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## Module 5: Implementation

### **5.1 Develop an operational plan**

The operational plan helps the implementing team to identify what they want to achieve for the beneficiaries, and how they want to make it happen. It is based upon the programmatic objectives, the modality decision by management, the delivery mechanism selected (if known at this stage), the findings of the assessments and analyses in addition to the risk mitigation measures identified. The operational plan sets priorities and provides a roadmap to keep the team on track with the expected results; it defines the overall strategy, specific objectives, field structure of the operation, and helps to align the implementation team in achieving their goals.

The operational plan is the first step in setting up implementation, but keep in mind that it is just a plan and will not perfectly predict exactly how a project will be implemented; it is not a linear process. Unforeseen events and circumstances as well as updated analysis and information from the MEAL team will trigger adjustments in the implementation. Therefore, the operational plan should be reviewed and adjusted as needed.

The final operational plan should be shared with internal and external stakeholders to ensure that all are working with the most complete and final version.

[Example Template: Operational Plan](#)

### **5.2 Service providers: Formalizing the Agreement**

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Part of preparing to use CBI is creating agreements, including long-term agreements (LTA), with selected service providers. Please ensure coordination with the Manila Supply Chain Unit (MSCU) and the Supply Chain Division when needed. When working with service providers or implementing partners, they should follow the IOM data protection principles if receiving beneficiary personal data or collecting personal data on behalf of IOM or in connection with the activity. When contracting a service provider to transfer money to beneficiaries, it is also possible to obtain insurance (or security) over the cash to be transferred to the service provider for coverage against loss.

**Piggybacking on agreements of other UN agencies:** Using existing LTA or service agreement of other UN agencies is recommended to reduce costs and time, and to benefit from preferential rates already negotiated.

- The procedure to piggyback from an LTA or service agreement should be the following:
- The requesting agency (the inquirer) gets in touch with the agency holding the agreement (the holder) asking for approval to negotiate with the supplier based on the clauses of this agreement and requesting a copy.
- After approval, the holder must fill out the [LTA Information Sheet](#) and have it signed by delegated authority (in IOM the Head MSCU in Manila). After it is signed, this document is sent to the inquirer who must also sign it on behalf of this organization.
- After complying with this formality, usually the holder sends a note to the supplier informing that the inquirer agency will make use of the contract based on the piggybacking clause. There is no standard format but a [sample](#) is available for reference.
- The inquirer should contact the supplier with reference to the note sent by the holder and begin negotiations, which may result in an LTA or service agreement.

#### [Collaborative procurement and best practices on piggybacking on existing UN agreements](#)

**Contracts with an ICT component:** Any projects with ICT components related to software, ICT consulting, website/applications development, or similar professional services above 40 per cent of the total project budget or above USD 250,000 in procurement contract value, whichever is lower, require review by the ICT Division. Such requests must be processed via ICTApprovals@iom.int as early as possible within the project and procurement planning process.

**ICT Approval when working with FSPs, for example:** Remember to share all relevant supporting documents with ICT, including the agreement with the service provider and all annexes, once the service provider has been selected. ICT would review an FSP proposal in which the FSP must describe how they would "take all reasonable/necessary technological precautions to safekeep the data including, but not limited to, backup, virus protection, intrusion prevention, and data encryption in transit and at rest."

IOM may use the electronic platform of the financial service provider to do payments, check balances or add beneficiaries' data. For this reason, it is required from the procurement side to obtain the approval from ICT before signing an agreement.

The ICT approval code is required in cases **when IOM is directly purchasing a software or licence** to be used internally, for which the technical assessment of ICT is needed to ensure that the system adapts to IOM standards and regulations.



**Caution:** If you have an ICT system or platform, **ICT approval is required**. Once you have identified your FSP, launch this process as soon as possible; it **will take time!**

Once a project is reviewed by ICT and assigned an ICT review number, no further ICT review is required on procurement transactions that were within the scope of the ICT review, provided that there are no changes in the ICT components within the project (design, technology, etc.). If no prior review has been provided by ICT at the project level, ICT will review the transactions within the standard Manila Supply Chain Unit (MSCU) review process as appropriate.

Below is a checklist that explains the steps to follow when finalizing the selection and engagement of service providers. Ideally, this should be done **before** a programme is implemented to ensure CBI can be delivered in a timely fashion.

**The procedure to obtain the ICT approval code is simple:**

1. Send an email to ICT Approvals [ictapprovals@iom.int](mailto:ictapprovals@iom.int) requiring the approval code. Supporting documents such as project documents and technical specifications of the platform should be attached.
2. ICT will assign a reviewer to assign the ICT approval code.
3. ICT approval code is granted.

Relevant documents:

- [IN/267: Financial Management Rules and Procedures \(FMRP\)](#): Section E.1.05 Intangible (fixed) assets. This relates to the approval of ICT when IOM purchases software and licenses, since this should be centralized via IT Procurement.
- [IN/88: ICT Standards and Guidelines](#).
- [IN/123: ICT Policies and Guidelines](#).
- [IN/284: Changes to Procurement Implementing Partners Selection and Related Contracting Procedures](#).

### 5.3 Develop Project-level Standard Operating Procedures (SOP)

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A standard operating procedure (SOP) is a set of step-by-step instructions created to help IOM staff members carry out a CBI and should outline the roles per person or per unit for each task. Project-level SOPs can only be established once the FSP is contracted, the delivery mechanism is selected and there is agreement on how the payment cycle will operate.

SOPs describe the programmatic objective and/or purpose of the intervention and its details. They will also describe the assistance conditionality (with rationale), selected modality (with rationale) and refer to supporting assessments used to make these decisions. SOPs for CBI will specifically explain the transfer value, how it was calculated and the frequency of transfers, with a brief justification, alongside the delivery mechanism and any restrictions. **While IOM has organization-level SOPs, each project will require its own set of SOPs.**

In case the SOPs cover several projects requiring different designs, split this section into several subsections, each explaining the design of the CBI for a specific project. For example:

- Subsection 1 will be Project A, funded by donor X, and is about Cash-for-Work to rehabilitate communal WASH facilities, so it is conditional but not restricted and the money is transferred to the beneficiaries through the post office. More details needed.
- Subsection 2 will be Project B, funded by donor Y, and is about multipurpose cash assistance that is unconditional and not restricted and the money is transferred to the beneficiaries through a money transfer agency. More details needed.

[Template CBI SOP Examples of partial and full project-level SOPs](#)

### 5.3.1 Internal Coordination

During the set-up phase, internal coordination for each step should be outlined in roles and responsibilities between staff members, offices (country, regional and Headquarters, if applicable) and with service providers or implementing partners. Established responsible parties should be identified in the SOPs under each task.

## 5.4 Develop a Complaint and Feedback Mechanism

The ultimate objective of a Complaint and Feedback Mechanism (CFM) is to be accountable to beneficiaries. A CFM is a set of procedures that provides a channel for affected populations to communicate with IOM and ensures that IOM can respond and/or adapt interventions to any issues and suggestions arising.

CFMs can be individual mechanisms or systems that are set up jointly between other implementing organizations and IOM (if it is a joint effort). The important thing is that beneficiaries have a place where they can provide feedback that is secure, safe, and where complaints are addressed in a timely manner. Ensure communities understand their rights within CBI and make CFMs accessible to all, including women, minorities, persons with disabilities and others.

**All IOM CBI should establish ways of receiving feedback and complaints** from affected populations in order to ensure that issues are heard, acted upon and reported back throughout the implementation of interventions. Thereby ensuring accountability in the provision of assistance.

[IN285 IOM AAP Framework](#)

**Figure 10: Organization and Project-level SOPs**

	Organizational-level	Project-level
Definition	Strategic-level documents in establishing procedures for the design and implementation of CBI	Tactical-level documents, addressing specific steps designed for specific projects
Facilitates	Planning and implementation	Execution of specific tasks
Developed in line with	Organizational mandate Organizational policies (e.g. compliance, procurement) Resources available to the agency	Organizational-level SOPs Resources available to execute Contracts negotiated with service providers and implementing partners
Roles and responsibilities broken down by	Function: Finance, supply chain, IT, etc. Management Level: Senior management, team managers, officers, etc. Office: Headquarters, regional, country and field	<i>All listed in the organization-level, plus:</i> <b>Organization:</b> The agency, partners and suppliers <b>Individual:</b> The specific person or position performing a task (segregation of duties)
Content defined by	Primarily by Headquarters/organizational senior management	Primarily by country teams/implementation teams

Adapted from the e-learning module “[Core CVA skills for Supply chain, Finance and ICT staff](#)”, developed by the Fritz Institute and the CALP Network, in collaboration with the International Rescue Committee.



**Protection:** Ensure gender balance with teams managing CFMs as that is a big factor in making it inclusive and accessible. In some communities, they may not be willing to share confidential complaints to male staff. Depending on the context, consider a women-centred CFM.

### 5.4.1 Components of complaint and feedback mechanism

It is key to set up a mechanism that offers a variety of channels for complaint and feedback and that is accessible to all beneficiaries, as well as non-beneficiaries. Feedback mechanisms can be confidential or not confidential. They can also be formal or informal. Feedback can be provided in multiple ways, such as in writing, verbally, or during a phone call.<sup>14</sup>

Ensuring that beneficiaries and non-beneficiaries are aware of the existence of such feedback mechanisms is insufficient. **They should also know how to access them and feel both safe and confident in doing so.** The mechanisms established can be different depending on the size and types of the programme. In order to establish and activate feedback mechanisms, teams need to:

- Define purpose, expected uses and needs of the mechanism.
- Method(s) for collecting, recording and sorting feedback.
- Method(s) for follow-up, implementing corrective actions and responding to the feedback received.
- Methods to analyze and report on the feedback received and actions taken as a result of the feedback.

**Table 9: Do's and Don'ts of Complaint and Feedback Mechanisms**

Do	Don't
Raise community awareness of their right to make reasonable feedback and complaints, and to receive a response within a certain timeframe. Specifically raise community awareness on Prevention of Sexual Exploitation and Abuse (PSEA). Please refer to the <a href="#">IOM PSEAH Country Office Toolkit and Checklist</a> or contact <a href="mailto:psea-sh@iom.int">psea-sh@iom.int</a> for more information.	Establish feedback or complaints systems that are difficult to access by vulnerable groups or that can be manipulated by elite people.
Ensure programmatic, safe and accessible CFMs are established within IOM operations, capable of handling sensitive complaints such as SEA.	Fail to follow-up and act on feedback and complaints. <sup>16</sup>
Sensitize communities on the standards of behaviour they should expect from IOM personnel.	Forget to close the feedback loop – have you reported back to communities?
Ensure community awareness of their right to complain to IOM on serious issues, such as	It is advised not to document cases of GBV.

Do	Don't
<p>sexual abuse, fraud or other serious complaints, including through the “<a href="#">We Are All In</a>” reporting platform or through <a href="mailto:OIGintake@iom.int">OIGintake@iom.int</a>.<sup>15</sup> If the community does not have access to this, local alternatives should be used, herein in coordination with GBV actors for cases of sexual abuse.</p> <p>Make sure staff are well trained to handle complaints and know what to do when they receive feedback. Staff should also have referral pathways handy from the Protection partners. Ensure staff are aware of their duty to report, via “<a href="#">We Are All In</a>” reporting platform or through <a href="mailto:OIGintake@iom.int">OIGintake@iom.int</a>, any breach of the organization’s rules and regulations.</p> <p>Respond to complaints in a timely manner.</p> <p>Document complaints and feedback.</p> <p>Help develop an internal learning culture, where feedback and complaints are welcomed and not feared by staff.</p> <p>Use feedback and complaints information to improve programme impact.</p>	

Adapted from CARE’s “[Guidance for creating and managing effective feedback and accountability mechanisms](#)”.

Best AAP practice dictates that the community should be consulted in the development of the CFMs. In this regard, any community consultation should be representative of diverse and marginalized groups, as they may have different answers on how they wish to make a complaint.

Accessibility and user-friendliness of the feedback and complaint mechanism for all genders, especially marginalised groups who might face barriers to access CFM, should be considered. For example, a female beneficiary may not have access to a mobile phone to call a hotline. The feedback and complaints, as well as information on how they were resolved, should all be logged in a secure and centralized database.

During distribution, it is a good practice to set up a complaint desk at the distribution site in a location where people can access it safely and confidentially. If this is not possible, it can suffice to share information on how to contact existing CFMs, by giving contact details, location and opening hours and sharing information materials on how to contact the “[We Are All In](#)” reporting platform to report issues of misconduct.<sup>17</sup>



The ultimate objective of a Complaint and Feedback Mechanism (CFM) is to be accountable to beneficiaries. A CFM is a set of procedures that provides a channel for affected populations to communicate with IOM and ensures that IOM can respond and/or adapt interventions to any issues and suggestions arising.

CFMs can be individual mechanisms or systems that are set up jointly between other implementing organizations and IOM (if it is a joint effort). The important thing is that beneficiaries have a place where they can provide feedback that is secure, safe, and where complaints are addressed in a timely manner. Ensure communities understand their rights within CBI and make CFMs accessible to all, including women, minorities, persons with disabilities and others.

**All IOM CBI should establish ways of receiving feedback and complaints** from affected populations in order to ensure that issues are heard, acted upon and reported back throughout the implementation of interventions. Thereby ensuring accountability in the provision of assistance.

[IN285 IOM AAP Framework](#)

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	Organizational-level	Project-level
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Roles and responsibilities broken down by	Function: Finance, supply chain, IT, etc. Management Level: Senior management, team managers, officers, etc. Office: Headquarters, regional, country and field	<i>All listed in the organization-level, plus:</i> Organization: The agency, partners and suppliers Individual: The specific person or position performing a task (segregation of duties)
Content defined by	Primarily by Headquarters/organizational senior management	Primarily by country teams/implementation teams



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Adapted from the e-learning module “[Core CVA skills for Supply chain, Finance and ICT staff](#)”, developed by the Fritz Institute and the CALP Network, in collaboration with the International Rescue Committee.



**Protection:** Ensure gender balance with teams managing CFMs as that is a big factor in making it inclusive and accessible. In some communities, they may not be willing to share confidential complaints to male staff. Depending on the context, consider a women-centred CFM.

## 5.4.2 Select and develop key communication messages for target audience

During beneficiary sensitization, it is recommended to conduct unique sessions on the function of the delivery mechanism and the redemption process. This is to ensure that beneficiaries understand well how they can access the value transferred.<sup>18</sup> In sensitization material, it is also important to include key messages that make it clear that nothing is expected in exchange for assistance. Please refer to the [IOM PSEAH Country Office Toolkit and Checklist](#) for examples of key messages for different contexts.

Sensitization activities need to consider socio-cultural norms. In certain contexts, it can be necessary to conduct sessions split between the sexes, e.g. one male and one female. Also consider age, disabilities and literacy as determinants of the design of sensitization activities. Lastly, certain contexts will enable IOM to sensitize beneficiaries at a household-level with the support of technology, e.g. telephones. Notification and communication with beneficiaries can also be included as an action prior to disbursement. A more targeted notification coordinated with the timing of the disbursement is a best practice to consider in terms of information sharing and ensuring access to assistance.

In the case of voucher and restricted modalities or delivery mechanisms, you will also need to provide training and/or sensitization to vendors participating in the project.

<sup>14</sup> More detailed guidance is provided in the [IOM AAP Toolkit: Complaint & Feedback Mechanism](#).

<sup>15</sup> When necessary and applicable, OIG will refer programmatic complaints to the appropriate unit. Sensitization efforts should seek to clarify what complaints may amount to misconduct and what may be considered programmatic feedback.

<sup>16</sup> Only the Office of the Inspector General has the right to conduct investigations. Reports of possible misconduct, herein sexual exploitation and abuse, harassment, fraud and corruption and misuse of resources, should be reported on [weareallin.iom.int](#).

<sup>17</sup> The Gender Coordination Unit has developed “We Are All In” promotional materials, such as posters, which can be displayed by Missions in locations of direct interaction between IOM personnel and beneficiaries.

<sup>18</sup> For more generic and detailed guidance on information sharing, consult the IOM AAP Toolkit: Information Sharing and Transparency.

## 5.5 Registration

### 5.5.1 Identification and authentication

In most situations where people are displaced due to conflict or any other emergency situation, many persons do not have any identification documents (ID). If available, use other governmental IDs, such as passports, family books or driving licences. If none of those are available, you can create and use an IOM identification form, which could be a temporary identification card with a unique identification number, stamp, QR code or serial number and if possible, with a photo. This could be done in cooperation with the community and their leaders, who will assist in the identification of the individuals and verification of their ID and personal information. Please note that before starting to issue any kind of ID, you will need to make sure the authorities will not have a problem with that, and where possible, try to link this initiative with any similar ongoing governmental initiative to provide ID to the displaced population (this will, of course, depend on the context). As an example, when no identification is available, IOM Ethiopia coordinates with the government, sets up local committees with community leaders to verify the beneficiaries and register and issue a stamped identification coupon to the beneficiaries before distributions.

In other contexts, IOM encourages the issuance of community-based identification systems where the community leaders issue a temporary ID card to each displaced family (the form could be prepared and provided by IOM but signed by the community leader).

**Table 10: Advantages and Disadvantages of Different Forms of Beneficiary Identification**

Identification	Advantages	Disadvantages
Government-issued ID	<p>Most commonly accepted form of ID by FSPs</p> <p>Uses existing local ID systems (rather than creating a parallel system)</p> <p>Often includes a clear unique identifier code (although this is not the case in every national system)</p>	<p>May not be available, particularly after acute emergencies</p> <p>In some areas, vulnerable populations are less likely to have national ID cards</p> <p>Does not always contain verifiable biometric information</p>

Identification	Advantages	Disadvantages
Other Organization or Intervention participation ID	<p>Can be faster than issuing your own programme IDs</p> <p>Avoids cost and energy to create duplicate ID cards</p> <p>May have coverage that aligns with your participation criteria (geographic, vulnerability)</p>	<p>Unlikely to meet Know Your Customer (KYC) requirements for opening an account</p> <p>Unlikely all programme participants possess this alternate ID card</p> <p>May doubt the quality of authentication and verification performed by organization issuing the ID card</p>
A unique programme ID card created by IOM (e.g. smart card, participant card)	<p>Can be used for multiple distributions if no other ID is available</p> <p>Can be issued to populations lacking national or another programme ID</p> <p>Consider this: If your programme participants are to be linked to other programmes, try to have the programmes use the same unique identifiers</p>	<p>Unlikely to meet KYC requirements for opening an account</p> <p>Costs associated with card design and printing</p> <p>Consider this: Although this can increase the amount of time and money it takes to print cards, it is advisable to print the ID cards outside the intervention area to reduce the risk of fraudulent card production</p>
Letter from local authority confirming identity	<p>Enables rapid distribution in conflict/natural disaster settings (avoids card printing and distribution time and enables rapid group identification)</p> <p>Allows populations without formal IDs to participate</p> <p>Better for blanket/one-off distributions than multiple/targeted distributions</p>	<p>Does not meet KYC requirements</p> <p>Difficult to use in repeat/ongoing interventions</p> <p>Relies on the integrity of community leaders and cross-checks</p> <p>Slower verification process</p> <p>Does not provide a unique identifier</p>

[Registration Tip Sheet](#) from the [Electronic Cash Transfer Learning Action Network](#).

Where the use of technology is possible, IOM registration documents could be created through an ODK or KOBO application installed on IOM staff tablets. The staff would take the tablets, go to the field, meet the displaced populations, and following the identification process and verification of personal information with the community leaders, they would take all the information on their tablet, even take a photo or a fingerprint through a small fingerprint reading device (for example, the Iraq

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team have purchased several of those for around USD 100 each). Then, once back in the office with an internet connection, all this information is uploaded to the server. Please ensure that any information logged on KOBO is saved offline and to IOM services and not stored online. Please note that biometric data, including fingerprints, are of increased sensitivity as biometric data cannot be changed, therefore, care should be taken to comply with the IOM Policy on Biometrics. Current guidelines advise against using KOBO for registration of personal information.

You can also explore several service providers that offer cloud-based online or offline platforms such as RedRose, LMMS, Mastercard Aid or Segovia. However, alternative identification methods need to be agreed upon with the Financial Service Providers as they need to recognize it as a valid ID and determine whether it fulfils Know Your Customer (KYC) requirements.

You can also benefit from joint interventions with other United Nations agencies with existing platforms. In this case, ICT should approve the use of these platforms in terms of data security and the joint intervention should be governed by some form of cooperation or contractual relationship. In the absence of formal ID, information may be derived from the practice of members of the Cash Working Group or other UN agencies. The determination on acceptance of an alternative ID will have to be clearly documented explaining the circumstances and factors considered in the decision.

When collecting information to register beneficiaries, **keep in mind data protection principles**, including defining the specific purpose, ensuring IOM has consent (the legal basis for processing of personal data) and that it is aligned with data minimization principles. Data minimization principles include collecting the minimum amount of data, sharing only with those who need it, and keeping data only as long as necessary. This strategy has clear privacy advantages: the less you have and the quicker you dispose of it; the less likely data can be inadvertently disclosed. Data minimization also has financial advantages: less time and money spent collecting unnecessary data, cleaning it up once collected, and storing and archiving excess data.

[ELAN Know Your Customer Tip-Sheet](#)

## 5.6 Distribution

### 5.6.1 Distribution Planning

The first step in planning for distributions is to map out the anticipated financial transfer flow chart. Visually depicting how funds and information (including documentation) move through the system(s) helps to identify the exact steps required to execute the transfers. Important: involve the country or regional office security during the distribution planning process to mitigate risks. Include protection

engagement in planning and any support on protection risk identification and mitigation, or ensure sectoral staff have good capacities to ensure adequate focus on protection risks faced by project participants and other community members.

During the mapping process, each movement should be checked for traceability. If any steps are identified as not traceable, corrections will be required. Traceability is critical to meeting compliance requirements

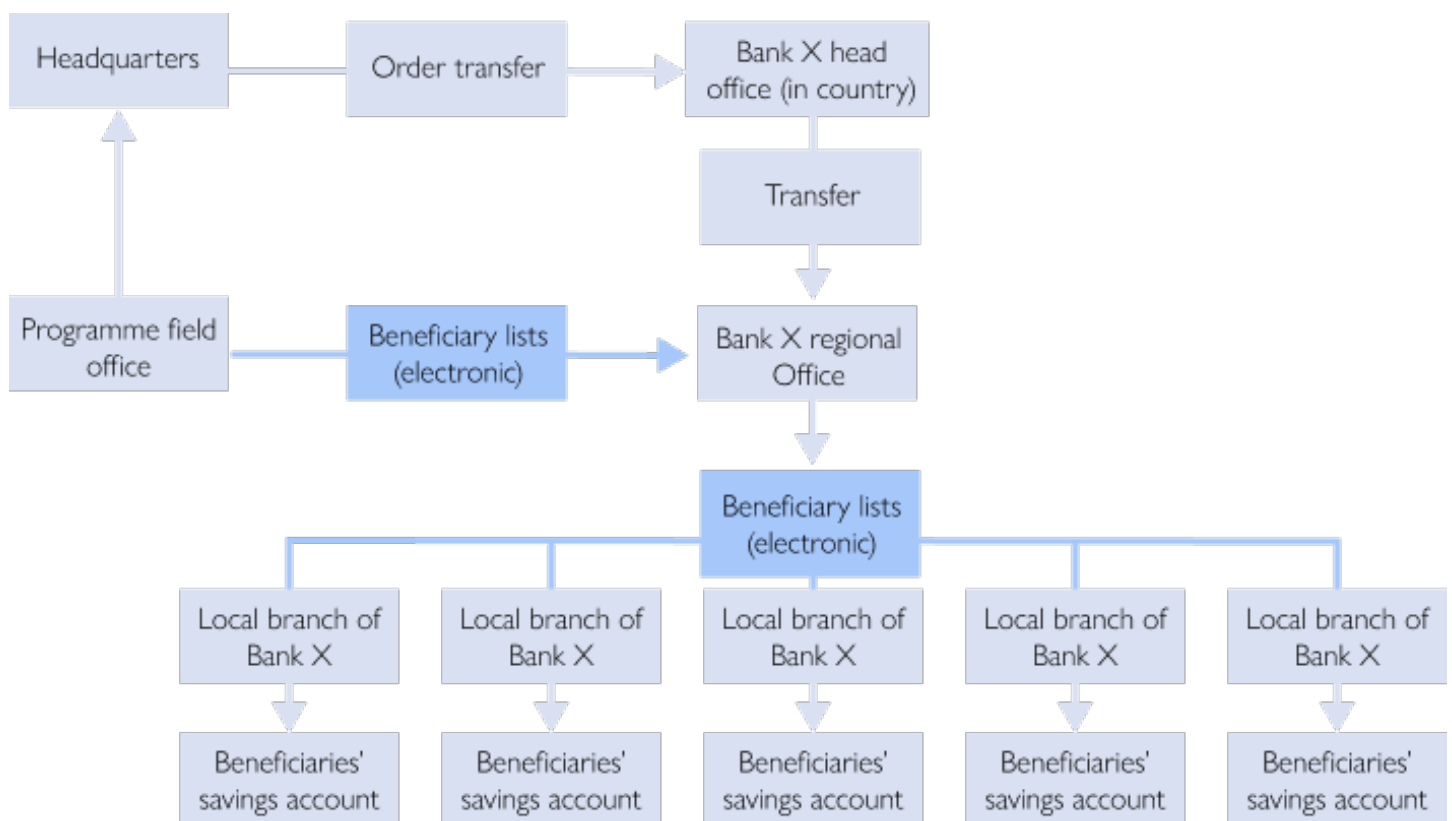
The transfer preparations will differ greatly depending on the delivery mechanism, division of responsibility between IOM and IP / FSP / Vendor, e.g. the use of voucher will require training vendors on the redemption process, verification, consolidation and payment.

**Note: It is recommended to avoid advance payments. Should advance payments have to be considered, please refer to the relevant provision of IN 284 (in particular articles 2.14 and 3.9 to 3.14).**

Depending on the delivery mechanism used and the division of responsibility between IOM and IP, consider adding a step that relates to the identification of disbursement area and the design of the disbursement process. The design needs to be protection sensitive and to consider the equitable access of all beneficiaries and the safety of staff. If disbursement is a primary responsibility of IOM, the SOPs need to also indicate training of staff on disbursement procedures.

The distribution or delivery of cash transfers or voucher assistance does not necessarily differ much from in-kind distributions. However, there are differences depending on the modality and delivery mechanism.

**Figure 11: Example of Financial Transfer Flow Map**



The International Red Cross and Red Crescent Movement's ["Guidelines for Cash transfer"](#)

### **Pre-Distribution training and communication**

Provide the field staff, including the FSP staff, with a general overview of the programme, in addition to giving a more detailed explanation of each actor's specific part. Ensure that all the involved parties understand their role and responsibilities in the distribution process. Ensure the training contemplates protection and disability inclusion issues so as to avoid doing harm to communities. If needed, train the beneficiaries on the payment mechanism.

While CBI is not riskier than other assistance modalities that help meet basic needs, there remains a significant power imbalance, and therefore risk of abuse or exploitation. As an example, there can be heightened risks of SEA with CBI when basic needs are unmet or insufficiently met, and there is the risk that sexual favours can be exchanged for cash. For this reason, staff are reminded of the mandatory PSEA training and the six micro-modules as refreshers on IOM's standards of conduct.

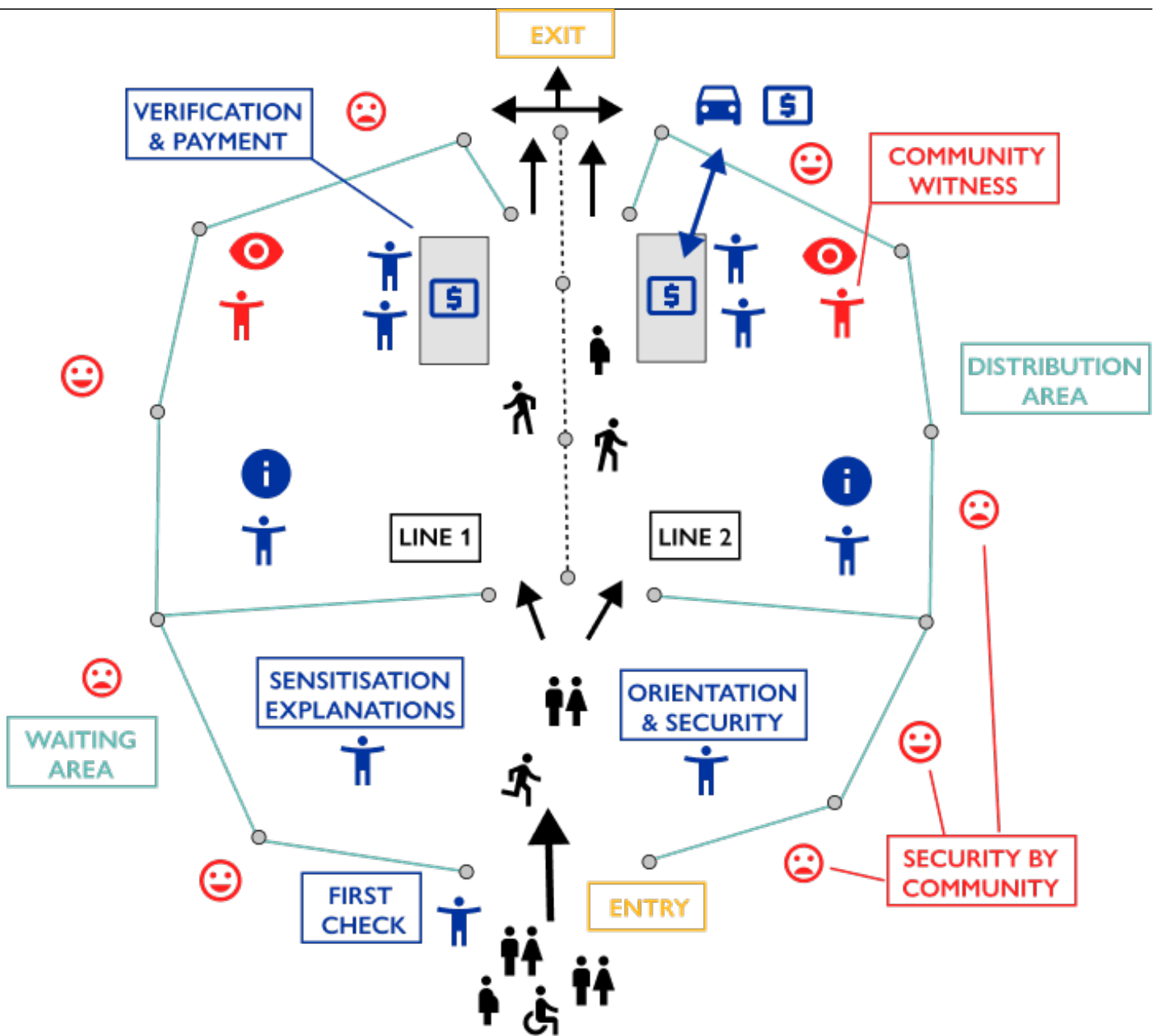
### **Pre-Distribution coordination and logistical considerations**

You will need to select and organize the distribution sites, which is best done in collaboration with the community and other stakeholders. Next, make arrangements for persons with disabilities or with other specific needs in terms of how they receive notifications, their transportation to the distribution site and the waiting time at the site. Also make arrangements to reduce security risks to beneficiaries, especially women, delivery agents and programme staff during all steps before, during, and after distributing cash or vouchers. For each distribution site, identify an evacuation route in case the distribution has to be interrupted and the staff evacuated from the site. In addition, make sure to reach an agreement with the FSP at this stage about how they are expected to handle reporting, including what information is required, in what format and at which frequency.


### **[Distribution Planning](#)**

The map following map shows a distribution site, with appropriate planning and process flow. Although operations would be responsible and accountable for distributions, it is important for support staff to understand how distributions work.

### **Figure 12: Example of on-site CBI Distribution Organization**



Example of a distribution, sourced from the e-learning module [“Core CTP Skills for Supply Chain, Finance, & ICT staff – Learning Materials Unit 5: Distribution Cycle & Monitoring”](#), developed by the Fritz Institute and the CALP Network, in collaboration with the International Rescue Committee.

 **Protection:** Consider setting up a space for children especially where it is anticipated that distribution will take some time.



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## 5.7 Encashment with Financial Service Providers

**Encashment is the process of cashing a check, money order, bond, note or another financial instrument.** In the digital age, it is important to know all the steps and be able to track the movement of funds, in order to reduce the risk of diversion. The encashment process begins with the initiation of the distribution cycle, and ends when the cycle has been reconciled, paid (if post factum), reported and closed.

### 5.7.1 Encashment planning and agent mobilization

Ask the FSP for a list of its agents, including their location and daily encashment capacity. Use this information to group beneficiaries that will access the various distribution points. At this stage, you should also plan the amount of the payments, the dates of distributions and type of beneficiary identification that will be required.



**Protection:** In some contexts, women have a distrust of FSP, and it would be useful to consider whether this is applicable in the context through assessments and analysis when determining what to use.

**Encashment is the process of cashing a check, money order, bond, note or another financial instrument.** In the digital age, it is important to know all the steps and be able to track the movement of funds, in order to reduce the risk of diversion. The encashment process begins with the initiation of the distribution cycle, and ends when the cycle has been reconciled, paid (if post factum), reported and closed.

### 5.7.2 Encashment implementation

First, organize to ensure the availability of funds, either IOM will provide the funds to the FSP or the FSP will initially use its internal funds, in accordance with the terms of the FSP Agreement. Second, make sure to notify the beneficiaries of the day and location of the cash distribution, as well as the identification they need to bring to access the payment. Third, you will order the cash transfer, which

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authorises the FSP to distribute the funds. After the funds are distributed, the FSP should provide regular reports on the status of the cash grants, following the agreed reporting format, such as what has been distributed, and what has been cashed out.

[Encashment Template](#)

## 5.8 Reconciliation

At the end of the programme, the Finance team will review the financial and related data collected throughout the programme and reflect the transactions accurately in the books of accounts. Once the CBI programme has been implemented, there are several important steps to verify the distribution process and proceed to reconciliation. This step is important, regardless of the division of labour between IOM and service providers. The reconciliation process will be different based on the delivery mechanism, restriction and conditionality of the intervention considered.

To close the financial cycle for cash assistance, the supporting evidence package will include duly signed Beneficiary Assistance and Consent Forms and the Cash Distribution Report wherein the beneficiaries, in one form or another depending on the delivery mechanism, signify having received the cash assistance. The beneficiaries do not need to present documentation of how they spent the cash.<sup>19</sup> The reconciliation process for voucher assistance will differ depending on the delivery mechanism while the reconciliation process for CBI through IP will include the review of cash and voucher assistance documentation and other costs incurred by the IP, in relation to an approved IP budget. For more information, please refer to the processes and documentation in [CBI Procurement Processes for different Delivery Mechanisms](#).

The transfers to beneficiaries must be complemented with a monitoring exercise. This is to verify the execution of the instruction provided to service providers or implementing partners.

<sup>19</sup> Whether the cash was spent for its intended purpose will have to be assessed as part of monitoring and evaluation activities, distinct from the financial reconciliation process. For more information, see [Section 6. Monitoring & Evaluation. Accountability, Learning & Reporting](#).

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## 5.9 Zoom on Vouchers

This section provides an overview of vouchers: both paper and e-vouchers. When using vouchers, you should be able to describe how the vendors are selected, including the selection criteria, the process, the IOM units involved in this process and mode of payment. In addition, relevant information on tax exemption, price fixing or range of flexibility, timing and frequency of payments, equipment and training provided, control mechanisms put in place to monitor the behaviour and performance of the vendors, anti-terrorism vetting, among others, need to be looked into. Do note that the vendor needs to be selected according to procurement rules based on transparent criteria (vendor location vis-à-vis project target area; shop space and dimensions in relation to beneficiary numbers; availability of commodities with respect to product variety and quality range; ability to meet demand; customer treatment; acceptance of IOM's terms and conditions) and undergo a restricted party screening, commonly termed as vetting, in order to mitigate the risk of inadvertently channelling funds to sanctioned groups/individuals.

1. **Select and train traders:** First, you will need to identify traders to participate in the programme (see section on [Voucher-related assessments](#)). Once they are identified and contracted, they will need to be trained on the programme. This will include explaining their role and how they will be reimbursed, including the documentation they will need in order to be reimbursed. It also includes training them on how to identify fake vouchers, check the beneficiary's authenticity, use of Point-of-Sale devices for e-vouchers, track any required monitoring information (such as the ratio of men to women who redeem the vouchers), and to treat beneficiaries respectfully. A vendor account in PRISM shall be created for all selected traders, duly supported by business registration and vendor ID.
2. **Prepare vouchers:** You will need to design vouchers with security features to avoid forgery. For paper vouchers, work with a trusted printer and add security features to reduce the risk of fraud. For e-vouchers, consider adding biometric information and select the technical features that are most appropriate, such as magnetic stripe, contactless or barcodes.
3. **Communicate with beneficiaries:** You will need to train the beneficiaries on how to use the paper or e-vouchers: explaining which goods they can purchase, at which shops, and over what period of time. Once the vouchers and vendors are set, you will need to notify beneficiaries of the time and location of the vouchers' distribution.
4. **Distribute vouchers:** To distribute vouchers, either follow IOM's distribution management procedures for in-kind goods or follow the same process as the one for distributing cash, as previously described, but keep in mind that the distribution of vouchers requires specific communication on their use and restrictions.
5. **Redeem vouchers:** Beneficiaries will redeem vouchers at the selected shops for goods and services. Vendors will verify the beneficiaries' details and voucher authenticity before accepting payment in vouchers and record the sales transaction as they would for usual credit sales.
6. **Monitor vendors and the use of vouchers:** Monitor that the vendors are providing the beneficiaries with the right quality and quantity of products, for example through ghost shopping. If required, add more vendors to the programme to ensure competition.
7. **Risk mitigation:** Consider potential risks and risk mitigation measures.
8. **Reimburse vendors:** The final step is reimbursing the vendors. At agreed time intervals, the

vendors shall present an invoice, duly supported by the redeemed vouchers to be reimbursed.

Another option, which is appropriate when there is a lack of available shops in the area being targeted, is to organize fairs with a specified time and place for beneficiaries to use their vouchers.

[IN/168 - Procurement Manual](#)



Sample of IOM voucher design, front side found in the "[Tips of designing a paper voucher](#)".



Sample of IOM voucher design, back side found in the "[Tips of designing a paper voucher](#)".

