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Cash & Voucher Assistance (CVA) – Flexible. Dignified. Effective. Efficient

CVA gives people in need the freedom to choose, reduces logistical costs and supports local livelihood economies – dignified, efficient, and with local impact.

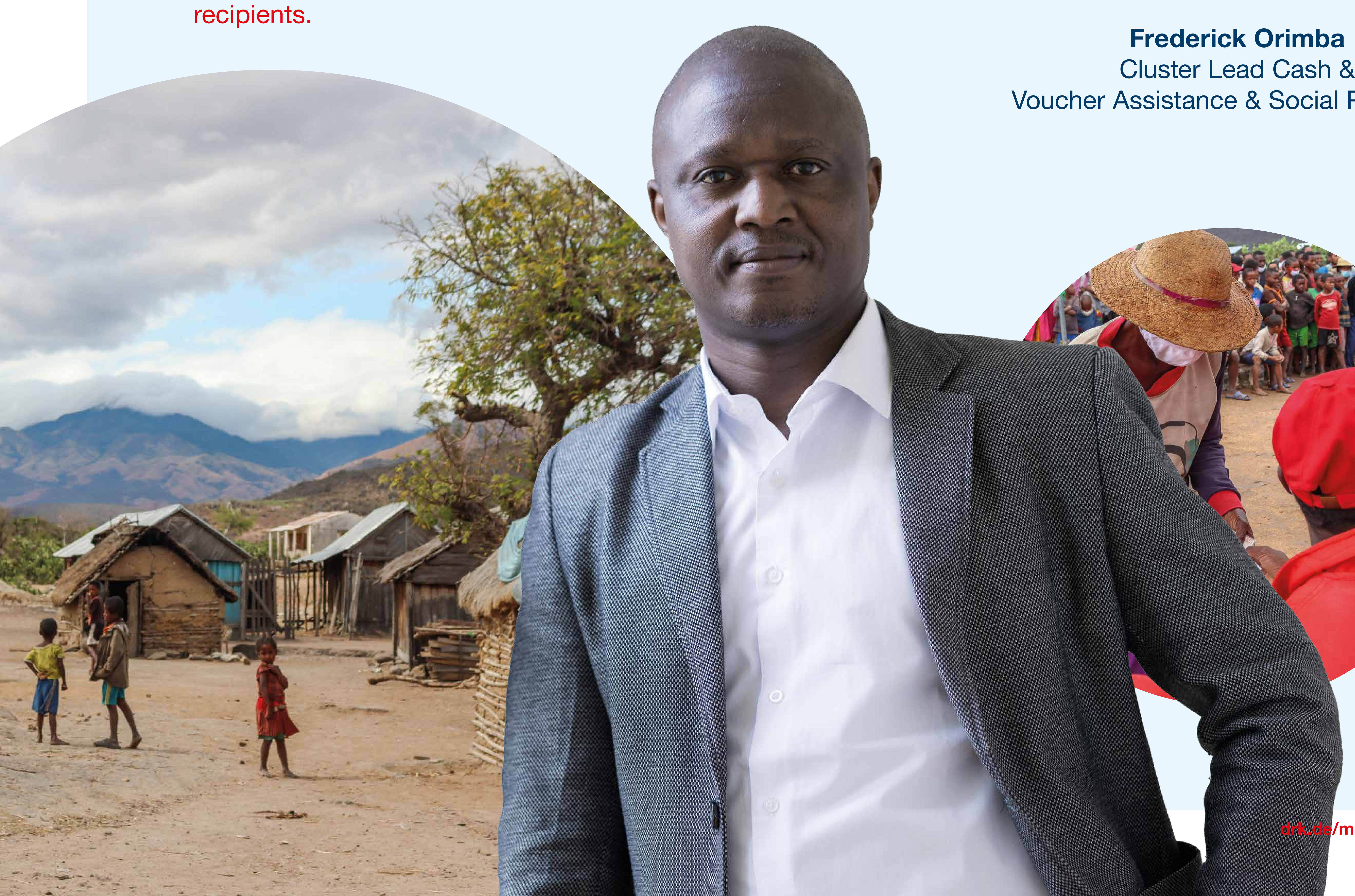
Many people at risk of, and affected by various disasters prefer to receive humanitarian assistance through cash and vouchers because of its ability to transfer power into their hands to address their needs. As a flexible tool in humanitarian aid, CVA has proved to be useful in anticipatory action, emergency response, recovery, and long-term development co-operation. It enables affected people to meet their basic needs according to their own priorities – while also supporting local markets and reducing transport, storage, and distribution costs for implementing organizations and donors.

The benefits of cash-based assistance:

- Dignity & Self-Determination: People decide for themselves what they need most.
- Flexibility: Assistance adapts to different and changing needs.
- Support for Local Markets: Local and regional economic trade are strengthened
- Cost Savings: Reduced spending on transport, storage, and distribution of assistance.
- Disaster Preparedness and Anticipation: Cash assistance can be provided proactively, e.g., before floods as anticipatory cash.
- Effectiveness: Studies and practical experience show better outcomes and higher satisfaction among recipients.

„Cash and voucher assistance (CVA) refers to the provision of cash and/or vouchers to individuals, households, and communities affected by disasters so that they can obtain the goods and services they need to survive."

Frederick Orimba
Cluster Lead Cash & Voucher Assistance & Social Protection



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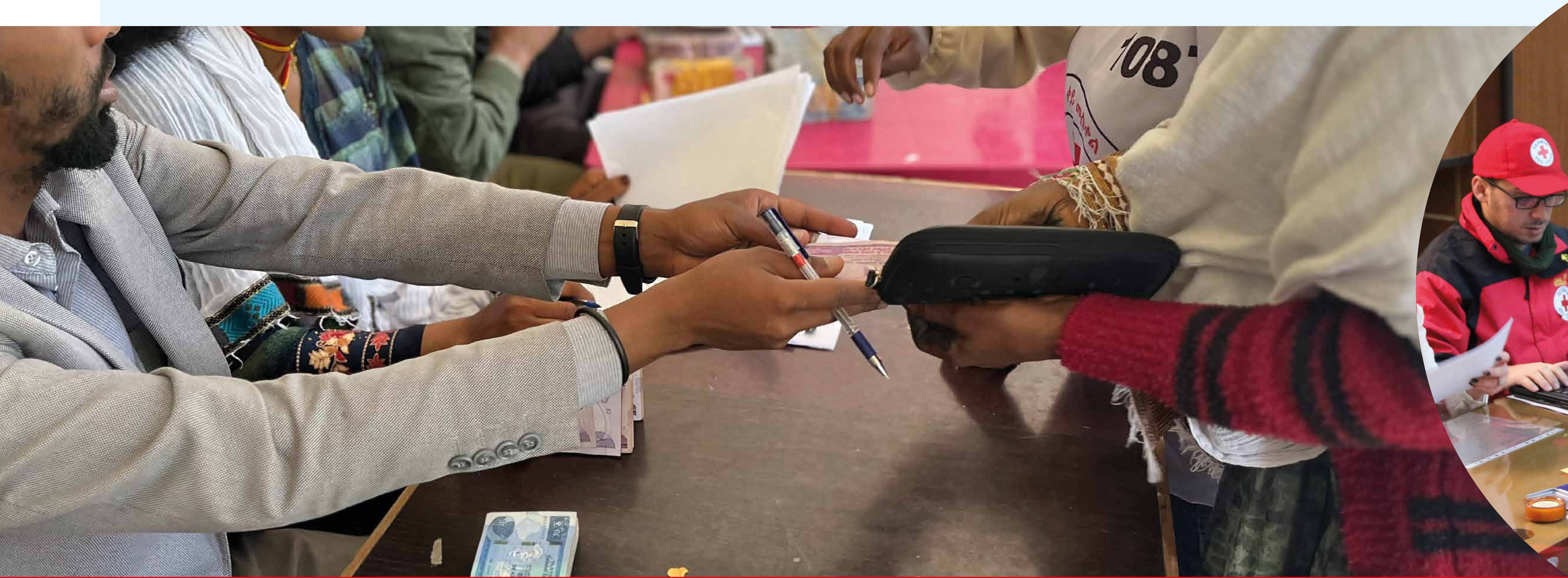
How Does CVA Work in Practice? – Requirements & Impact

CVA is more than just distributing money – it requires functioning structures, social and political acceptance, and well-thought-out planning

Cash assistance gives people in need access to essential goods and services. It is used in all phases of disaster risk management – preparedness, anticipation, response and recovery. CVA allows interventions in all sectors in crisis response – from food, shelter, and livelihoods to hygiene, health, and other areas depending on the individual needs of people affected by disasters.



Delivery channels for cash assistance:

- Direct cash payments
- Mobile money transfers
- Bank accounts
- Prepaid cards
- Vouchers for goods or services

To implement CVA effectively and responsibly, the following are needed:

- Functioning and accessible local markets
- Financial infrastructure (eg banks, mobile payment sys vtems)
- Legal, political, and social acceptance
- Reliable sources of funding

banks

market

society

law

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CVA in Action – A Typical Cash Transfer Project Process

From need to assistance: CVA is targeted, transparent, and traceable

Identifying Target Groups

In close collaboration with local communities, the selection of recipients is made strictly based on need – primarily focusing on vulnerable groups (e.g., female-headed households, elderly people, people with disabilities, etc) who are at high risk or most affected by hazards.

Registration on a Set Date

Beneficiaries are registered at a designated time and place and communicated with in advance. Registration involves collecting personal information using data collection applications (such as KoBo or Access RC) from the people selected to receive assistance.

Duplication Checks and Validation

Digital tools are used to check on duplicate data for removal of duplicates and validation of the final data. They are then granted access to assistance by the Red Cross Red Crescent staff in the form suitable for the region (eg cash, prepaid cards, mobile money or through their bank accounts).

Encashment and Monitoring

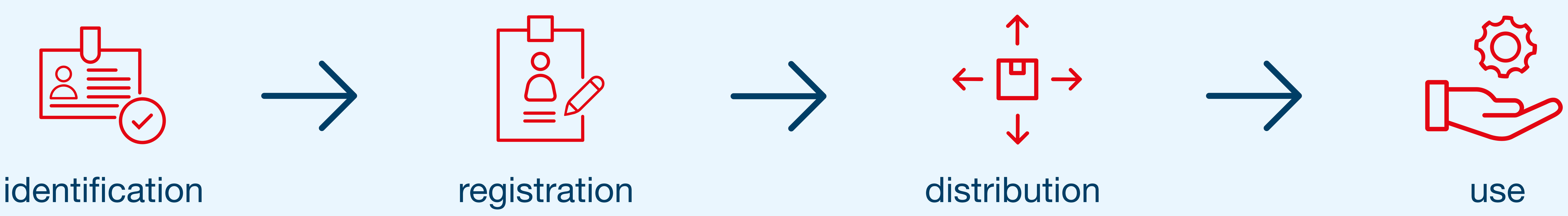
Financial and payment service providers are contracted to allow the beneficiaries to access the cash assistance through local, legally accepted financial transfer channels that adhere to KYC (Know Your Client) procedures. The Red Cross Red Crescent branch staff and volunteers monitor the encashment process as well as markets to ensure all beneficiaries have received cash and are able to spend without challenges.

Using the Cash Support

People purchase what they need most. In case of questions or issues, independent service hotlines are often available to help beneficiaries to call the Red Cross / Red Crescent and get assisted within the shortest possible time.

Financial Reconciliation

The finance team of the Red Cross/Red Crescent conduct financial reconciliation with the project team and the FSP to ensure all funds have been distributed to all beneficiaries and return of any funds not disbursed for any reason. To ensure seamless, water tight system with audit trails, digital service providers such as RedRose, 1-2-1 and EspoCRM, among others, are used to manage registration, deduplication, validation, distribution and reconciliation processes so that cash is distributed in a traceable and accountable manner.



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Examples of Successful Cash Assistance Projects

Whether flood, drought, heat wave, or winterization – CVA acts preventively and responds quickly when it matters most.

In Disaster Preparedness and Emergency Response

Cash assistance and digital technologies are increasingly used in the various phases of disaster risk management continuum in Anticipatory Actions, Response and Recovery in GRC humanitarian work.

As an Anticipatory Action

Not only after disasters, but also proactively: through forecast-based financing. For instance, when weather forecasts predict a critical risk of storm or flood, the GRC can provide anticipatory cash transfers allowing people in at-risk areas to prepare better to avoid harmful forecasted impacts.

Examples:

Lebanon and Iraq

Syrian and Iraqi refugees secured their basic needs with GRC cash assistance.

Ukraine

The GRC distributed grocery and pharmacy vouchers to internally displaced persons.

Philipines

After typhoons Haiyan and Melor, the GRC supported affected communities with cash. Farmers and fishers received start-up support to regain income sources.

Pakistan

Earthquake-affected families used financial aid to buy essentials like food, medicine, clothing, school supplies, and building materials.

Somalia

People suffering from drought and displacement received cash to purchase food and water and rebuild their destroyed livelihoods.

Bangladesch and Sudan

Not only after disasters, but also as an anticipatory measure, cash assistance can be used: for example, when weather forecasts indicate a critical risk of impending storms or floods, the German Red Cross provides anticipatory humanitarian aid through cash assistance, enabling people in at-risk regions to take actions that could prevent or mitigate predicted impacts.

storm flood earthquake

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CVA in Response – Project Example Sudan

Cash assistance empowers people to cope with humanitarian crises independently.

Project Example: GRC Cash Assistance in Sudan

The consequences of multiple crisis of armed conflict, water scarcity, chronic poverty, and food insecurity have left many vulnerable families in Sudan in dire need of humanitarian assistance. Over 8 million people have fled their homes and sought refuge elsewhere in the country or in neighboring countries. Around 25 million people are in need of humanitarian assistance.

In 2024, a total of 6,138 particularly vulnerable households in four states (Northern State, Gedaref, Kassala, Blue Nile) received cash assistance of €150 to €200 per family.
Surveys among recipient households show that the money is mainly used for food and medical care as the most pressing needs.

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Impact, Dignity, Transformation – CVA & Social Protection as the Future of Humanitarian Work

CVA is more than just an alternative – it is a central pillar of modern humanitarian aid.

Strategic Focus Areas:

- **Capacity Building** through training, workshops & expert teams
- **Quality Assurance** via technical advice & innovative application of CVA in livelihoods, health, WASH, and shelter
- **Networking & Partnerships** with donors, state governments, social protection systems, NGOs & private sector actors
- **Sustainability & Climate Action** through less transport & storage and promotion of digital payouts and integration of climate smart programming
- **Digital Transformation,** ensuring inclusive and secure access to digital CVA solutions
- **Institutional Anchoring** through centralized resources on the GRC CVA/SP portal

Economic Effects of CVA and SP:

Economic multiplier effects can double donor money’s impact

The additional economic activity can help create jobs and stimulate consumption for the entire community

The extra money is often invested in livelihood productive assets

There are no lasting inflationary impacts on the economy

Our Vision:

A humanitarian system that combines self-determined aid, social protection, and climate- and digitally-just solutions – for greater impact. With dignity. For transformation.

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