



## « Cash » tool box to consider in Ukraine

<b>Transfers to bank account of Beneficiary through Oblasts administrations</b>			
<b>Adequate for “one offs” in close cooperation with MoSP</b>			
<p><b>In a nutshell:</b>            An implementation partnership agreement is made with Oblast administration, represented by the Governor. A dedicated bank account is opened by the administration at Oblast level and is credited by Aid Agency. Money from this dedicated account is transferred to Beneficiaries bank accounts according to agreed amounts and agreed criteria. Beneficiaries are selected in collaboration with Oblast social services.</p>			
Advantages	Constraints	Required resources	Required Partners
<ul style="list-style-type: none"> <li>- Simple</li> <li>- Quickly set-up</li> <li>- Quickly operational</li> <li>- Already tested successfully by UNHCR</li> <li>- Transparent, since beneficiaries lists and amounts of grants are agreed upon in advance</li> <li>- limited risk of overlap or duplication since Oblasts beneficiaries data is regularly aggregated and analyzed in Kiev</li> <li>- little room for corruption</li> </ul>	<ul style="list-style-type: none"> <li>- This process is not formally addressed in recent IDP law and related IDP policy decisions</li> <li>- Need cooperating Governors cutting through red tape</li> <li>- Need to work closely with Oblast social services</li> <li>- Need to be negotiated separately in each target Oblast</li> <li>- Need to comply with official selection criteria</li> </ul>	<ul style="list-style-type: none"> <li>- Good communications skills to dialogue with the Governor and Oblast social services</li> <li>- At Country Office level, good internal data management and communication capacities</li> <li>- a relatively light field presence, since most of the identification work as well as payments to bank accounts are done by social services</li> </ul>	<ul style="list-style-type: none"> <li>- Oblast Governor</li> <li>- Oblast Social Services</li> </ul>

<b>Remittances at bank</b>			
<b>Adequate for “one off” as well as for successive payments.</b>			
<p><b>In a nutshell:</b>            This is similar to a “Western Union” financial transfer of cash. A dedicated bank account is opened at a partner bank by the Aid Agency. Lists of beneficiaries are given to the bank, with amounts to be made available for each beneficiary. Beneficiaries are informed by the Aid Agency that they can get their cash at given bank outlet, showing ID (passport or national ID). Some banks can also send personal identification codes by sms to beneficiaries, to be shown to be issued cash at bank outlet.</p>			
Advantages	Constraints	Required resources	Required Partners
<ul style="list-style-type: none"> <li>- Simple</li> <li>- Quickly set-up</li> <li>- Quickly operational</li> <li>- some banks in Ukraine already provide such a service</li> <li>- pilot project is being tested by Save the Children (mid November)</li> <li>- can be used for one-offs as well as for recurrent grants</li> <li>- beneficiary does not need to have a bank account</li> <li>- little room for corruption</li> </ul>	<ul style="list-style-type: none"> <li>- Bank branch to be present in target area</li> <li>- Availability of sufficient cash at the bank branch needs to be ensured</li> <li>- Beneficiaries without an ID cannot be included</li> </ul>	<ul style="list-style-type: none"> <li>- Operational field teams to identify and select beneficiaries</li> <li>- At Country Office level, good internal data management and communication capacities</li> </ul>	<ul style="list-style-type: none"> <li>- Bank</li> </ul>



<b>Debit-Cards</b>			
<b>Well adapted for successive payments to same beneficiary</b>			
<p><b>In a nutshell:</b> Beneficiaries are given a debit card (For example Visa, Maestro, Master Card or other brand). With this card they can withdraw cash at any ATM and: they can make purchases in shops with POS machines. The Aid Agency transfers funds to its Partner Bank which then credits each Debit-Card account according to agreed amounts, timing and up-dated beneficiary lists.</p>			
Advantages	Constraints	Required resources	Required Partners
<ul style="list-style-type: none"> <li>- Simple and practical for the Beneficiaries</li> <li>- ATMs are more widely available than banks</li> <li>- Cards can be used in shops (no need of cash)</li> <li>- Allows successive payments to be made automatically</li> <li>- Monitoring data on use of cards is readily available from Bank records</li> <li>- very limited space for corruption</li> <li>- selection of Beneficiaries can be made independently</li> <li>- very efficient process, especially in case of large numbers of beneficiaries to be allocated successive grants over an undefined time frame and undefined geographical area.</li> </ul>	<ul style="list-style-type: none"> <li>- Legal and administrative basis for service agreement with a Bank require expertise</li> <li>- implementation process requires data management expertise</li> <li>- In Ukraine, the law makes it necessary to hold a bank account in order to be issued a Debit Card</li> <li>- ATMs in target area need to have cash available or shops need to have POS machines</li> <li>- loss of cards or damage to cards impose constant follow-up</li> <li>- in case of agreements with selected shops with POS machines: needs regular monitoring of quality of products.</li> </ul>	<ul style="list-style-type: none"> <li>- Dedicated qualified team in Country Office to manage operations in close relations with Partner Bank</li> <li>- very good data management capacities</li> <li>- good communication network</li> <li>- Qualified field teams in touch with Beneficiaries, to update lists, provide information and solve problems (loss of cards... etc)</li> <li>- qualified field teams to select and monitor partner shops (if option)</li> </ul>	<ul style="list-style-type: none"> <li>- Bank</li> <li>- Possibly shops. (Only in case of selected shops to sell specific items to Debit Card holders. )</li> </ul>

<b>Pre-loaded “gift cards”</b>			
<b>Adapted for “one off” or for “conditional purchases”</b>			
<p><b>In a nutshell:</b> Shops / supermarkets propose electronic payment cards that can be used for purchases. These cards are pre-loaded with a certain amount. The Aid Agency purchases cards and distributes them to beneficiaries.</p>			
Advantages	Constraints	Required resources	Required Partners
<ul style="list-style-type: none"> <li>- Simple</li> <li>- Quickly set-up</li> <li>- Quickly operational</li> <li>- Does not require availability of physical cash</li> <li>- Beneficiary does not need to have a bank account</li> </ul>	<ul style="list-style-type: none"> <li>- Tied to a given group of shops/supermarket</li> <li>- Participating shops need to be in project area</li> <li>- Distribution of cards has to be repeated in case of multiple grants over time</li> <li>- quite some room for corruption</li> </ul>	<ul style="list-style-type: none"> <li>- Operational field teams to identify and select beneficiaries</li> <li>- At Country Office level, good internal data management and communication capacities</li> </ul>	<ul style="list-style-type: none"> <li>- Shops/supermarkets</li> </ul>
<b>Cash Disbursements at Bank</b>			
<b>Not recommended unless operations led by well trained field team</b>			



<p><b>In a nutshell :</b>                  A distribution of « cheque-vouchers » to beneficiaries is implemented by Aid Agency field teams at a particular Bank on specified date. On the spot, the beneficiaries submit their “cheque-voucher” to the bank teller and get the specified amount in cash. At the end of the day, the total amount disbursed by the Bank is checked and approved on the spot by Aid Agency team, based on receipts of cashed-in “cheque-vouchers”.</p>			
Advantages	Constraints	Required resources	Required Partners
<ul style="list-style-type: none"> <li>- Simple</li> <li>- Quickly set-up</li> <li>- The Bank takes the risk of handling the cash</li> <li>- Direct contact of implementer with beneficiaries</li> <li>- beneficiaries do not need to have a bank account</li> <li>- Selection of beneficiaries can be made independently</li> </ul>	<ul style="list-style-type: none"> <li>- Bank branch to be present in target area</li> <li>- Availability of sufficient cash at the bank needs to be planned</li> <li>- Limited number of beneficiaries per day</li> <li>- Possibly long wait on the spot for beneficiaries</li> <li>- risks of corruption (hands outs asked on the spot)</li> <li>- not practical for regularly repeated grants</li> </ul>	<ul style="list-style-type: none"> <li>- Field team to identify and select beneficiaries</li> <li>- Well trained managers on the job during distribution days</li> <li>- Data management tool</li> </ul>	<ul style="list-style-type: none"> <li>- Bank</li> </ul>
<p><b>Paper Vouchers to make purchases in selected shops for specific products.                  Adapted to well targeted support. For example “Vouchers for Food”</b></p>			
<p><b>In a nutshell:</b>                  Paper vouchers are distributed to Beneficiaries. Vouchers are equivalent to a defined amount of money and are exchangeable for specific items in selected partner shops. With this voucher a Beneficiary can purchase his/her own choice of products within the defined limitations (for example: vouchers can be valid only to purchase food items).                  The shops are then paid by the Aid Agency based on the number of vouchers they redeemed.</p>			
Advantages	Constraints	Required resources	Required Partners
<ul style="list-style-type: none"> <li>- Operational even in areas where access to physical cash and to banking services are problematic</li> <li>- can be set-up quickly</li> <li>- simple to use</li> <li>- allows for targeted purpose, such as food aid, in principle. (In practice Beneficiaries needing cash will trade-in)</li> <li>- purchase value of Vouchers can be easily adapted to changing circumstances</li> <li>- Selection of beneficiaries can be made independently</li> </ul>	<ul style="list-style-type: none"> <li>- the vouchers have to be produced to make them impossible (or at least difficult) to fraudulently copy or forge</li> <li>- partner shops need to be identified, informed and closely monitored for quality, diversity of products and “market based pricing”</li> <li>- beneficiaries need to be told in which shops the vouchers can be used</li> <li>- beneficiaries in need of cash may choose to trade-in their vouchers for cash, losing some value in the process</li> </ul>	<ul style="list-style-type: none"> <li>- manufacturing of fool proof Vouchers</li> <li>- Trained field teams</li> <li>- good data management capacity</li> <li>- up to date market survey and monitoring including commercial outlets</li> </ul>	<ul style="list-style-type: none"> <li>- Shops or equivalent (cooperatives, local markets, associations of shop-owners. Etc....)</li> </ul>