity cost; external transport costs; LTSH costs; ODOC costs associated with the in-kind food delivery and project implementation; and finally direct support costs (DSC) and indirect support costs (ISC) costs as applicable. For C&V, the cost elements are: the value of the voucher or cash transfer to the beneficiary, based on local market prices (transfer value); costs associated with the delivery of the transfer; other costs associated with the implementation of the projects; as well as DSC and ISC as applicable.

Numeric example:

The example in Figure 9 shows the cost-efficiency comparison between an in-kind and a voucher transfer operation, targeting 27,500 beneficiaries. The baskets may not be the same in terms of food item composition, but they should be equivalent or similar in terms of the nutritional value (Kcal) and micronutrient content (iron, vitamin A, etc.) and cover the same food gap for the same number of feeding days. For both transfer modalities, the total cost is divided by the total number of beneficiaries. In this particular case, providing food assistance through vouchers is slightly cheaper than providing food assistance through the in-kind

Figure 8: Cost-efficiency analysis

	In Kind	Voucher	Cash
INPUTS - COSTS	Commodity costs	Transfer value	Transfer value
	External transport		
	LTSH	Cash/voucher delivery	Cash/voucher delivery
	ODOC food	Cash/voucher other	Cash/voucher other
	DSC + ISC if applicable	DSC + ISC if applicable	DSC + ISC if applicable
	<hr/>		
OUTPUT	No. of beneficiaries	No. of beneficiaries	No. of beneficiaries

Figure 9: Cost-efficiency analysis – Numeric example

	In Kind	Voucher
INPUTS - COSTS	Commodity cost: 503,786 USD	610,385 USD
	External transport: 72,000 USD	
	LTSH: 57,803 USD	Voucher delivery: 38,429 USD
	ODOC food: 29,319 USD	Voucher other: 6,000 USD
	DSC + ISC: 147,580 USD	DSC + ISC: 147,580 USD
OUTPUT	Total: 810,488 USD	DSC + ISC: 802,394 USD
	27,500 beneficiaries	27,500 beneficiaries
	Cost per beneficiary: 29.5 USD	Cost per beneficiary: 25.2 USD

ration. Consequently, voucher transfers are the most cost-efficient option.

NOTE: *In the cost-efficiency calculation, it is important to consider the lead time to deliver the different transfer modalities as well as seasonality and trends of prices in the market.*

A.4.2.2 COST-EFFECTIVENESS ANALYSIS

Cost-effectiveness is defined as the analysis that compares the costs and relative outcomes of two or more options. To perform a cost effectiveness analysis, it is necessary to compare different transfer modalities according to both their forecasted costs and their anticipated effects with regard to producing intended outcomes.

The cost-effectiveness can be measured by considering several indicators depending on the weight given to project outcomes, such as the nutrient value score (NVS), the percentage of increase of the food consumption score (FCS),

the impact on gender and social protection issues or the beneficiary satisfaction, and others.

A.4.2.2.1 NUTRIENT COST-EFFECTIVENESS ANALYSIS

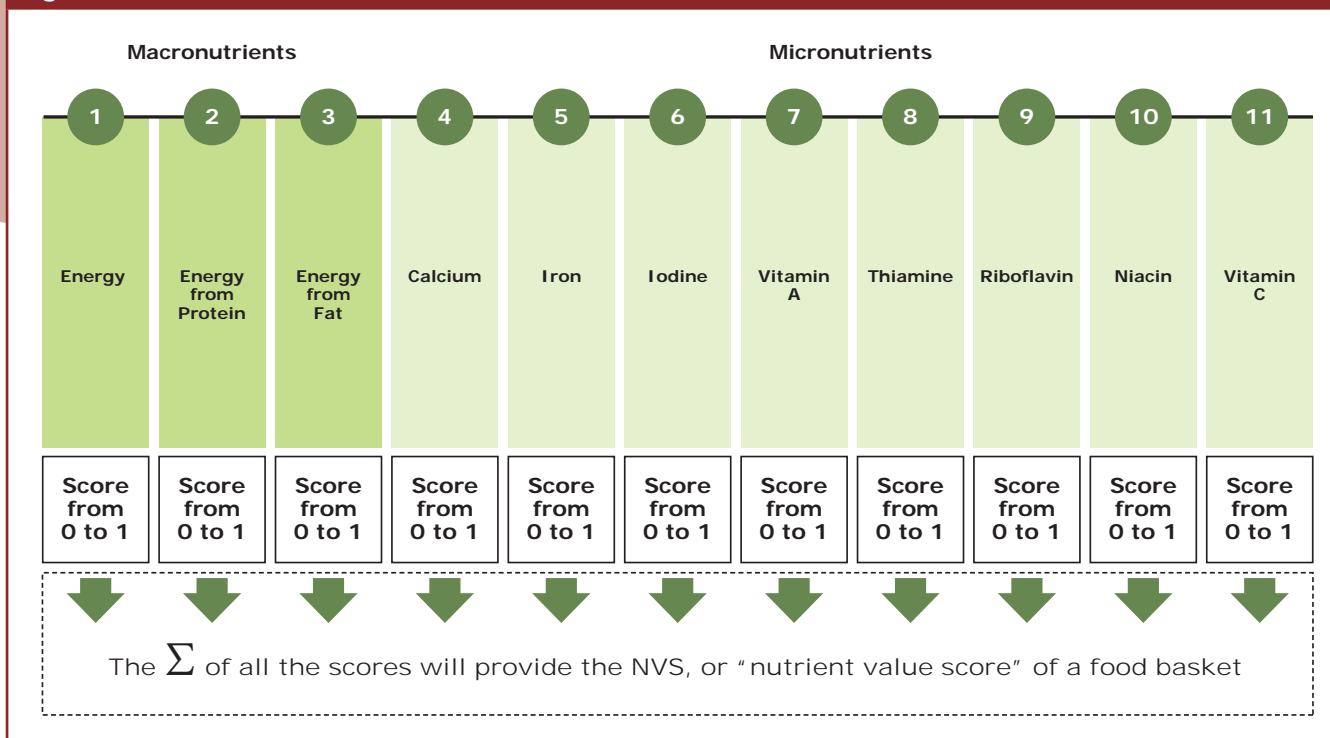
A positive nutritional impact on targeted population is, in the majority of cases, the central outcome intended by a WFP operation. The first step to compare the nutritional value of different food baskets is to calculate the NVS (see Box 31).

The NVS goes beyond the nutritional content expressed in the energy value of a given food basket. It assesses the energy and nutrient density of the food basket by adding together the macronutrients and micronutrients (Figure 10). A score is assigned to each macronutrient and micronutrient as a percentage of the recommended nutrients intake (RNI) for each individual food item or commodity in the basket. The sum of all scores determine the NVS of the food basket.

Box 31: How to calculate the nutrient value score (NVS) of different food baskets

1. Define the food baskets for the different transfer modalities. The WFP in-kind food ration typically includes dry food items, often fortified. Voucher and cash baskets usually include food items that can be found in local markets and that are compatible with local preferences and dietary habits. The rations should be designed in line with identified needs and programme objectives and be equivalent in terms of energy (Kcal) value.
2. Through the NutVal database contained in the Omega Value Tool, adjust the food baskets to include (in addition to the Kcal) the macronutrients and micronutrients required to meet the project objectives and targeted beneficiaries' needs. Give appropriate weight to the different nutrients for specific deficiencies (iron, vitamin A, etc.).
3. For each transfer modality, calculate the density/score of each recommended nutrient based on the food items and related quantities defined in the food basket.
4. For each transfer modality, add up all the individual nutrient scores and obtain the NVS per food basket (the Omega Value Tool is designed to do this automatically).

Figure 10: Nutrient value score



The nutrient analysis and the calculation of the NVS for each food basket is done through the NutVal, which is an integral part of the Omega Value Tool.

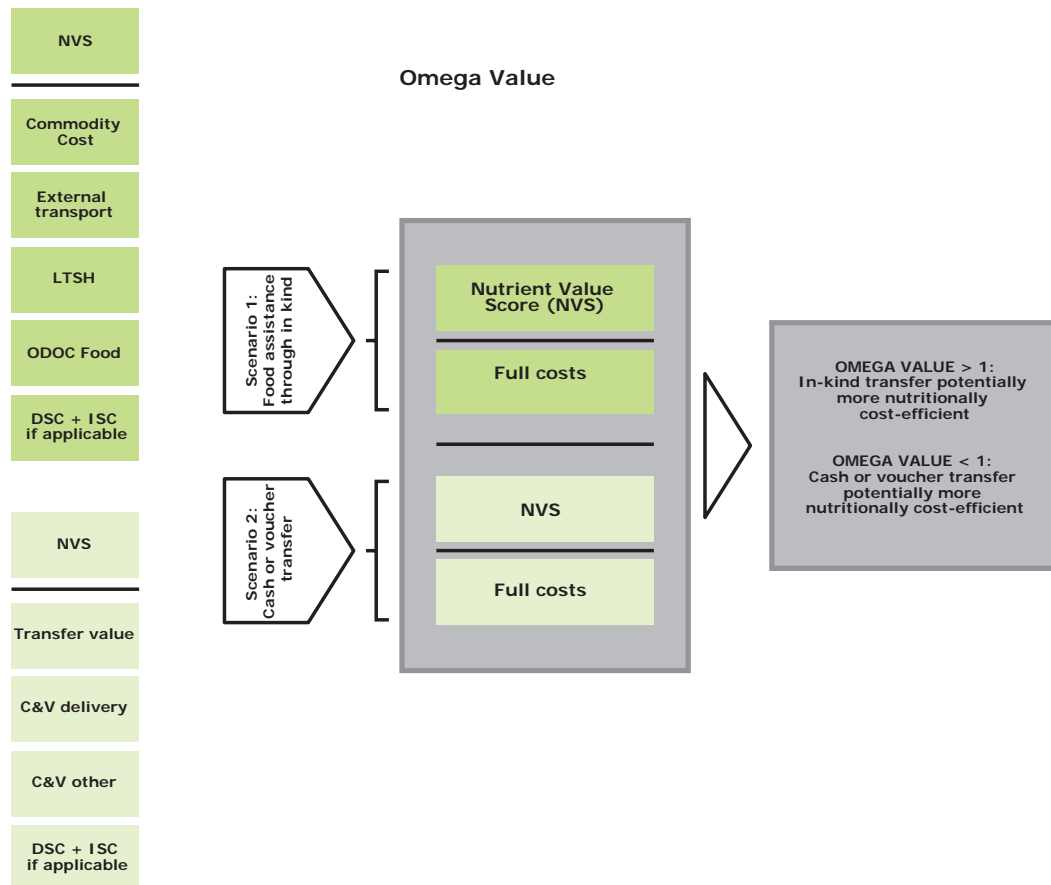
NOTE 1: *The food basket design can be optimized in order to meet both the nutrient requirements and mixed food items with associated quantities in the cheapest combination.*

In order to evaluate the cost-effectiveness of each transfer modality: (i) the NVS of each food basket must be compared to the cost of providing it to the beneficiaries; and (ii) the result of the three transfer modalities compared

among themselves. The ratio between NVS (nutrients delivered) and cost to deliver them will constitute the basis for comparing the cost-effectiveness between the various modalities. For example, the ratio of NVS/full cost of an in-kind food basket is compared against the ratio NVS/full cost of a voucher basket, as shown in Figure 11.

If the result of the calculation is higher than 1, the in-kind transfer modality should be considered as more cost-effective. If the result of the calculation is below 1, the voucher or cash transfer modality should be considered more cost-effective.

Figure 11: Omega value calculation



Numeric example:

The numeric example in Figure 12 shows the Omega Value comparison between an in-kind food basket and a voucher food basket. The NVS for both baskets is calculated automatically, using the Omega Tool, once data on basket composition and quantities per beneficiary per day are inserted in the tool. Similarly, the Omega Tool calculates the commodity cost and all associated costs based on information retrieved from Logistics, Procurement and VAM. The example in Figure 12 shows that the in-kind food option is more effective than the voucher option. This is

shown by the fact that the Omega Value is higher than 1.

For detailed Programme guidance on cost-effectiveness analysis, calculation of Omega Value and use of the Omega Value Tool, please refer to the following links:





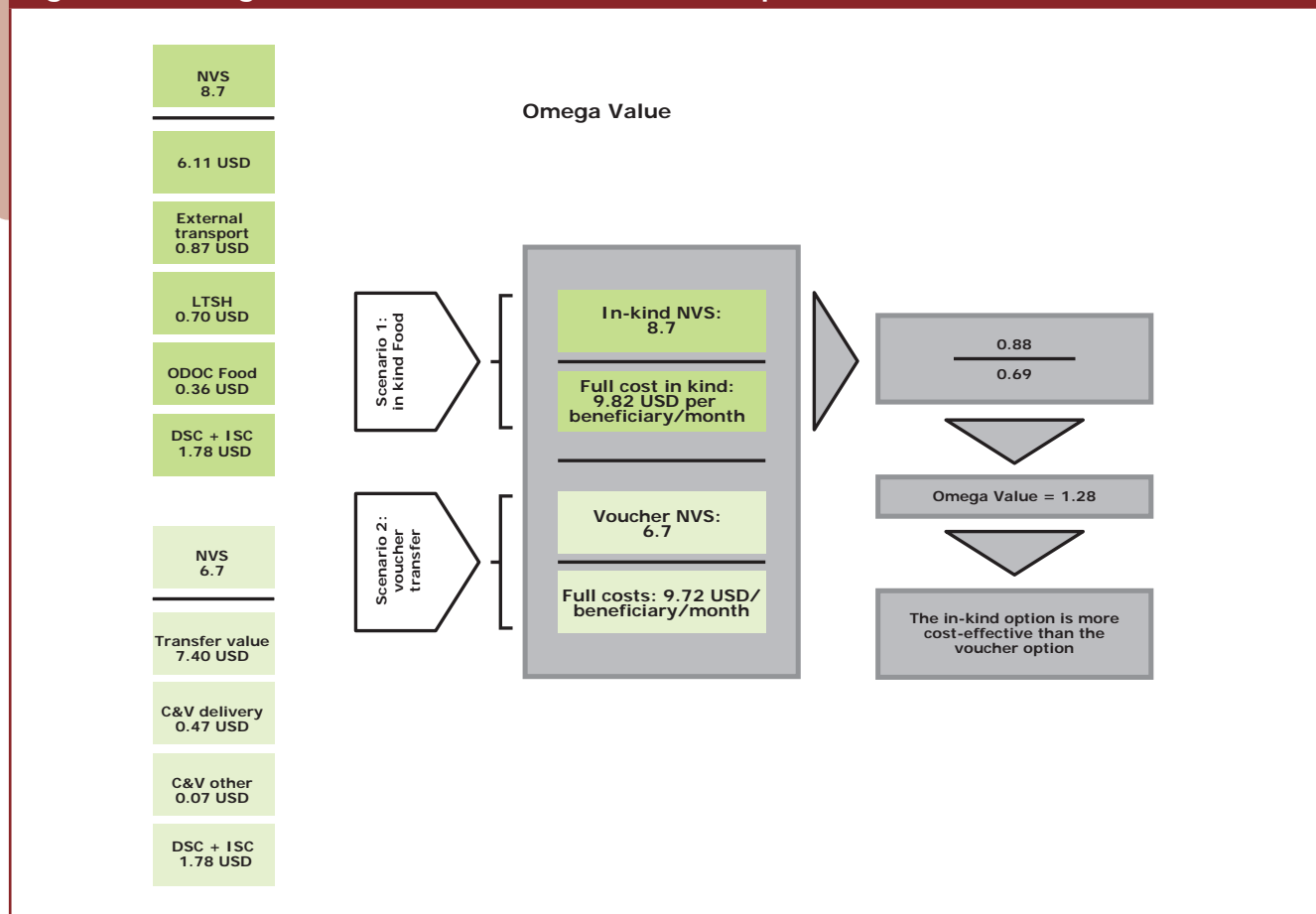
-  [A new tool for Ex Ante Comparison of Commodity-based Vouchers and Food Transfers](#)
-  [Omega Value Tool \(Excel tool\)](#)
-  [SOPs for Omega Value Tool](#)
-  [NutVal](#)

Figure 12: Omega Value calculation – Numeric example



A.4.2.2.2 FOOD CONSUMPTION SCORE COST-EFFECTIVENESS ANALYSIS

In this case, the FCS is selected as the key outcome indicator for WFP food security related activities. The cost-effectiveness analysis compares the anticipated cost per achieved percentage increase in the FCS according to different transfer modalities (i.e. USD/increase in percent FCS).¹³ In order to estimate this value, the full cost to deliver the food assistance per beneficiary/month through different transfer modalities should be divided by the estimated impact (percentage increase) that each transfer modality will have on the food consumption score, as shown in Figure 13.

The cost-effectiveness calculation in Figure 14 shows that even though the implementation of voucher transfers is slightly more expensive

than the in-kind distribution, the additional cost is offset by the higher impact on the outcome indicators.

For detailed Programme Guidance on cost-effectiveness analysis as well as instructions on how to use the Omega Value Tool, please refer to:

[Omega Value Tool \(Excel tool\)](#)

[SOPs for the Omega Value Tool](#)

In addition to the NVS and the FCS, WFP pursues other project outcomes that are not easily measurable, but nevertheless should be taken into consideration during the selection of the transfer modality. These include, for example, the positive impact on intra household gender relations and beneficiary protection, as well as beneficiary satisfaction or preferences.

¹³ The Omega Tool supports this estimation.

Figure 13: Food consumption score cost-effectiveness analysis

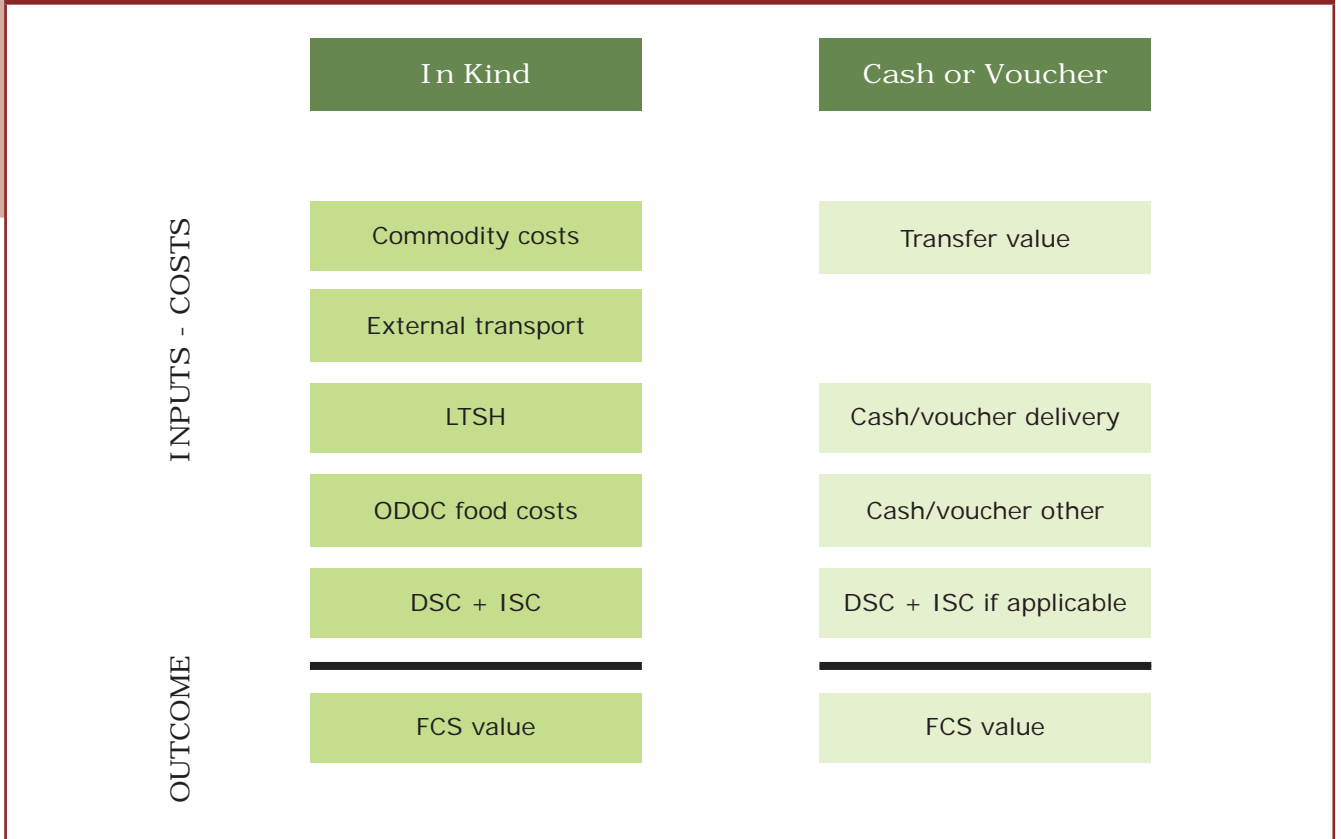
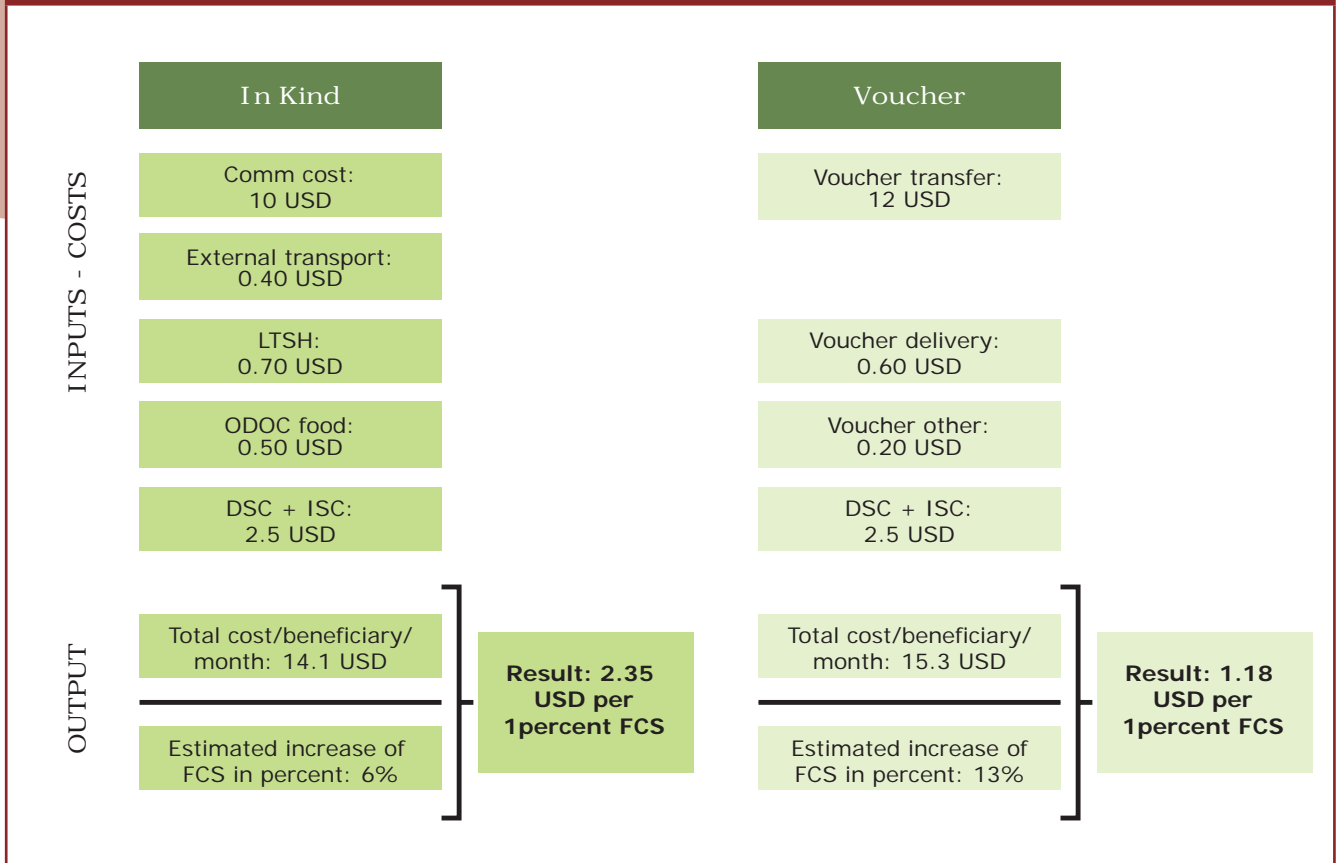


Figure 14: Food consumption score cost-effectiveness analysis – Numeric example



A.4.2.2.3

GENDER, PROTECTION AND SOCIAL COHESION OUTCOMES

Aligned with the 2012 [WFP Policy on Humanitarian Protection](#), WFP activities should

help strengthen the protective impact of assistance and build an environment conducive to the respect of rights of affected populations.

Programme should identify potential outcomes related to gender, protection and

Box 32: Protection outcomes

Aspects to consider when assessing the promotion of gender, protection and social cohesion as expected outcomes	Given the assessed needs and the planned type or combination of transfer modality and delivery mechanism required, will the assistance...
Ensure PARTICIPATION	<ul style="list-style-type: none"> ensure that both women and men are engaged in the choice and the implementation of transfer modality?
Promote SAFETY	<ul style="list-style-type: none"> contribute to keeping populations targeted for assistance safe from harm and harmful coping mechanisms, or additional safety risks – including all forms of violence associated with the collection and utilization of assistance?
Promote DIGNITY	<ul style="list-style-type: none"> provide a dignified participation of beneficiaries that allows choice and includes a nutritious and culturally acceptable food basket based on assessed needs?
Promote NON-DISCRIMINATION, EQUITABLE ACCESS AND PARTICIPATION IN ASSISTANCE	<ul style="list-style-type: none"> contribute to the well-being and social acceptance of certain vulnerable groups, such as those living with HIV/AIDS, or tuberculosis, or certain ethnic groups, or rather exacerbate/create discrimination and/or stigmatization? allow better control of the redemption and utilization of assistance by both women and men, in a manner that increases individual food security? contribute to improved gender roles between men and women, or rather create additional burden on women or other forms of inequities? allow all identified food-insecure groups, including the most vulnerable, to have equal access to assistance ? provide opportunities or create problems for people who face constraints related to gender, age, health status (e.g. chronic illness, disability), family status (e.g. internally displaced persons, refugees), nationality and ethnicity? facilitate or hinder access for people who are lacking knowledge and access to technology, and required identification documents? facilitate financial inclusion?
Promote INTRA- AND INTER-COMMUNITY COHESION	<ul style="list-style-type: none"> contribute to reducing ongoing conflicts/tensions between families and/or clans, minority groups, local authorities and local populations, or rather create/exacerbate these tensions or conflicts?
Promote HOUSEHOLD HARMONY	<ul style="list-style-type: none"> contribute to a more balanced gender power dynamic and/or increased harmony in the household, or rather create/exacerbate tension or violence between male and female members of the family?
Promote ACCOUNTABILITY	<ul style="list-style-type: none"> allow a dialogue between the organization and the affected populations through accessible and timely information on entitlements, procedures and processes to ensure that they can make informed decisions? allow timely and safe two-way complaints and feedback system on the positive and negative impact of the WFP transfer? increase transparency and prevent diversion and manipulation of assistance with accountability systems in place or to be established?

social cohesion and assess them in terms of additional benefits to be pursued, quantified and measured when designing the response and selecting the transfer modality.

While these outcomes cannot be quantified easily, they should be taken into consideration in the reflection and justification for the most appropriate transfer modality selection.

NOTE: DSC and ISC costs may be discounted if not related to/impacted by the transfer modality selected,

For detailed Programme guidance on effectiveness analysis, please refer to:

 [Omega Value Tool \(Excel tool\)](#)

 [SOPs for the Omega Value Tool](#)

 [Gender and Protection Checklist](#)

A.4.2.3 EXTERNALITIES ANALYSIS

In addition to the cost-efficiency and cost-effectiveness analyses, Programme is responsible for analysing potential externalities of the response options.

Externalities are the positive and/or negative spillover effects of a project activity and result in an additional benefit and/or cost to the affected party.

The nature of externalities that WFP operations may incur is very broad and strongly dependent on the context in which an operation is implemented. Programme should therefore identify the main expected externalities of the various response options and assess their positive or negative effects. These additional benefits/risks will influence the choice of the most appropriate transfer modality.

Example of externality: local market impact. Programme, in liaison with VAM and Supply Chain, should consider identifying potential additional benefits at the local market level that are either pursued as specified, direct developmental objectives or are achieved as incidental positive externalities in a do-no-harm manner. Particularly when stated as an objective in the design of a transfer modality, outcomes need to be specified, and quantified/measured with appropriate indicators. The questions in Box 33 are suggestions for potential indicators among three overarching impact categories on the local market, i.e. the quantity of food supply, the quality of food and the status of the value chain.

Box 33: Local market outcomes	
Aspects to consider when assessing the impact on the local market as expected outcomes and externalities	Given the assessed needs and the planned type or combination of transfer modality and delivery mechanism required, will the assistance...
Improve the quantity of food available in the local market	<ul style="list-style-type: none"> • increase the number of different food items available in the market? • increase the number of brands sold per commodity? • increase the production and marketable surplus of local producers? • increase the total volume of commodities sold?
Improve the quality of food in the market	<ul style="list-style-type: none"> • increase the share of (improved) nutritious foods available in the market? • increase the demand from customers for (improved) nutritious products? • change the proportion of food available adhering to defined quality standards?

Box 33: Local market outcomes (continued)**Improve supply/value chain****Changes in the trader/factory of local food processors/farmers capacity in terms of:**

- number of workers/employment;
- level of wages;
- number/value of assets;
- productive/non-productive investments (type and amount);
- size of the factory or shop;
- quality of the factory or shop (including certification?);
- condition of storage;
- use of technology for improved administration and stock management;
- number of products produced;
- production capacity;
- production capacity utilization;
- number of production lines and shifts;
- sources of raw materials;
- prices of raw materials obtained;
- number of customers/timeframe.

Change in the production, operation and sales of the trader/local food processors/farmers in terms of:

- food quantities locally produced and sold;
- value of entire sales;
- destination/distribution network of sales;
- estimated market share;
- profit margins through improved leverage on discount negotiations;
- amount and share of transaction costs per process (transport, processing, handling/storage, etc.);
- payment terms.

Change in the profile of the market in terms of:

- number of traders supplying to or selling on the local market.
- ranking order or intensity of business constraints faced by market actors (reduce regulatory restrictions);
- physical infrastructure of market;

Improve supply/value chain**Change in the production, operation and sales of the trader/local food processors/farmers in terms of:**

- physical access to markets;
- duration to reach market;
- distance to next market;
- difficulties in reaching market;
- mode of transport;
- frequency of transport;
- cost to reach market;
- demand for non-food items;
- change the selling prices of food commodities? (stability or declining price trends may also hint towards improved or sufficient competition levels);
- change the availability and efficacy of market information systems;
- change the type and level of service provision to individual or group of actors in the value chain;
- change the access to credit for investment;
- change regulatory requirements.

A.5 CONSULTATIONS FOR TRANSFER MODALITY SELECTION

Once the various options (using different transfer modalities) have been developed based on the findings of the needs assessments, the sectoral capacity assessments and the risk analysis, and have also been compared in terms of cost-efficiency, effectiveness and externalities, the country office management should initiate a consultative process with the most important external stakeholders. The main purpose of this exercise is to discuss the comparative advantages of using cash, voucher and/or in-kind food for the given intervention, and ultimately agree on and collectively recommend the most appropriate response. This will be the resource-efficient transfer modality with the highest probability of meeting the intervention’s objectives. The rationale of the ultimate decision should be clearly documented.

Ideally, the consultative process is foreseen at two levels:

- at the central level with government line agencies, donors, humanitarian agencies/ organizations and cooperating partners; and

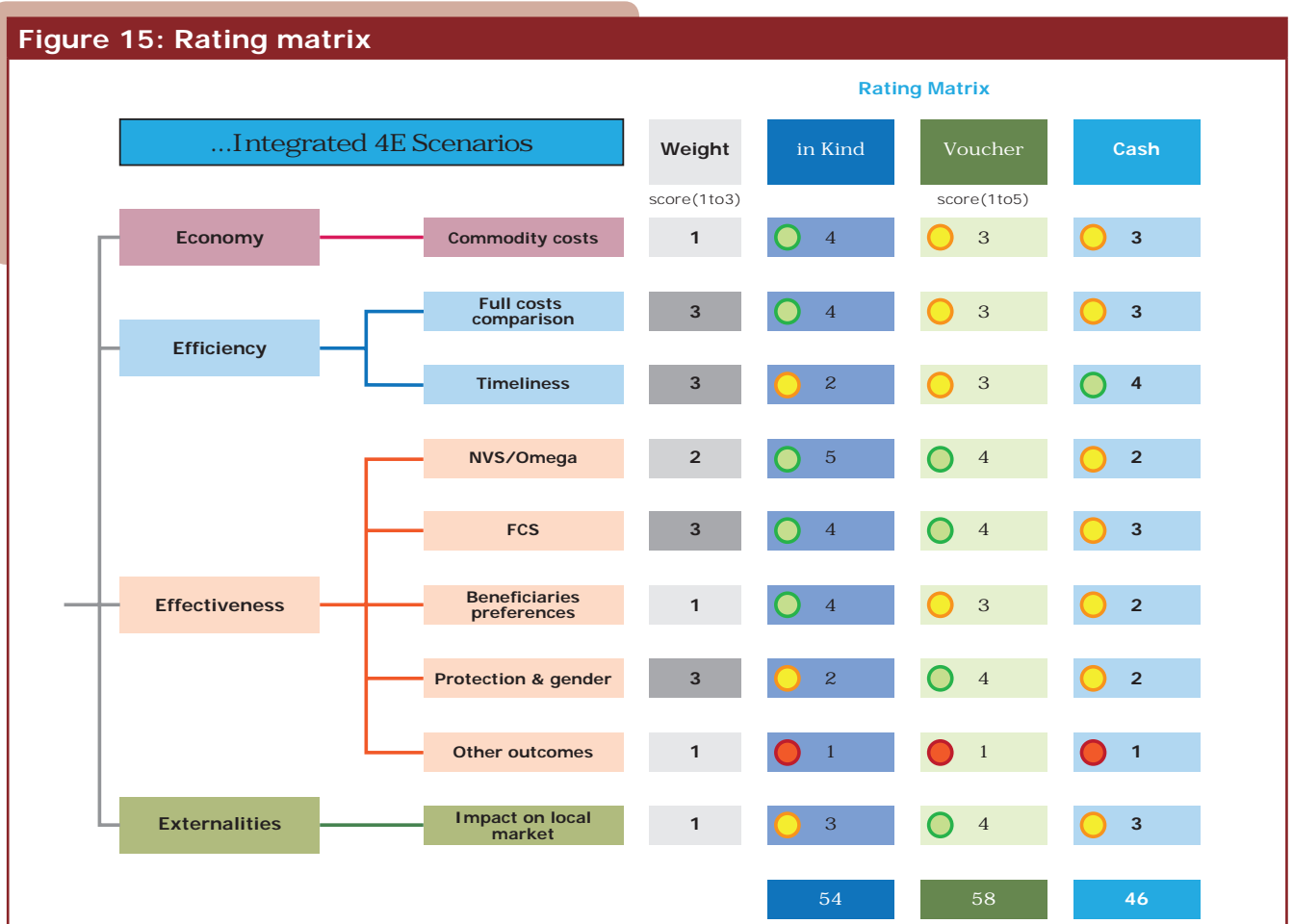
- at the sub-national level with local administration, communities and field partners.

At both levels, the country office’s management, or the function designated for it, will have the opportunity to present the consolidated results of the different assessments, expose the identified risks and associated mitigation measures, and build the case for the transfer modality(ies) that it has identified as the most suitable to meet the project objectives in the prevailing circumstances. At the same time, the consultation process offers opportunity to take into consideration the perspectives of different stakeholders and to include reflections that may have been overlooked during the assessment and analysis phases. It is a good opportunity also to obtain donors buy-in of the WFP choice.

The outcome of the transfer modality selection consultation should be the basis of response design and the drafting of the project document.

A.5.1 RATING MATRIX

A rating matrix, as illustrated in Figure 15, can assist the country office in structuring the information collected through the assessments



and the response analysis process. It will support the discussions around the identification of the most appropriate transfer modality. Weight of dimensions/factors and rates according to transfer modalities are defined on an ad hoc basis by Programme together with the C&V Working Group according to the project objectives and the given context. The rating matrix can be found in the "4E scenario sheet" of the Omega Tool.

A.6 SELECTION OF TRANSFER MECHANISM

The suitability and appropriateness of each transfer delivery mechanism should be evaluated and decided against project objectives and activities and context specificities as identified in the sectoral assessments, which have determined what is possible, acceptable and feasible.

A.6.1 STANDARD DISTRIBUTION MODELS

Several cash and/or voucher delivery mechanisms are available to reach beneficiaries. They range from the use of banks and microfinance institutions to the direct distribution of cash in envelopes to the use of information technologies such as cell phones

and payment cards. In order to support the country office in selecting the most appropriate delivery mechanism according to a given context and specific project objectives, delivery mechanisms are grouped into four distribution models (immediate cash, cash account, paper voucher and electronic voucher), as illustrated in Box 34, Box 35, Box 36 and Box 40.

A.6.1.1 IMMEDIATE CASH

Cash is made immediately available to beneficiaries via direct delivery (e.g. cash in envelopes is distributed on site) or via a collection from an agent or bank counter (e.g. cash at disposal). In both cases, beneficiaries are not required to open an account to receive their cash.

A.6.1.2 CASH ACCOUNT

Cash is distributed through **accounts** specified by the beneficiaries, or opened by WFP or a partner on their behalf at a financial service provider. There can be as many accounts as the number of recipients,¹⁵ or in other circumstances one account can be used by a group of recipients. In both cases, individuals will have several alternatives to access cash, according to the standard methods associated with the account, e.g. at the bank counter, with bank cards and cell phone.

Box 34: Immediate cash

Advantages	Disadvantages
<ul style="list-style-type: none"> • Fast intervention set-up process. • No initial equipment investment costs. • Does not require infrastructure (financial, power, communication) for cash delivery. • Can rely on existing rural banks/remittances cash system network already in place. • While some form of identification is required, it is not essential that this be a formal national ID.¹⁴ Nonetheless, where formal IDs exist, they are preferred. • Accommodates limited literacy from beneficiaries. 	<ul style="list-style-type: none"> • Increased possibility of theft from beneficiaries because cash is easier to carry (compared with food) and not as traceable as vouchers. • Security risk potentially increases over implementation time as offenders get to know project operating procedures and routines (predictability increases). • Higher corruption risk. • Administratively intensive. • Significant monitoring required at payment site. • More difficult to systematically provide/automate feedback on cash distributions and reconcile distribution cycle (in case of cash delivery).

¹⁴ While national ID cards are the most secure way of identifying beneficiaries, where beneficiaries do not possess a national document, WFP may consider issuing an alternative form of identification, as long as it cannot easily be forged.

¹⁵ In some cases, the account is opened in the name of the alternate of the recipient. This is often the case where women are typically the targeted recipients, but do not always have a national ID, prerequisite for opening a bank account.

Box 35: Cash account

Advantages	Disadvantages
Bank account	
<ul style="list-style-type: none"> • Financial institutions know how to handle financial transfers at scale: good system reliability (safety standards and checks), regulated by appropriate laws, financial risks managed by the bank (takes the risk for losses). • Reduces risk of corruption, money diversion. • Timely reporting (live reporting may be an option). • Promotes financial inclusion. 	<ul style="list-style-type: none"> • Generally limited geographic coverage (mostly urban/peri-urban). • Exclusion of beneficiaries without national ID (KYC¹⁶ regulations for account opening). • FSPs are reluctant to engage if profits are not lucrative enough (duration and transfer size). • Partnership establishment (procurement and contracting) may be time consuming. • Higher degree of financial literacy potentially required from beneficiaries. • Account management costs could be higher than for the immediate cash (withdrawal fees, account management fees etc.), and should not be borne by beneficiaries.
Mobile money account	
<ul style="list-style-type: none"> • Instant and safe transfers • Reduces errors and fraud • Reduces cost • Easy to scale up once the system is established • Live transaction reports • System may be used for information dissemination/process monitoring • Flexibility for beneficiaries 	<ul style="list-style-type: none"> • Infrastructure (mobile network and licensed agents to cash out the transfer) may not be available everywhere. • Regulatory restrictions or lack of regulation on mobile money. • Technology barrier for beneficiaries with low literacy, agents may be more reluctant than in banking world to provide assistance. • Safety of transfer, as a mobile phone can easily be lost or stolen. • Transaction fees for money transfer might be high.

NOTE: Beneficiaries should NOT be liable to pay associated costs when receiving their entitlement (e.g. bank account fees maintenance costs and similar) during the duration of WFP project implementation. Account maintenance or closure after the project closure should be agreed in advance with beneficiaries and the financial service provider and a clear exit strategy articulated by the country office. Adequate provision should be included in the financial service provider contract template accordingly.

A.6.1.3 PAPER VOUCHER

Beneficiaries receive paper coupon(s) carrying the entitlement, either in monetary value or corresponding to an established quantity of commodities or a specific service. Both value and commodity/service vouchers can be redeemed in exchange for items or services (but not for cash) in preselected retailers/millers and/or at specifically organized fairs. Paper vouchers are single-use entitlements and require a physical distribution.

¹⁶ "Know Your Customer" is the process used by a provider to verify the identity of their clients.

Box 36: Paper voucher

Advantages	Disadvantages
<ul style="list-style-type: none"> • Does not require infrastructure (financial, power, communication) • No high initial equipment investment costs • No high degree literacy and numeracy required from the beneficiaries 	<ul style="list-style-type: none"> • Requires printing and storage of new vouchers for each distribution cycle • Costly in the medium long term • Cumbersome and time-consuming distribution and reconciliation processes • Poor/non-existent tracking system of voucher use and expenditures (all manual, unless all items sold by the retailers are barcoded) • Relatively easy to counterfeit or misuse unless printed using security features • Higher monitoring costs, as could be used for unauthorized items or exchanged for cash if retailer and beneficiary collude • Risk of becoming parallel currency • Sensitization and acceptance of traders is necessary

NOTE: *In some cases, beneficiaries are allowed to receive cash back for fresh food. The country office should define the maximum amount according to the context and project objectives.*

Box 37: Tasks and responsibilities

Tasks	Responsible unit
Design voucher and ensure technical specification compliance and controls	Programme, Logistics, Finance and IT
Create Purchase Request (PRNF)	Programme
Issue request for proposal (RFP) for voucher printing and contract a printing service provider (SP)	Procurement
Create purchase order (PO)	Procurement
Issue unique voucher serial numbers and transmit them to contracted printer (SP)	Finance
Receive printed vouchers from the contracted printer (SP)	Finance
Store vouchers and record them in the register	Finance
Approve monthly disbursement plan	Programme
Transfer vouchers to cooperating partner or person designated by Programme based on monthly disbursement	Finance via Logistics
Store the redeemed voucher until destruction	Logistics

Box 38: Technical specifications – mandatory

- Vouchers must always carry unique **serial numbers** issued by WFP Finance.
- Vouchers should bear WFP's **logo** and, if appropriate, partner logo(s).
- Vouchers must never carry political symbols or messages or any other type of divisive message.
- An **expiration date** must always be stated on each voucher. The expiration date shall be set for each distribution period from the date of issuance. Vouchers must not be distributed beyond the project end date. The last expiration date must not exceed the operational closure date.

NOTE: *It is mandatory that paper vouchers have barcodes and/or serial number on them to facilitate issuance, redemption and settlement.*

Box 39: Mitigating measures to prevent fraud through forged vouchers**Country office can:**

- consider secure printing: holograms, watermarks, micro-text, patterned background, anti-photocopy features and special/or high-quality paper;
- have different voucher design and format/size for different voucher denominations;
- change voucher colour/some design features (watermark location, etc.) monthly;
- print the names or identification numbers of recipients on the vouchers; and
- print vouchers in a different country.

Procedures for issuing, managing and accounting for vouchers must be consistent with the instructions of the Directive [OS2013/003 RM2013/005](#) (Part 3.6, Voucher Management)

A.6.1.4**ELECTRONIC VOUCHER**

An electronic voucher (e-voucher) is a voucher that can be credited with value repeatedly based on the project objectives, activities and/or needs. Similar to paper vouchers, electronic vouchers carry information on the value, or the items and/or quantities they can be exchanged for. This information may be stored locally on a delivery instrument carried by the recipient (e.g. smart card with a chip), or the delivery instrument may point to a balance held online (cell phone, prepaid magnetic card), in which case an Internet connection is required for redemption. Offline transactions require later synchronization with a central server so that the transactions are logged and retailers can be paid.

The delivery instrument of the electronic voucher is determined and issued once (SIM card, cell phone, smart card or similar) and then the top-up (e.g. credited transfer value or commodity quantities) happens at the planned distribution intervals.

The electronic vouchers are redeemable at contracted retailers equipped with the adequate point-of-sale (POS) device or equivalent devices for mobile phone transfers, which uses information from the recipient's delivery instrument to determine the available balance and record the transaction details.

Box 40: Electronic voucher

Advantages	Disadvantages
<ul style="list-style-type: none">• Eliminates many manual processes that are done with the handling of paper vouchers.• Considerably reduces printing, distribution and processing costs and time.• Automatic tallying of amounts owed to or automatic payments to traders (no counting and verifying of redeemed vouchers required).• Access to benefit can be secured by personal identification number (PIN) or biometrics, reducing/eliminating risk of fraud.• Reduces/eliminates risk of vouchers being traded as parallel currency (as could happen with paper vouchers).• Lower cost over time.• Enables easy, fast and safe transfer of beneficiary entitlement remotely.• Easy to change entitlements remotely and “tailor” each recipient’s benefit to household needs.• Beneficiary food item choices can be stored and analysed electronically in some cases (useful for monitoring purposes).• Does not result in loss of resources for either beneficiaries or WFP if stolen or lost.• Gives beneficiaries the flexibility to redeem the amount as and when they need to (partial redemption).• Large-scale operations possible.	<ul style="list-style-type: none">• May be time consuming to set up (customization of the system, installation of POS terminal at retailers).• Can involve high initial investment (including economic) in technology, materials and equipment.• Investment in technology may be time bound (licence expiry).• Could prove expensive in a short-term project, in comparison to paper vouchers.• Sensitization/training and acceptance of retailers.• Requires some degree of literacy on the part of beneficiaries and retailers.• Higher monitoring costs, as e-voucher could be used for unauthorized items or exchanged for cash if retailer and beneficiary collude (as in the case of paper vouchers).

A.6.2 COMMERCIAL SOLUTIONS

When cost-efficient and effective commercial solutions are available in the country and/or when the government has adopted a specific delivery mechanism for its social safety-net programmes, the country office is encouraged to use them.

A.6.2.1

WIDELY AVAILABLE COMMERCIAL SOLUTIONS

Developments in information technology combined with innovations in banking services have resulted in a variety of e-solutions for financial transfers and payments, as referred to in the non-exhaustive table in Box 41.

These solutions are supported by four main technologies:

Magnetic strip cards

This is the most commonly used card in the banking industry. The processing system that accepts electronic payments has a magnetic

card reader device (POS terminal or ATM), which performs specific tasks, such as keeping a record of the amount used and the balance for each beneficiary. Magnetic strip cards can be either paper based (disposable) or multi-use (plastic cards). They require connection to the central server because they can only identify the cardholder, but not store transaction details or remaining balances. A magnetic strip card can be used as a debit card, as an ATM card, as a prepaid card, or as an electronic voucher. Beneficiaries are free to spend and/or withdraw the transfer value in multiple transactions.

Smart or integrated circuit cards

These cards contain a microprocessor or chip instead of a magnetic strip, allowing them to both process and store the information (beneficiary data, transfer value, transaction and balance details, etc.). Smart cards reduce the likelihood of fraud by combining the use of a personal identification number (PIN) and/or beneficiary biometric data for identification purposes. Such cards allow offline transactions (without connection to a central database/

Box 41: E-solutions for payments		
Type	Definition	Associated standard distribution model(s)
Debit card	A debit card is a payment card issued by a bank and linked to a bank account. It can be used to either make purchases at retailers equipped with point-of-sale terminals or withdraw cash at automated teller machines (ATM). Funds are directly debited to the cardholder's account (no line of credit).	Cash account; Electronic voucher
Prepaid card	A prepaid card is a payment card preloaded with a set amount of money. It is not linked to a formal bank account (debit card) nor provides a line of credit (credit card), and the amount one can spend is limited to the value that has been preloaded onto the card. The card is issued in the name of the individual cardholder. It can be either disposable or reloadable.	Immediate cash; Electronic voucher
Stored-value card	A stored-value card is an anonymous payment card with a specific money value programmed onto it. It is a closed-loop card, non-reloadable and with a one-time limit (store gift cards, street phone cards).	Cash account; Electronic voucher
ATM card	An ATM card is a debit card that can only be used for transactions at ATMs.	Cash account
Mobile money	Mobile money is a payment service offered by mobile network operators, operated under financial regulation in some countries, and performed from or via a mobile device. It does not require the subscriber to have a formal bank account, but implies that the SIM card owner registers for the service, enabling the creation of a unique virtual mobile money account for allowing transfer of electronic cash. (In some cases, it requires the installation of a specifically developed software application directly to individual SIM cards.) It implies that the system is shared, on an online network, with shops or financial institutions in order for the virtual money to be eventually converted into cash or the phone to be used as a wallet.	Cash account; Electronic voucher

processing unit), and are therefore more useful in areas with non-existing or unreliable communication facilities. A smart card may be used as a money wallet (debit card, prepaid card or value-stored card) or used as an e-voucher, restricted to food purchases in designated retailers. Beneficiaries are free to spend or withdraw the transfer value in multiple transactions.

Contactless payment solutions

These payment solutions are the fastest and most convenient payment instruments in the market. They are used for micro-payments and no PIN or other form of authorization is required during transactions. They use various technologies, but most widespread are the radio frequency identification (RFID) and near-field communication (NFC) technologies. Such

tags can be placed inside plastic cards and other plastic objects, or inside smart phones, and are used both to identify the holder and to authenticate the transaction. POS devices need to also be enabled to communicate with the RFID or NFC tag. Use of NFC is becoming popular, and more and more commercially available POS devices now support this technology.

Mobile phone-based transfers (SMS/ USSD)

These enable the mobile network operator (MNO) to transfer cash or voucher entitlements to beneficiaries through SMS or unstructured supplementary service data (USSD) (see Box 42 and Box 43). Messages typically contain a unique code, which the beneficiary should then communicate to designated licensed agents or retailers in exchange for cash or food.

Box 42: Mobile phone-based transfers

Advantages	Disadvantages
<ul style="list-style-type: none">• Instant and safe transfers• Reduces errors and fraud• Reduces cost• Easy to scale up once operating procedures established• Provides live transaction reports• System may be used for information dissemination/ process monitoring• Flexibility for beneficiaries (multiple transactions)	<ul style="list-style-type: none">• Infrastructure may not be available everywhere, lack of reliable mobile network coverage• Regulatory restrictions or lack of regulation on mobile money• Beneficiaries or retailers (for e-voucher) may not be familiar with the system• Requires adequate local presence of licensed agents to cash out the transfers (for cash)

Box 43: The fundamental prerequisites for mobile phone-based transfers to be used effectively include

- Availability of a reliable and accessible mobile phone network.
- Availability of mobile money service offered by the mobile network operator.
- Adequate capacity of the licensed agents, from whom the virtual money can be withdrawn in physical cash (cash out): cash liquidity availability.
- Capacity of the retailers (for vouchers):
 - to own a mobile handset;
 - to accept electronic vouchers and convert them into commodities.
- Capacity of users:
 - to have access to mobile handsets and network (beneficiaries should own or be provided with SIM cards);
 - to be able to receive e-cash/e-voucher and convert this into paper cash and/or make e-payments to retailers within easy distance.
- Literacy of users of beneficiaries, retailers and cooperating partners.

NOTE: *Many mobile transfer services are regulated by national financial regulatory bodies (central banks), but there are still countries where mobile money services are unregulated by central banks. The risks here should be carefully evaluated by Finance on a case-by-case basis and included in the risk analysis.*

Banks are becoming increasingly interested in the mobile phone money transfer service. The foreseen effect of this is that in many countries banks and mobile phone companies will increasingly converge, resulting in better-regulated and accessible mobile phone money transfer services. As such, when exploring different means of transferring cash and vouchers, WFP should also investigate the availability, costs and risks of using a mobile phone-based transfer service.

A.6.2.2 CUSTOMIZED COMMERCIAL SOLUTIONS

Other commercial solutions require some project-specific development by a software company.

Scratch cards

A scratch card is a one-time paper voucher with a unique code under a scratch-off panel. The functionality and design of this card is similar to “top-up/refill” cards used for the phone credit/load. The concealed code must be entered into the retailer’s POS terminal (in some cases, the POS terminals are cellular phones) in order to authorize the transaction. Beneficiaries can “exchange” their scratch card codes for the designated food baskets (commodity voucher) or food of their choice within the allowed item list and up to the transfer value (cash voucher) at preselected retailers. The beneficiary must collect the whole entitlement in one go, and must be issued with a new scratch card in order to receive the next month’s entitlement.

A.6.3 SCOPE AND THE CORPORATE TRANSFER MECHANISM SOLUTIONS

A.6.3.1 THE CORPORATE ELECTRONIC VOUCHER

The WFP corporate electronic voucher, developed under SCOPE, allows WFP to deliver electronic vouchers in locations with limited or no connectivity, and/or where many beneficiaries lack official identification (ID). The system has two standout features:

- **Biometric ID checks (fingerprint readers):** allows the system to reliably verify beneficiaries' eligibility without the need for an official form of ID, or even a WFP-issued ration card. Fingerprints are also forge-proof, which makes it much more likely that WFP assistance reaches the beneficiaries it was intended for.
- **Offline functionality:** means that transactions can be carried out and recorded even when there is no permanent Internet connectivity because the system can read all required information from the beneficiary's card, store the transaction details in the internal memory of the POS terminal, and update the card to reflect the beneficiary's new balance. The POS terminal requires a power source that could be accessed through the electric grid, generators, solar power or batteries. The POS terminal can then synchronize transaction data with the SCOPE central server by establishing a connection whenever required (e.g. from the CP's or WFP's local offices at regular intervals). Where there is mobile data network coverage, connectivity is established using the devices built-in GPRS (general packet radio service) modems.

A further advantage of the SCOPE/corporate electronic voucher over similar systems used in country offices is that the software and associated copyrights are fully owned by WFP and the system can be customized to country offices needs without incurring high fees. It is a "closed-loop" system, which means that it is deployed and supported by WFP staff, and does not need to depend on external service providers for provisioning and deployment, making it suitable for use in emergency contexts or interventions without commercial service provider coverage.

To be noted, the value and commodity vouchers are fully supported by SCOPE, allowing Programme to specify the mechanism around the food/commodity basket, as well as give the capability to WFP to modify the distribution cycle coverage and commodity quantities or voucher value in the course of the Programme.

A.6.3.2 THE CORPORATE SMS ELECTRONIC VOUCHER

The WFP short message service (SMS) solution, developed under SCOPE, allows delivering electronic vouchers based on the mobile phone network.

The beneficiary is given a WFP ID number, and at the beginning of each cycle he or she receives a voucher code, either as a paper voucher or by SMS. The food merchant uses his or her own mobile phone to query the voucher's validity and the beneficiary's balance. The food merchant is given an authorization via SMS and completes the transaction using SMS. All the beneficiary voucher transactions are then aggregated into SCOPE, allowing WFP to verify retailer activities and arrange for retailer settlement when required.

A.6.4 SELECT A DELIVERY MECHANISM: CHECKLIST TO IDENTIFY THE MOST APPROPRIATE ONE

Selection of the most appropriate delivery mechanism(s) for a specific project in a given context will depend on both project and context specificities and key system features, as indicated in Box 44.

Box 44: Checklist for delivery mechanism selection

Key project and context considerations to factor in when selecting the delivery mechanism	Key delivery system features to consider
<ul style="list-style-type: none">• Project objectives• Duration of intervention• Transfer size and frequency• Cost-efficiency/effectiveness• Context (urban versus rural)• Gender and protection concerns• Set-up time• Legal and regulatory environment (national ID, data privacy, biometrics, mobile banking, equipment imports, equipment licensing)• Power infrastructure• Financial infrastructure (Finance)• Technology infrastructure (ICT)• Funding availability to invest in equipment, capacity and infrastructure	<ul style="list-style-type: none">• Functioning in targeted area• Reliability (capacity, efficiency)• Accountability (Finance)• Security (of cash/voucher transfer and storage, of beneficiaries, particularly post-distribution/collection, of WFP staff, partners and contractors in relation to thefts, threats, abuse and/or violence)• Scalability (can it be expanded)• Availability of on-the-ground support services for installation and maintenance• User familiarity (understanding/training)• Beneficiary's accessibility and acceptability• Retailer's capacity and acceptability• Compatibility (service providers, WFP, other agencies systems)• Cost-efficiency

A.6.5 THE C&V COMMON DELIVERY PLATFORM

Box 45: The C&V Common Delivery Platform

In some countries (e.g. Jordan, Lebanon, Palestine), other institutions (United Nations agencies, NGOs or government partners) are using the WFP delivery platform to provide other forms of assistance, e.g. cash/voucher transfers for rent or non food items. The concept has been coined as the "C&V Common Delivery Platform".

The objective of the C&V Common Delivery Platform is to improve the cost-efficiency of multiple cash/voucher assistance initiatives targeting the same beneficiaries. It simplifies the processes, reduces the potential for duplication, fraud and abuses, and improves the overall verification and monitoring mechanisms. It benefits not only implementing humanitarian/safety-net stakeholders, but also government/donors who require economy of scale and shared delivery mechanisms to better serve beneficiaries. The C&V Common Delivery Platform can provide a common service, including card management, management of data on beneficiaries, financial reconciliation, and reporting on card transactions. The C&V Common Delivery Platform is implemented by integrating a multi-agency beneficiary management solution, with a card solution that can support multiple accounts, wallets or vouchers. The latter should be based on WFP's tendering process for the selected financial service provider. In addition, for e-voucher delivery mechanisms where local service providers are not available or feasible, SCOPE can be used as a C&V Common Delivery Platform e-voucher solution and can be deployed together with its beneficiary management functionality.

The C&V Common Delivery Platform is a unified electronic delivery tool that will allow WFP and partners to provide cash/e-voucher assistance to beneficiaries through a reloadable card, issued by a contracted financial service provider or via SCOPE. Each card could have dedicated "wallets" in order to facilitate access to food in selected retail shops through a POS terminal as voucher, cash through ATMs as a direct cash transfer. The beneficiary's dignity will also be improved thanks to the provision of assistance from numerous implementing actors (United Nations agencies, NGOs, government) via a single platform.

In addition to card transactions, WFP could provide additional services by training partners (especially governmental ones in support of building up safety nets) on the prepaid electronic card, on distribution, and on assessment and monitoring tools.

A.7 RESPONSE/PROJECT DESIGN

A.7.1 PROJECT DOCUMENT FORMULATION

A.7.1.1 NARRATIVE

The project narrative should explicitly describe the rationale behind the selection of the transfer modality(ies). The information elements as listed in Box 46 should be factored into the document whose coordination is typically devolved to Programme.

A.7.1.2 BUDGET

The project budget plan should be developed in compliance with the [Financial Framework Review](#) (FFR), which was implemented in WINGS II in November 2013, and which revises the project budget planning structure to allow for segregation of costs relating to the respective three cost categories (namely food, cash and vouchers, and capacity development and augmentation) for all direct operating costs.

Cash and voucher cost components are defined in Box 48.

Box 46: Content elements related to transfer modalities required in the project narrative

EXECUTIVE SUMMARY:

Based on the situation analysis and the WFP response strategy, highlight the rationale for choosing the transfer modalities (in-kind food, cash, voucher, or a combination). Explain why a given transfer modality is considered most appropriate in meeting the food needs of the targeted populations.

1. SITUATION ANALYSIS

Context:

- Provide any contextual element/change that affects the choice of transfer modality (market reliability, protection concerns, security threats, etc.).

Food security and nutrition situation:

- Describe the market structure and response capacities at the national level or within specific socio-economic zones, and the consequences for the choice of the transfer modalities (cash, voucher, food or combination).
- Provide details on the household food access, including intra-household dynamics relevant to control of resources.

2. POLICIES, CAPACITIES AND ACTIONS OF THE GOVERNMENT(S) AND OTHERS

Policies, capacities and actions of the government(s):

- Briefly describe the transfer modalities used and/or preferred by the government in different geographical/economic contexts of the country.

Policies, capacities and actions of other major actors:

- If appropriate, briefly describe the transfer modalities used by non-state actors, United Nations agencies, non-governmental organizations and donors in different geographical/socio-economic contexts of the country.

3. WFP RESPONSE STRATEGY

Nature and effectiveness of food security-related assistance to date:

- Reference should be made here, as appropriate, to key conclusions from previous cash- or voucher-based interventions that demonstrate their effectiveness in meeting project objectives.

Strategy outline:

- Define the selected transfer modalities and explain the reasons for this choice, supported by a needs assessments, market analysis, sectoral capacity assessments, cost-efficiency and effectiveness analysis, past evaluations and lessons learned. The comparative advantages of the chosen transfer modality must be clear in terms of cost-effectiveness and enhanced impact on achieving the stated project objectives.

Hand-over strategy:

- Explain how WFP assistance fits into a broader plan for transition to a longer-term development programme or the phasing out of external assistance, and if the choice of transfer modality contributes to this process.

Box 46: Content elements related to transfer modalities required in the project narrative (continued)

4. BENEFICIARIES AND TARGETING

- In the case of cash and voucher transfers and/or general food distributions, indicate if the beneficiary registration or physical verification has been or will be carried out and if SCOPE will be used. Specify WFP and partner role and responsibilities in this regard.

5. NUTRITIONAL CONSIDERATIONS AND RATIONS/VALUE OF CASH/VOUCHER TRANSFERS

- Specify cash or voucher values for each beneficiary category and explain the basis on which the total C&V transfer value is calculated. Verify that the transfer value calculation method is in line with WFP guidelines (A.4.1).
- In the case of food and commodity-based voucher transfers, explain the reasons for the choice of the commodities and ration quantities.
- In the case of cash or a combination of cash and vouchers, describe how the transfer values are consistent with project objectives, local contexts, wages rates, local commodity prices, and/or other considerations (food basket, nutrition, etc.).

6. IMPLEMENTATION ARRANGEMENTS

Delivery arrangements:

- In the case of cash or voucher transfers, describe delivery and accountability measures, which will guarantee a transparent and effective transfer. Explain why a particular delivery mechanism has been chosen and on what basis. Briefly describe the foreseen arrangements with other key stakeholders, such as the government, financial institutions, cooperating partners and/or retailers.

Capacity:

- Describe specific capacity considerations and arrangements available and/or required by both WFP and partners for planning, delivery, monitoring and management.

7. PERFORMANCE MONITORING

- The indicators to be used for tracking progress in implementation and towards achieving the stated objectives should be presented in the logical framework (A.7.2.1), not here.
- Outline the plan for outcomes, outputs and process monitoring disaggregated by transfer modality and delivery mechanism.
- Specify evaluation requirements.

Box 47: Annexes to project narrative

• C&V country office Risk Register (A.3, macro risks analysis)

All major risks associated with the selected transfer modality and delivery mechanism must be identified and described along with mitigation measures and major assumptions considered.

• Logical framework (A.7.2.1)

Box 48: C&V cost components

Cost component	Definition	Description
1. C&V Transfers	C&V are transfer modalities that provide beneficiaries with a transfer value that enables direct access, or access through a cooperating partner, host government and/or a service provider, to food and/or insurance from the marketplace.	C&V distributed to beneficiaries either directly or through cooperating partners acting as intermediaries between WFP and the beneficiary. This is recorded in sheet 2 of the corporate project budget templates.

Box 48: C&V cost components (continued)

Cost component	Definition	Description
2. C&V Related Costs	C&V Related Costs is the combination of C&V Delivery and C&V Other.	All external reporting (plan and actual) will be done on the level of C&V Related Costs, though programming and expenditures will be recorded as either C&V Delivery or C&V Other. This is recorded in sheet 5 of the corporate project budget templates.
2.1. C&V Delivery	Costs directly related to the delivery mechanism adopted to transfer cash and/or vouchers from WFP to the beneficiaries.	Includes costs incurred to set up and operate the cash and/or voucher delivery mechanism, such as system hardware, software, equipment, ICT services for corporate electronic vouchers, voucher printing, consumables (payment cards/SIM cards, mobile phones, logbooks, point-of-sale machines, etc.); commercial service providers (such as IT/telecommunications, banks, cash agents, retailers and security companies); host governments and partner charges, such as setting up cash delivery/ collection points, transaction and account maintenance fees, activation costs, device replacement costs, PIN mailers, etc.
2.2. C&V Other	Costs of all activity inputs provided to beneficiaries in conjunction with cash and voucher activities or utilized by the host government, cooperating partners or service providers to implement cash and voucher activities, but not costs that are for the cash and voucher delivery mechanism.	Costs incurred by cooperating partners, service providers or incurred by WFP on behalf of cooperating partners for their planning, training, management, administration, monitoring and planning; travel reimbursed to beneficiaries; non food items provided to beneficiaries or cooperating partners.

NOTE: All C&V related costs should also be explained in the F section of the Budget Plan Explanation Sheet.

A.7.2 MONITORING AND EVALUATION

A.7.2.1 PROJECT RESULTS AND PERFORMANCE MEASURE: THE LOGICAL FRAMEWORK

The logical framework ([logframe](#)) is a management tool used as the foundation to design projects and programmes, and to facilitate planning, implementation, monitoring and evaluation of a given operation. It involves identifying goals (impact), objectives (outcomes), outputs, inputs and activities.

The logframe clarifies the causal relationship between the elements mentioned above, and lists performance indicators, assumptions and risks that influence the success of the programme.

In compliance with [Directive OD2011/004](#) (§2.4), it is a **mandatory annex** to the project document, including food assistance through food, cash and/or vouchers. Typically, Programme is responsible for its completion. All logframes must be entered, reviewed and

validated through [COMET](#). The Logframe guidance below provides Programme staff with an overview of what the COMET system requires.

 [Logframe Guidance](#)

A.7.2.2 MONITORING CONSIDERATIONS

Cash and/or voucher programming follows the same monitoring guidelines as any WFP operation. The outcomes for any WFP operation, be it implemented through food distributions, cash or voucher transfers, must be in line with a strategic objective and specific corporate outcomes.


It is recommended that outcomes, when reported, should be disaggregated by transfer modality. This can be done through segregation of samples according to transfer modality of baseline and follow-up monitoring. As with food, the logframe should clearly indicate which outcomes the cash- and voucher-based activity will contribute to and which indicators will be used for measurement. In the WFP corporate Strategic Results Framework (SRF), outputs in the A4 and A5 section capture cash- and voucher related indicators, while indicators in the A2 section are food-distribution related. For all activities that include distribution of food, cash, voucher or a combination, the country office is required to report on the following output. For each indicator in the SRF, both at outcome

and output levels, the following elements should be defined:

- minimum targets;
- project target values will normally be those included in the SRF, but might differ depending on the country context. Where project-specific targets are required, these should be set at the same time as the baselines are established;
- minimum frequency of monitoring;
- minimum statistical requirements (sample size);
- most typical/appropriate data collection method.

In accordance with the corporate SRF Business Rules, for outcome indicators, the baseline values and targets must be established within three months of project inception.

In addition to corporate outcomes and outputs (see below), the country office can add project-specific outcomes and outputs. Project-specific outcomes and outputs must be measured through SMART indicators²⁰ and included in the COMET-based logframe following the standard monitoring and evaluation (M&E) vetting procedure for project-specific indicators.

 [WFP Strategic Results Framework \(2014-2017\)](#)

 [M&E Corporate Minimum Monitoring Requirements](#)

Box 49: Monitoring considerations

Output	Food, nutritional products, non-food items, cash transfers and vouchers distributed in sufficient quantity and quality and in a timely manner to targeted beneficiaries
Indicator 1	Number of women, men, boys and girls receiving food assistance, disaggregated by activity, beneficiary category, sex, food, non-food items, cash transfers and vouchers, as percentage of planned.
Indicator 2	Quantity of food assistance distributed, disaggregated by type, as percentage of planned distribution.
Indicator 3	Quantity of non-food items, disaggregated by type, distributed as percentage of planned distribution.
Indicator 4	Total amount of cash transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as percentage of planned.
Indicator 5	Total value of vouchers distributed (expressed in food/cash) transferred to targeted beneficiaries, disaggregated by sex and beneficiary category, as percentage of planned.

²⁰ SMART indicators are Specific, Measurable, Assignable, Realistic, Time-bound.

A.7.2.3 BASELINE CONSIDERATIONS

Baselines must be established for all outcome indicators and should either be established shortly before intervention or during the first distribution and, in any case, within three months from the project inception, as indicated in the corporate SRF Business Rules.

- Programme (including M&E) should identify the main set of data in relation to project objectives and expected outcomes, and develop a simple set of baseline information to be collected ideally before or at the time of first cash/voucher distribution (no later); or
- First-round monitoring data and report are used as a baseline.

The Comprehensive Food Security and Vulnerability Analysis (CFSVA) and the Food Security Monitoring Systems are usually not an appropriate baseline for M&E outcome monitoring purposes, as the sample frame should be the targeted beneficiaries (not the general population).

NOTE 1: It is important that follow-up surveys for outcomes are carried out around the same period or season as baselines to allow for comparison of trends.

NOTE 2: For country offices implementing cash or voucher modalities for the first time, an evaluation of the project at the end of the first phase is mandatory. It is therefore important that baseline data for indicators required for the evaluation are integrated to the baseline tools. This should be also coordinated with the Logistics Unit, which is responsible for the retailer monitoring.

A.7.2.4 EVALUATION CONSIDERATIONS

In compliance with [Directive OD2011/004](#) (§2.4), an evaluation is required for any intervention using cash and/or vouchers for the first time in a country office. Country offices that have: (i) implemented cash- and/or voucher-based operations; (ii) undertaken an evaluation of such intervention; and (iii) implemented relevant recommendations following such evaluation shall comply with the general Programme Guidance Manual on [evaluation](#) for subsequent programmes. For the terms of reference of a C&V [evaluation](#) and an evaluation of the transfer modality choice, please refer to (Part D) of this manual.

A.7.3 OPERATION APPROVAL PROCESS

In compliance with [Directive OD2011/004](#), country offices designing cash- and/or voucher-based operations for the first time or that do not satisfy the conditions set above (i.e. evaluation completed and recommendations factored in the new project design) should prepare their intervention in close collaboration with the cash and voucher regional advisers and/or the Market Access Programming Unit, especially regarding the definition of the transfer modality and the selection of the delivery mechanism.

The Deputy Executive Director has the authority to waive any of the requirements set out. The request for a waiver must be submitted through the Director of Policy and Programme Innovation Division.

Box 50: Operation approval process

If the country office has:

- completed a cash- and/or voucher-based intervention;
- undertaken an evaluation of such intervention; and
- implemented relevant recommendations following such evaluation.

New programmes, budget revisions or reallocation of requirements among activities and/or transfer modalities shall be approved in accordance with general regulation and rules.

If the country office has:

- not completed a first cash- and/or voucher-based intervention, and/or
- not undertaken an evaluation of such intervention, and/or
- not implemented relevant recommendations following such evaluation.

New programmes, budget revisions or reallocation of requirements among activities and/or transfer modalities must be referred to the Programme Review Committee at Headquarters for clearance and shall require the approval of the Deputy Executive Director.

A.8. MAIN ACTIONS FOR THE NEEDS ASSESSMENT AND RESPONSE ANALYSIS

Box 51: Summary of main actions of the Needs Assessment and Response Analysis phase, including project design and approval process

General		Responsible unit
<ul style="list-style-type: none"> • Are country office staff aware of WFP's cash and voucher policy and the requirements of operation guidelines? • Are country office staff aware of the advantages/disadvantages of various transfer modalities? • Has an intersectoral cash and voucher working group been established? • Are minimum emergency preparedness actions for a potential cash or voucher intervention completed? 		Management
Assessments		
Needs assessment	<ul style="list-style-type: none"> • Is sufficient market information available – from existing EFSA, CFSVA, and other internal/external market assessments – to establish the appropriateness of using cash or vouchers in selected zones? • If market information is not available, or is inadequate, has a separate market analysis been undertaken? • Has the appropriateness of using a market-based response been established by the market analysis? If yes, consider cash and vouchers in the next stage. 	VAM
	<ul style="list-style-type: none"> • Have government policies and hunger-related safety nets been analysed to identify if cash or voucher can be used in the food assistance programme? • Have protection and gender dimensions, beneficiary's willingness and acceptance been considered according to transfer modality? 	Programme
Sectoral capacity assessments	<ul style="list-style-type: none"> • Do the minimum conditions exist for the five sectors to determine cash or voucher operational capacity? 	C&V working group (Finance, Logistics, Procurement, ICT, Security, Programme)
Risk identification and consolidation of C&V related risks in Risk Register	<ul style="list-style-type: none"> • Have risks been identified and documented? • Has it been ascertained that none of the risks are serious enough to potentially derail the project or undermine its objectives? • Has a macro-risk analysis been reviewed during the response identification process, consolidated and finalized into the C&V risk register, and mitigation measures been established? 	Programme, with the support of Logistics, Procurement, VAM, Finance, ICT and Security
Response analysis	<ul style="list-style-type: none"> • Has the response identification been conducted to identify programme activities and respective transfer modalities? • Have targeting criteria and approach been identified? 	
Transfer determination	<ul style="list-style-type: none"> • Has a value and quantity of assistance been established? 	Programme
Comparative cost efficiency	<ul style="list-style-type: none"> • Has a cost-efficiency comparison been made - cash/food/voucher? 	Programme with the support from the C&V Working Group
Effectiveness and externalities analysis	<ul style="list-style-type: none"> • Have projected effectiveness and main externalities been assessed and compared according to transfer modality? 	Programme
Transfer modality selection	<ul style="list-style-type: none"> • Have stakeholders (internal and external) been consulted adequately through response analysis and the transfer modality selection process? 	Programme/Management

Box 51: Summary of the main actions of the Needs Assessment and Response Analysis phase, including the project design and approval process (continued)

Response design		Responsible unit
Logical framework	<ul style="list-style-type: none"> Have outcomes, outputs and related performance indicators been established and consolidated into a logical framework? 	Programme
Project document and budget	<ul style="list-style-type: none"> Have the results of response identification been screened and documented in the project narrative template? Have costs for selected activities and response modalities been calculated and documented in the project budget template? 	Programme and Finance and support from the C&V working group
Choice of transfer modality	<ul style="list-style-type: none"> Does the project proposal clearly state the modality chosen? 	Programme
Rationale of the choice	<ul style="list-style-type: none"> Does the proposal clearly state how the selected modality addresses the needs? Is a link between market analysis and the modality chosen clearly articulated? Does the project document refer to what extent the programme and the transfer modality selected is aligned to governmental policies and priorities? Does the project document refer to what extent the transfer modality selected is acceptable and familiar to the targeted beneficiaries? Does the project document factor in the conclusions of the sectoral capacities assessments? How do the latter support the transfer modality choice? Have the main operational risks been identified and qualified (seriousness) and mitigation measures proposed? Does the project document reflect the conclusions of a comparative cost efficiency and effectiveness analysis? To what extent do they support the transfer modality choice? Does the project document clearly articulate on which basis/assumptions the selected transfer modality is considered as the most effective and appropriate one? 	Programme
Delivery mechanism	<ul style="list-style-type: none"> To what extent has the delivery mechanism chosen considered the distribution models provided? 	Programme
Monitoring and evaluation system (M&E)	<ul style="list-style-type: none"> Is the logical framework annexed to the project narrative? To what extent does the M&E system, as described in the project document, comply with the aforementioned requirements? Does the monitoring strategy/plan consider C&V specific monitoring requirements (e.g. retailer surveys/visits)? Will market prices in project areas be monitored and compared with other areas/seasonal trends? How? Is there a sufficient budget allocated to M&E (including C&V specific monitoring activities)? Is the right staff capacity in place? Is an external or internal evaluation planned according to the project document? Is it compliant with corporate guidance? 	Programme
Operational risks identification	<ul style="list-style-type: none"> Is the C&V related Risk Register annexed to the project document? To what extent have major risks been identified and mitigated? 	Programme
Approval process	<ul style="list-style-type: none"> Has the project document been submitted to the Programme Review Committee, and has this been recommended for approval (if required)? Does the project need special approval from the Deputy Executive Director, as per Directive OD2011/004? 	Management

PART B

INTERVENTION SET-UP

WFP/John Wretford



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SECTION B

INTERVENTION SET-UP PHASE

This section of the manual covers the steps that a country office must undertake to establish the framework for its intervention. Specifically, this section will guide the country office through:

- the coordinated elaboration of an Operational Plan, defining the overall objectives, modalities, roles and responsibilities for each unit throughout the operation;
- the selection and procurement processes for partners and service providers, defining the roles of each involved unit;
- the coordinated elaboration of the standard operating procedures, defining the details of each process and the responsibilities of each unit;
- the set-up of distribution support mechanisms, i.e. the mechanisms that have to be in place to ensure smooth and efficient implementation of the operation;
- the completion of beneficiary registration.

The Intervention Set-Up Phase section contains guidance for several units, including Management, Programme, Logistics, Procurement, Finance, IT and Security. All units should, however, have an understanding of the overall business model and processes.

B.1 DEVELOPMENT OF AN OPERATIONAL PLAN

B.1.1 BACKGROUND

Once the country office has selected the transfer modality(ies) and identified the most appropriate delivery mechanism(s) and instruments based on the findings of the sectoral assessments, the C&V Working Group must jointly set up the intervention. The intervention set-up is captured in the Operational Plan, coordinated and drafted by Programme, with inputs from all units participating in the C&V Working Group.

The Operational Plan defines activities, processes and steps required for the implementation of C&V-based transfers. It also defines the role of each functional unit

within the operations. The purpose is to ensure coherence and good coordination across the involved units. It is a living document that will require updating, amendment and improvement. Note that the Operational Plan will support building more detailed documents, such as the standard operating procedures (SOPs). The Operational Plan should include agreement on a specific set-up as well as outlining roles, responsibilities and procedures internally and with other partners/stakeholders.

The Operational Plan can follow the format that most suits the country office – for example, a descriptive narrative, a flow chart or a table – but it should ensure that all units are clear about their role, responsibilities and moments of intervention in the operation. The layout used should clearly show what needs to be done, by whom and by when, especially to ensure proper complementarity among units and to avoid gaps.

The finalized Operational Plan should be approved by Management (Country Director or Deputy Country Director) and consequently circulated with all units at the country office. It should be shared with the regional bureau C&V focal point and headquarters (Market Access Programmes – OSZIC) for information.


B.1.2 KEY ELEMENTS TO BE INSERTED IN THE OPERATIONAL PLAN²¹

Refer to the Responsible/Accountable/ Consulted/Informed (RACI) document for distribution of responsibilities across WFP units – document to be maximum of 10 pages (annexes could be added).

1. Summary
2. Objective(s) of the operation
3. Project areas of intervention
4. List of project stakeholders
5. Project duration
6. Definition of transfer modality, distribution model, delivery mechanism
7. Determination of transfer assistance value
8. Beneficiary selection and registration

²¹ Based on the managerial decision related to the selection of the transfer modality(ies) and the delivery mechanism(s) and relying on the various information already collected via the sectoral assessments elaborated in the Needs Assessment and Response Analysis phase.

9. Planned activities/responsible unit/time sequence
 - Programme set-up activities
 - Supply chain activities
 - Finance set-up activities
 - IT set-up activities
 - Security activities
10. Selection of service providers
11. Delivery arrangements
12. Risks
13. Coordination arrangements with governments, NGOs, United Nations agencies and community groups
14. Monitoring arrangements and set-up
15. Reporting and information management
16. High-level budget²²
17. Key documents to be attached

 [Operational Plan Outline](#)

B.2 PIPELINE ANALYSIS

As for any operation, the country office has to ensure that sufficient resources are available to cover the requirements as reflected in the pipeline for an operation. The purpose of pipeline analysis and coordination is to ensure that sufficient cash/vouchers are available at the right place and at the right time for the operation to be successful.

It is the responsibility of Programme to ensure that project requirements, including cash or voucher requirements, are updated in the pipeline under Resource Management Analyst responsibility at least once a month. Once the pipeline plan – including both monthly requirements and resourcing availability for the project future months – is endorsed by the country office management, the relevant units within the C&V Working Group are informed and can plan their activities accordingly.

The pipeline focal point submits the final assignment plan with cash/voucher programming to the Project Budget and Programming Officer (Headquarters) for approval. Shortfalls or over-resourcing of the

cash/voucher pipeline should be communicated to management immediately, along with recommendations on how to manage identified resourcing issues (e.g. reduction of ration).

 [Directive on Pipeline Management Information and Funding Requirements](#)

B.3 PARTNER AND SERVICE PROVIDER SELECTION AND CONTRACTING

Once the transfer modality, the value, quantity and frequency of the transfer, and the delivery mechanism are determined, the country office should establish the operational and contractual agreements for project implementation, in which respective stakeholders' roles and responsibilities should be determined.

WFP may either enter into an agreement with partners by means of a Field-Level Agreement, Memorandum of Understanding or Letter of Understanding, or with service providers by means of a commercial contract.

“Partners” refers to organizations and other entities that cooperate with WFP to achieve objectives that are mutually agreed upon. The concept of partnership connotes shared goals, common responsibilities for outcomes, distinct accountabilities and reciprocal obligations. Partners generally enter into agreements with WFP on a non-profit basis.

“Food merchants” and “service providers” are for-profit, private-sector business entities that provide specific services to WFP. Even when WFP does not directly pay a supplier for their services, all commercial entities are motivated by profit, and this has implications for contracting, implementation, due diligence and accountability. The objective of food merchants and service providers is profit, whereas WFP is a not-for-profit organization.

The table in Box 52 is a non-exhaustive list of examples of WFP partners and service providers.

²² Check if there is any potential value added tax (VAT)/goods and service tax (GST) specific arrangement or waiver for commodities to be purchased via the voucher as it will impact the voucher budget. Note that VAT/GST regulations depend on a country's tax structure, but if feasible, it would require tenders/contracts to be structured to allow such quantification of taxes in support of a reimbursement claim.

Box 52: Examples of WFP's partners and service providers

Partners	Food merchants and service providers
<ul style="list-style-type: none"> Cooperating partners (CPs)²³: international and national non-governmental organizations; ministries with whom WFP has signed a Memorandum of Understanding for joint implementation Governments/parastatals Multilateral organization (e.g. United Nations sister agencies, Bretton Woods institutions) Civil society Private-sector partnerships (corporate social responsibility type assistance – not for profit) 	<p>Service providers:</p> <ul style="list-style-type: none"> Banks/financial service providers Microfinance institutions Remittance companies Post office Mobile network operators, third-party service providers, e.g. IT companies, mobile money providers <p>Food merchants:</p> <ul style="list-style-type: none"> Retailers Supermarkets Traders Wholesalers Importers Manufacturers

NOTE: Food merchants and service providers contracted by WFP's partners to deliver or implement portions of operations are subject to the same standards applicable to food merchants and service providers contracted directly by WFP. However, WFP only has direct contractual rights and recourse against the party with whom it enters into a contract and can only hold the contracted party accountable for delivery of terms set forth in the signed contract. In other words, if a problem occurs, it would hold the partner accountable and require that the partner in turn hold the supplier or service provider accountable.

B.3.1 PURCHASE REQUEST

A key part of the Intervention Set-up is putting in place the mechanisms and services for cash and voucher distribution. Purchase requests (PRs) must be raised to trigger distribution of C&V benefits to beneficiaries. Purchase requests must also be raised for any financial or IT services that may be required to set up the operation, and, depending on the selected transfer mechanism, a purchase request may also be needed for the devices necessary for delivery of cash or vouchers, such as, for example, mobile phones or POS terminals. The PR is the tool used to request the procurement of goods and services through WFP's corporate SAP-based system (WINGS). The PR is completed by the requesting unit and is authorized by the relevant authority (e.g. the head of unit). The PR is subsequently released

by Finance in the system and this release both verifies and confirms the availability of funds, rendering the PR as approved.

The unit responsible for raising the PR depends on the type of goods and/or services requested. A detailed account of which unit holds responsibility for raising which type of PR is contained in the **payment responsibility sheet** of the **RACI**, as per the following table.

NOTE: Detailed instructions on how to raise the PR can be found in [WINGS II e-guide](#).

The Programme Unit is responsible for raising the purchase request for cash to beneficiaries (PRCB). The latter reflects the operation's objectives, as set out in the Operational Plan. It is the responsibility of the requesting officer – in this case, the Head of the Programme Unit – to ensure that adequate and sufficiently detailed specifications and scope of work are provided. Such specifications include the value and frequency of the transfer to beneficiaries, as well as the food basket composition in the case of commodity vouchers, but may also include specifications of a strategic nature, such as, for example, promoting the purchase of locally produced or processed food, or favouring the participation of small retailers.

An overview of the responsibilities of Procurement versus the client or requesting unit are detailed in section (B.3.2.2, food merchants) and (B.3.2.3, service provider).

²³ CP is a sub-category of Partners.

PR/PO/SES/LIV/Payment Responsibilities										
Type of Service Required	PR Type	PO Type	Vendor Account	Raise PR	Release PR	Raise PO	Release PO	Raise and Release SES	LIV/ Pymt	Bank Reconciliation
Cash transfer	PRCB	POCB	GBV	Programme	Finance	Procurement	Country Director	Programme*	Finance	Finance
Voucher transfers	PRCB	POCB	Vendor/ GRV	Programme	Finance	Procurement	Country Director	Programme (Logistics for retailers)	Finance	Finance
FSP	PRS	POS terminal	Vendor	Programme	Finance	Procurement	Country Director	Logistics	Finance	Finance
SP – IT	PRS	POS terminal	Vendor	IT	Finance	Procurement	Country Director	Logistics	Finance	Finance
CP (NGO)	N/A	PODA	Vendor	N/A	N/A	Programme	Country Director	Logistics	Finance	Finance
Security guard	PRS	POS terminal	Vendor	Security	Finance	Procurement	Country Director	Security	Finance	Finance
CIT insurance	PRS	POS terminal	Vendor	Security	Finance	Procurement	Country Director	Security	Finance	Finance
Voucher creation	PRNF	PONF	Vendor	Programme	Finance	Procurement	Country Director	Programme	Finance	Finance
Delivery devices	PRNF	PONF	Vendor	Programme/ IT	Finance	Procurement	Country Director	Programme	Finance	Finance

* RMFB Comment: SES assigned to Programme based on pages 12 and 16 of the Joint Directive, which indicates Programme as responsible for raising SES for POCB.

B.3.2 CONTRACTING OF FOOD MERCHANTS AND SERVICE PROVIDERS

B.3.2.1 BASIC INTRODUCTION ON PROCUREMENT FOR C&V

B.3.2.1.1 DEFINITION OF WHAT IS BEING PROCURED

Contracting for the supplies and services necessary to implement cash or voucher operations follows two distinct processes, divided on the basis of what is being procured from the food merchants and/or service providers.

NOTE: Food procurement/in kind is listed for comparison only:

1 Assistance – or what the beneficiary receives:

- In-kind food assistance – the beneficiary receives actual food.
- Cash-based assistance – the beneficiary receives money (no contracting of food merchants is required).
- Voucher-based assistance – the beneficiary receives the voucher contents, for which WFP contracts a food merchant(s), such as retailers, supermarkets, wholesalers, traders, importers and/or manufacturers, or any other actor in the food supply value chain.

Food Merchant Contracting
(Section B.3.2.2)

2 Delivery – or how the assistance gets to the beneficiary:

- In-kind food assistance – WFP does the delivery.
- Cash-based assistance – the services required to transfer the cash to the beneficiary, such as banks, mobile money, cash-in-transit insurance, etc. (if physical cash).
- Voucher-based assistance – services required to print vouchers, services for food merchants to process the vouchers at the shops (such as point-of-sale terminals), financial service providers to reimburse retailers.

Service Provider Contracting
(Section B.3.2.3.)

B.3.2.1.2 PROCUREMENT THROUGH BENEFICIARIES TO RESPECT PRINCIPLE OF COMPETITION

When tendering and contracting food merchants in support of voucher-based operations, WFP does not typically “pay” the retailers directly for the food they provide to beneficiaries in exchange for WFP’s vouchers, but rather “reimburses” retailers for food provided to beneficiaries at the retail price established by the market. Exceptions are commodity vouchers when WFP negotiates quantities, qualities and prices and pays the food merchants directly.

While WFP may not explicitly pay retailers for the “service” of accepting the voucher and providing food to the beneficiary in exchange, the retailer makes a profit as a result of being contracted for this service. Further, WFP is still paying for the food (albeit indirectly) and the beneficiaries are a captive market in that they can only go to shops that are contracted by WFP to accept the vouchers.

As a result, WFP has the following obligations:

- To donors – conduct a fair and transparent procurement process that seeks to optimize procurement and contracting options available in support of the programmatic objective with the aim of achieving “value for money”.
- To beneficiaries – conduct a fair and transparent procurement process that seeks to optimize the procurement and contracting options available with the aim of providing beneficiaries with the maximum benefit in support of the programmatic objective.
- To the host community – conduct a fair and transparent procurement process that seeks to optimize the procurement and contracting options available and allows businesses to compete to provide the service (and thus the profit made).

B.3.2.1.3 DELEGATION OF AUTHORITY FOR C&V TENDERS

When a tender is launched, it is done for a commodity, good and/or service to be provided over a period of time with a maximum projected value attached. The delegation of procurement authority applies to the maximum projected value of the entire procurement, irrespective of the number of suppliers that a tender/contract is awarded to. For example, if WFP launches a tender to procure commodities or services of USD 6 million and more than

one supplier is awarded a contract to supply the service/commodities, the [delegation of authority](#) to approve the procurement is still based on the USD 6 million and is not based on the amount of services or commodities to be provided by the individual suppliers.

B.3.2.1.3.1

Valuation of Food Merchants

When tendering for food merchant(s) for vouchers, the value of the procurement action includes the total food value to be supplied

through all of the suppliers contracted over the entire duration of the contract plus the fees (if any) to be paid to the suppliers for redeeming the voucher and/or distribution of the food items. For example, the tender should not be presented as either: (i) only the value going to individual retailers; or (ii) only the value being transferred in a given month, but presented as, for example, 5,000 beneficiaries benefiting from a voucher programme via retailers, with a USD 25 monthly transfer over a period of six months reflects a tender value estimated at USD 750,000.

Box 53: Key information required

Information	Description/Example
Beneficiary numbers and locations	Beneficiary numbers and locations are necessary to ensure suppliers/ service providers have appropriate coverage/representation in the required areas and to estimate the number of transactions/work required from the supplier or service provider. The numbers will not have to be final, but estimates are required at a minimum.
Transfer modality/ instruments transfer value	<ul style="list-style-type: none"> • Cash or voucher? Paper/physical cash or electronic? • If vouchers, then value or commodity vouchers? • What is the estimated transfer value per beneficiary per transfer?
If voucher → content restrictions	<p><i>Contents:</i> Desired contents of the food basket to be given to beneficiaries in exchange for the vouchers, such as commodity/food group restrictions/ potential favouring of locally processed food or locally produced food more appropriate to beneficiary food habits, and similar.</p> <p><i>Restrictions:</i> Any programmatic restrictions on suppliers to be provided to beneficiaries in exchange for the vouchers. Examples: "Food items only", "Locally Produced Food items only" (link with P4P, Purchase for Progress), or "Maximum of 0.5 kg of sugar per recipient".</p>
Frequency of transfer(s)	Will the transfers be one-time only per beneficiary? Or ongoing on a periodic basis? How frequent will the transfers be?
Duration and timing of the intervention	How long will the programme run?
Unique requirements of vendors	<p>What programme requirements have implications for the services being contracted?</p> <p>Examples – Retail locations for vouchers:</p> <ul style="list-style-type: none"> • distance from beneficiary location/ideal distribution point; • if small retailers are favoured by the programme strategy. <p>Examples – Service providers:</p> <ul style="list-style-type: none"> • Will the beneficiaries be required to have cell phones? • Are the beneficiaries capable of using ATMs?
Probable changes in programme scope	If the likelihood that programmatic requirements will change during its implementation (e.g. extension to additional/different project areas; changes in the composition of the voucher food basket), this should, to the extent possible, be factored into the initial contract, as it is easier to change the scope of work with a supplier if appropriate provisions are included upfront. The benefits of including such provisions weigh against the additional complexity of formulating the agreement, and should be evaluated on a case-by-case basis.

B.3.2.1.3.2

Valuation of Financial Services

When tendering for financial service providers, the contractual value is equal to the fees being paid to the supplier for the service they are providing. The value does not include the value being transferred through the service provider to the beneficiary.

While the contract value does not include the funds being transferred to the beneficiaries, if the control of the funds passes to the service provider in the process of being transferred to the beneficiary, then WFP must take appropriate steps to mitigate associated risks. Additional information on this is available in section (B.3.2.3.4.2) – Cash Advances and Performance Bonds.

B.3.2.1.4

INFORMATIONAL REQUIREMENTS PRIOR TO CONTRACTING

For contracting both food merchants and service providers, key information is required from Programme (including the data gathered through sectoral assessments) after the transfer modality is selected, but prior to initiating the procurement and contracting processes. This information is collected and presented in the **Operational Plan** and the **purchase request(s)**. (See also [B.1] Operational Plan).

The main information that is required is listed in Box 53.

B.3.2.2

FOOD MERCHANTS CONTRACTING (VOUCHERS ONLY)

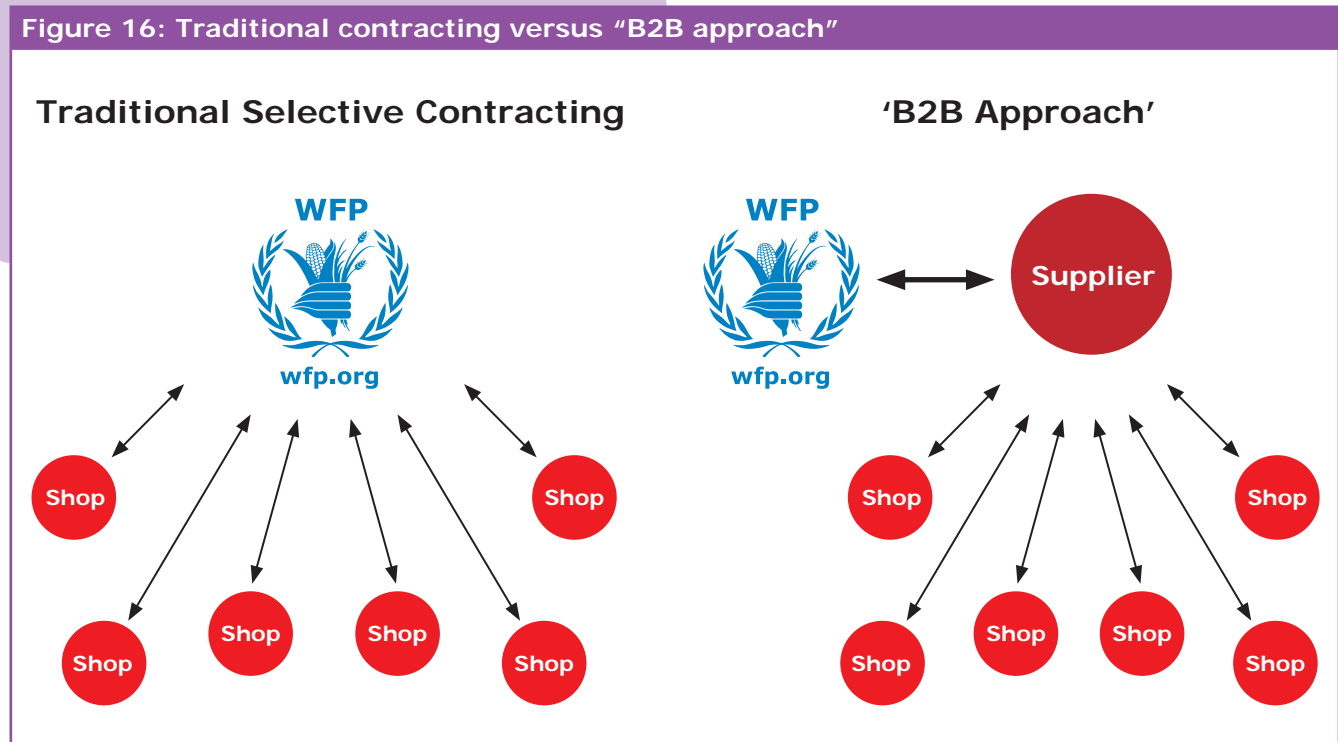
B.3.2.2.1

WHO ARE FOOD MERCHANTS?

When contracting for the provision of food in exchange for vouchers, WFP can work with various actors in the retail food value chain. The value chain for the retail food market includes producers, food processors, aggregators, importers and exporters, distributors, wholesalers, traders, large retail grocery chains, hypermarkets and corner stores. Traditionally, for vouchers, WFP (or its cooperating partner) contracts individual retailers to accept the voucher and provide food items to the beneficiary. With no guaranteed uptake (as beneficiaries may choose the contracted retailer they will use), WFP's ability to negotiate is limited to the retail price per commodity that each beneficiary may redeem at a particular shop.

One potential contracting option is the "business-to-business" approach (B2B). Through this approach, WFP contracts with a supplier further up the value chain, such as a wholesaler or distributor, with the express requirement of subcontracting distribution through retail outlets.

The difference in contracting structures between traditional contracting and using the "B2B approach" is visually represented in Figure 16.



B.3.2.2.2
STRATEGIC APPROACHES FOR CONTRACTING
FOOD MERCHANTS

Prior to initiating tendering and contracting processes, and as part of the procurement (and contracting) options analysis, procurement will evaluate if the existing market and its corresponding supply chain can support contracting at various levels of the retail value

chain, including the potential to contract through a B2B approach.

The option to contract through B2B, through supermarkets, retailers, etc., will have a direct impact on the tender document and subsequent contract, and for this reason the viability/suitability of the contracting options must be explicitly stated in the procurement (and contracting) options analysis.

Box 54: Contracting food merchant approaches

Approach	Explanation	Primary Advantages	Primary Risks/ Disadvantages
1 Pass/Fail Award	WFP establishes and advertises selection criteria through a widely publicized expression of interest (EOI). All suppliers meeting the pre-established criteria are awarded contracts.	<ul style="list-style-type: none"> • Simple and fast to execute operationally (especially in case of emergencies). • If many more shops, a lot more access for beneficiaries and increased competition. • May favour secondary objective of strengthening local economy. 	<ul style="list-style-type: none"> • Selection criteria must be concrete and clear. • Socialization of the process and selection criteria is essential. • Must be appropriately publicized to give a fair chance to all potential retailers that may want to participate. • System for receiving supplier applications must be able to handle volume of applications. • If many suppliers meet the criteria, resources required to monitor qualifying suppliers. • Potential for unbalanced distribution of contracted suppliers (geographically/ socio-politically).
Retail Tendering 2 Technical Only	WFP selects and contracts the best suppliers that apply based on the evaluation of the technical proposals received. The number of suppliers contracted is based on programme needs. WFP reimburses the supplier for the voucher contents at the retail market prices and applies when prices are fixed at the retail level of the food merchant value chain.	<ul style="list-style-type: none"> • Ability to target supplier groups through evaluation/selection. • Ability to balance contracted suppliers on specific variables (geographic/socio-political). • Number of suppliers contracted limited to programme needs. • Simple contractual arrangement. • May favour secondary objective of strengthening local economy. 	<ul style="list-style-type: none"> • Potential high resource requirements with monitoring and contract management of all the retailers. • Less transparent for external stakeholders should the EOI fail to be widely publicized. • Potential of being more expensive than with financial competition as prices are fixed and achieving economies of scale is not feasible.

Box 54: Contracting food merchant approaches (continued)

Approach	Explanation	Primary Advantages	Primary Risks/ Disadvantages
<p style="text-align: center;">Retail Tendering</p> <p style="text-align: center;">3 With Financial Evaluation</p>	<p>WFP selects and contracts the best suppliers that apply based on the technical and financial evaluation of proposals received. The number of suppliers contracted is based on programme needs.</p> <p>WFP pays the supplier(s) per the prices established during contracting (there might be a need to curtail to potential fluctuations in prices at the retail sector).</p>	<ul style="list-style-type: none"> Suppliers compete financially for the contract, resulting in financial opportunities for WFP while also fostering competition among suppliers. Plus all advantages listed under “technical only”. 	<ul style="list-style-type: none"> Potential high resource requirements with monitoring and contract management of all the retailers. Relatively long process (compared to options above). Concept of value for money can be defended, as contracting will result from technically acceptable proposals that also have “market” based prices. Allows the possibility to enter into discussions with the potential suppliers prior to entering into a contract (Best And Final Offer – BAFO).
<p style="text-align: center;">4 'B2B Approach'</p>	<p>WFP contracts with a supplier(s) to deliver the required voucher items, with the express requirement of subcontracting distribution through retail locations in the beneficiaries’ localities. WFP contracts the best supplier(s) that apply based on technical and financial evaluation of proposals.</p> <p>WFP pays the supplier(s) per the prices established during contracting (there might be a need to curtail to potential fluctuations in prices at the retail sector).</p>	<ul style="list-style-type: none"> Suppliers compete financially for the contract, resulting in financial opportunities for WFP while also fostering competition among suppliers. Food quality verification may be facilitated by having fewer suppliers contracted. Potential to achieve economies of scale. Potential to obtain outright tax exemptions or facilitate identification and quantification of taxes in support of a claim for reimbursement. 	<ul style="list-style-type: none"> Risk of support problems from distributing retail locations. If communications and sensitization are not effectively managed with the electronic value voucher, then a strong inventory management system is required for this contract structure. Not possible to implement with paper value vouchers (e-vouchers and paper commodity vouchers are possible). Dependency on only one supplier rather than diffusing risk of commodity availability across many suppliers. Reputational risk in sensitive contexts, where supplier’s socio-political/ religious affiliation may create hostilities.

 Additional information is available in the Procurement Guidance Note for Cash and Vouchers.

B.3.2.2.3 FOOD MERCHANTS CONTRACTING – PROCESS

The illustration in Figure 17 is an excerpt from the C&V Business Process Model. It isolates the competitive contracting process for retail food suppliers, from selection of voucher as the transfer modality through contracts being signed. It is important to note that Procurement is mandated to execute the identification of suppliers, conduct the procurement process and draft the contracts for all merchants and service providers in support to all transfer modalities.

NOTE: The competitive procurement process does not vary according to the size of the supplier being contracted.

Additional detail on the competitive procurement process specifics is available in the Procurement Guidance Note for Cash and Vouchers.

Templates and guidance are available for each contracting approach, including Request for Proposals (RFPs), Contracts, Request for Information (RFIs), Expressions of Interest (EOIs), etc.

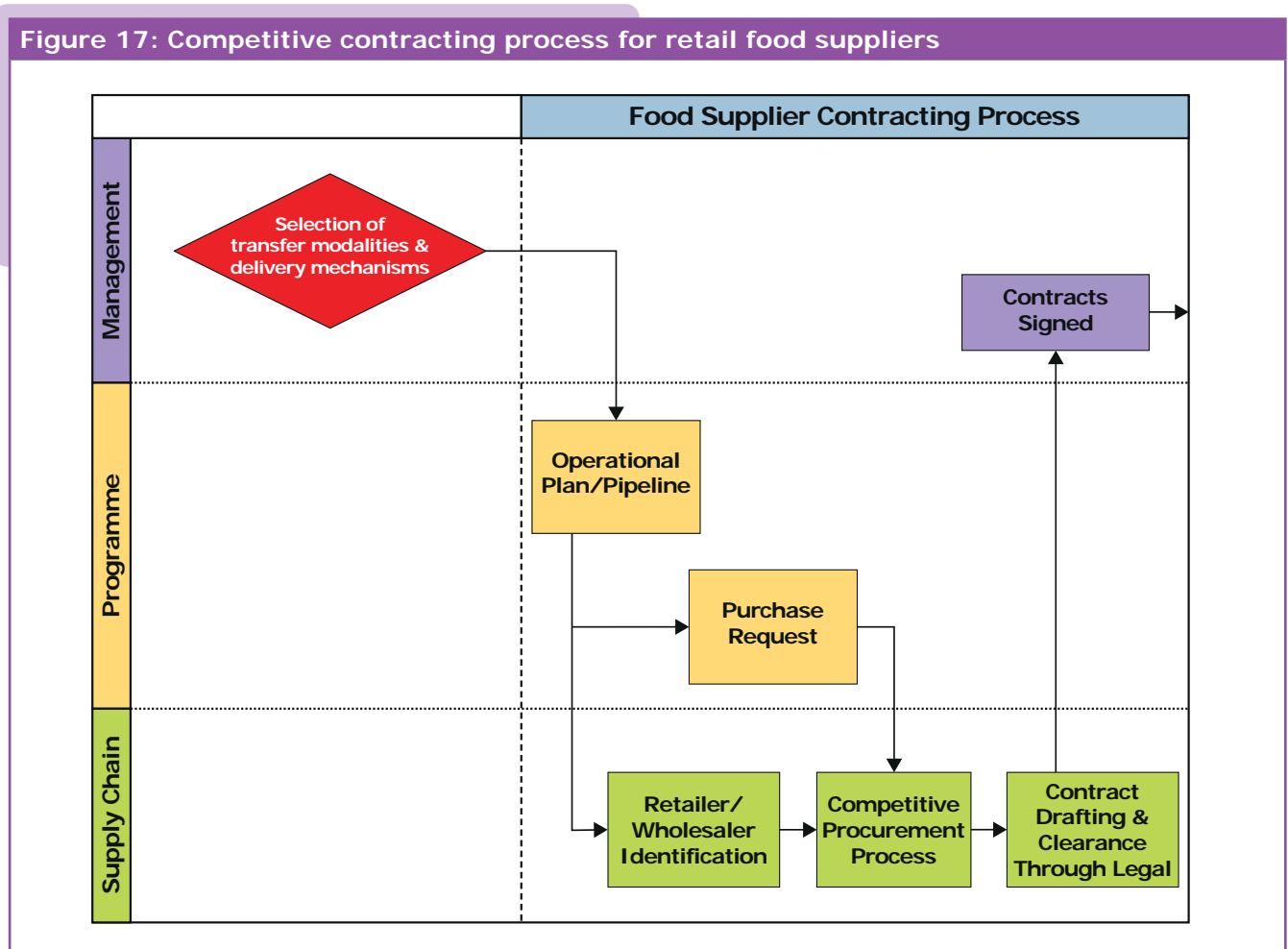
B.3.2.2.4 SPECIFICATIONS FOR FOOD MERCHANTS

B.3.2.2.4.1 Defining Vendor Specifications and Creating the Initial Roster

Based on the Operational Plan and the intervention specifics provided by Programme (see Section B.3.2.1.4), Procurement and Logistics jointly define the specifications, evaluation criteria and scope of work for retail food merchants:

- Logistics brings its knowledge gained through the retail capacity assessment.
- Procurement brings its knowledge of food procurement and contracting.
- VAM inputs could be beneficial based on the knowledge that would emerge from the market study carried out.

Together, the group defines the requirements of the retail food merchant necessary to implement the cash or voucher operation. Ensuring transparency and fairness in the selection of food merchants for the implementation of voucher transfers is



pivotal. While the retailer logistics assessment contributes to the identification of food merchants, Procurement is responsible and accountable for the process of establishing the final shortlist of approved suppliers to be invited to tender.²⁴

To ensure retailer assessments carried out by Logistics feed into the shortlisting exercise, the EOI and RFI required by Procurement should be included in the “retailer capacity assessment” questionnaire. Before Logistics heads to the field, in order to conduct the retailer logistics assessment, a notification of the visit may be made public (through the means available, such as radio, town hall, chamber of commerce) to communicate that WFP is seeking to contract interested food merchants. This approach would result in:

- public notification serving as an expression of interest;
- the retailer logistics assessment questionnaire serving as the request for information;
- food merchants identified through the retailer capacity assessment who make the shortlist are those meeting the criteria.

NOTE: It is also important to mention that while a roster of shortlisted food merchants is created for the purpose of issuing a tender, the roster must be consistently reviewed and updated should new actors come into play and/or existing ones need

to be removed (i.e. based on poor performance). This allows for potential new suppliers to join the roster and have an equal opportunity to capture some of WFP’s business. To this effect, it is recommended to review the roster at least once per year (or more often depending on the local context).

Should the retail assessment have already been concluded, the same process needs to be restarted with an EOI and RFI. This creates the opportunity to combine a “retailer logistics assessment” with an EOI/RFI. The recommendation is that as a preparedness measure the country office issues an EOI and RFI (can be combined) so that the process managing the roster is fluid and constantly under review.

The following sections have basic criteria depending on the type of vendor. These specifications are recommendations only and should be adjusted as appropriate for the operational context.

B.3.2.2.4.2 Criteria for Food Merchants

The following list in Box 55 is neither exhaustive nor mandatory. It attempts to cover areas of importance that will need to be judged against the specific operational context while also ensuring that, by virtue of the requirements, WFP does not skew the procurement and contracting options towards one type of food merchant only.

Box 55: Basic criteria for inclusion on vendor rosters:

- Operating presence in project area (current geographic reach and/or planned expansion).
- Ability to enter into a legally binding contract.
- Possession of a VAT registration certification.
- Possession of valid articles of incorporation/licence/operational permit.
- Provision of references.
- Ability and willingness to ensure minimum beneficiary data protection standards.
- Permission from appropriate government entities to sell/trade food commodities.
- Able to provide the last three years of audited financial statements (internal and external).
- Able to provide names of board of directors members/or proprietors.

²⁴ While Procurement remains responsible and accountable, in terms of contracting, Logistics and Procurement both have retailer identification responsibilities. Teaming up with Logistics in order to maximize available resources is advisable. In this case, Logistics would execute the tasks on the ground while the actual consolidation of the information and formal creation of the approved roster remains a task for Procurement to execute.

B.3.2.2.4.3

Individual Retail Shops and Retail Chains

WFP may contract individual retail shops under the following approaches:

- “Pass/Fail Contracting”;
- Retail Tendering – Technical Evaluation Only (in case of legislation that regulates/fixes food prices at the retail level);
- Retail Tendering – Technical and Financial Evaluation.

The list in Box 56 is neither exhaustive nor mandatory. It attempts to cover areas of importance that will need to be judged against the specific operational context while also ensuring that, by virtue of the requirements, WFP does not skew the procurement and contracting options towards one type of food merchant only.

B.3.2.2.4.4

Wholesalers, Traders and Distributors

As previously explained, WFP may contract other actors in the retail food value chain, such as wholesalers, traders and distributors, under the “B2B Approach” – Technical and Financial Evaluation.

In this circumstance, WFP will have requirements from the supplier themselves, as well as detailed requirements for the shops subcontracted for distribution/voucher redemption. WFP cannot control which specific retailers the supplier contracts, but should be very specific and thorough in detailing requirements to ensure the supplier contracts retailers that meet WFP’s requirements as detailed above in Section B.3.2.2.4.3.

Ensuring that wholesalers also agree to include additional retailer shops that meet the minimum criteria as set by WFP and the wholesaler is important to encourage inclusion and to continuously increase coverage of the retail shops where beneficiaries redeem their entitlement.

The list in Box 57 is neither exhaustive nor mandatory. It attempts to cover areas of importance that will need to be judged against the specific operational context while also ensuring that, by virtue of the requirements, WFP does not skew the procurement and contracting options towards one type of food merchant only.

Box 56: Retail shop and retail chain specifications:

- Present in the (or all) required area(s).
- Offers competitive prices.
- Meets supply and stock capacity requirements.
- Meets local food-quality standards, if applicable.
- Appropriate storage and handling for temperature-sensitive products, if applicable.
- Power supply/electricity requirements.
- Possession of accurate weights and measurement equipment.
- Capacity to meet WFP’s reporting requirements (both content and timeliness), including, as appropriate, basic quantification or literacy, itemized receipts, consolidated reporting and digital files.
- Agreement to participate in the intervention’s retailer training activities.
- Agreement to display signage, if applicable.
- Agreement to WFP’s monitoring and inspection requirements, if applicable.
- Agreement to adhere to WFP’s ethic principles and standards, including no discrimination (price or other) against beneficiaries.
- Agreement to adhere to WFP’s data protection requirements, if applicable.
- Ability to securely store WFP’s equipment, such as a POS terminal, if required.
- Any other duties/specifics as required.
- Ability and willingness to adhere to WFP’s minimum beneficiary data protection standards.

Box 57: Specifications for wholesalers, traders and distributors

- Network of existing retail outlets/partners, or ability to contract required outlets/partners, meeting WFP's required criteria for distribution outlets (see list for Retail Shops – B.3.2.2.4.3) in the required geographic areas.
- Competitive pricing.
- Secure supply of required items – both that the supplier has access to the required volumes as well as ensuring the distribution network is filled per WFP's requirements.
- Ability to manage the consolidated reporting for all retail distribution locations, per WFP's requirements, including quantification by commodity, if applicable.
- Management of relationships with subcontracted distribution outlets and payment for voucher redemption and reporting.
- Ability and willingness to adhere to WFP's minimum beneficiary data protection standards.
- Adherence to the United Nations General Terms and Conditions for Provision of Goods and Services.
- Any other duties/specifics as required.

B.3.2.2.5

SPECIFIC CONCERNS AND CONSIDERATIONS

B.3.2.2.5.1

Food Quality

Food provided in exchange for a voucher has to respect local/national quality standards, as dictated by the appropriate authorities in the country of intervention.

Any specific requirements for commodities or food safety for a voucher operation must be defined at the Operational Plan stage. This will enable the appropriate clauses to be incorporated into supplier specifications, tender documents and supplier contracts.

Shop-monitoring activities require inclusion of checks on food safety and reporting on whether the supplier is meeting its contractual obligations. Logistics should report, or beneficiaries via the distribution monitoring, on any food quality or safety issues at the shop level as part of the supply chain process monitoring so that appropriate contractual measures can be taken. Hotlines for beneficiary complaints are also a valuable information source for identifying quality concerns.

B.3.2.2.5.2

Data Protection

WFP is in the process of drafting a guidance note on data protection for beneficiaries for cash and voucher operations. The guidance note will help teams implementing cash and voucher operations identify areas that may pose risks to beneficiaries and plan accordingly.

Requirements from suppliers to ensure appropriate data protection should be included

in the scope of work of all tenders to be issued where the supplier contracted will have access to beneficiary data. This will help ensure that the contracted suppliers will be able to meet operational requirements with regard to data protection. Deviations from the agreed terms on data protection are considered as a serious violation that may result in contract termination.

B.3.2.3

SERVICE PROVIDER CONTRACTING

B.3.2.3.1

OVERVIEW OF SERVICE PROVIDER CONTRACTING

Contracting for the services required to implement a cash or voucher intervention is cross-functional (Box 58).

The WFP Non-Food Procurement Manual details the responsibilities of requesting units within the procurement process ([see WFP Non-Food Procurement Manual](#), Section 2.13).

The illustration in Figure 18 is an excerpt from the C&V Business Process Model. It isolates the competitive contracting process for service providers, from selection of the transfer modality through contracts being signed. Programme, Finance and IT are the primary "client units" for contracting of services required for the delivery of a cash or voucher intervention. It is important to note that Procurement is mandated to execute the identification of suppliers, conduct the procurement process and draft the contracts for all merchants and services providers in support of all transfer modalities.

NOTE: Functions participating in the service provider competitive procurement process will vary depending on the specific service being contracted. Typically, Finance is involved in the selection of the financial service provider, IT in the selection of the IT service provider, Security in the selection of the security service provider (protection of cash-in-transit) and Programme and IT in the selection of the non-food item service provider (delivery instruments such as POS terminal, mobile phones and similar).

While requesting units have a very important role to play in the identification of suppliers (and Procurement will use the data gathered through the various sectoral assessments), Procurement

is both responsible and accountable for the formal establishment of the approved shortlist of potential suppliers to be invited to tender.

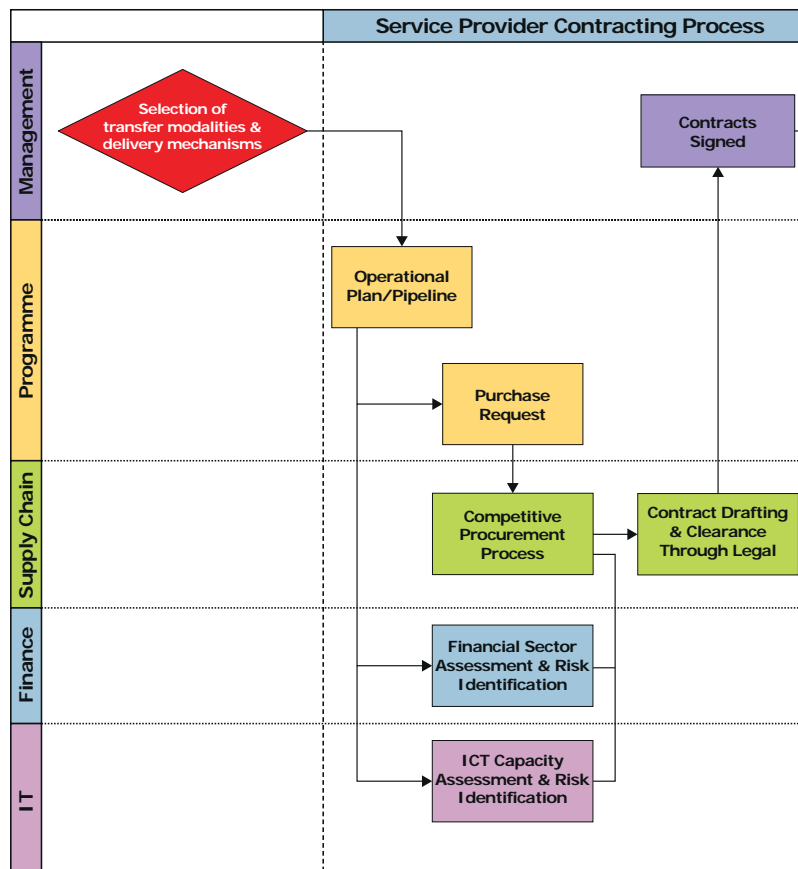
Full detail on the procurement process and the steps to execute the process are available in the Procurement Guidance Note for Cash and Vouchers.

Templates and guidance are available for certain standard suppliers, including Request for Proposals (RFPs), Contracts, Request for Information (RFIs), Expressions of Interest (EOIs), etc. More information is listed in Section B.3.2.3.3

Box 58: Service provider contracting

CLIENT UNITS Defining Service Requirements	PROCUREMENT Enabling Contracting of Services
<p>The "Client Unit" is the function or team with the technical expertise to know and define the requirements for the goods or services required, advise on all aspects related to suppliers' abilities to deliver the requisite goods or services, and oversee and report on performance of the supplier.</p>	<p>With respect to goods and service procurement, including all service providers contracted for the delivery of cash and voucher operations, Procurement's job is to enable the procurement process, ensure adherence to procurement principles, policies and procedures, and achieve the best value for WFP possible through the procurement action.</p>


Figure 18: Competitive contracting process for service providers



B.3.2.3.2

SPECIFIC RESPONSIBILITIES OF CLIENT UNIT VERSUS PROCUREMENT

The overall roles of the functions are described in Section B.3.2.3.1, but specifics at the activity level are detailed in Box 59.

 Full guidance on the procurement process and the steps to execute the process are available in the [WFP Non-Food Procurement Manual \(Goods And Services\) Section 2.13 responsibilities of requesting officers, Section 2.12 responsibilities of Procurement officers.](#)

Box 59: Specific responsibilities of client unit versus Procurement

Responsibilities of the client unit/ requesting officer	Responsibilities of the Procurement officer
<ul style="list-style-type: none"> • Forecasting and planning procurement needs in advance. • Preparing purchase requests, including, if necessary, the justification for waiving competition. • Preparing technical specifications, scope of work and cost estimates (with support from Procurement based on roster identification already assessed). • Initial identification of suppliers appropriate for a particular action and/or inclusion on general rosters. • Supporting the Procurement officer in managing the evaluation of proposals. • Ensuring that the services provided meet the contracted terms and conditions and informing the Procurement officer of discrepancies. • Documenting unsatisfactory performance. • Initiating and completing the Evaluation of Performance of Suppliers for each procurement action when the contract is complete. • Seeking advice from the Procurement officer on procurement matters. 	<ul style="list-style-type: none"> • Advising client units on all procurement matters, including (but not limited to): <ul style="list-style-type: none"> - planning and forecasting procurement needs; - procurement policies and processes; - tender and contract document requirements; - required approvals and committee reviews; - separation of duties related to supplier contracting and relationships; - cost estimations; - vendor roster management; - supplier performance management and reporting. • Managing the procurement and evaluation processes, including ensuring all policies are adhered to appropriately. • Drafting and issuing of all tender and contract documents in conjunction with the client unit and other stakeholders, as appropriate, including RFPs, RFIs, EOIs, contracts, etc. • Clearance of contracts through Legal, as appropriate. • Managing communications with suppliers and potential suppliers, ensuring adherence to principles of competition during the contracting process. • Documenting the procurement action, meetings, decisions, and all other information appropriate for procurement files and audit reporting. • Handling supplier claims and disputes. • Initiating contract close-out procedures when the contracted services and associated payments are completed. • Handling any other procurement-related assignments.

Box 60: Basic criteria for inclusion on vendor rosters

- Operating presence in project area (current geographic reach and/or planned expansion).
- Minimum of two years' experience as an established business.
- Possession of a VAT registration certification.
- Possession of valid articles of incorporation/licence/operational permit.
- Provide the last three years of audited financial statements (internal and external).
- Provide names of board of directors members/or proprietors.
- Possession of a bank account.
- Provide references.

B.3.2.3.3**SPECIFICATIONS FOR SERVICE PROVIDERS**

Service providers are selected and contracted in accordance with the internal regulations, rules and procedures applicable to procurement of non-food items goods and/or services.

The following services, or types of service providers, have recommended specifications and qualifying criteria.

NOTE: A distinction must be made between service providers that are subject to high government regulations and controls, such as banks, and those that might not be as regulated, such as mobile money services. Selection criteria and qualifications are significantly more stringent for the second group.

B.3.2.3.3.1**Basic Criteria for Service Providers**

The list in Box 60 applies to service providers. The list is neither exhaustive nor mandatory. It attempts to cover areas of importance that will need to be judged against the specific operational context while also ensuring that, by virtue of the requirements, WFP does not skew the procurement and contracting options towards one type of service provider only.

B.3.2.3.3.2**Banks and Financial Service Providers**

The list in Box 61 applies to service providers that are regulated under the host government banking and financial sector requirements. It is important to note that the review of documentation requested must be closely reviewed by the Finance Unit in order to ensure compliance with the minimum requirements for the selection of banks and/or financial service providers.

Box 61: Standard bank and financial service provider specifications

- Proven ability and track record to provide the required cash or voucher services, per the scope of work.
- Demonstrated financial strength.
- Proven ability to safely hold and efficiently transfer large volumes of cash to targeted beneficiaries.
- Ability to meet reporting requirements.
- Appropriate coverage and ease of access for beneficiaries/retailers (geographically and technologically speaking).
- Offer competitive service fees (transactions, bank account opening, plastic card issuance, administration).
- Provide Credit Rating Certificate from a recognized rating institution (for banking service providers only) for the previous three years.
- Possession of anti-money laundering and terrorism policies.
- Possession of personal data protection and privacy policies.
- Able and willing to provide customer service dedicated to the project.
- Compliance with international standards for payment solutions and security.

Box 62: Additional criteria for specific contexts

- Adherence to the United Nations General Terms and Conditions for Provision of Goods and Services.
- Agreement to adhere to WFP's data protection requirements, if applicable.
- Ability and willingness to develop and/or customize services, if required.
- Experience in similar payment delivery programmes, preferably in the humanitarian/development sector.
- Experience working with the United Nations and/or non-profit organizations.
- Ability to organize on-site delivery, if required.
- Ability to create electronic beneficiary accounts and provide reports/statements/details, as required.
- Ability to process electronic bulk transfer instructions.
- Ability to report on transfers executed and in progress, both in total and detailed by individual account, as per WFP's required reporting standards.

B.3.2.3.3.3

Mobile Transaction Service Providers

Mobile transaction service providers provide similar systems for delivering a cash or voucher operation as a financial service provider (FSP), but they are not always subject to the government regulations of the banking industry. As such, they are required to meet all of the specifications listed above for FSPs PLUS the specifications listed in Box 63. It is important to note that the review of documentation requested must be closely reviewed by the IT unit in order to ensure

compliance with the minimum requirements for the selection of banks and/or financial service providers.

B.3.2.3.3.4

Cash-in-Transit Insurance

If WFP staff is distributing physical cash, "cash-in-transit" insurance is required to transport the money to the distribution site. Specifications for contracting "cash-in-transit" insurance services should be agreed with Finance and Security, as appropriate for the operational context.²⁵

Box 63: Mobile transaction specifications

- Additional detail on financial stability and backing.
- Provision of a performance bond to guarantee advance payments, if appropriate.
- All requirements of the financial service providers, as appropriate.

Box 64: Technical specifications for paper vouchers

- Vouchers must always carry unique **serial numbers** issued by WFP Finance.
- Vouchers should bear WFP's **logo** and, if appropriate, partner logo(s).
- Vouchers must never carry political symbols or messages or any other type of divisive message.
- Voucher must always have **the cash/commodity value** printed on them.
- An **expiration date** must always be stated on each voucher. The expiration date shall be set for each distribution period from the date of issuance. Vouchers must not be distributed beyond the project end date. The last expiration date must not exceed the operational closure date.

²⁵ Operational Risk Mitigation Service (OSLR) maintains, on behalf of the Programme, a "cash-in-transit" insurance policy that provides coverage for physical movement of cash. The policy covers movement of cash between WFP offices and to partners and/or beneficiaries and indemnifies WFP against all risk of loss or damage. OSLR is to be contacted in the case of WFP physical distribution of cash.

Box 65: Options for mitigating fraud

- Consider secure printing: holograms (stickers), watermarks, micro-text, patterned background, anti-copy ink features, special or high-quality paper.
- Have different voucher design and format/size for different voucher denominations.
- Change voucher colour/some design features (watermark location, etc.) monthly.
- Customize vouchers with beneficiary data – ID card number; United Nations High Commissioner for Refugees (UNCHR) case number.
- Print vouchers in a different country.

B.3.2.3.3.5**Printing Services**

WFP may choose to contract for printing paper vouchers and/or scratch cards.

As detailed in box 64 and 65, it is highly recommended that paper vouchers have barcodes on them to facilitate issuance, redemption and settlement (whether or not systems for that are in place, requiring a barcode from the printing company should not influence the price of the voucher and can be included as a just-in-case feature).

Procedures for issuing, managing and accounting for vouchers must be consistent with the instructions of the Joint Directive [OS2013/003 RM2013/005](#) (Part 3.6, Voucher Management).

B.3.2.3.4**SPECIFIC CONCERNS AND CONSIDERATIONS****B.3.2.3.4.1****Evaluation of Service Providers' Flexibility**

Evaluating service provider proposals – both technically and financially – may require comparison between vastly different technologies and a range of costs. To understand which the “best value” is for WFP, it is essential to look at the potential evolution of the programme and ensure flexibility in the provider services.

Comparing costs at the programme level:

It is essential to evaluate proposals on an equal footing. Comparing components in isolation will not effectively support decision-making, as requirements and costs associated with the components may vary depending on the technology used. To effectively evaluate proposals on an equal footing, the country office will have to create a template to calculate the full financial details at the programme level for the duration of the contract.

Factoring in economies of scale and flexibility: Creating programme-level cost

comparisons based on a single set of variables creates a static picture for each proposal. The result is that a programme with high, fixed, set-up costs may compare unfavourably at a low beneficiary level, and WFP may miss out on potential flexibility and scalability, which would be essential at scale. The country office will have to create multiple scenarios to reflect the operation's potential size and to effectively evaluate the scale and flexibility of the various service providers. It should therefore include an explicit request in the tender document for incremental discounts based on volume.

B.3.2.3.4.2**Cash Advances and Performance Bonds**

In accordance with the Financial Rules, WFP does not pay service providers in advance; WFP pays post factum (after having a signed agreement with the supplier supported by a contract and corresponding purchase order), based on “successful performance” of the contracted services. For electronic C&V operations, however, the post factum payment might not be optional as the service being provided is a transfer of funds, thus requiring an advance payment in order for the service to be carried out.

WFP must request a performance bond to guarantee funds provided to service providers for transfer to beneficiaries. This protects WFP from the possibility of the service provider misappropriating the funds. The determination, as to whether a performance bond should be used for a cash or voucher operation in relation to contracting a service provider, should be made by the Country Team in consultation with Operation of Treasury and Financial Risk Management.

 [WFP Non-Food Procurement Manual \(Goods and Services\)](#)

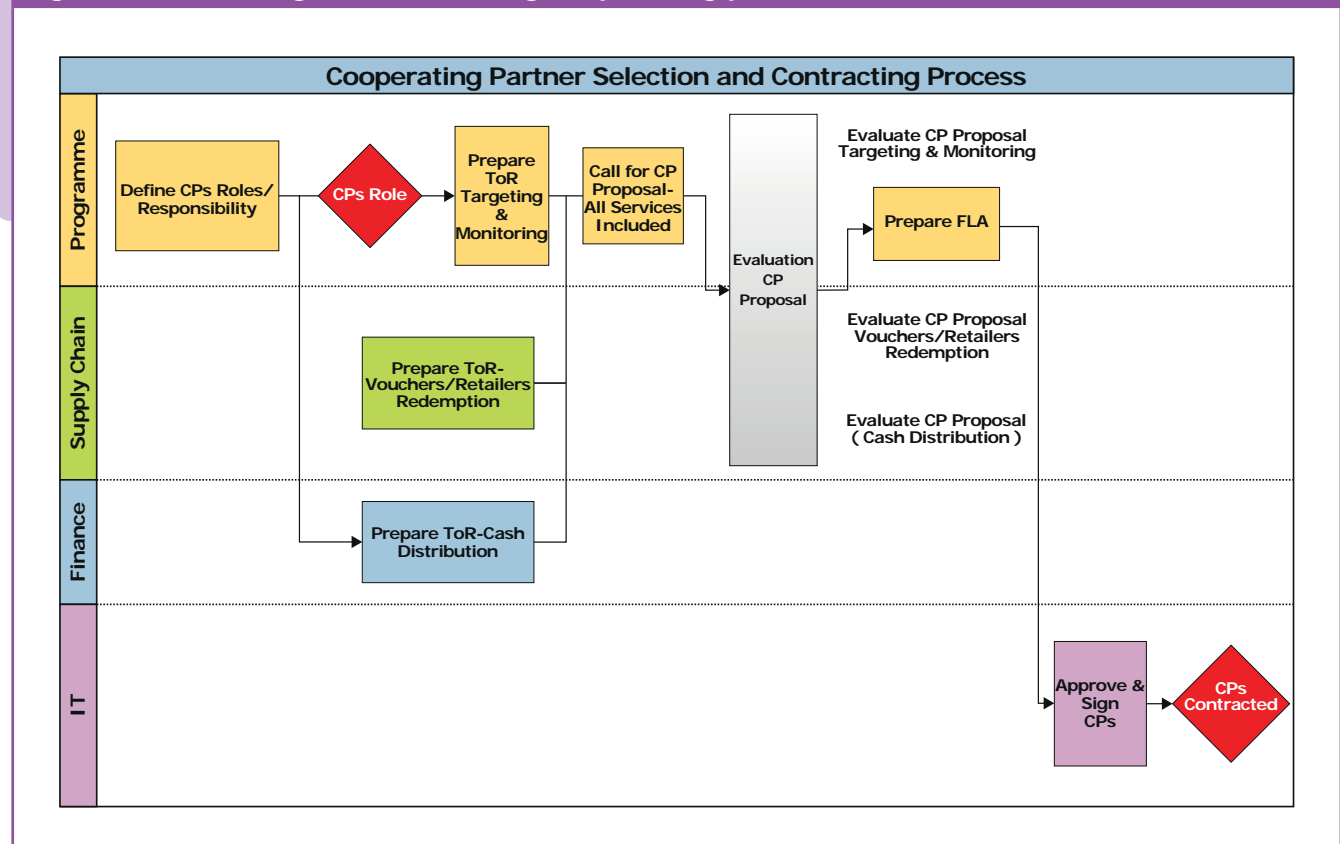
Section 2.6 defines procurement levels of authority

Section 2.7.3 defines Request for Proposal

Section 2.11 defines Purchase and Contract Committee

B.3.3 SELECTING AND CONTRACTING COOPERATING PARTNERS

Figure 19: Selecting and contracting cooperating partners



The country office should comply with guidance, as described in the Joint Directive [OS2013/003](#) [RM2013/005](#) (Chapter 4, Procurement and Contracting).

Programme should therefore use a Field-Level Agreement (FLA) when partnering with a

cooperating partner (CP), and a Memorandum of Understanding (MOU) when partnering with a government or a multilateral organization.

The process required to select and contract the most appropriate CP is presented in Box 66.

Box 66: Cooperating partner selection process

- Where WFP is distributing cash transfers and/or reimbursing retailers for redeemed vouchers through a CP and/or needs CP's services for programmatic activities (targeting, monitoring, etc.), Programme selects a CP from the established roster (Section A.2.2.7) according to the specific project requirements. Programme is encouraged to consult with Finance and Logistics for their technical inputs, particularly if the CP has financial and/or retailer management responsibilities.
- CPs are asked to express their interest through a proposal and accompanying budget submission.
- Local Programme Review Committee reviews proposal and budget.
- Programme makes a recommendation to management regarding the selection of the CP, taking into account the operational and financial capacity identified.
- The CP's selection is authorized by management.
- Programme in collaboration with Finance negotiates the rate with the CP.
- Programme finalizes the Field-Level Agreement.

Box 67: Criteria for selecting the cooperating partner

- Geographic coverage/reach and operational capacity.
- Programmatic and technical expertise.
- Administrative and reporting capabilities.
- Financial capacity (according to HACT criteria) – critical in case the CP transfers cash or vouchers to beneficiaries on behalf of WFP.
- Value for money.
- Risks.

The FLA template encompasses all transfer modalities of food assistance programmes. It consists of:

- a core body, "the general conditions", applicable to the implementation of a WFP assistance programme; and
- four annexes, "the special conditions", consisting of four types of contracted services:
 - (i) food distribution and related services;
 - (ii) cash distribution activities;
 - (iii) voucher monetization;
 - (iv) implementation and monitoring of cash and voucher activities.

Programme shall select the appropriate FLA special conditions annex(es) according to the contracted service(s) with the NGO.

The FLA serves as a framework for cooperation between WFP and the CP for the operation. It shall: (i) regulate the modalities of assistance to beneficiaries in the context of the operation (details on the programme and activities to be implemented); (ii) set forth the respective obligations of the parties; and (iii) define the transfer, delivery mechanism, repayment and reporting requirements, conditions and deliverables.

Box 68: Explanation – FLA budget template

The FLA budget template consists of six cost categories:

Transfer value (food, cash and/or vouchers): These are resources transferred to targeted beneficiaries in the form of either in-kind food, cash and/or vouchers.

Landside transport, storage and handling (LTSH): These include storage-related equipment and services, food management and transformation services, and transport and distribution services. It is applicable to food distribution and related activities. No cash or voucher-related costs should be budgeted under this line.

Cash and voucher delivery: This is the incurred cost associated with the movement of cash and/or voucher entitlements from partner to the beneficiaries and the incurred cost related to the set-up and use of the delivery mechanism. It includes costs, such as staff and transportation costs directly related to cash distribution, system hardware, software, ICT services for corporate electronic vouchers, voucher printing, consumables (ATM/Smart/SIM cards, mobile phones, logbooks, POS machines, etc.); commercial service providers, charges such as setting up cash delivery/collection points, transaction and account maintenance fees, activation costs, device replacement costs, PIN mailers, etc. It does NOT include costs associated with training, targeting, monitoring, assessments, evaluations, administration and running costs, or any other costs that have no direct relation to the actual delivery of the cash or voucher value.

Technical/specialist services*: These include expenses related to targeting, monitoring activities, assessments/pre-appraisal, evaluations/surveys, studies and missions, capacity development. It can apply to any food assistance programme (not dependent on transfer modality).


Management and administration*: These include administrative and programme staff and related costs, recurring costs and equipment expenses. It can apply to any food assistance programme (not dependent on transfer modality).


Management fee*: This is the standard (7 percent) management fee contribution towards the partner's headquarters overhead. This should be calculated as a percentage of the actual payments made for cash and voucher delivery, technical/ specialists services, and management and administration costs.


* All costs associated with C&Vs, except the transfer value and the cash and voucher delivery should be considered Cash and Voucher Other in WFP's internal budget templates.

Additional requirements: all FLAs must be substantiated by: (i) the **FLA synthetic Operational Plan** (as Annex 2 to FLA) outlining details concerning the role and responsibilities of WFP and partner organization; (ii) the approved **project proposal** (as Annex 3); and (iii) an approved **budget** (as Annex 4).

For partner's services, Programme should create a service purchase order (PODA) for all partner services incurred expenditures against C&V delivery and/or C&V Other.

 [FLA/MOU Narrative \(General and Special Conditions\) and Budget Templates](#)

 [Guidance Note on the FLA Budget Preparation](#)

 [Joint Directive OS2013/003 RM2013/005 – Policy and finance procedures on the use of cash and voucher transfers to beneficiaries – \(§2.3 Resource Management/Commodity – Cash or Voucher + §2.4 Resource Management/Goods and Services\)](#)


The SOPs are a reference document articulating detailed procedures, steps, processes and timelines of a specific project activity. As opposed to the Operational Plan, which outlines the high-level operational arrangements at the set-up stage, the SOPs should clearly articulate the roles and responsibilities of WFP and its partners/service providers down to the detailed activities of the distribution cycle. Segregation of duties and internal control procedures should be explicitly highlighted.

In compliance with Directive [OD2011/004](#) (§2.6), the SOPs are **mandatory** and their preparation should be coordinated by Programme before the start of implementation. If relevant, the SOPs could be attached to the relevant FLAs/service providers contracts in an annex.

The finalized SOPs should be shared with all functional units at the country office, and shared for information with the C&V focal point at the regional bureau, as well as at the Headquarters C&V Programme Unit (OSZIC). Note that the SOPs are a living document and will continue to be updated on a periodic basis so as to be adapted to programme/context needs.

The sub-processes included in the SOP will depend on the requirements and activities of each country office. Please see Box 69 for an indicative list of items that would be included.

NOTE: The standard operating procedures is a key document to be used during Evaluation and possibly Audit when reviewing the project.

 *While each country office can choose the most suitable format for its C&V SOPs, the following link gives [an example of SOPs that have successfully been implemented in other country offices.](#)*

B.4 STANDARD OPERATING PROCEDURES

B.4.1 BACKGROUND

The standard operating procedures (SOPs) should be developed once the country office management has approved the Operational Plan, endorsed the delivery mechanisms and instruments to be used in the operation, and selected the cooperating partners and service providers. The SOPs have to be elaborated by the C&V Working Group members.

Box 69: Key items to be inserted in the standard operating procedures²⁶

- Cash/voucher transfer cycle arrangements.
- Identification of retailers and service providers for contracting process.
- Reporting and reconciliation responsibilities.
- Responsibilities of WFP partners, service providers and retailers (if applicable).
- Food quality and safety management.
- Training/information/sensitization campaign process and responsibilities.
- Feedback and complaint mechanisms process and responsibilities.
- Monitoring arrangements.

²⁶ Refer to RACI document for distribution of responsibilities across WFP units.

B.5 ACCOUNTABILITY TOWARDS PARTNERS AND BENEFICIARIES

In order to maximize efficiency during implementation, it is important that all operational stakeholders are fully aware of their responsibilities, and that mechanisms are in place to quickly identify and counterbalance unexpected obstacles.

B.5.1 STAKEHOLDER TRAINING

Once the standard operating procedures are defined, Programme should, in coordination with other members of the C&V Working Group, carry out an operational training with all WFP and CP staff that will be directly involved in the operation. As applicable and depending on the operational set-up, the country office may also decide to involve staff of merchants, financial and/or IT service providers.

Box 70: Suggestions for stakeholder training

Objectives and expected outputs	<ul style="list-style-type: none"> • All operational WFP and cooperating partner staff are aware of processes, roles and responsibilities throughout the project duration. • Potential difficulties are identified and corresponding response processes/formats are in place (example: data entry mistakes in the beneficiary registration system hinder smooth redemption of vouchers). • Details overlooked in the SOP are clarified and agreed by all participants. • Deadlines and timelines are clear and agreed by all participants.
Participants	<ul style="list-style-type: none"> • WFP field staff involved in the operation (cross-units sub-offices staff, field monitors). • Cooperating partner field staff involved in the operation. • Authority counterparts, at central and/or local level. • As applicable, staff from financial service providers. • As applicable, staff from food merchants. • As applicable, staff from IT service providers. • Staff from any other institution involved in the implementation process.
Topics to be covered	<ul style="list-style-type: none"> • Revision of key processes, as established in the SOP, including: <ul style="list-style-type: none"> - identification and registration of beneficiaries; - beneficiary sensitization; - delivery mechanism arrangements and set up; - process of voucher redemption (if applicable); - field-security arrangements; - arrangements for technical support (in case of conditional assistance); - set up and implementation of beneficiary complaint mechanism; - follow up and monitoring; - reporting requirements. • Roles and responsibilities of each participant in the above processes. • Revision of forms/IT platforms, as applicable. • Forecast problems and identify problem-solving strategy. • Explain and share relevant forms and documentation formats in relation to individual processes. Pre-position forms at the local level, as required. • Leave sufficient time for clarifying any doubts or questions that staff may have. • Revision of timeline and deadlines for each activity.

B.5.2 ACCOUNTABILITY TOWARDS BENEFICIARIES

Box 71: Accountability

In 2011, through its membership of the Inter-Agency Standing Committee (IASC), WFP made the following commitments on accountability to affected populations:

Transparency: Providing accessible and timely information to affected populations on organizational procedures, structures and processes that affect them to ensure that they can make informed decisions and choices, and facilitate a dialogue between an organization and its affected populations over information provision.

Participation: Enabling affected populations to play an active role in the decision-making processes that affect them through the establishment of clear guidelines and practices to engage them appropriately and ensure that the most marginalized and affected are represented and have influence.

Feedback and complaints: Seeking the views of affected populations to improve policy and practice in programming, ensuring that feedback and complaints mechanisms are streamlined and appropriate and robust enough to deal with (communicate, receive, process, respond to and learn from) complaints about breaches in policy and stakeholder dissatisfaction.

Design, monitoring and evaluation: Designing, monitoring and evaluating the goals and objectives of programmes with the involvement of affected populations, feeding learning back into the organization on an ongoing basis, and reporting on the results of the process.

B.5.2.1 COMPLAINT AND FEEDBACK MECHANISM

Country offices should set up a context-specific and easy-to-use complaint and feedback mechanism.

When opting for a complaint and feedback mechanism, it is critical that a timely and effective response arrangement is also in place. Clear grievance procedures should be established and applied through a systematic process: (i) complaint recording (number, location and nature of issue); (ii) complaint analysis and ranking; (iii) complaint transmission on to the relevant focal point person according to nature and severity with a view to be resolved within a specific timeframe; (iv) response arrangement communicated to complainant; and (v) complaint resolution recording in the system (number, date, nature of solution/action).

The existence and arrangement of the complaint and feedback mechanism should be communicated to stakeholders as part of the sensitization campaign (see Section B.7.3). Particular attention should go towards sensitization of community elders/leaders, where a complaint mechanism could potentially alter the balance of power within communities.

Country offices must consider and be aware that the risks of a poorly designed complaint and feedback mechanism could easily outweigh its perceived advantages. The complaint mechanism whose implementation arrangements should be decided by Programme must be practical, while ensuring that it is trusted by and easily accessible to the beneficiaries. Moreover, it must ensure confidentiality concerning the identity of those filing the complaint. Once resolved, it should

Box 72: Complaint and feedback mechanisms should ensure that beneficiaries can easily and safely communicate:

- Any security incident associated to the programme.
- Cases of abuse of power or non-compliance by retailers, financial service providers, community leaders and/or other key actors (WFP and/or partner staff, etc.).
- Aspects of programme and/or transfer modality that inadvertently have negative implications.
- Concerns or preferences related to food quality, safety and entitlement.
- Any other concerns related to the programme.

Box 73: The objectives of setting up an effective complaint and feedback mechanism for WFP and its partners may include:

- To identify project-related issues that WFP and its partners should resolve, thus improving project effectiveness and reinforcing credibility with stakeholders, especially beneficiaries.
- To detect a food or cash incident enabling minimization of its potential impact at the earliest time possible.
- To identify retailer performance problems (for corrective action by Logistics/Procurement [Supply Chain]).
- To document issues with serious implications that may require design changes.
- To mainstream protection into the programme.
- To improve the relationship with communities (including non-beneficiaries) and reinforce mutual trust.
- To create a deterrent by ensuring that those intended to engage in harmful activities are aware that anybody is able to complain about them.

also ensure that information relating to the complaint is shared strictly on a need-to-know basis.

It is recommended that the analysis of access to information and the feedback and complaints reporting mechanisms be gender sensitive and that they show awareness of the different ways in which people have access to information and media that is very often linked to their sex and age. In many cultural contexts, women might not be in a position to have free access to telephones or be in a position to engage in face-to-face conversation with strangers, especially those of the opposite sex. Therefore, thinking about recruiting women monitors and telephone operators who will register feedback and complaints, etc., is something that WFP and its partners need to consider.

B.6 SCOPE: THE CORPORATE BENEFICIARY AND TRANSFER MANAGEMENT PLATFORM

SCOPE is WFP's beneficiary and transfer management platform that supports the C&V Business Process Model (BPM). The SCOPE platform is a web-based application used for beneficiary registrations, intervention set-up and distribution cycle. The platform is flexible and can be used in many ways depending on the specific needs of a country and delivery mechanism selected.

B.6.1 BENEFICIARY INFORMATION MANAGEMENT AND INTERVENTION SET-UP

SCOPE is a central repository for WFP beneficiary data. Beneficiary information management is a core component that supports accurate targeting of and accounting of beneficiaries and enables a more efficient

Box 74: Potential channels supporting a complaint and feedback mechanism

- Hotline – dedicated phone line
- Listening and complaint registration on site, help desk (field project monitors at distribution points)
- Standard complaint form
- Community logbook
- Suggestion box
- Community committee

NOTE: The complaint and feedback mechanism may be run by WFP or the service provider as part of its contract.

intervention and delivery management. Registrations performed with SCOPE can be customized to capture specific beneficiary profiles and characteristics, such as anthropometric data (e.g. BMI²⁷ or MUAC²⁸), languages, locations, and photos or fingerprints if necessary. In remote locations, registrations can also be conducted offline using standard laptops.

It is possible to import existing beneficiary data to SCOPE from external sources like Excel or partners' databases, including fingerprints and photos. If necessary, beneficiary data from external sources can also be enhanced by importing it into SCOPE and then collecting supplemental information or photos or fingerprints. In cases where cooperating partners register beneficiaries on behalf of WFP, they can also be given access to the platform and trained on how to perform online and offline registrations.

B.6.1.1 ENABLING THE DISTRIBUTION CYCLE

SCOPE allows country offices to plan distribution cycles from the automated generation of payment lists reflecting entitlement levels to processing feedback on distributions and supporting reconciliation. The platform follows WFP's SOPs and segregation of duties outlined in the C&V BPM and relevant directives.

Multiple interventions can be managed simultaneously for a country no matter which delivery mechanism is selected. Enrolment criteria for an intervention such as locations, gender or age can be defined in the platform in order to identify the beneficiaries in the target group to be included in a distribution list.

Distribution lists are created directly in the platform and can be exported. Lists are organized by location, which helps support country offices when different cooperating partners are managing distributions in different areas.

The SCOPE platform is compatible with all WFP transfer modalities: voucher, cash and in-kind food. Distributions are supported by the platform in different ways depending on the delivery mechanism selected. Once the distribution is effected, SCOPE generates payment lists that can support the reconciliation of payments.

Depending on the delivery mechanism selected and the information received back from service providers, SCOPE can provide post-distribution information useful for monitoring (such as beneficiary purchasing patterns), ensure operational controls are in place and provide outcome reporting.

Specifically, the platform supports cash and voucher transfers in the following ways.

B.6.1.1.1 VOUCHER DISTRIBUTIONS

Electronic voucher (e-voucher) distributions can be supported using SCOPE by sending payment lists created in the platform to service providers whose own systems then turn SCOPE-generated entitlement details into electronic vouchers and govern the way they are redeemed at participating retailers. SCOPE can process detailed feedback from service providers, from simple confirmations that a transfer was successfully made to a recipient's e-voucher delivery instrument to full voucher redemption transaction data. Where required, SCOPE can also generate WINGS payment instructions and pro-forma invoices for retailers.

For scenarios where no local service provider is available, the SCOPE platform can be deployed in combination with WFP-built electronic voucher delivery mechanisms. One delivery mechanism currently available is the SCOPECARD solution – a smart card that contains multi-wallet redemption vouchers and works with a POS terminal. Beneficiaries use the cards to purchase food in selected retail locations and top-ups to the card can be made for new distribution cycles. When retailers synchronize their devices to the platform, the information can be used for the settlement and reconciliation process.

Efforts are under way to develop other WFP delivery mechanisms, such as SMS-based or contactless solutions, as well as exploring possibilities to further support paper voucher distributions.

²⁷ body mass index.

²⁸ mid-upper arm circumference

B.6.1.1.2 CASH DISTRIBUTIONS

In cash distributions using financial service providers, the SCOPE platform sends payment instructions to providers who distribute to beneficiaries' individual accounts or directly to beneficiaries ("immediate cash"). The format for such instructions can be adapted to meet the specific provider's requirements. Providers can be requested to send distribution information back to WFP, which can be imported into the platform. WFP can then follow up on issues caused, e.g. by wrong account numbers or "dormant" accounts and can automatically reconcile planned versus actual transfers and produce reports to support the process of determining the service fees owed to the service provider. The electronic matching of WFP instructions and service-provider feedback also helps ensure that any deviations from the original instructions are immediately identified.

B.6.1.2 BACKGROUND AND MORE INFORMATION

SCOPE was originally created to be the WFP system for cash operations to support the organization's scale up of market-based responses to food insecurity. Since then, it has evolved into a platform that can manage the entire intervention process for voucher, cash and in-kind transfer modalities. The roll-out of SCOPE is also accompanied by support services that include: IT assessments focused on SCOPE; and beneficiary registrations and data migrations; set up of country office master data; training to WFP staff and cooperating partners; creation of beneficiary sensitization and awareness communication materials. Logistics assists with retailer sensitization and training. To find out the latest information on country roll-out schedules, new functionality or to learn the engagement process, visit the internal WFP [SCOPE website](#).

B.6.2 SCOPE AND TRANSFER PLATFORM SET-UP

SCOPE uses the concept of "interventions" to be able to calculate exactly who should get what in a transfer cycle. Interventions are essentially WFP project components with a discrete set of beneficiaries, with a unified type of benefit and way to calculate the entitlement for each enrolled household and a single delivery mechanism; for example,

a cash-for-assets intervention targets able bodied participants and transfers a cash benefit via a mobile money service provider that is dependent on: (i) the percentage of the target work output achieved by the participant during the cycle; (ii) the participant's household size; and (iii) the default cash transfer amount for the geographic area in which the participant resides. The SCOPE Service Delivery team (based in Headquarters) liaises with country offices interested in deploying SCOPE to determine for which current or planned interventions SCOPE might be applicable and to then jointly put together all of the elements required to be able to deliver benefits via SCOPE:

Master data: Where will the intervention operate? (geographic areas and locations down to the final delivery point/ retailer/clinic/school level to be created in the system); languages and currencies to be used; commodities and point-of-sale units to be used to define food basket rations.

Distribution cycles and country office

SCOPE users: Who will be creating and who will be verifying distribution lists? Who will create, verify and approve payment lists?

Beneficiaries: Beneficiary groups to be targeted: Where are the beneficiaries and in what numbers? How solid is the quality of the beneficiary data the country office may already have? (Is it clear who is a member of which household? Is there both a head and a principal recipient for each household?) Will WFP need photos or fingerprints, e.g. to produce beneficiary ID or smart cards? Will WFP be relying on importing existing data, doing fresh registrations, or a combination of both (i.e. download existing data onto offline workstations and enhancing that data in the field)?

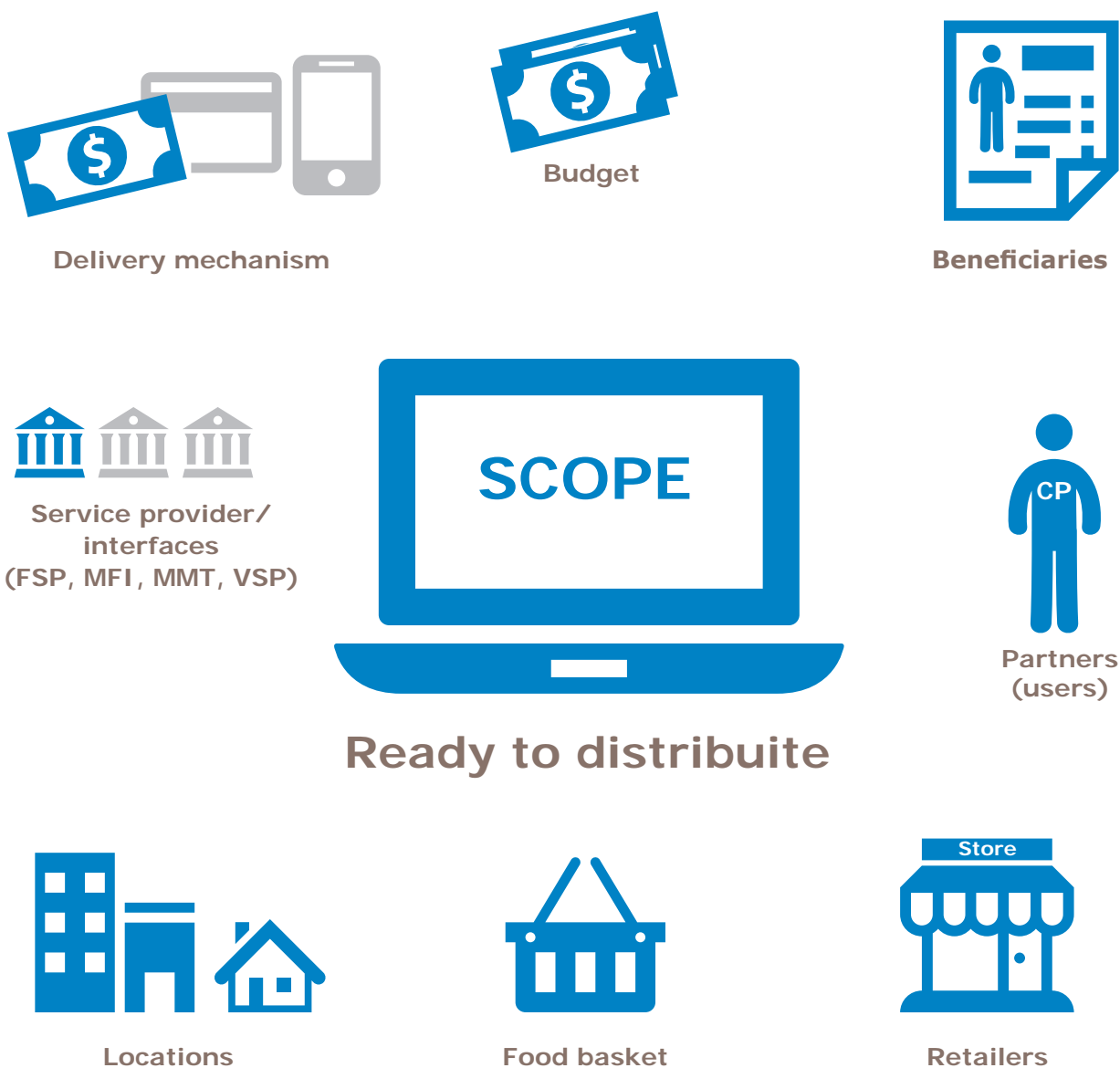
Conditionality: If the intervention is conditional, who will be collecting data on conditionality fulfilment to feed into SCOPE to calculate each household's benefits every month?

Partners: Who are the CPs and what are their roles for each of the administrative areas the intervention will operate in? (WFP requires this to produce reports per CP, if required.)

Figure 20: SCOPE platform

Intervention - elements to be identified

Configured in SCOPE



Retailers in voucher interventions: Which contracts are in place? Are retailers able to operate and safely store POS devices (for situations in which WFP will issue POS)? Does WFP have all of the banking or other details required to reliably pay each retailer (for situations where WFP pays the retailer or gives someone else instructions for paying them)?

Food baskets and cash transfer amounts: What is going to be transferred per household in each area, and is it dependent on household size?

Who will be updating food baskets or default cash transfer amounts per distribution cycle and area (this is a SCOPE capability, but country offices can also simply keep using the values initially set up at the beginning of the intervention).

Delivery mechanism: How should payment lists be configured to be processed by the service provider's system (if any)? Can the service provider give WFP feedback on transfers and redemptions?

Box 75: Loaning equipment to partners/service providers

When WFP loans equipment (e.g. POS terminal) to a retailer, the following process has to be followed:

1. The POS and fingerprint must be recorded into the Global Equipment Management System (GEMS)/Asset Management Database.
2. If the vendor is recorded into WINGS, the location does not have to be added in GEMS, as it is already included in the vendor details. Thus, only at the time of entering the vendor, country and city will have to be added.
3. If the vendor for any reason is not recorded in WINGS, the location should be recorded directly in GEMS.
4. As the equipment will be purchased following the long-term agreement and a standard WFP purchase order, all the relevant documents will be stored in GEMS.
5. Labelling (if needed) can be produced at the Headquarters level and sent to the field upon request, as per the actual status of activities with GEMS.
6. Each country office has already established its own process to loan equipment to third parties. The POS terminal or equivalent equipment loan should follow the same process.
7. A process to manage loss, damage or any other equipment issue should also be established.

NOTE: In order to implement SCOPE in the country office, liaise with the SCOPE roll-out team based in Headquarters. During the initial engagement process, the country office will be required to fill these forms:

 [SCOPE Country Office Business Readiness Template](#)

 [SCOPE Country Office High-Level Assessment Template](#)

 [SCOPE Country Office Assessment Mission Report Template](#)

Depending on the results of the first interactions with the country office, the Service Delivery Team determines whether existing SCOPE functionality fully covers the intervention's needs, or whether some adjustments ("tweaks") may have to be made. If changes are required, the team draws up software requirement specifications and shares them with the SCOPE Product Development (software development) team in Regional Bureau Bangkok for analysis and delivery. High-level plans for the intervention are also shared early on with the third SCOPE Team, Service Support, which is in charge of delivering training on SCOPE functionality and support to end users once the solution has been deployed in-country. Together with the country office, the three teams (led by Service Delivery) agree and sign off on a SCOPE implementation plan for the country

office, which includes a description of the joint project, timelines and resources. The implementation plan is accompanied by a Risk Register and a detailed work breakdown structure to allow each SCOPE roll-out to be run as a project.

Where required, the SCOPE Service Delivery Team also helps country offices identify any equipment needed and accompanies C&V transfer service tenders to provide advice on electronic transfers using services available in the country.

 [Implementation Plan Template](#)

B.7 BENEFICIARY REGISTRATION AND SENSITIZATION


B.7.1 BENEFICIARY REGISTRATION

Registration of WFP beneficiaries is important for proper programme and beneficiary follow up. It helps WFP to better organize communication with beneficiaries, distributions and monitoring. Registration also helps to avoid duplications in distributions and improve resource management.

Typically, beneficiary registration is done by WFP Programme staff, or through a cooperating partner, but can also be supported by IT if SCOPE is used as a registration system.

Registrations take place at the community/ neighbourhood level, and all basic information required by the selected transfer instrument is collected.

The accurate registration of beneficiaries is intended to facilitate effective targeting, reduce the risk of duplications, and, as transfer mechanisms become more sophisticated, ensure that WFP has all the required beneficiary information to operate the selected transfer instrument, including, for example, national ID numbers, mobile telephone numbers, bank account numbers, and family members. At all times, WFP should ensure that the privacy and confidentiality of beneficiary data is guaranteed.

 *Additional guidance on conducting beneficiary registrations can be found in the [PGM](#).*

B.7.2 BENEFICIARY REGISTRATION SUPPORT THROUGH SCOPE

B.7.2.1 BENEFICIARY REGISTRATION PROCESS

SCOPE allows country offices to register beneficiaries electronically in a manner that guarantees that all of the information required by an intervention will be collected in a consistent manner, which minimizes data consolidation and cleansing after registration efforts. Specifically, SCOPE supports registrations through:

- An offline registration solution that allows data capture in remote locations.
- Dynamic registration forms capturing only the data specified by the country office for that particular registration exercise (these can range from minimal information per household to very specific data per beneficiary).
- Pre-populated master data fields (e.g. locations, ID document types, household roles chosen from existing options rather than entered manually) to avoid the same data being entered in different ways.
- Data validation rules for key fields, e.g. to make sure ID numbers are entered following a given format or that phone or account numbers have the right length.

- Fully automated synchronization between offline workstations and the central SCOPE database.
- The SCOPE offline workstation can be run on any recent Microsoft Windows computer. Where required, standard issue webcams can be used to capture beneficiaries' photographs (ideally with a tripod). Fingerprints are also captured directly in the application and stored inside the beneficiary's record using an attached USB fingerprint scanner (not mandatory). Once synchronized back to SCOPE, all beneficiary data are stored securely on the United Nations International Computing Centre's servers in Geneva.
- The SCOPE offline workstation also allows data from other sources to be downloaded to it and edited before synchronizing it back to SCOPE. For example, there may be situations where country offices want to simply validate existing data in the field or enhance it by collecting additional information or by adding photos or fingerprints.
- The SCOPE Service Support Team supports registration exercises by providing hardware specifications, giving advice on ensuring efficient and effective data collection in field conditions, helping with the installation and configuration of the offline solution on the workstations, as well as deploying experts from Regional Bureau Nairobi to the field for large or complex registration efforts. Once the data are collected, SCOPE Service Support also helps country offices upload the data to SCOPE and with any data cleansing efforts required afterwards. The team can also help country offices upload existing data from other sources to SCOPE using templates that ensure the uploaded data fulfils SCOPE's basic data requirements.

B.7.2.2 DATA PROTECTION AND PRIVACY

Data protection and privacy of personal information are rights applicable to all persons. WFP has a responsibility to ensure that such information is safeguarded, recognizing that any breach or inadvertent disclosure could result in harm or threat to the safety and livelihoods of these individuals. The fact that WFP increasingly holds detailed electronic beneficiary data has made this issue all the

Box 76: Data protection and privacy principles

- 1. Lawful and fair collection:** Personal data must be obtained by lawful and fair means with the knowledge or consent of the data subject. Together, “lawful and fair” means that the collection and further processing of personal data must be carried out in a manner that does not intrude unreasonably upon the data subjects’ privacy nor interfere unreasonably with their autonomy and integrity.
- 2. Specified and legitimate purpose:** The purpose(s) for which personal data are collected and processed should be specified and legitimate, and should be known to the data subject at the time of collection (see number 4, Informed Consent). Personal data should only be used for the specified purpose(s), unless the data subject consents to further use or if such use is compatible with the original specified purpose(s).
- 3. Data quality:** Personal data sought and obtained should be adequate, relevant and not excessive in relation to the specified purpose(s) of data collection and data processing. Data controllers should take all reasonable steps to ensure that personal data are accurate and up to date.
- 4. Informed consent:** Consent must be obtained at the time of collection or as soon as it is reasonably practical thereafter, and the condition and legal capacity of certain vulnerable groups and individuals should always be taken into account. If exceptional circumstances hinder the achievement of consent, the data controller should, at a minimum, ensure that the data subject has been provided with enough information to have sufficient knowledge to understand and appreciate the specified purpose(s) for which personal data are collected and processed.
- 5. Transfer to third parties:** Personal data should only be transferred to third parties with the explicit consent of the data subject, for a specified purpose, and under the guarantee of adequate safeguards to protect the confidentiality of personal data and to ensure that the rights and interests of the data subject are respected. These three conditions of transfer should be guaranteed in writing.
- 6. Confidentiality:** Confidentiality of personal data must be respected and applied at all stages of data collection, storage and processing, and should be guaranteed in writing.
- 7. Access and transparency:** Data subjects should be given an opportunity to verify their personal data, and should be provided with access insofar as it does not frustrate the specified purpose(s) for which personal data are collected and processed. Data controllers should ensure a general policy of openness towards the data subject about developments, practices and policies with respect to personal data.
- 8. Data security:** Personal data must be kept secure, both technically and organizationally, and should be protected by reasonable and appropriate measures against unauthorized modification, tampering, unlawful destruction, accidental loss, improper disclosure or undue transfer. The technical aspects of this security must be subject to rigorous ICT governance, controls and auditability.
- 9. Retention of personal data:** Personal data should be kept only as long as is necessary, and should be destroyed or rendered anonymous as soon as the specified purpose(s) of data collection and data processing have been fulfilled. It may, however, be retained for an additional specified period, if required, for the benefit of the data subject.

more salient; however, WFP must also ensure that partners and suppliers (merchants and/or service providers) acting on the organization’s behalf abide by the standards outlined in this section.

As official WFP’s guidelines on personal data protection and privacy issues are being developed, there are generally accepted

principles of data protection and privacy, which can be summarized in Box 76.

 [Corporate Personal Data Protection and Privacy Guidance](#)

B 7.3 BENEFICIARY SENSITIZATION

Prior to project activities starting in the field, WFP and its partners should conduct information and sensitization campaigns directed at women and men (that the project seeks to benefit), retailers, financial institutions, local authorities, broader local community (including non-beneficiaries) and other stakeholders (humanitarian actors).

Communication should always be considered as a two-way channel – not only providing critical project information to stakeholders, but also listening to and addressing the fears, concerns and questions of this diverse audience (Box 77). This communication should allow for some input into the way the system runs to ensure that it is contextually relevant and makes sense for the local populations.

NOTE 1: Cash and voucher transfers cannot address all hunger and nutrition issues. These should be strengthened by well designed information and sensitization campaigns, ensuring that beneficiaries are made aware of issues such as food use, diet, and hygiene and sanitation practices. Where possible, collaboration with relevant line ministries, United Nations agencies and NGOs should be explored.

NOTE 2: In order to maximize the positive impact of a two-way communication campaign, the country office should: (i) be prepared to address all questions/concerns raised and be able to prepare further detailed answers afterwards if needed; and (ii) listen to feedback and make appropriate amendments to response design and/or project arrangements.

NOTE 3: Where SCOPE is used to support in-kind food, cash or voucher transfers, the SCOPE team gives support to country offices in the creation of communication materials to explain key messages about the use of SCOPE. Practical information such as roles and responsibilities (in the case of retailers), or what to do in case a card is lost or stolen are messages that frequently need to be communicated.

Box 77: Benefits of a two-way information-sensitization campaign

- Ensure response is need-based;
- provide acceptance and appropriation;
- contribute to limiting inclusion and exclusion errors;
- mitigate risks;
- promote transparency and accountability.

Box 78: Considerations when formulating a sensitization plan

- Who is the audience? How to ensure that WFP engages with communities taking into account age, gender and diversity issues?
- What are the goals for the communication? How to ensure that the communication is two-way?
- What resources are available (people, time, money, tools)?
- Identify required actions: Who? What? When? Which platform/mechanism/technology (community notice board, focus groups, frequently asked questions, local radio, frontline SMS, twitter, TV, etc.)
- What are the different messages and communication channels for women and men, especially when WFP targets women as the recipient of cash or voucher? (For example, separate focus groups for women and men, promoting a positive image of women's economic role, etc.)
- What are the expected outcomes?

Box 79: According to the audience, a sensitization campaign should cover the following issues

Audience	Minimum information needed
Beneficiaries	<ul style="list-style-type: none"> • Project objectives; • What the transfer is intended for; • Education on balanced and nutritious diet, nutrition basics; • Beneficiary and recipient criteria for receiving assistance (inclusion and exclusion criteria, conditions and gender considerations); • Responsibilities of authorities, beneficiary selection committee, cooperating partners and WFP in beneficiary targeting, identification and registration; • Documentation required for identification; • Assistance duration and frequency; • Transfer value (or food basket) and rationale/methodology used for the amount calculation; • Retailers' food standards and responsibilities; • Food quality and safety assurance responsibilities of authorities, WFP, partners; • Beneficiary rights and restrictions with regard to transfer/voucher use; • Basics on how to collect/redeem benefit using the selected delivery mechanism (e.g. use and safekeeping of PIN codes, ID card requirements, proof of purchase to keep from voucher transactions); • Basic financial literacy training for cash transfer programmes; • Monitoring arrangements and expected engagement/feedback from beneficiaries, retailers, authorities; • Complaint and feedback mechanism arrangements; • Sanctions in case of fraud (perpetrated by retailers, beneficiaries, etc.); • WFP's core ethical principles and standards (e.g. impartiality, neutrality, non-discrimination, equality, zero tolerance on sexual exploitation and abuse).
Communities and non-beneficiaries	<ul style="list-style-type: none"> • Programme purpose and duration; • Targeting rationale and selection criteria; • Externalities (benefits for the local economy).
Retailers	<ul style="list-style-type: none"> • Programme starting date, duration and distribution/redemption frequency; • Number of beneficiaries and equivalent food quantities needed; • Food items allowed for purchase/redemption; • Food quality and storage standard requirements; • For a voucher programme: their roles and responsibilities, process and timeframe for redeeming vouchers and reimbursement; • What to do if there are problems; • Sanctions in case of fraud, diversion, collusion.
National and local authorities	<ul style="list-style-type: none"> • Number of beneficiaries; • Targeting rationale and selection criteria (inclusion and exclusion); • Transfer modality and delivery mechanism; • Externalities (benefits for the local economy); • Their role in the programme (market regulation, mediation).

B.8 MONITORING AND EVALUATION SET-UP

B 8.1 MONITORING REQUIREMENTS

All programmes, using any transfer modality, must be monitored.

In addition to outcomes and outputs performance measurement, as well as mandatory cross-cutting indicators on gender, protection and partnership based on the Strategic Results Framework (SRF), as described in the manual (Section A.7.2), country offices should also include monitoring of processes and context to their monitoring plan. The following components should be part of the monitoring system for any given project using C&V:

- (i) monitoring of performance and achievements, measured through outcomes and outputs;
- (ii) monitoring of implementation processes;
- (iii) monitoring of context (based on which assumptions were made to select the most appropriate transfer modality and design the response).

The country office should be able to follow up to evaluate if the project objectives are being met; if assistance is provided to targeted beneficiaries on time and in a safe manner while meeting quantity and quality requirements; if assumptions for the transfer modality choice and response design prove to be correct during implementation; if partners

are implementing activities in accordance with the agreed procedures; and if responsibilities and segregations of duties are duly respected. If any shortcomings are noted or inaccuracies revealed through monitoring, project implementation should be reoriented in order to meet established objectives.

Conclusions of the needs analysis, the sectoral capacity assessments, the cost-efficiency, effectiveness and externalities analysis, as well as risks identified, should be updated and monitored over the project duration to ensure that any inaccuracies or obsolescence in the assumptions are identified and corrected in real time, i.e. the country office should methodically convert assumptions into indicators to be included in the monitoring plan.

This following section should be used in conjunction with the [Project Monitoring Strategy](#) and [Monitoring Guidance](#), available in the Programme Guidance Manual.

NOTE 1: Specific project protection and gender indicators may be required in addition to the mandatory indicators from the Strategic Results Framework.

NOTE 2: Management and other relevant units should be continuously informed on monitoring results (processes, assumptions and context components) in order to effectively support a contingency plan and appropriately anticipate, plan and materialize a switch from one modality to another if needed.


Box 80: Overview of monitoring responsibilities

Progress and performance monitoring (outputs and outcomes)	Programme/M&E
Process monitoring (distribution and post-distribution monitoring)	Programme/M&E
Price monitoring	VAM/M&E
Supply chain monitoring	Logistics
Food-quality monitoring	Logistics/Procurement (Supply Chain)
Retailer monitoring	Logistics

B 8.2 PROJECT DIMENSIONS TO MONITOR

B.8.2.1 PERFORMANCE MONITORING

Performance monitoring is **mandatory** for all projects, independently of the transfer modality chosen. Performance monitoring is measured through corporately established outcome and output indicators, as defined in the Strategic Results Framework. While WFP's objectives and outcome indicators are the same for all transfer modalities, it is strongly recommended that sampling is designed in a way that permits the country office to compare the performance of different transfer modalities in terms of outcomes. In other words, the sample should be sufficiently large to allow for statistical validity, even if results for different transfer modalities are analysed separately. For more information on corporate outcomes and outputs as required by the Strategic Result Framework, refer to Section A (A.7.2.2).

 *Corporate Guidance on [Outcome Monitoring](#)*

B.8.2.2 PROCESS MONITORING

Process monitoring is **mandatory** for all projects, whether in kind, cash and/or voucher based. It relies on a systematic and continuous way of assessing implementation of activities, and facilitates effective management

of the project through regular feedback about activities roll-out. Process monitoring encompasses both internal and external perspectives.

B.8.2.2.1 ESTABLISHING PROCESS INDICATORS

Process indicators must identify critical steps in distribution and post-distribution stages that are either vulnerable to manipulations or that could negatively affect the programme objectives. Process indicators differ according to activity, transfer modality, distribution model, delivery mechanism and instrument, and accounting scenario. Programme/the M&E unit, in consultation with Logistics, Finance and partners, is responsible for development of process indicators.

These indicators should be included in the monitoring and evaluation plan for physical verification and reporting by the field monitors. Key process indicators with regard to food assistance activities should be factored into the monitoring tools, as suggested in Box 81.

 *Also refer to the [Process Monitoring Chapter](#) of the [General Guidance on Monitoring](#)*

Box 81: Process indicators

Monitoring tool	Sections dealing with process monitoring
At cash/voucher distribution point level	<ul style="list-style-type: none"> • Distribution site and organization of the distribution process; • Beneficiaries' participation, protection, gender and security issues; • Satisfaction of beneficiary with the distribution process (beneficiary contact monitoring): efficiency; clear provision of relevant information; attitude towards beneficiaries from members of staff and/or partners.
At retailer shop level (voucher only)	<ul style="list-style-type: none"> • Food voucher use and retailers' constraints; • Monitor's assessment of efficiency of the redemption process; • Satisfaction of the beneficiary with the redemption process (beneficiary contact monitoring): timeliness; clear provision of relevant information; attitude towards beneficiaries from shop owner.
Post-distribution monitoring questionnaire at the household level	<ul style="list-style-type: none"> • WFP assistance (perceived problems, complaint and response mechanism).

B.8.2.3 CONTEXT MONITORING

B.8.2.3.1 MONITORING FOOD MARKETS AND PRICES ON THE LOCAL MARKET

In the case of a cash- and/or voucher-based response, an increase in food prices in the local market could potentially erode beneficiary assistance unless compensatory contingency measures are in place. Moreover, in some cases, the very injection of cash and vouchers into a local market can lead to a rise in food prices with potentially negative consequences for both beneficiaries and non-beneficiaries. Similarly, food distributions at scale can disturb the usual functioning of the local market. In either case, market and price monitoring is vital for ensuring that country offices are aware of the price changes, and are thus able to take necessary corrective measures in a timely manner.

Vulnerability Analysis and Mapping (VAM) and/or M&E often monitor market conditions and prices of key commodities – either directly or through partners and government agencies – as part of market or food security monitoring systems. If the price monitoring system is not already in place or fails to provide specific information related to project areas, then the country office should explore establishing this. VAM and M&E focal points should decide on the list of commodities and brands, units of measurement, sampling of traders/shops, price types (retail versus wholesale), frequency of data collection, data transmission and analysis/report writing, as well as other potential methodology issues for price monitoring. Contacting the respective units in Headquarters to facilitate price upload into the corporate price database is strongly encouraged.

To complement market information collected by VAM and/or M&E, Logistics monitors the drivers affecting the reliability of supply (“early warning of supply deficiencies” – see Section C (C.5.1)). It is recommended that at the moment of elaborating the monitoring plan, VAM liaise with the Logistics Unit to define if data collection efforts can be conducted jointly or in complementarity to each other.

B.8.2.3.2 FOOD QUALITY AND SAFETY CONSIDERATIONS

Unlike a WFP-managed in-kind food distribution, where WFP assumes direct responsibility for the quality and safety of the food delivered through appropriate supply chain management, in cash- and voucher-based programmes, WFP has limited control over the origins and quality of food sold by food merchants. This responsibility lies with the food merchants and is governed by national or local food standard authorities such as the Ministry of Health.

Nevertheless, WFP’s Logistics and Procurement Units (Supply Chain) and/or the cooperating partner should, in particular:

- ensure that relevant authorities take responsibility for food quality and safety management;
- ensure that producers, traders and retailers’ comply with local regulation and relevant quality/safety standards.

For voucher-based programmes:

- ensure that food commodities included in the voucher are fit for consumption (safe, nutritious, in line with national food standards and beneficiary requirement, etc.);
- ensure that retailer selection criteria take into account food quality and safety;
- monitor that contracted retailers respect safety and quality requirement.

NOTE 1: Cash and vouchers, by definition are transfer resources using market mechanisms. This makes them dependent on national food quality and safety standards. In some cases, WFP also provides assistance in countries where food quality and safety standards do not exist. In such circumstances, WFP’s approach should be to base its monitoring on the most relevant standards to the context (e.g. regional, Codex Alimentarius, International Organization for Standardization), as informed by the retail supply chain assessment (A.2.2.4), and agreed with the involved stakeholders, including retailers and hosting governments.

NOTE 2: In all cases, food quality and safety considerations must be an essential part of the risk analysis (A.3). Should associated risks to beneficiaries and WFP be too high, then country offices may consider alternative transfer modalities such as in-kind food transfers.


 [More Information on Food Quality and Safety](#)

Box 82: Parameters to determine the minimum statistical requirements (sample size)

- First-time implementation of cash and voucher transfers in the area: mandatory monitoring visit;
- Perceived level of risks (low/medium/high);
- Extent of corruption and potential for misappropriation;
- Difficulties of physical access and geographical spread of beneficiaries;
- Benefits and cost of physical verification compared to the size of the programme;
- Type of distribution model and delivery instrument adopted.

B.8.3 ELABORATING THE MONITORING PLAN

The Programme/M&E unit is responsible for establishing a monitoring plan at the beginning of each operation. Monitoring activities involves physical presence of monitors to ensure that process inconsistencies and weaknesses are identified and corrected in real time, and that data are collected to measure all monitoring indicators (outcomes, outputs, processes, assumptions, context, etc.). Programme/M&E should, in consultation with all relevant units (VAM, Logistics) establish statistical sampling for outcome monitoring that allows to differentiate outcomes achieved through different transfer modalities.

 *Corporate Guidance on How to Elaborate a [Monitoring Plan](#)*

 *Corporate Guidance on [Sampling](#)*

For process monitoring, the sampling will depend largely on the context including the risk environment. Less important than the overall number is that sites (e.g. retailers) have an equal chance to be monitored (any type of bias should be avoided).

B.8.4 MONITORING TOOLS DEVELOPMENT

With the exception of the retailer monitoring process, the tools used for C&V programme monitoring are not very different from the tools used in food distribution programmes. Individual sections may be adapted to specificities of C&V programmes.

For each of these sources, the associated monitoring tools need to be developed, digital devices identified (if/as required), and data models to store and process data developed (Box 84). This involves adapting materials provided in corporate M&E guidelines, or creating new tools as context and project features require. These tools, which might include questionnaires, checklists and analysis plans, make up the “Monitoring toolkit”.

Typically, the M&E focal point, together with VAM, is responsible for developing these tools, whereby Logistics/Procurement (Supply Chain) provides the supply chain monitoring and analysis tools. The monitoring toolkit should be annexed to the SOPs (B.4).

Box 83: Example of minimum statistical requirements for monitoring**Determine:**

- The minimum number of beneficiaries to be reached for monitoring purposes (per distribution cycle);
- The minimum number of retailers to be visited for monitoring purposes (per distribution cycle);
- The minimum number of voucher distribution sites to be visited for monitoring each distribution cycle;
- The number of payment sites (banks, mobile network operators agents, etc.) to be visited for monitoring purposes (per distribution cycle).

Box 84: Key programme monitoring tools include:

- 1. On-site distribution monitoring (DM)** questionnaire/checklist, filled in by field monitors based on their observations on site. Along with partner distribution reports, it supports the output monitoring of the distribution process itself and of the distribution site, whether the delivery is food, cash or vouchers. It is the primary tool that allows WFP to ensure that the assistance is delivered according to standard procedures and for their stated purposes and to the targeted people.
- 2. Beneficiary contact monitoring (BCM)** questionnaire, administered by field monitors to capture beneficiaries' perception of the operation. BCM should focus on beneficiaries' access to/ use of/satisfaction with assistance outputs, and concerns of the transition between assistance delivery (outputs) and benefits (outcomes). BCM is usually not a stand-alone monitoring exercise, rather it is integrated to DM and PDM questionnaires.
- 3. Post-distribution monitoring (PDM)** questionnaire, administered by a field monitor to beneficiary households at their residences after the distribution took place. PDM can support the monitoring of process, output and outcome indicators and is one of the main sources to evaluate the assistance relevance, efficiency and effectiveness.
- 4. Distribution reports**, completed by the partner and/or service provider after the distribution, are the main source of information for measuring output indicators.
- 5. Market monitoring questionnaire**, developed by VAM and administered by the field monitor (and/or VAM field assistant and/or cooperating partner).
- 6. Retailer monitoring questionnaire**, developed by Logistics and administered at the retail level by the field monitor (and/or Logistics field assistant and/or cooperating partner).
- 7. Focus group discussion checklists**, developed by Programme/M&E staff and administered by Programme staff or the field monitor.

The data collected through these various monitoring tools will inform the country office of project output and outcome indicator results

against targets and baseline, as well as process efficiency, project assumption relevance and cross-cutting dimensions such as protection and gender.

Box 85: Key elements to factor in on-site distribution monitoring questionnaire/checklist

At the distribution point level (in kind, cash and/or vouchers), see also [standard corporate questionnaire for use at distribution points](#).

1. PLANNED VERSUS ACTUAL BENEFICIARIES, TRANSFERS TO BE DISTRIBUTED AND TIMING OF DISTRIBUTION (process indicators, collected through observation and beneficiary contact monitoring)

- Discrepancies between planned and actual transfer value;
- Planned start and end hour of distribution per day;
- Actual start and end hour of distribution per day;
- Explanation for delay longer than one hour;
- Problems faced by beneficiaries at distribution point: partner staff behaviour, community organizers/volunteers' behaviour, overcrowding, distribution point distance, waiting time, household availability to participate in distribution, transport costs, security, particular constraints faced by vulnerable groups (illiterate, disabled people, etc.);
- Waiting/queuing time at distribution point to receive entitlement;
- Distance between distribution point and residence;
- Transport costs between distribution point and residence;
- Security threats faced on the way to/from/at distribution point: entitlement stolen, bribe, threat, other.

Box 85: Key elements to factor in on-site distribution monitoring questionnaire/checklist (continued)

At the distribution point level (in kind, cash and/or vouchers), see also [standard corporate questionnaire for use at distribution points](#).

2. DISTRIBUTION SITE AND ORGANIZATION OF DISTRIBUTION PROCESS (process indicators, collected through observation)

- Visibility and information articles on site;
- Information about distribution process and pre-announcement;
- Problem with distribution site: access, distance, security and safety, cleanliness, facilities;
- Problems with distribution process: crowd control, queue management and waiting time, orientation assistance;
- Cooperation partner/service provider distribution process procedure compliance: beneficiary ID check, transfer distribution list.

3. BENEFICIARY PARTICIPATION, PROTECTION, GENDER, SECURITY ISSUES (process indicators)

- Women and men beneficiary participation in the distribution process: crowd control, communication, ID verification, entitlement receipt;
- Distribution committee representation;
- Preferential distribution arrangements for vulnerable persons;
- Specific distribution arrangements for women;
- Security breaches or irregularities: stealing, loss, registration issue, forged ID/fake beneficiaries, forged vouchers (if applicable), preferential treatment/discrimination, ill treatment/harassment/threats, extortion/bribery/illegal payments.

At supply/retailer shop level (for voucher only).

4. FOOD VOUCHERS' USE AND RETAILER'S CONSTRAINTS (based on questions formulated to retailers as developed in the supply-chain process monitoring)

- Programme information and regulation updates received by the retailer;
- Cooperating partner's presence/assistance to beneficiaries at retailer's shop;
- Problems faced by retailer as a result of his/her participation in the programme: beneficiary's misbehaviour, cooperating partner's misbehaviour, beneficiary's attempt to collude/break rules, overcrowding, decrease in regular clientele, lack of storage space, higher prices (resupply), work load beyond retailer's capacity, breaks in stocks or overstocking (beneficiaries did not show up), delayed payments;
- Coping mechanisms adopted by the retailer to face the beneficiaries' influx: staff recruitment, new suppliers, new commodities, increased storage/selling space, longer working hours.

5. MONITOR'S ASSESSMENT (based on observation) (process indicators) > link to retailer performance monitoring format

- Retailer's shop cleanliness and maintenance;
- Food items expiry dates: no dates, missing dates, expired dates, other issues;
- Food items conditions: rotten food, defrosted, damaged packaging, other issues;
- Commodities availability in shop (per item), difficulties of resupply/restocking;
- Display of prices of WFP recommended commodities: correctly displayed, prices not on items or shelves, prices not up-to-date, prices not visible at cash register, beneficiaries do not receive receipts, other;
- Availability of WFP and CP visibility/communication items at shop site;
- Food-voucher registry book maintenance: registry book missing, registry book not signed by beneficiaries, relevant book reflects inconsistent/suspicious information, registry book updated, relevant invoices attached, other;
- Perception that members of the shop accept to exchange some vouchers for cash/non-food items or non-listed food items?

Box 85: Key elements to factor in on-site distribution monitoring questionnaire/checklist (continued)

At supply/retailer shop level (for voucher only).

6. BENEFICIARY SATISFACTION AND BEHAVIOUR (through beneficiary contact monitoring)

- Time period between voucher distribution and redemption;
- Problem faced by the beneficiaries at redemption site: waiting time, overcrowding, retailer's misbehaviour, retailer's overpricing, discrimination, food commodity unavailability, bad quality of commodities, transportation costs, security concerns on the way to go to/from and at redemption site, absence of purchase receipt, particular constraints faced by vulnerable groups (e.g. illiterate, disabled people);
- Types of foods purchased with the voucher (list of three most important food groups in terms of quantities exchanged);
- Distance between redemption site and residence location;
- Transport costs incurred from redemption site to residence;
- Perceived security threats on the way from/to/on redemption site: theft, bribery, threats.

In addition to the regular performance and process monitoring as required by the corporate Strategic Results Framework and the M&E monitoring plan, it is advisable that Programme/M&E staff complement the quantitative data collection with qualitative monitoring to gauge information about some of the more

sensitive issues, which are difficult to include in standard household questionnaires. This type of information can be collected on a less regular basis, and should be collected in settings where beneficiaries feel at ease to express their true perceptions and concerns.

Box 86: Key data to capture through post-distribution monitoring questionnaire

(See also standard corporate questionnaire for use at the household level, and VAM modules for FCS and CSI, see EFSA pp. 62–66 and 75–79)

1. INFORMATION ON HOUSEHOLD

- Gender of interviewee;
- Age of interviewee;
- Marital status and sex of registered head of household of interviewee;
- Demographic composition of household (males, females, and segregated by age);
- Number of dependants in household (aged 16 to 60);
- Registered household size;
- WFP assistance duration.

2. INCOME, EXPENDITURE AND MAIN NEEDS

- Three main sources of cash/income in past three months (out of the following list):
 - * No source of money, remittances, informal commerce/small business, casual labour, savings, formal commerce, cash from humanitarian charitable organizations, formal credits/debts (banks), informal credits/debts (friends/shops), sale of assets, sale of food aid, gift from family/relatives, formal employment/skilled work, other.
- Percentage of household expenditures devoted to food (out of 100 percent).
- Household's three main needs (out of the following list):
 - * More food, better food, support for rent or improved shelter, cooking fuel gas, electricity, medicines/health, education/books, psychosocial support, clothes/shoes, kitchen assets for cooking, other household assets, agricultural inputs, transport, cash, credit, job, more security, no unmet need, other.
- Decision-making patterns over the use of cash, voucher or food within the household.

Box 86: Key data to capture through post-distribution monitoring questionnaire (continued)

(See also standard corporate [questionnaire for use at the household level](#), and [VAM modules for FCS and CSI](#), see EFSA pp. 62–66 and 75–79)

3. HOUSEHOLD COPING STRATEGIES

- Household's strategies to cope with lack of food or money to buy it (in last seven days):
- * Rely on less-preferred and less-expensive food, borrow food or relied on help from relatives or friends, reduce number of meals eaten in a day, limit portion size at meals, restrict consumption for other members of the family, household members eat at relatives or neighbours, purchase food on credit.
- Household's strategies to meet basic food needs (in last 30 days):
- * Sell household assets, sell productive assets or means of transport, take children out of school due to associated expenses, not go to doctor or follow medical treatment due to associated expenses, accept high risk/illegal/socially degrading/exploitative temporary jobs, have school age children involved in income-generation activities (including begging), borrowed money/food from a formal lender/bank/shop.

4. FOOD CONSUMPTION

- Number of meals eaten by household per day;
- Consumption patterns;
- Food sources.

5. WFP ASSISTANCE

- Payment/favour to get WFP assistance;
- Sharing practices;
- Resale practices;
- Perceived problems concerning WFP assistance over the past cycle: beneficiaries forced to give up part of their food/voucher, payments by beneficiaries to obtain food/vouchers, exchange of food/vouchers by beneficiaries for non-food items/goods/services (including sexual services), sale of food/vouchers by beneficiaries, fake IDs/vouchers/ration cards and/or beneficiaries not aware of any of these problems or other problems (process indicators);
- Understanding of the food assistance programme by the household: transfer value or quantity, redemption location, redemption cycle period, allowed/forbidden behaviours regarding access to and use of transfer/redemption process, familiarity with technology (in case of e vouchers, magnetic strip cards, mobile phone/SMS use);
- Complaint and response mechanism most commonly used (WFP hotline, partner hotline, local authorities, community representative, WFP staff, partner staff, other, don't know) (process indicators);
- Date of last food assistance transfer received;
- Household's transfer modality preference.

6. COOKING FACILITIES AND FOOD LOSSES

- Household's food losses over the past month (and main reason if positive answer);
- Household's ability to cook the food (and main reason if negative answer).

7. NUTRITION

- Children breastfeeding practice;
- 6-23 month old children diet practice.

8. CONTROL OVER RESOURCES

- Intra-household distribution of control over resources, including assistance received – who decides how the transfer is used?
- Intra-household distribution of resources – what is purchased and for whom?

Box 87: Key elements to factor in focus group discussions

Impact of assistance on intra-community dynamics; beneficiary satisfaction; (outcome indicators, collected through observation, focus group discussions, key informant interviews to community leaders, other community members, individual participants, etc.)

- Exclusion of community members from the assistance and reason why (e.g. inability of utilizing the transfer mechanism; difficulties in opening a bank account).
- Utilization of transfer.
- Perception of organization and information-sharing around the project.
- Perception of food availability, choice, pricing and quality.
- Perception of safety and security of beneficiaries at and around distribution points, at and around redemption points, and within the household.

NOTE: It is advisable that some of the focus group discussions are conducted separately between women, men and youth.

 Corporate Guidance on Interviews and [Focus Group Discussions](#)

PART C

DISTRIBUTION CYCLE



WFP/Djaounsede Pardon

C. DISTRIBUTION CYCLE

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SECTION C

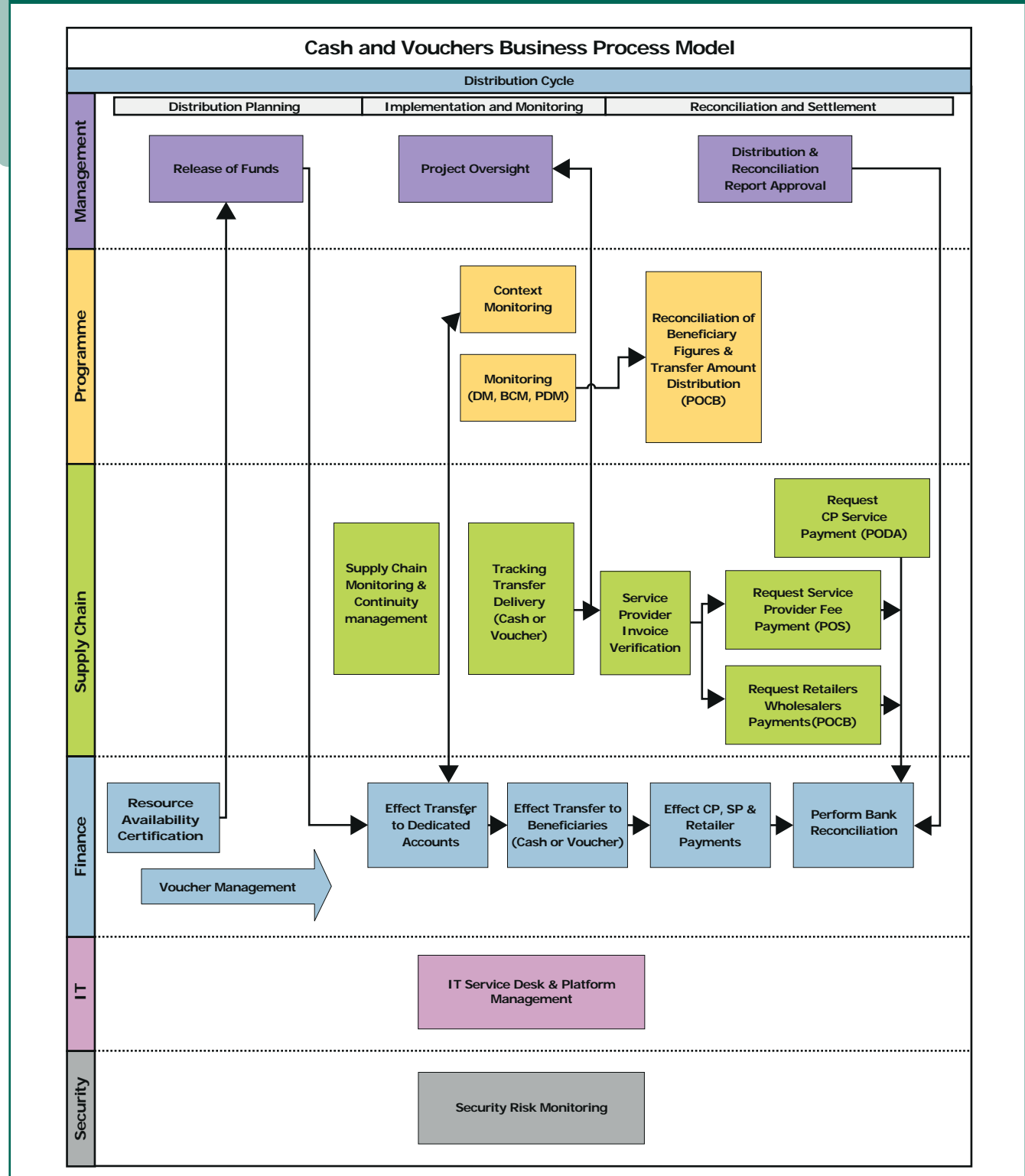
DISTRIBUTION CYCLE

Once all intervention set-up arrangements are in place, as detailed in Section B, project implementation can start. Programme is typically the implementation coordinator. Management is responsible for overseeing the implementation processes to ensure timely and complete performance of tasks and obligations during

implementation by all responsible parties. Aligned with corporate guidance, roles and responsibilities during the project implementation phase are ideally allocated across functions as illustrated in Figure 21.

In addition to the basic processes for C&V programme implementation, this section of the manual covers elements that the country office needs to take into consideration during the implementation of a cash-based or voucher

Figure 21: Selecting and contracting cooperating partners



based project, including:

- RACI;
- cash-risk management, in case of cash and voucher transport by WFP staff;
- accountability and coordination with external stakeholders;
- security risk monitoring;
- IT service desk/platform management;
- monitoring and reporting arrangements.

C.1 ROLES, RESPONSIBILITIES AND SEGREGATION OF DUTIES

C.1.1 THE FUNCTIONAL AREA MATRIX: RESPONSIBLE, ACCOUNTABLE, CONSULTED, INFORMED

The functional area matrix – [Responsible, Accountable, Consulted, Informed \(RACI\)](#)

document – details the degree of involvement of each unit for every step to be undertaken in the implementation of cash and/or voucher programming. Country offices should refer to the RACI, which is an **integral part of this manual**, particularly for the implementation section, as the narrative of the manual does not go into the same level of detail as the RACI. The RACI takes the Business Process Model (BPM) to a more detailed level of guidance and further details sub-processes and tasks, which are clearly identified and assigned to the relevant functions along with the functional area's role (i.e. Responsible, Accountable, Consulted or Informed). The RACI also differentiates between sub-task sequences according to the selected transfer modality, delivery mechanism and accounting scenario. Most importantly, the RACI addresses segregation of duty. While the country office maintains a certain degree of autonomy in the assignment of duties, depending on its staffing structure and capacity, the recommended

Box 88: General overview of C&V distribution implementation

Process	Task/sub-process	Primary responsible unit
Beneficiary identification and registration	Targeting criteria	Programme
	Beneficiary selection	Programme
	Beneficiary registration and enrolment	Programme and ICT support for SCOPE
	Distribution of transfer delivery instrument to beneficiary (token, bank card, SIM card)	Programme
Sensitization and mobilization	Information, education and communication campaign	Programme
Distribution	Resource availability confirmation (against AP)	Pipeline
	Resource availability certification	Finance
	Cycle distribution planning (approval and certification)	Programme
	Cash forecast for programme requirement	Programme
	Cash call forward based on cash forecasts	Finance
	Cash or voucher transfer purchase order (POCB, based on PRCB elaborated by Programme in previous phase)	Procurement
	Cash replenishment of project dedicated account/imprest/sub-imprest	Finance
	Where WFP distributes directly through the bank: Letter of Authorization	Finance
	Where WFP distributes through a partner/service provider: Service Entry Sheet – Benefits (cash/voucher transfers to beneficiaries) – POCB	Programme
	Effect transfer to partner/service provider based on SES	Finance
Distribution of transfer to beneficiaries	Programme/Partner/Service Provider	

Box 88: General overview of C&V distribution implementation (continued)

Process	Task/sub-process	Primary responsible unit
Monitoring	DM, BCM and PDM (processes, outputs and outcomes)	Programme
	CP performance monitoring	Programme
	Market price monitoring (food and labour wages)	VAM
	Tracking transfer delivery (cash distribution and/or voucher redemption)	Logistics
	Supply chain monitoring and continuity management	Logistics
	Food quality monitoring	Logistics
	Security risk monitoring	Security
Reporting	Beneficiary services distribution report	CP to Programme
	Transfer services distribution report	CP/SP to Logistics
	Funds transfer confirmation report	SP to Finance
Reconciliation	Transfer distribution reconciliation (PODA/POS)	Logistics
	Beneficiary verification and follow up	Programme
	Service Entry Sheet – Benefit (POCB)	Programme (for cash and voucher transfer to CP/SP)/ Logistics (for voucher transfer through retailers)
	Service Entry Sheet – Service (PODA, POS)	Logistics (except in the case of security services, in which case SES is raised by Security)
	Where WFP distributes directly: Adjust estimated SES to reflect actual redemption value – POCB	Programme
	Where WFP distributes through a partner/service provider and or WFP uses a partner to undertake non-distribution programmatic activities: adjust estimated SES to reflect actuals – Service – PODA/POS	Logistics
	Where WFP transfers fund to partner before distribution or redemption: Programme reconciles fund transfer to partner (POCB value) with report of cash collection/ voucher redemption. Then Finance raises and records the receivable and deducts from next payment.	Finance
Payment	Process/effect payments	Finance

 Functional Area Matrix: [Responsible, Accountable, Consulted, Informed \(RACI\)](#)

association of units and tasks is intended to help country offices avoid possible conflicts of interest. Specifically, the RACI helps country offices to:

- clearly visualize the sub-tasks for each of the processes identified in the BPM;
- determine the degree of involvement of each unit for each sub-process;
- differentiate between sub-tasks that have to be carried out for different transfer modalities and delivery mechanisms;
- ensure segregation of duty.

Box 88 provides a general overview of the C&V distribution implementation. It is intended merely to visualize the overall sequence of the cycle. The RACI goes into much more detail covering all operational steps of the intervention, and its consultation during the implementation phase is strongly recommended.

C.1.2 JOINT OPERATIONS SERVICES AND RESOURCE MANAGEMENT AND ACCOUNTABILITY DEPARTMENTS DIRECTIVE

The [Joint Directive OS2013/003 RM2013/005](#) establishes policy and finance procedures on the scaled use of cash and voucher transfer modalities in food assistance programmes. While the RACI focuses more on the operational aspects of the implementation and is intended as general guidance, the Joint Directive approaches the distribution cycle from an accounting perspective, and its application is mandatory. The Joint Directive is an integral part of this manual and the RACI.

The Joint Directive provides detailed guidance for:

- (i) Resource management in line with the new project structure and cost components according to the Financial Framework Review, with regards to contributions and pipeline management, and obligating C&V transfers (POCB) and C&V related costs (PODA, POS, PONF).
- (ii) Procurement and contracting (B.3).
- (iii) Financial management throughout the distribution cycle, with specific attention to financial risks assessment and mitigation, cash management (cash call forward, cash-in-transit insurance, reconciliation, etc.), disbursement, internal controls, expense recognition, and voucher management (custody and distribution, voucher data record requirements, redeemed voucher retention rules, voucher destruction procedure).

A detailed outline of this directive is reflected in Annex 1. Additionally, the Joint Directive identifies five main accounting scenarios based on the four standard distribution models. These five scenarios are reflected in Box 89, and the associated processes and roles are detailed in Annex 2 of the Joint Directive. The WINGS impacting transactions to the scenarios are reflected in Annex 3 of the Joint Directive.

Box 89: Five basic accounting scenarios			
Transfer modality	Distribution model	Accounting scenario	
Cash transfers	Cash account; Immediate cash	A.1	Direct cash distribution by WFP
		A.2	Direct cash distribution by WFP staff*
		A.3	Cash distribution through a partner/service provider
Voucher transfers	Paper and electronic vouchers	A.4	Direct voucher reimbursement to retailers for redeemed vouchers by WFP
		A.5	Voucher reimbursement to retailers for redeemed vouchers through a partner/service provider

*Applicable to immediate cash only.


C.2 IT SERVICE DESK AND PLATFORM MANAGEMENT

WFP has a responsibility to ensure that the “digital supply chain” performs reliably and delivers C&V transfers to beneficiaries in a smooth, predictable manner. When it does not, beneficiaries and anyone else participating in this supply chain (especially retailers) need to be able to contact a service desk or hotline to signal a problem or make a complaint. With the introduction of SCOPE (as well as some systems currently used by country offices), WFP operates some or all of the digital supply chain, and needs to be in a position to answer and address beneficiaries’, retailers’, CP users’ or WFP staff questions and issues. This means a radical change in terms of how WFP IT service desks need to operate and the types of issues they will handle.

In some cases, the “last mile” solution, i.e. the mechanism for actually delivering the benefit (card, mobile phone, POS device) will be operated by a service provider, in which case they should also be responsible for addressing any issues with their service. In such situations, WFP still needs to be prepared to answer beneficiary queries and complaints and direct them to the appropriate party.

In other cases, WFP may act as its own service provider by deploying a custom WFP solution (e.g. SCOPECARD) and providing the services related to its operation. This service desk then needs to be able to directly troubleshoot any issues in the field or support a cooperating partner in delivering that service.

In order to support the change of responsibilities this implies at the country office IT level, the SCOPE Service Support Team in Regional Bureau Nairobi offers a service to set up and train service desks in country offices that can provide help to all users of the digital supply chain, from country office SCOPE users via cooperating partner SCOPE users to retailers operating POS devices in the field and beneficiaries receiving C&V benefits through digital means. These service desks will also be in charge of following up with external service providers if the issues reported to them stem from problems with the service provider’s systems.

 If the country office is currently a SCOPE user and is interested in finding out more information about the type of support that can be provided from the SCOPE team in headquarters, refer to the [SCOPE corporate website](#).

C.3 CASH RISK MANAGEMENT IN DIRECT CASH/VOUCHER DISTRIBUTION SCENARIOS

For programmes that involve direct distribution of cash by WFP staff, transport and distribution arrangements must be developed in consultation with either the United Nations Department of Safety and Security (UNDSS) Security Advisor or, if present, the WFP Field Security Officer.

C.3.1 PHYSICAL TRANSPORTATION OF CASH

Insured couriers wherever possible

When physical cash is transported to and disbursed at an off-site location where WFP distributes cash to beneficiaries directly, local cash-in-transit insurance coverage and guard services are required. Contracts with these courier service providers must clarify that the service providers assume responsibility for all risks. WFP’s current global insurance policy for cash-in-transit covers transfers of cash between WFP offices and location.

Ideally, staff should not be required to carry physical cash

When the operational context dictates that a WFP staff member must physically carry and disburse cash to beneficiaries, he or she shall be briefed on risks, advised that his/her acceptance to carry the physical cash is voluntary, receive appropriate training and be accompanied by a security guard. The country office shall ensure, in all instances that, the staff member is advised never to resist a robbery attempt and must always surrender the cash and report the incident immediately. Transportation of cash must be in accordance with WFP corporate finance procedures (C.1.2), and be authorized and approved by Finance and senior Management.

Careful planning

Cash transportation must be carefully planned. Details of these plans should be shared only among a tightly restricted group of staff on a “need-to-know” basis and in accordance with WFP global cash-in-transit insurance procedures.

Encrypted communications

All communications of cash transportation must be coded or encrypted. Codes used should

be changed regularly. Repetitive code words should be avoided. E-mails or faxes should not be used to communicate details regarding the movement of cash.

Timings and routes

Timings and routes of cash movements should be varied to make them unpredictable to outsiders. Cash must not be stored in airport safes, hotel rooms, unsecured offices, railways terminals, etc. Cash should be transported to its destination immediately upon receipt and/or placed in a bank vault or secure United Nations office vault.

Counting the cash

If cash cannot be transported in a bank-cripped and properly sealed container, prior arrangements should be made with the supplying bank to provide a private room where the courier can verify that there are no fake notes and count the cash in the presence of a bank employee. The identity of the person who will collect and transport cash should be known to a restricted number of people only. In case of suspected risks to the established

procedures, suspension of cash deliveries and a review of all procedures should be considered.

Transportation of large quantities of cash

At least **two armed guards** must accompany all movements of cash in excess of USD 100,000 or the limit set by the security risk assessment, whichever is lower. Prearranged distress signals should be agreed and guards and staff members should be equipped with appropriate communications and wear body armour under outer garments if the context demands.

A **minimum of two vehicles** is required when transporting cash by road. Cash valued above the limit set by the security risk assessment must only be moved by air. Call signs for United Nations aircraft transporting cash should be changed regularly. Authorized staff members (accompanied by armed guards), or authorized bank couriers or courier services, should use an armoured car to collect the cash directly from the aircraft.

Box 90: Risk mitigation measures for cash distribution can include

- Inform all project stakeholders in the community (including elders, local authorities, non-beneficiaries) about the cash-based project (targeting criteria, the purpose of the entitlement, delivery mechanism).
- Make sure that the community understands the consequences of any threat to security: project suspension or withdrawal.
- Cash-distribution arrangements must be carefully planned. Details of these plans should be shared only among a tightly restricted group of staff on a "need-to-know" basis.
- Inform cash collectors with short notice prior to actual distribution.
- Limit the amount of cash to be distributed at any one time (and increase distribution frequency, if needed). It should not exceed the cash-in-transit insurance amount for the limit to be fully distributed to beneficiaries in one single day.
- Increase the number of and/or randomly vary the distribution site locations. Increasing the distribution locations reduces the total value of cash held at any one-site location and varying locations reduces predictability. Vary the individuals (WFP staff) responsible for the on-site distribution.
- Install the distribution site on the very day of the distribution.
- Tighten security arrangements at the distribution site.
- Ensure distance between distribution site and beneficiaries' location is acceptable in terms of security and that cash/voucher distribution is completed in time for beneficiaries to return home during daylight hours.
- Real-time tracking of all cash movements by the radio/communications office.
- Avoid spending the night at the distribution site when disbursing cash, even if distribution is completed. It could fuel the rumour that the organization still has cash on site.

C.3.2 STORAGE OF CASH

Cash must be stored in a safe or vault specifically constructed for that purpose. This should be in accordance with established WFP finance procedures.

Cash balances should be kept to the minimum required (agreed with the Office of Treasury on a case-by-case basis). This amount should be evaluated periodically in light of security risks, replenishment difficulties and changing operational requirements.

C.3.3 DISTRIBUTION AND MONITORING OF CASH

A special security risk assessment should be made regarding cash distribution arrangements to minimize risks (A.2.2.8).

C.3.4 CASH RISK EXPOSURE

Cash- and voucher-based programmes will require a high volume of cash handled by the country offices, and therefore increase the WFP country risk exposure, counterpart risk and exchange risk. In order to mitigate these, it is critical that cash forecasts are completed accurately and bank accounts are replenished on a just-in-time basis. The minimum of 25 percent of subsequent reimbursements is the recommended corporate threshold; however, the country office should agree with Headquarters Treasury on an appropriate level based on its operational requirements.

C.3.5 LOSS PROCEDURES

Finance and Logistics are in the process of developing a directive on the financial procedures for recording the cash and voucher transfer losses. In the meantime, country offices should liaise with Finance and Logistics to establish procedures when cash or vouchers are lost or stolen. Responsibility for the losses should be stipulated in the FLAs and contracts with service providers. For losses while the cash and/or vouchers are under the responsibility of WFP, the investigation process should be followed.

C.4 ACCOUNTABILITY TOWARDS PROJECT STAKEHOLDERS

C.4.1 EXTERNAL COORDINATION

Cash and vouchers are trans-sectoral by nature. Indeed, these transfer modalities can be used to cover most needs. Consequently, coordination among all practitioner organizations, within and beyond the cluster system, is required in order to use cash and vouchers in a harmonized way. This will uphold the principle of “do no harm” and create opportunities for improved efficiency (economies of scale) and effectiveness (better coordinated response at both design and implementation phases).

WFP, as Food Security Cluster co-lead, should make sure that the appropriateness of the transfer modality(ies) selected for the humanitarian response to identified food security related needs is discussed within the Food Security Cluster forum. It is critical to improve on response design and implementation across the sector.

Additionally, if not already in place, the country office should advocate for the establishment of a multisectoral cash and voucher technical working group (TWG) to function as a community of practice and a platform for coordination, peer-to-peer technical support and learning related to multiple sector cash transfer programming in emergency response, preparedness and development activities (Box 91). WFP should always be an active member of this TWG. Typically, Programme represents WFP at the TWG.

In WFP's role as cluster lead or co-lead (Food Security, IT, Logistics), there is a role to play in cash and voucher programmes by sharing information from supply chain, food security, market, IT assessments that is relevant to C&V programmes. Via the cluster, WFP can bring together actors and discuss best practices, and challenges, to facilitate increased effectiveness.

Box 91: Major issues for technical working group discussions

Issues to be prioritized according to context	Suggested outputs
<p>3Ws (who does what and where) and other data collection (volumes, modality, conditionality, delivery mechanism, partners/service providers, etc.) to ensure complementarity of response, avoiding gaps and/or duplication.</p>	<p>3Ws within clusters include reporting on cash responses. A database of features of cash-based programmes.</p>
<p>Cash in sectoral areas (food security cluster, in particular). Ensure market assessments are included in multisectoral assessments and alternatively the results of market assessments are shared across the clusters; ensure cash- and voucher-based responses are systematically considered; and lessons learned and best practices are shared within and between clusters.</p>	<p>Key findings from market assessments are shared across clusters. Cash- and voucher-based response is considered as an option in various sector responses. Best practice and cross learning on cash and voucher programming is shared between various clusters.</p>
<p>Assessments (share assessment results, identify gaps and duplication in assessments, agree on methodologies and formats in order to have harmonized and comparable data, organize joint assessments pooling resources and harmonizing methodologies).</p>	<p>Key findings from assessments shared among TWG members. Minimized overlap in assessments. Improved harmonization of assessments allowing for comparison.</p>
<p>Acceptability of cash (joint communication, lobbying or messaging to better assess if reservations toward cash reflect conservatism, culture or valid concerns).</p>	<p>An agreed communication strategy (formal or informal) regarding the potential benefits of cash. Joint communication campaign and supporting materials.</p>
<p>Contingency planning and preparedness (through the promotion of coordination, acceptability, timeliness and scalability, and information-sharing on assessment data, delivery agents, payments methods, lessons learned).</p>	<p>Agency contingency and preparedness plan shared among TWG members. TWG's role in an emergency, defined and documented.</p>
<p>Harmonizing rates and grant size While project-objective dependent, grant size should be harmonized, especially for daily rates for cash-for-work in order to avoid doing harm within assisted communities (factors to consider when setting a rate: legal minimum wage, actual labour market rates – skilled/ unskilled, men/ women, according to season – and average basic need expenditures).</p>	<p>Harmonized daily rates for skilled and unskilled labour for cash for work for each area. If possible, harmonized grant size for same project objectives. An agreed mechanism/method for adjusting the grant size or rates as needed on the basis of inflation.</p>
<p>Payment methods and delivery agents Sharing information on used payment methods and delivery agents and associated specific issues (registration challenges, protection of personal data, technology familiarity and accessibility for users, possible exclusion of vulnerable groups, setting up lead times) and related characteristics (cost, coverage, transparency, reliability, security, reputation, etc.) Identifying risks of saturation of any particular payment method or delivery agent (insufficient cash flow) and opportunities for TWG to work together to negotiate with delivery agents for improved services.</p>	<p>Information shared and collated in matrix of different methods and agents. Joint negotiation with delivery agents.</p>
<p>Monitoring and evaluation At minimum, promote best practice by agencies.</p>	<p>M&E guidelines, methodologies and formats shared by agencies.</p>

Box 91: Major issues for technical working group discussions (continued)

Issues to be prioritized according to context	Suggested outputs
Accountability and transparency At minimum, promote best practice by agencies.	Accountability and transparency approaches, best practice, lessons learned and formats are shared by agencies.
Additional issues for TWG discussions	
<ul style="list-style-type: none">• Coordination and advocacy with donors.• Coordination and advocacy with government.• Gender, generational, protection and security issues.	

Box 92: Sample terms of reference for cash and voucher technical working group

- Share information and coordinate communication regarding cash and voucher programming.
- Develop a set of guidelines on common practices within the context of providing assistance through the use of cash and vouchers.
- Develop a broader policy framework for the use of cash and vouchers under the “Do No Harm” framework.
- Respond to both technical and policy issues of members and provide guidance and direction that addresses the request.
- Work to ensure that interventions with same objectives do not overlap or in any way negatively impact one against the other.

Source: Cash Learning Partnership, cash and voucher technical working group – discussion primers.

C.4.2 EXTERNAL COMMUNICATION

Throughout project implementation, the country office should regularly communicate developments with external stakeholders (beneficiaries, communities and non-beneficiaries, retailers, national and local authorities, other humanitarian actors, partners and service providers).

Communication should always be considered as a two-way channel, not only to provide critical project information to stakeholders, but also to enable them to express their fears, make suggestions and ask questions. In this way, communication will guarantee transparency and accountability.

According to the project cycle phase, different information elements should be communicated to the beneficiaries, as indicated in Box 93.

C.5 MONITORING AND REPORTING

C.5.1 TYPICAL MONITORING ROLES AND RESPONSIBILITIES

In a country office, the processes associated with the monitoring of project activities implementation are typically assigned to the different units, as indicated in Box 94.

Please refer to Section B (B.8) of this manual on details on how to develop a monitoring plan and design monitoring tools to capture all the elements in the table in Box 94.

*NOTE: For **conditional assistance**, in addition to food assistance transfer monitoring, Programme should conduct systematic **activity monitoring**, e.g. monitor the processes of activity implementation such as asset creation. Typically, monitors' visits are made to the activity implementation sites such as FFA project sites.*

Box 93: Beneficiary external communications

Audience	Minimum information needed
Beneficiaries	<p>Before the project begins, please refer to Section B.7 (Beneficiary Registration and Sensitization).</p> <p>Distribution phase</p> <ul style="list-style-type: none"> • Selection criteria (inclusion and exclusion); • Who has been selected and why; • Conditionality, if any; • What they will receive (entitlement, transfer value, food basket); • When and where they will receive it. For how long. How frequently; • How they receive it (delivery mechanism: instrument, technology, agent, location, procedure, identification/authentication criteria); • How to receive training or help, if the delivery mechanism is unfamiliar; • Who can collect the transfer; • How to nominate an alternate (someone to collect the transfers on a beneficiary's behalf); • What to do if there are problems and what to expect (complaint and response mechanism); • Rules and duties to comply with; • Sanctions in case of fraud, diversion, collusion.
	<p>Post-distribution phase</p> <ul style="list-style-type: none"> • How to provide spontaneous feedback; • What is expected from the beneficiaries in terms of monitoring (post-distribution monitoring, focus group discussion, etc.); • How to report grievances, abuse or fraud (complaint and feedback mechanism).
	<p>Before project closing</p> <ul style="list-style-type: none"> • Project closure date, last transfer date and location; • Graduation/exit/hand-over strategy explanation (plans for support from WFP or other actors beyond project closure).


Box 94: Typical monitoring roles and responsibilities

Process	Responsible unit
On-site distribution monitoring (including beneficiary contact monitoring)	Programme/M&E
Post-distribution monitoring (including beneficiary contact monitoring)	Programme/M&E
Activity monitoring (for conditional assistance)	Programme/M&E
Cooperating partner performance monitoring	Programme/M&E
Supply chain monitoring	Logistics
Food quality monitoring	Logistics
Market prices and functioning monitoring	VAM/M&E
Security risk monitoring	Security

C.5.1.1 PROGRAMME/M&E MONITORING

In line with the M&E plan, DM, BCM and PDM are tools to collect M&E data in the field, together with the information gathered through focus group discussions and the **complaint and feedback mechanism** (B.5.2.1). Once consolidated, processed and analysed, these data should document project output and outcome indicator results against targets and baseline, as well as process efficiency, project assumption relevance and cross-cutting dimensions such as protection and gender.

Additionally, WFP and cooperating partners should evaluate their mutual **performance under their partnership**. They should jointly define a few key performance indicators to monitor the mutual fulfilment of obligations under the agreement, and include these in the project proposal and Plan of Operations attached to the FLA.

 Also refer to the [Process Monitoring Chapter of the General Guidance on Monitoring, Monitoring Guidance available on the PGM, Corporate guidance on Outcome Monitoring](#).

C.5.1.2 SUPPLY CHAIN MONITORING AND CONTINUITY MANAGEMENT

In terms of supply chain monitoring and continuity management, four main tasks to be carried by the logistics/supply chain are:

- **Supply chain monitoring:**
 - Retailer/wholesaler performance monitoring (quantity, quality, losses);
 - “Early warning of supply chain” monitoring to identify risks before disruption in supply occurs so that mitigating/contingency measures including hybrid solutions can be put in place in a timely manner.

- **Transformational logistics:**
 - Based on supply chain monitoring results, Logistics could support the improvement of supply chain and achievement of Programme objectives through specific intervention.
- **Food quality/safety monitoring:**
 - As part of retailer performance monitoring (see above);
 - In markets, in general, for both cash and voucher programmes.
- **Tracking transfer delivery (cash or vouchers)**

C.5.1.2.1 SUPPLY CHAIN MONITORING

C.5.1.2.1.1 Retailer Performance Monitoring

The retailer performance evaluation is intended to identify reasons for difference in performance, to stimulate competition and to facilitate addressing worst performers who cannot meet required service quality standards.

Retailer performance is measured against four main transparent and objective criteria:



- (i) Quality: (a) quality of food supplied as per local and WFP standards and efficiency of services; (b) quality and efficiency of services; and (c) infrastructure and equipment.
- (ii) Quantity: actual and continued ability to provide volumes.
- (iii) Variety of food supplied against voucher food list/basket.
- (iv) Accuracy of adherence to procedures related to beneficiary ID verification, provision of complete entitlements, treatment of beneficiaries, receipt issuance, voucher redemption and required reporting documents.

Box 95: Suggestions of cooperating partner-WFP partnership performance indicators

- Timely handing over of transfer to beneficiary by WFP – through the cooperating partner (CP), when applies.
- CP’s field monitor coverage of CP activity.
- Timing, accuracy and completeness of CP’s report submission.
- Average number of days of WFP payment of invoices (and reasons for delays).
- CP’s attendance to food assistance coordination meetings.
- CP’s timely reconciliation and reimbursement of retailers (for voucher only, when CP responsible for it).
- CP’s timely registration of beneficiary.

In case of poor performance or deviation from contract requirements, appropriate measures should be taken (depending on the nature of the problem), either contractually or by strengthening the retailers' capacity and awareness.

For detailed guidance, please refer to the following documents:

-  *Retailer Performance Monitoring Template*
-  [Corporate Monitoring Guidance](#) (Process, Output, Outcome)

C.5.1.2.1.2

Early Warning of Supply

Indicators that can be used to monitor the reliability of supply chains and the predictability of service delivery (early warning of supply) include governance challenges and civil unrest; changes in lead times; changes in border clearance efficiency; and service providers' liquidity and access to credit. Deterioration in such indicators may point to increasing risk of resupply to markets.

C.5.1.2.2

TRANSFORMATIONAL LOGISTICS

Transformational logistics is the implementation of soft measures (policy/regulatory/services) and or hard measures (infrastructural improvements) to facilitate trade and strengthen retailers and markets. Potential areas for transformational logistics interventions could include:

- supporting improvements in infrastructure and ensuring physical access to markets (e.g. building shops in camps, repairing road sections to critical markets);
- negotiating streamlined transport-, administrative-, customs/tax-related regulations;

- linking production areas to markets.

C.5.1.2.3

FOOD QUALITY/SAFETY MONITORING

Logistics will monitor food quality at contracted retailer shops in voucher programmes to ensure adherence to specified minimum quality standard of the products at disposal as well as storage requirements.

Logistics shall report quality concerns to Programme and Procurement. Logistics may decide to engage an external survey firm for any necessary in-depth required quality control. In the case of cash, both VAM and Logistics may provide a good indication of the state and the quality of the food available in local markets.

For detailed guidance, please refer to the following documents:

-  Food Quality Monitoring Guidance

C.5.1.2.4

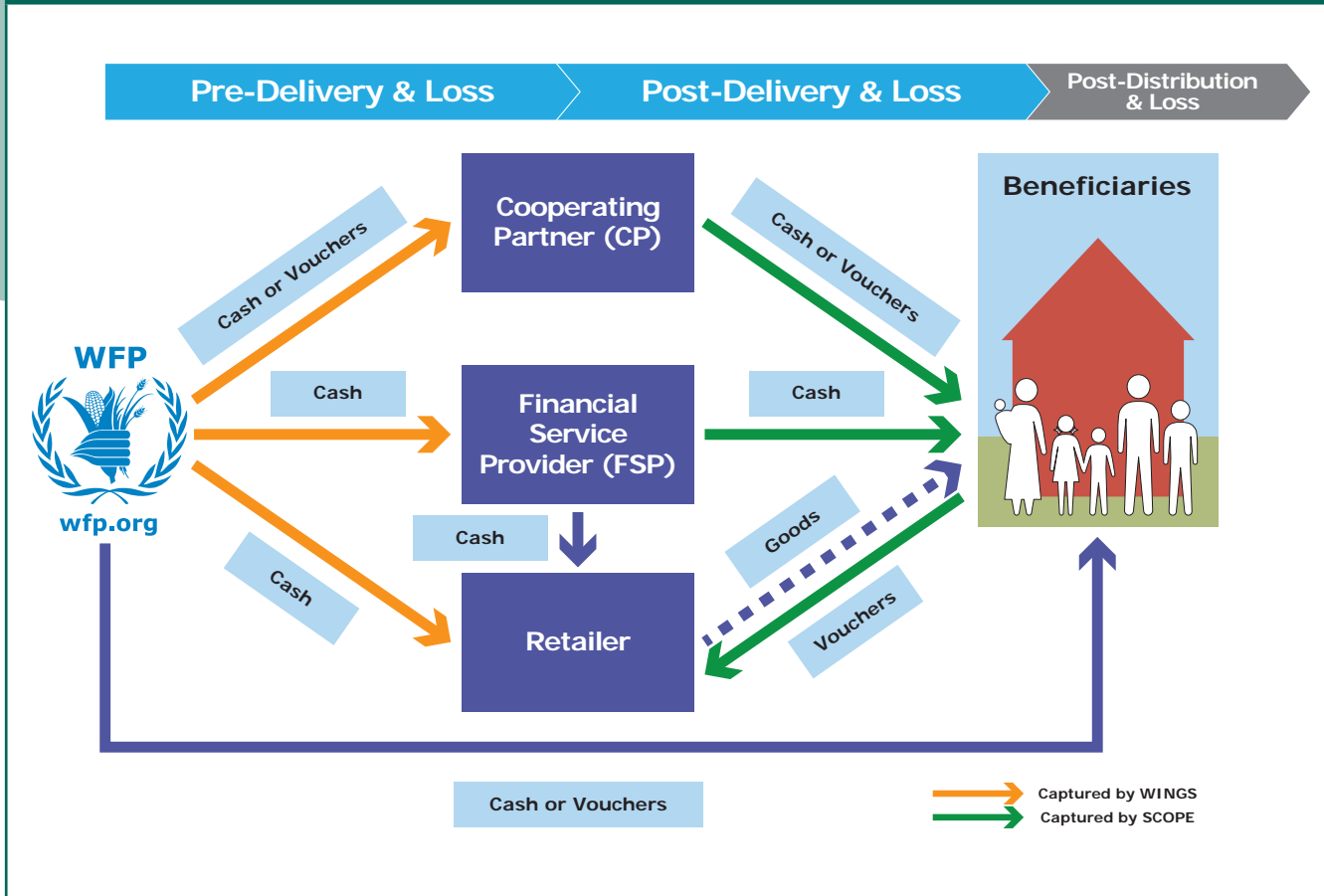
TRACKING TRANSFER DELIVERY (CASH OR VOUCHERS)

Logistics is responsible for tracking the movement of cash and vouchers, to facilitate reconciliation of distribution cycles as well as invoice certification and reporting. Figure 22 illustrates the movement of cash and voucher flows that need to be tracked.

Logistics is responsible for service provider invoice verification and requesting payment of service provider and cooperating partner invoices. An outline of logistics certification tasks by accounting scenario is available in the Joint Directive. For detailed guidance, please refer to the following document:

-  *Invoice Certification and Reconciliation*

Figure 22: Tracking C&V transfer delivery



In essence, Logistics verifies planned versus delivered, irrespective of modality. For voucher operations, this means reconciling vouchers redeemed by beneficiaries against vouchers submitted by retailers. If SCOPE is active at the country office level, it will generate the reports required for invoice certification in the case of e-vouchers. Currently, only country-specific tracking exists for paper vouchers. In cash interventions, the approved payment schedule must be verified against the financial service provider's actual transfer report.

C.5.1.3 SECURITY RISK

Related to security risk, the purpose of monitoring is to determine whether the changing environment requires different mitigation measures and to evaluate the effectiveness of the controls in place. It is primarily to provide security advisers, the United Nations Security Management Team and Programme, early indications of progress, or lack thereof, in implementation of the security risk management measures. The United Nations Security Management System already has several effective formal tools and forums for monitoring the implementation of agreed

security risk management measures (full details of monitoring and review can be found in the Security Risk Management manual). Programme officers, WFP field security and any third parties involved in the process should regularly meet to evaluate the transfer modality and determine whether the measures in place are effective to manage the security risks within an acceptable level.

[📖 Security Risk Management Process \(SRM\)](#)

C.5.2 MONITORING AND REPORTING ACTIVITIES

C.5.2.1 DATA COLLECTION


Data collection activities must be scheduled, data collection staff trained, and oversight provided to ensure that the data collection takes place as per desired periodicity (as defined in the M&E plan matrix) in line with statistical requirements.

[📖 Guidance on Data Collection](#)

[📖 Guidance on Sampling Strategies](#)

C.5.2.2 DATA COMPILATION AND VALIDATION


Monitoring data must be compiled within established timelines and validated to ensure its accuracy prior to analysis and dissemination.


 *Guidance on [How to Clean, Compile and Consolidate Quantitative and Qualitative Data](#)*

C.5.2.3 DATA ANALYSIS AND INFORMATION PRODUCTS PREPARATION

The data sets are received in the agreed format from the team that is responsible for compilation and verification. The data are analysed and information products prepared and circulated for review and comments before being finalized and disseminated.

Even though corporate requirements for outcome and output monitoring are on an annual basis through the Standard Project Report (SPR), it is strongly recommended that the country office develops its own indicator reporting on a monthly or quarterly basis. All monthly monitoring observations of beneficiaries, cooperating partners, retailers and financial institutions must be documented.

 *General Guidance on [How to Analyse Data](#)*

 *General Guidance on [How to Consolidate Information Products](#)*

C.5.2.4 MAKING USE OF FINDINGS AND ENSURING ACTION IS TAKEN

Regular meetings must be scheduled with Programme and related staff and/or partners/ service providers to review monitoring findings. Action sheets emanating from the meetings should then be tracked to monitor implementation of the agreed actions. Actions should remain in the tracking system until they are considered closed.

 *General Guidance on [Usage and Templates for Monitoring Reports](#)*

C.5.3 STANDARD PROJECT AND ANNUAL PERFORMANCE REPORTS

The SPRs are [Annual Project Performance Reports](#) that serve as a repository of

institutional knowledge of the project. SPRs contribute to WFP's annual corporate statistics and are a reflection of management results while fulfilling a key contractual agreement with donors. The [Annual Performance Report reports](#) the organizational performance by strategic objectives and management results dimension to the Executive Board. Reporting on cash and vouchers is an integral part of both reports.

The specific steps undertaken to integrate cash and vouchers into the country office/regional bureau level standard reporting systems are:

Indicators

Standard cash and voucher indicators are reported in the beneficiary/targeting/distribution and outputs sections of the SPR. Planned and actual values in the beneficiary/targeting/distribution section can also be viewed. This information is imported from WINGS.

Narrative detail

Country offices are able to enter narrative text concerning cash/voucher transfers under the beneficiaries, targeting and distribution section of the SPRs. This section can be used to describe the country office's achievements against planned values for transfer modalities for the overall project, and requires WFP to provide reasons for underachieving or overachieving planned figures. In other relevant sections, the country office may also wish to describe the use of cash and vouchers.

Project statistics

The Strategic Objective Statistics tab in DACOTA links project activities to Strategic Objectives. The information requests a breakdown of beneficiary, commodity distributed and expenditure percentages by activity type and Strategic Objective. For cash- and voucher-based assistance, only planned/ actual expenditure and beneficiary information is collected (commodity distributed is not reported). This information is reported in the Annual Performance Report (but collected in DACOTA during the SPR process).

Financial data

Starting from the 2013 SPRs, following the Financial Framework Review, more detailed information on cash and vouchers will be made available.

C.6 IMPLEMENTATION CHECKLIST

Box 96: Implementation checklist

1. Roles and responsibilities across functions

- Are segregation of duties and internal controls in place and respected? (Refer to RACI)

2. Finance

- Are changes to financial procedures concerning cash and vouchers understood and implemented by the staff responsible across functions (Finance, Programme, Logistics, etc.)?
- Are systems in place for ensuring internal controls for project delivery and accountability?
- Have correct purchase orders been raised in WINGS II – including the actual amount to be disbursed to beneficiaries (POCB) and the amount to cover overhead/service costs (PODA or POS terminals)?
- Have funds transfer and disbursement reports been agreed on and developed?
- Have requirements for non-transferred cash and/or unused vouchers been agreed on with cooperating partners?

3. Supply chain

- Are supply chain assessments informing decision-making on transfer modality and delivery mechanisms?

4. Security

- Have security risks of the selected transfer modality and delivery mechanism been reviewed and steps agreed on for minimizing risks through adequate security planning?

5. Gender and protection

- Have protection aspects been considered and measures taken to reduce any possible risk at the individual, household and community level?
- Have measures been taken to maximize the positive impact of the programme on gender and protection at the individual, household and community level?

6. Accountability

- Are monitoring results regularly communicated to external stakeholders? Are appropriate actions taken?
- Is coordination with external stakeholders adequately managed?
- Is a complaint and feedback mechanism in place and, if yes, are actions taken based on the reports?

7. Monitoring and reporting

- Are monitoring and reporting systems covering outcomes, outputs, cross-cutting results, processes and context in place and properly implemented?
- Are relevant staff aware of the integration of cash/vouchers in the standard project and Annual Performance Reports?
- Taking into account a future evaluation: Has a baseline survey been arranged to inform evaluation? Have all project design and implementation arrangements been documented so these could inform an eventual evaluation?

ANNEX 1 - DETAILED OUTLINE OF THE JOINT DIRECTIVE [QS2013/003](#) [RM2013/005](#)

Introduction		
1.1	Directive Objective	
1.2	Directive Background	
1.3	Implementation Arrangement	
Four standard distribution models	1.3.1	Intervention set-up
Five basic accounting scenarios	1.3.2	
Partners versus services providers	1.3.3	
2. Resource Management		
2.1 Financial Framework Review		
New project structure, tools and cost components 1.3.1	2.1.1	Planning
Entity-based segregation of DSC and ODOC for in-kind food tool	2.1.2	
Three new additional cost components (C&V transfer, C&V related costs, CD&A)	2.1.3	
Transitional arrangement for ODOC (expenditure tracking by cost component)	2.1.4	
C&V related costs definition	2.1.5	
Equivalent of C&V related costs in the project structure prior to FFR	2.1.6	
DSC cost component definition	2.1.7	
C&V delivery costs definition and description	2.1.8	
C&V other costs definition and description	2.1.9	
2.2 Programming		
Prerequisite for obligating C&V transfers in WINGS	2.2.1	Intervention set-up
Definition of cash and vouchers as entitlements to end receivers	2.2.2	
Defining C&V transfers to beneficiaries as food commodities in WINGS	2.2.3	
Exceptions to 2.2.3	2.2.4	
Distribution costs associated with the exception	2.2.5	
Treatment of milling vouchers as in-kind ODOC	2.2.6	
Details that shall be included in assignment plan	2.2.7	
Compliance with funding requirements	2.2.8	

ANNEX 1 - DETAILED OUTLINE OF THE JOINT DIRECTIVE OS2013/003 RM2013/005 (continued)
2. Resource Management
2.3 Commodity – Cash or Voucher

General ledger codes	2.3.1	Implementation Distribution planning and arrangements
Allocating funding to the C&V commodity line	2.3.2	
Obligating the commodity (POCB creation)	2.3.3	
POCB structure	2.3.4	
Introduction of global vendor WINGS category	2.3.5	
Naming convention for 2.3.5	2.3.6	
Vendor creation for global vendor account	2.3.7	
Condition under which the global beneficiary vendor account is used	2.3.8	
First condition under which the global retailer vendor account is used	2.3.9	
Second condition under which the global retailer vendor account is used	2.3.10	
Condition under which a POCB is raised under a partner/service provider vendor account	2.3.11	
Rules for costs charged to POCB	2.3.12	
Procedure for reviewing POCB	2.3.13	

2.4 Associated Costs – Goods and Services

Rules for selecting service providers	2.4.1	Implementation
Rules for creating PODA (CPs and associated FLAs)	2.4.2	
Rules for creating POS terminals (private-sector partners and associated contractual agreements)	2.4.3	
Rules for charging costs for C&V delivery devices (non-food items)	2.4.4	
Review of associated costs for purchase orders	2.4.5	

3. Financial Management
3.1 Financial Risk Management

Regional bureau and country office finance involvement in intervention set-up phase	3.1.1	Planning
Details of required assessments	3.1.2	
Review of macro- and micro-risk assessments	3.1.3	
Assessment of partner/service provider financial capacity	3.1.4	
Assessment of financial strength of financial service providers	3.1.5	

ANNEX 1 - DETAILED OUTLINE OF THE JOINT DIRECTIVE OS2013/003 RM2013/005 (continued)**3. Financial Management****3.1 Financial Risk Management**

Rules to mitigate cash losses	3.1.6	Implementation
Responsibility to beneficiary account information	3.1.7	Intervention set-up
Voucher expiration date	3.1.8	

3.2 Cash Management

Rules for opening a WFP-owned cash and voucher bank account	3.2.1	Intervention set-up
Procedure for opening a dedicated partner-owned accounts	3.2.2	
Monthly cash call forward requirement	3.2.3	Implementation
Requirement for timely cash replenishment	3.2.4	
Conditions under which cash in transit and guard services are required	3.2.5	
Reconciliation of WFP-owned bank accounts and statements	3.2.6	
Voucher expiration cases	3.2.7	
Reconciliation for undistributed and unredeemed C&V	3.2.8	
Reconciliation before project financial closure	3.2.9	

3.3 Disbursement

Effecting payment (POCB)	3.3.1	Implementation
Rules governing disbursement to dual bank signatories	3.3.2	
The conditions under which cash POCB is raised in WINGS under global vendor account (direct cash distribution)	3.3.3	
The conditions under which voucher POCB is raised in WINGS under individual retailer vendor account (direct cash distribution)	3.3.4	
The conditions under which a cash/voucher POCB is raised in WINGS under a partner/service provider vendor account (partner/service provider C&V distribution/reimbursement)	3.3.4	
Documents to be furnished in support of PODA and POS payments	3.3.6	
Rules governing reporting, payment and distribution for FLAs, MOUs and contractual agreements	3.3.7	
Rules governing payment for direct delivery devices procurement (PONF)	3.3.8	

ANNEX 1 - DETAILED OUTLINE OF THE JOINT DIRECTIVE OS2013/003 RM2013/005 (continued)

3. Financial Management		
3.4 Internal Controls		
CD responsibility in line with circular	3.4.1	Intervention set-up
Linking principles of internal control elements to the WFP application	3.4.2	
Annual review identifying and eliminating internal control gaps	3.4.3	
Internal controls in SOPs	3.4.4	
3.5 Expense Recognition		
Rules for expenditure recognition for POCBs (direct distribution WFP)	3.5.1	Implementation
Rules for expenditure recognition for POCBs (direct distribution partner/ service provider)	3.5.2	
The definition of what triggers expenditure recognition for voucher delivery (distribution by WFP and partners)	3.5.3	
Rules for expenditure recognition accrual	3.5.4	
Treatment of non-cash disbursement bank transfer charges (POCB)	3.5.5	
Expenditure recognition and accrual of partner prefunding cash transfers	3.5.6	
Timing of expenditure recognition (PODA, POS and PONF)	3.5.7	
Treatment of non-cash disbursement associated costs (PODA and POS)	3.5.8	
Treatment of bank charges related to cash disbursement (PODA and POS)	3.5.9	
The responsibility for raising SES and GRNs (POCB and PONF)	3.5.10	
The responsibility for raising SES and GRNs (PODA and POS terminal)	3.5.11	
3.6 Voucher Management		
Definition of custodian of voucher prior to delivery	3.6.1	Implementation
Procedures for receiving and distributing vouchers	3.6.2	
Redeemed voucher retention	3.6.3	
Retention of redeemed vouchers (selected sample)	3.6.4	
Procedures for receiving, destroying and archiving redeemed vouchers	3.6.5	
Procedures for selecting redeemed vouchers for destruction	3.6.6	
Supporting documentation of voucher destruction	3.6.7	
Procedure for obtaining approval to destroy vouchers	3.6.8	
Procedures for updating records to reflect actual voucher destruction	3.6.9	
Procedures for handling undistributed expired vouchers for destruction	3.6.10	
Voucher details to be recorded	3.6.11	

ANNEX 1 - DETAILED OUTLINE OF THE JOINT DIRECTIVE OS2013/003 RM2013/005

4. Procurement and Contracting		
4.1 Rosters		
Procurement authority for selecting service providers	4.1.1	Planning
Functional unit's role for requesting the creation of service provider rosters	4.1.2	
Rules for assessing NGO financial capacity	4.1.3	
Suggested roster criteria	4.1.4	
4.2 Request for Proposal		
Rules governing RFPs	4.2.1	Intervention set-up
RFP templates	4.2.2	
4.3 Contractual Agreements		
Contractual agreements used for partners and NGOs (FLA)	4.3.1	Intervention set-up
Responsible staff role in selection of FLA special conditions	4.3.2	
Contractual agreements used for governments and United Nations organizations (MOUs)	4.3.3	
Contractual agreements used for service providers	4.3.4	
Content to be included in contractual agreements	4.3.5	
Responsibility for reviewing contractual agreements	4.3.6	
Endorsement of contractual agreements	4.3.7	
Procedure after signature of contractual agreement	4.3.8	
Rules governing delegation of authority limits (PODA, POS and PONF)	4.3.9	
5. Financial Accounting Procedures		
Five basic accounting scenarios	5.1	Implementation
Accounting scenario list	5.2	

PART D

INTERVENTION CLOSURE



WFP/Marco Frattini

D. INTERVENTION CLOSURE

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SECTION D

INTERVENTION CLOSURE

D.1 LESSONS LEARNED

At the end of each C&V intervention, especially during the early stages of implementation of these modalities, it is good practice to conduct an After Action Review and take stock of the lessons learned in order to design a stronger and improved programme during the subsequent phase. The country office management is responsible for stimulating this exercise and ensuring the adequate involvement of all relevant units. The depth of the review can be decided by the country office.

D.1.1 DISTINCTION BETWEEN EVALUATION AND REVIEW

This section provides an overview of the distinction between reviews and evaluations, some key considerations in conducting these exercises and key guiding questions. The relevant methodology, process and reporting requirements for both exercises can be found in the Programme Guidance Manual and should be read in conjunction with this section.

D.1.1.1 EVALUATIONS

An evaluation is a systematic and objective assessment of an ongoing or completed operation, programme or policy, its design, implementation and results. Its aim is to determine the relevance and fulfilment of objectives, as well as efficiency, effectiveness, impact and sustainability. The purpose of an evaluation is not simply to satisfy accountability demands, but also to learn lessons in order to improve practice and policy.

An evaluation would typically cover an entire WFP operation, irrespective of transfer modality, and is conducted by an independent evaluation team. An evaluation may be managed by the country office or Headquarters units (decentralized evaluation), with appropriate mechanisms in place to ensure independence, or managed by the WFP Office of Evaluation (centralized evaluation). Evaluations are appropriate for assessing efficiency, effectiveness, impact, alignment and coherence, as well as factors affecting strategic decision-making.

In compliance with [Directive OD2011/004](#), an evaluation is required for any intervention using cash and/or vouchers for the first time in the country office.

For detailed WFP guidance on evaluation, developed by the WFP Office of Evaluation under the Evaluation Quality Assurance System (EQAS), see

 [General WFP Guidance on Evaluations](#)

 [EQAS Evaluation Guidance](#)

D.1.1.2 REVIEWS

A management review of cash- and voucher-based activities, separately or as part of an operational review, is distinct from an evaluation. Reviews can be done internally, or can be facilitated or managed by an independent consultant, and typically do not involve independent or external data collection.

Reviews are appropriate where budgets and time do not allow for an independent evaluation and where specific management decisions need to be made. They are also appropriate for end-of-project reporting, strategic planning, and when developing new partnerships. Reviews, as good practice, should involve all key stakeholders in the project.

D.1.2 ASSESSING THE TRANSFER MODALITY CHOICE

[Directive OD2011/004](#) states that the transfer modality chosen should be the most appropriate and effective alternative and that the rationale for the selection should be documented and based on the needs and sectoral capacity assessment findings with all major assumptions clearly outlined.

A set of questions related to the choice of transfer modality should therefore be systematically incorporated into both reviews and evaluations of food assistance programmes, to explore how and why a particular transfer modality (or combination) was chosen, the actual impacts of that choice and whether it was ultimately the best choice. Country offices that commission an evaluation and/or undertake an internal review of their programme, should make sure the specific analysis of the choice of the transfer modality is systematically factored into the exercise.

Box 97: Key questions for reviews

	Data sources
<p>Key question 1: What were the factors affecting the choice of transfer modality?</p> <ul style="list-style-type: none"> • What were the key criteria for choosing the transfer modality (e.g. market aspects, government policies and local acceptance, risks, timeliness, predicted effectiveness, externalities, efficiency and costs, protection and gender, preferences, WFP/partner/service provider capacity, delivery mechanism, strategic coordination, etc.)? • Which stakeholders were consulted (e.g. government, cooperating partners, donors, traders...)? Was this consultation sufficient? • What sources of information were used to inform the decision with regard to the transfer modality choice (e.g. needs assessments, market analysis, sectoral capacity assessments, previous evaluations, previous experience)? Was this information sufficient? • Not all criteria necessarily point in the same direction. How were competing arguments balanced against each other? What weight or priority was given to different criteria? • Was documentation of the decision-making adequate to support monitoring, future management decisions and organizational learning? 	<p>Project documents/SPA</p> <p>Assessment reports</p> <p>Meeting minutes</p> <p>Workshop reports</p> <p>M&E plan matrix, monitoring toolkit, monitoring reports (DM, BCM, PDM)</p> <p>SOPs</p>
<p>Key question 2: Was the project plan adequate for efficient and effective implementation?</p> <ul style="list-style-type: none"> • Were appropriate systems (including beneficiary and delivery management system, monitoring systems, segregation of duties) in place to manage the project with the chosen transfer modality? • Did WFP have appropriate human resources in place to manage the project? • Were cooperating partners and service providers appropriate (technical, managerial, fiduciary, etc.) to implement the project? • How were risks related to the choice of transfer modality identified and managed? Was a risk management strategy put in place? Was the level of risk management appropriate? • Was monitoring information used to adapt the project as necessary in the light of changes in circumstances and/or performance? 	<p>Risk Register</p> <p>Partner/SP agreements, FLAs</p> <p>CP/SP's monthly distribution reports, monitoring reports (DM, BCM, PDM)</p>

Box 97 and Box 98 present an indicative list of the questions that may be covered in the context of a review and an evaluation. The questions will vary based on the nature and context of the project. The questions listed here are intended to help country offices get a better understanding of the kind of issues that they may consider, and to be useful in establishing terms of reference (TOR). In all cases, the final choice of questions, methodology, key stakeholders, etc., should be made at the terms of reference development stage. Each review or evaluation should

also include an ex-post analysis of cost-efficiency and cost-effectiveness, in order to assess whether the assumptions made when elaborating the ex-ante analysis at the response analysis were correct, once the analysis is conducted with actual data extracted from monitoring databases. Please refer to Section A (A.4.2), on the calculation of cost-efficiency and cost effectiveness.

The questions in Boxes 97 and 98 are for guidance only, and the context of the operation will determine how the questions need to be adapted and whether additional questions are appropriate.

Box 97: Key questions for reviews (continued)

	Data sources
<p>Key question 3: What was the performance of the project?</p> <ul style="list-style-type: none"> • What was the coverage of the project (geographic coverage, number of beneficiaries assisted, metric ton distributed/United States dollar value transferred: actual versus planned)? • Were there any delays related to the transfer modality used? If so, what caused the delays? What were the consequences? • What was the funding of the project (funding shortfalls against plans)? To what extent did it affect the project implementation? • Was targeting done as planned (methodology, timeliness)? • Review any reported effects on the local market, on gender and protection concerns, and on non-beneficiaries. 	<p>CP/SP's monthly distribution reports</p> <p>Monitoring reports (DM, BCM, PDM)</p> <p>VAM market monitoring reports</p> <p>Project documents/SPA</p> <p>External documents and secondary data (United Nations, NGOs, academia, etc.)</p>
<p>Key question 4: Was the project cost-effective?</p> <ul style="list-style-type: none"> • What were the food items consumed by beneficiaries with the cash/voucher transfers? • What was the food consumption score result for the different transfer modalities? • What was the impact of different transfer modalities on gender and protection aspects of beneficiary household members? • Are there any differences in terms of outputs and outcomes across the different transfer modalities? • What are actual ex-post results for the cost-effectiveness analysis? • If it was measured, what was the impact of the different transfer modalities on the local economy (retailers, local producers)? 	<p>Monitoring reports (DM, PDM, BCM, focus group discussions)</p> <p>Ad hoc thematic studies, if available</p>


Box 98: Key questions for evaluations

	Data sources
<p>Key question 1: How appropriate is the operation? Areas for analysis will include the extent to which the objectives, targeting, choice of activities and of transfer modalities:</p> <ul style="list-style-type: none"> • Are appropriate to the needs of the food insecure population; • Are coherent with relevant stated national policies, including sector policies and strategies, and seek complementarity with the interventions of relevant humanitarian and development partners (as well as with other country office interventions in the country, if relevant); • NB: In cases where the government objectives may differ from civil society's interests (e.g. the context of complex emergencies), the alignment questions should refer to the former rather than to government objectives; • Are coherent with WFP strategies, policies and normative guidance. 	<p>Internal WFP documentation (project documents, assessments, SOPs, SPRs, monitoring reports, meeting minutes, reviews, etc.)</p> <p>External documentation (secondary data from the United Nations, NGOs, government, research organizations, etc.)</p> <p>Independent data collection (qualitative data from key informant interviews, focus groups, surveys, case studies, workshops, etc.; quantitative data from surveys of key stakeholders, population surveys, etc.)</p>

Box 98: Key questions for evaluations (continued)

	Data sources
<p>Key question 2: What are the results of the operation? While ensuring that differences in benefits between women, men, boys and girls from different groups are considered, the evaluation will analyze:</p> <ul style="list-style-type: none"> • the level of attainment of the planned outputs; • the extent to which the outputs led to the realization of the operation objectives as well as to the unintended effects; • how different activities of the operation dovetail and are synergetic with other WFP operations and with what other actors are doing to contribute to the overall WFP objective in the country; • the efficiency of the operation and the likelihood that the benefits will continue after the end of the operation. 	<p>Internal WFP documentation (project documents, assessments, SOPs, SPRs, monitoring reports, meeting minutes, reviews, etc.)</p> <p>External documentation (secondary data from the United Nations, NGOs, government, research organizations, etc.)</p>
<p>Key question 3: Why and how has the operation produced the observed results? The evaluation should generate insights into the main internal and external factors that caused the observed changes and affected how results were achieved, focusing:</p> <ul style="list-style-type: none"> • Internally (factors within WFP's control): on the processes, systems and tools in place to support the operation design, implementation, monitoring/evaluation and reporting; the governance structure and institutional arrangements (including issues related to staffing, capacity and technical backstopping from regional bureau/ Headquarters); the partnership and coordination arrangements, etc. • Externally (factors outside WFP's control): on the external operating environment, the funding climate, external incentives and pressures, etc. 	<p>Independent data collection (qualitative data from key informant interviews, focus groups, surveys, case studies, workshops, etc.; quantitative data from surveys of key stakeholders, population surveys, etc.)</p>

For detailed guidance on evaluating the choice of transfer modality in food assistance programmes, refer to:

 *Simon Levine and Sarah Bailey, Guidance on Evaluating the Choice of Transfer Modality in Food Assistance Programmes, HPG commissioned report for WFP, July 2013.*

D.2 ARCHIVE DATA

For audit purposes, including the need to support business functions or legal obligations, the project documentation (inclusive of digital data) on beneficiaries and C&V interventions needs to be kept for a certain period of time after C&V programme activities have ended. Whenever possible, the data should be anonymized as soon as it becomes clear that beneficiaries' details are no longer required for transfer purposes.

Country office IT units are responsible for the archiving of digital data or information held at the country office level, while IT at

Headquarters is responsible for archiving data that are centrally stored at the global WFP data centre hosted at the United Nations International Computing Centre in Geneva. Archiving of information is to be carried out in accordance with WFP's Records Retention Policy and Corporate Information and IT Security Policy (see Data Privacy and Protection Principles). In cases where beneficiary information and related transfer transaction data are also held by third-party service providers, due care should be taken by country offices to ensure that contractual agreements contain provisions to ensure that data are handled according to WFP rules and regulations.

List of Acronyms

APR	Annual Performance Report
ATM	automated teller machine
B2B	business to business
BCM	beneficiary contact monitoring
BMI	body mass index
BPM	Business Process Model
CaLP	Cash Learning Partnership
CBO	community-based organization
CD	country director
CD&A	capacity development and augmentation
CIT	cash in transit
C&V	cash and vouchers
CFSVA	Comprehensive Food Security and Vulnerability Analysis
CSB	corn-soya blend
CO	country office
CP	cooperating partner
DCD	deputy country director
DM	distribution monitoring
DSC	direct support costs
EFSA	Emergency Food Security Assessment
EOI	expression of interest
ERA	emergency readiness actions
FAP	final assignment plan
FAQs	frequently asked questions
FCS	food consumption score
FDP	final delivery point
FFA	food assistance for assets
FFR	Financial Framework Review
FLA	field-level agreement
FSMS	food security monitoring system
FSO	field security officer
FSP	financial service provider
GEMS	global equipment management system
HACT	Harmonized Approach to Cash Transfer
HEA	Household Economy Approach

HRSN	hunger-related safety nets
IASC	Inter-Agency Standing Committee
ICT	information and communications technology
ID	identification (document)
IDP	internally displaced person
IPP	import parity price
ISC	indirect support costs
ISO	International Organization for Standardization
IT	information technology
Kcal	kilocalories
KYC	know your customer
LCA	logistics capacity assessment
LTA	long-term agreement
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
MAITA	Macro IT Assessment
MIITA	Micro IT Assessment
MNO	mobile network operator
MOU	memorandum of understanding
MPAs	minimum preparedness actions
MUAC	mid-upper arm circumference
NFC	near-field communication
NFI	non-food item
NGO	non-governmental organization
NVS	nutrient value score
ODOC	other direct operational costs
OMT	United Nations Operations Management Team
OP	operational plan
P4P	Purchase for Progress
PDM	post-distribution monitoring
PDPP	personal data protection and privacy
PGM	Programme Guidance Manual
PIA	privacy impact assessment
PIN	personal identification number
PO	purchase order
POS	point of sale
PR	purchase request
PRC	Programme Review Committee

PRCB	purchase request for cash to beneficiaries
PSP	payment service provider
RACI	responsible/accountable/consulted/informed
RNI	recommended nutrients intake
RB	regional bureau
RFI	request for information
RFID	radio frequency identification
RFP	request for proposal
SIM	subscriber identification module
SMS	short message service
SO	strategic objective
SOP	standard operating procedures
SP	service provider
SPA	System for Project Approval
SPR	standard project report
SRA	security risk assessment
SRF	Strategic Results Framework
SRM	security risk management
SWOT	strengths, weaknesses, opportunities and threats
TOR	terms of reference
TWG	technical working group
UN	United Nations
UNDAF	United Nations Development Action Framework
UNDSS	United Nations Department of Safety and Security
UNHCR	United Nations High Commissioner for Refugees
UNICC	United Nations International Computing Centre
UNSMS	United Nations Security Management System
USSD	Unstructured Supplementary Service Data
USD	United States Dollar
VAM	Vulnerability Analysis and Mapping
VAT	value-added tax
WFP	World Food Programme

WFP is entirely reliant on voluntary funding, so due recognition and visibility for our donors' support is required for all our operations, including for cash and vouchers.

For guidance please see:

go.wfp.org/web/governmentpartnerships/visibility

“This new edition of the Cash and Vouchers Manual captures WFP’s latest corporately endorsed business processes and operational procedures, providing the most up-to-date tools for the implementation of cash and voucher based food assistance programmes.”

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