

## 9.6 CASH AND VOUCHERS

ECHO can consider funding the following financial support to beneficiaries<sup>79</sup>:

- **Unconditional cash transfers** (grants): cash transfers given directly to the beneficiary to increase their purchasing power to meet their basic needs without the beneficiary having to do anything specific to receive the benefit;
- **Conditional cash transfers** (e.g. cash for work, cash for training, cash for repatriation, etc.): the beneficiaries are required to fulfill a specific obligation or activity to receive the transfer (such as attending school, planting seed, establishing a livelihood, demobilise, etc.). Therefore, conditionality refers to what beneficiaries are required to do to receive the transfer and not to conditions on how they subsequently use the resources. Cash transfers can be done through distributions of cash or value-based coupons;
- **Vouchers**: tied to a set of pre-defined commodities or services. If the vouchers are not tied to a set of predefined commodities or services, then they will be treated as cash payments.



"Cash-based" is used in this document to refer to both cash and not-tied voucher transfers.

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### 9.6.1 CONDITIONS

For all types of cash-based transfers, the following conditions must be defined in the SF:

- The purpose of the cash-based transfer;
- The amounts of cash transfer that will be paid per beneficiary and the criteria for determining the exact amount ;
- The definition of the persons or categories of persons which may receive such financial support and the criteria to give it. The criteria for giving financial support means that the partner needs to explain why certain categories of persons should be given financial support. For example categorical targeting of Pregnant and Lactating Women or returnees, or use of criteria such as Food Consumption Score or lack of access to water, etc.;
- The specific controls, as well as the monitoring and the reporting procedures;
- A comprehensive risk assessment of the chosen modality or modalities. For each of the major risk factors the proposal must indicate
  - the specific measures to be taken during implementation to minimize the risks (security corruption inflation and/deflations);

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<sup>79</sup> "Financial support to third parties" is the terminology used in the General Conditions for cash and vouchers to beneficiaries.

- the arrangements to monitor whether these risks develop, and
- if so, the response measures to mitigate the consequences (e.g. switch to another transfer modality);
- The maximum amount of cash transfer that can be paid to a beneficiary, which shall not exceed EUR 60 000<sup>80</sup>;
- The net amount actually transferred to the beneficiaries per modality used (i.e. total amount transferred in cash vs. total amount transferred in voucher vs. other).

The **do no harm** principle should be applied throughout cash-based activities.

In addition to the elements above, in case of **conditional cash** transfers, the partner shall define the **conditionality** (e.g. such as attending school, planting seed, building shelter, demobilizing, etc.) and the **reasons** for opting for conditional cash.

#### 9.6.2 INFORMATION TO INCLUDE IN THE SINGLE FORM?

There is no specific section where to include all the information required assessing the eligibility of the cash modality. The information can be encoded in the following sections of the Single Form:

- Assessment: in particular, inclusion of a market assessment;
- Beneficiaries: definition of the persons or categories of persons which may receive financial support;
- Result/subsections: select the sector/subsectors concerned, and the relevant KRIs.
- Activities: different type of activities that may receive financial support in case of conditional financial support<sup>81</sup> and criteria for giving the financial support;
- Assumptions and risks: the monitoring and supervision mechanisms;
- Financial report: The net amount actually transferred to the beneficiaries per modality used (i.e. total amount transferred in cash vs. total amount transferred in voucher vs. other);
- Monitoring and evaluation.



Consult the Cash and vouchers guidelines

[http://ec.europa.eu/echo/files/policies/sectoral/them\\_policy\\_doc\\_cashandvouchers\\_en.pdf](http://ec.europa.eu/echo/files/policies/sectoral/them_policy_doc_cashandvouchers_en.pdf)

<sup>80</sup> Except where the financial support is the primary aim/modality of the action, in which case, the amount paid to each beneficiary could exceed EUR 60.000.

<sup>81</sup> The term “activities” is used to describe the conditions of financial support, namely where the beneficiaries are required to fulfil a specific obligation or carry out an activity to receive the cash transfer.