

# Cash & Voucher Assistance and Gender-Based Violence Compendium: Practical Guidance for Humanitarian Practitioners

**TRAINING FOR GBV SPECIALISTS**

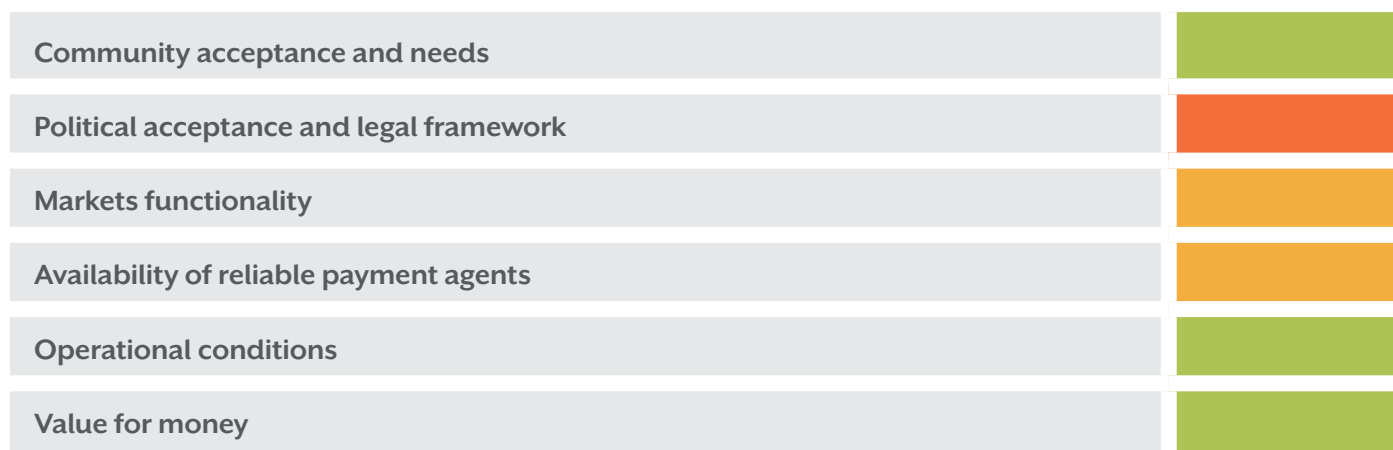
**SESSION 2**

**FEASIBILITY STUDY**

**DECEMBER 2019**

## IS CVA FEASIBLE FOR RESIDENTS IN AZRAQ AND ZAATARI CAMPS?

The figure below provides the overall ranking of CVA's feasibility in the two camps based on above the criteria:



**KEY** ■ Data missing ■ Appropriate ■ Mostly appropriate ■ Moderately appropriate ■ Not appropriate

**FIGURE 13: CVA FEASIBILITY IN THE AZRAQ AND ZAATARI CAMPS**

### COMMUNITY ACCEPTANCE AND NEEDS:

A majority of camp residents would prefer cash transfers over in-kind and voucher assistance for replenishments, winterisation, targeted distributions, and ad hoc distributions. Cash transfers provide them with freedom of choice on the type, quantity, and quality of the basic needs items they procure. In their opinion, informal markets can sustain an increased demand as a result of camp-wide cash distribution and prices would not increase because the markets are competitive.

On the other hand, when given the choice between in-kind and voucher assistance, residents systematically preferred the former, even if it meant less freedom of choice and potential quality or sizing issues. Since vouchers have to be redeemed in formal markets – in Safeway and Tazweed supermarkets in Zaatari camp and in Sameh supermarket in Azraq camp – that are monopolistic, beneficiaries reported significant price increases in the aftermath of voucher distributions. This was particularly notable in Sameh supermarket in Azraq camp. In beneficiaries' opinions, in-kind donations were safer because the residents were sure to receive the specific items they needed.

### POLITICAL ACCEPTANCE:

NGOs implementing activities in the camps are in favour of replacing in-kind assistance with cash distribution, since it is more appropriate to meet the various needs of residents and is easier to manage overall.

UNHCR is also generally in favour of cash for basic needs over in-kind assistance and vouchers. The exception is for diapers and sanitary pads, since it believes that those would not be prioritised if covered by a cash grant.

Finally, according to the interview, SRAD had no opinion (neither in favour of nor against) on increasing use of cash transfers in the camps.

## **MARKET FUNCTIONALITY:**

A thorough market assessment would be required in the Zaatari and Azraq camps to assess whether traders can cope with an increased demand from residents (i.e. to determine if they have sufficient cash and storage capacity to meet the demand from residents and avoid shortages and/or price increases). With the ongoing movement restrictions – residents can only leave the camp for a duration of two weeks after obtaining a permit, which takes three to four days to receive in Zaatari Camp and up to ten days in Azraq – it is challenging for residents to procure items outside the camps. Therefore, it is paramount to determine the level of market functionality before shifting entirely to cash assistance for basic needs, especially in Azraq where in-kind assistance remains a major modality and the camp is located far away from cities and villages.

In Zaatari camp, where cash transfers are already being more widely used, there are two supermarkets and approximately 3,000 informal shops and businesses.<sup>1</sup> These are well supplied and offer a wide variety of products and services. Traders who were interviewed during the evaluation reported benefitting from these transfers and thought they could easily restock in two to three days. Overall, interviewees were quite confident that the market could cope with an increase in demand. One went so far as to say, “even Jordanians shop in Zaatari camp because it’s cheaper and of better quality.”

In Azraq camp on the other hand there is only one supermarket and 300 shops and businesses. The combination of the fact that residents had mixed feelings on the market capacity to sustain an increased demand, Azraq’s location, and the restrictions on movement lead the consultants to conclude that the market would not be able to cope with a significant increase in demand without first being reinforced.

## **DELIVERY MECHANISM:**

Cash transfers are currently done through physical distributions at the CDC and CDHC. Residents reported being comfortable with physical cash because, with the camp-wide police presence, there is no risk of robbery.

To date, there are no financial service providers (FSPs) in the camps. While 92% of Syrian refugees<sup>2</sup> have a mobile phone, mobile phone-based money is undeveloped in Jordan. There are no Hawalas nor ATMs in either camp. An ATM was piloted in Zaatari, but it was not successful due to low connectivity.

While physical cash is a suitable delivery mechanism for humanitarian actors in the camp, based on operational conditions (see below), there is also the possibility of developing mobile money. One mobile money agent offers its services in-country for 1 JOD per transaction with a 10 JOD one-off cost for training on the delivery mechanism.

## **OPERATIONAL CONDITIONS:**

Due to the well rolled out distribution process, physical cash distributions in NRC centres are safe and effective and do not raise any protection issues for men or women. Furthermore, residents feel safe traveling back to their villages or to the markets transporting cash.

Cash is also less labour-intensive to distribute and requires less logistical planning, since, for instance, it does not require organising and refurbishing stocks.

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1 “Zaatari Refugee Camp Fact Sheet.”

2 Dinarak. (2017). Dinarak Cash Distribution.

## VALUE FOR MONEY:

Cash transfers, when physically distributed, are the cheapest and most effective modality used in the camps. Humanitarian organisations' current direct cash distributions are cheaper than the in-kind distributions; in Zaatari camp, for example, one camp-wide distribution of in-kind items cost 31,000 JOD whereas one cash or voucher distribution cost 26,000 JOD.

When looking at the costs of cash distribution using third-party payment agents, it appears to be more expensive than the in-kind distribution. Hawala would reportedly charge 2 JOD per transaction for 17,000 households for a total of 34,000 JOD for a camp-wide distribution in Zaatari.<sup>3</sup> In cases like this where the raw cost appears to be higher, the efficiency of both processes needs to be compared as using a third-party payment agent would have the additional benefits of transferring the liability of loss and increasing camp residents' financial inclusion. In addition, looking at the mobile money agent's offer of 1 JOD per transaction with a 10 JOD one-off cost for training, the efficiency of such a transfer would increase over time with the frequency of the payment.

Overall, many of the criteria seem to suggest that cash is a feasible option, including the high levels of community acceptance, the strong operational capacity of NRC, the lack of protection risks, and the optimal value for money (VfM). However, the varying levels of market functionality are an important consideration that distinguishes the two camps, as it makes cash appear to be feasible in Zaatari camp but not currently feasible in Azraq camp. In addition, the lack of existing FSPs in the camps may limit the scalability of cash. Options to introduce cash transfers via mobile money should be further explored.

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3 NRC interviewee - Alawneh, Hawala agent.