MercyCorps

VOUCHER AND FAIR IMPLEMENTATION
guide

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PALM – Procurement, Administration & Logistics Management Team

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PR – Purchase Request

SOPs – Standard Operating Procedures

SRS – Simple Random Selection

TSU – Technical Support Unit

TERMINOLOGY

Commodity: A good (not service) that can be purchased from, or traded with, a vendor. Commodities can be both food and non-food items.

Market: The network/system of commerce and actors.

Marketplace: The physical location where vendors gather to sell goods or services to community members.

Vendor: A person who sells goods or services in the marketplace or community. The term can be used interchangeably with merchant, trader, or retailer. In this context, it may also include wholesalers.

Voucher: A paper or electronic coupon that can be exchanged for goods or services with pre-determined vendors.

Voucher Fairs: A temporary marketplace set up to bring vendors and program participants together. Program participants receive vouchers which they can exchange for goods or services with vendors during the fair.

VOUCHER PROGRAMS

Vouchers are a type of cash transfer programming (CTP). Typically, they are used when an agency has concerns regarding the distribution of cash (i.e., security, diversion, corruption, liquidity, etc.); in areas that lack functioning formal or informal financial institutions; or when an agency has reasons to restrict or direct program participants' purchase of goods or services (i.e., to ensure a nutritionally-balanced diet). Voucher programs can reduce flexibility for program participants by limiting the vendors they can visit, the types of goods/services they can purchase, and the timeframe in which they can make purchases. For this reason, they should be implemented only with clear justification.

There are three primary voucher types: **cash vouchers, restricted cash vouchers**,[1] and **commodity vouchers**. Cash vouchers allow the purchase of any good or service offered by the participating vendor up to the amount listed on the voucher (e.g., any goods up to the voucher value of USD 25). Restricted cash vouchers allow program participants to purchase a combination of commodities or services listed on the voucher, up to the amount of that voucher (e.g., choose between any combination of rice, lentils, and cooking oil, with the total not to exceed USD 25).

Finally, commodity vouchers are the most restrictive type of voucher, limiting participants' purchases to the specific goods or services listed on the voucher in the exact quantity specified (e.g., 5 kilos of rice). For additional information on vouchers, please see Chapter 1: Cash Transfer Programming Basics in the CTP Methodology Guide and Activity C: Determining the Voucher Type, Amount and Disbursement Mechanism/Provider later in this Guide.

Voucher fairs can be used within a voucher program to provide a common location to exchange vouchers. See the Fair Implementation Section below for additional information.

Should You Use Vouchers in a Short Program?

Voucher programs are cumbersome to set up and administratively burdensome for Mercy Corps and participating vendors. For short programs (less than six months), voucher programs are not ideal. Since voucher distributions must end a minimum of 30 days prior to the program's end date, a four-month voucher program may only have time for one or two rounds of distributions. If your program is under six months, consider cash transfers instead.

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1   Mercy Corps has adopted the term "restricted cash vouchers" to refer to this hybrid between cash and commodity vouchers. It is not an industry standard.

HOW TO USE THE VOUCHER AND FAIR IMPLEMENTATION GUIDE

Please read the Cash Transfer Programming Methodology Guide[2] before using this Implementation Guide; it lays out the rationale and best practice for all CTP types, including vouchers. It also covers basic program identification and design issues.

If you are reading the Voucher and Fair Implementation Guide (Voucher Guide), we assume you are familiar with the preconditions for CTP and the advantages and disadvantages of voucher programs. As such, the Voucher Guide is written for the active design and implementation of cash, restricted cash, and commodity voucher programs and/or fairs. It is a supplement to the CTP Methodology Guide and will be difficult to use as a standalone document.[3] If you are considering distributing vouchers through an electronic mechanism (i.e., using e-transfers), please use this guide in partnership with the E-transfer Implementation Guide.[4]

Implementation Guide Structure

The Voucher Guide is divided by relevant **activity**. Activities in the Voucher Implementation section are lettered (A-J) and activities in the Fair Implementation section are numbered (1-9). **All activities are presented in a logical order, but not necessarily a chronological one**. Depending upon your particular context, you may choose to start with a different activity or run various activities simultaneously. Below, we provide a process diagram to demonstrate how these activities may be linked together in a program. Please use this and the Example Workplan (Annex 1) as general guidance and adjust as appropriate.

Implementation Guide Tools

Tools and templates relevant to each activity are referenced within that section and collected in a final checklist at the end of each activity. Each tool and template workbook contains instructions about how/when to use the tool, who is responsible for completing it, and where it should be filed. Annex 39: Combined Checklists is a compilation of all the checklists in an easy-to-print format. Please remember that tools provided here should be used in partnership with any program management documents required by Mercy Corps' Program Management Manual.[5]

Rather than create a separate activity devoted exclusively to monitoring and evaluation (M&E), we have integrated relevant M&E activities into each activity. (For example, Activity C: Selecting the Voucher Type & Amount includes a section on conducting a baseline to establish market prices as well as a link to a Market Price Survey template.)

Flowcharts and Tip Sheets

We have created three flowcharts to illustrate particularly complex processes in voucher programs. You will find the Voucher Intake Flowchart; Voucher Release, Return, and Disposal Flowchart; and the Voucher Reimbursement Flowchart in Annex 37: Flowcharts.

Annex 38 houses the Tip Sheet on Budgeting for Voucher Programs.

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2   The Cash Transfer Programming (CTP) Methodology Guide, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/CTP1MethodologyGuidewAnnexes.pdf

3   As an example, processes that apply to all CTP – such as program participant selection – are covered extensively in the CTP Methodology Guide and touched on only briefly here.

4   The E-transfer Implementation Guide, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/E-TransferGuide.pdf

5   The Program Management Manual, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/ProgramManagementManualPMM.pdf

VOUCHER IMPLEMENTATION

Process Diagram and Workplan

Program activities are not linear. They may be carried out before, after, or in partnership with other activities. It is difficult to capture this in a two dimensional document. We have tried to do so by breaking activities into discrete sections and providing a process diagram to show the various paths you could take to piece them together.

The Example Workplan (Annex 1) also demonstrates the ways in which program activities may be carried out simultaneously within your program timeline.

A **Foundation**
B **Participants**
C **Type/mechanism**
D **Vendors**

E **Design/printing**

F **Training**

G **Distribution**

H **Redemption**

I **Reimbursement**

J **End of program**

Yemen — Cassandra Nelson/Mercy Corps
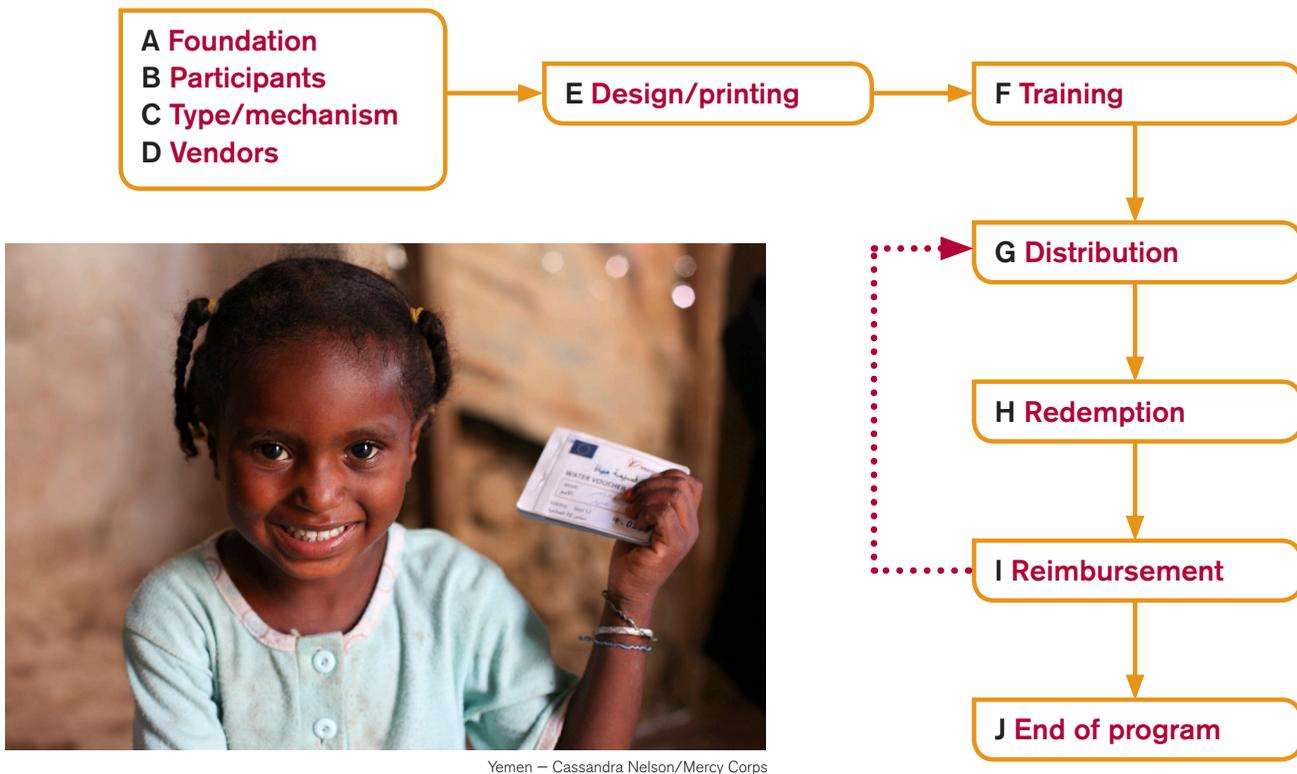
ACTIVITY A: LAYING THE FOUNDATION

The initial tasks listed below are critical for the success of your voucher program and are an essential part of your set-up process.

Document Standard Operating Procedures (SOPs)

Voucher programs are complex and require heavy involvement from Program, Finance, Operations, M&E teams and others. It is highly recommended to document standard operating procedures (SOPs) when implementing voucher programs. SOPs may cover an entire program — if the program is small — or only the steps of a program that require additional clarity.

Draft SOPs in partnership with all teams who will play a role in the program to create buy-in. This may take place during a formal kick-off meeting, once your program has been funded, or drafted prior and shared during that event. Sample SOPs can be found in Annex 9 of the E-Transfer Implementation Guide.[6]

Processes typically outlined in SOPs include:

- The communication plan (what information to pass to participants/vendors, when and how)
- The market price monitoring plan/procedures
- Vendor selection criteria and the selection process
- Any additional information that teams feel should be clarified.

Clarify the Roles and Responsibilities of Local Partners

If you are partnering with another organization to implement your voucher program, you will need to clarify roles and responsibilities of Mercy Corps' and the partner's team members. Typically, this is outlined in the partner's signed sub-award. Some voucher program activities that may be especially important to clarify are:

- Participant selection and verification
- Vendor selection
- Vouch distribution responsibilities
- Vendor reimbursement
- M&E activities (including Community Accountability and Reporting Mechanisms)

Establish Community Accountability and Reporting Mechanisms (CARMs)

Establishing mechanisms for sharing feedback and complaints is an essential component of managing any type of program and may bring to light issues lost in routine program monitoring. CARMs should be established as a first step of implementation to allow community members to provide feedback and raise concerns about all program activities. General guidance for establishing CARMs is provided in the CTP Methodology Guide. Mercy Corps' agency guidance for establishing CARMs can be found in Annex 2.

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6   The E-transfer Implementation Guide, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/E-TransferGuideAllAnnexes.pdf

Coordinate with Other Actors

Coordination with peer agencies, government representatives and others is an essential part of CTP implementation. It is particularly important when selecting target areas and program participants (to ensure all affected areas are covered); when setting the value of the voucher; in price monitoring (to share costs and increase range); and in procuring payment or voucher delivery mechanisms (since coordination can provide a better bargaining platform with service providers and ensure service providers can meet all demands.)

Oftentimes, Mercy Corps is one of a number of agencies implementing CTP in a particular country. Coordinating with other agencies to select target areas and program participants helps avoid duplication, so aid can be more effectively utilized. If, for example, three agencies are providing vouchers for agricultural tools, there may be little value in Mercy Corps offering the same vouchers in the same target area.

Coordination is also critical in setting the voucher amount, and an effective platform is the local Cash Working Group (if present), a coordination mechanism that usually accompanies the UN Cluster system. Coordinating voucher amounts does not necessarily mean that Mercy Corps must provide the exact amount of assistance as others. Rather, we need to be aware of the various transfer amounts and be ready to explain and justify to participants and donors why they differ.

Price monitoring can also be more effective when undertaken in coordination with other agencies, since agencies can pool resources and cover more markets consistently. Coordination can also allow agencies to cover more secondary information on markets/prices and supply chains, provided by groups such as FEWSNET, Food Security Monitoring Agency, National Statistics Bureau, and/or the Cash Working Group or Cluster.

Establish an M&E Plan

Mercy Corps' Program Management Manual (PMM)[7] provides general guidance on monitoring, evaluation and quality control and assurance. All programs should establish an overall M&E plan, based upon the information provided in the program's logical framework and proposal. The M&E plan is the key planning tool for project M&E efforts, providing details such as what will be collected, from whom, how often, etc.

To meet the program's key M&E requirements, the following M&E activities are typical in a voucher program:
- Baseline study
- Baseline market price survey
- Regular market price monitoring
- Voucher distribution monitoring
- Voucher redemption monitoring
- Post-distribution monitoring (PDM)
- Endline study
- Final evaluation

Monitoring for program quality and accountability may focus on:

- Whether the program met participants' needs
- Any burden experienced by participants in redeeming vouchers
- Any burden experienced by vendors in participating in the program
- Wait times, travel time, travel expenses
- Quantity/quality/availability of goods purchased
- Vendor's ability to restock and store the relevant goods

Monitoring for program impact may focus on:

- How the voucher was spent[8] (broken down by participants' age/sex)
- Female/male access to and control of the vouchers
- Change in coping strategies
- Change in income/expenditures/eating habits/livelihoods
- Impact on non-participants, if any
- Impact on markets

Together, these M&E activities are used to understand community satisfaction, program impact, quality and accountability, market impact and provide an early identification of problems. What each of these activities is measuring will vary according to your program's specific information needs. (Remember, the Design for Impact Guide – DIG[9] – is your one-stop-shop for program logic, outcomes, and agency-recommended indicators.)

ACTIVITY A: LAYING THE FOUNDATION Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Hold Kick-off Meeting	Example Workplan (Gantt Chart) – (Annex 1)	Program Finance Operations M&E Security
☐	Establish SOPs	Sample SOPs from E-transfer Guide	Program Finance Operations M&E

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8   Specific to cash and restricted cash vouchers only.
9   Design for Impact Guide, https://sites.google.com/a/mercycorps.org/design-for-impact-guide/

	Clarify roles and responsibilities with partners (if applicable)	Sub-award SOPs (optional)	Program Finance or Operations (if certain tasks are delegated to partners) Compliance (if drafting a sub-award or MOU) Partner(s)
	Establish CARMs	CARMs guidance (Annex 2)	Program M&E
	Establish M&E Plan	Standard MC Indicator Plan Template[10] DM&E Tip Sheet #12: Developing a Monitoring System[11]	Program M&E
	Attend coordination meetings (if applicable)		Program

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10   Standard Mercy Corps Indicator Plan Template, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/cgi-bin/library?a=q&r=1&hs=1&t=0&c=all&h =dtt&q=standard+indicator+plan+template

11   DM&E Tip Sheet #12, Developing a Monitoring System, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/cgi-bin/library?a=q&r=1&hs=1&t=0&c =all&h=dtt&q=dm%26e+tip+sheet+12

ACTIVITY B: IDENTIFYING AND REGISTERING PROGRAM PARTICIPANTS

Identifying Program Participants

Please see the CTP Methodology Guide for guidance on program participant identification, as well as exercises to verify participant lists. Sample Participant Selection Criteria[12] can be found in Annex 4 and a Program Participant Verification Form can be found in Annex 5.

Registering Program Participants

Once program participants have been selected and verified, collect details for each participant on the Participant Registration List (Annex 6). Participant verification and registration can be done simultaneously or during separate community visits.

The Program Participant Registration List may seem like a relatively basic form, but it is a critical document, linking voucher(s) to specific participants and tracking the movement of those vouchers through your program. To make them useful, registration lists must include certain features:

- Full name of the program participant, sex and age
- Identification (ID) type and number ID
- Contact information (preferably a phone number and house address/location of house)
- Confirmation that the participant meets program eligibility requirements (i.e., family size, lactating woman, etc.)
- Participant's signature/fingerprint
- Any participant-specific data related to your program's M&E or donor requirements.

Other optional, but recommended, features include:

- Family profile
- Status as head of household

> **! TIP: REGISTERING ALTERNATES**
>
> Certain program participants may be unable to attend every distribution event. If you anticipate this to be true for many of your participants, you may choose to register "alternates" for program participants. An alternate is not required to attend each distribution, s/he is simply allowed to in the even the program participant cannot.
>
> To register an alternate, collect the same information for alternates as required for all program participants and indicate which program participant the alternate is tied to. Keep in mind that if you allow alternates, you will likely increase the amount of information you are required to collect (to account for all the alternates' details) as well as your monitoring efforts (to verify only registered alternates are filling in.)

A master list of all program participants must exist. It is also recommended to create individual Participant Registration Lists specific to each distribution site to allow for easy referencing. (This is particularly true when you have many distribution sites and/or a large number of program participants.) Participants must sign or fingerprint[13] next to their details on the Registration List. In countries or communities where program participants are unlikely to have formal ID, the signature/fingerprint line serves as additional verification. If program participants are willing,

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12   If program participant selection criteria – or other pertinent program details – change significantly from the proposal or during implementation, the changes must be recorded in a Note to File (Annex 3).

13   For guidance on collecting signatures and fingerprints, see Annex E: Tip Sheet #1: Collecting Signatures/Fingerprints from Program Participants, in the CTP Methodology Guide.

you may also photograph each participant, linking a numbered file (e.g., jpg 001, jpg 002) next to their fingerprint as additional identification.

Since registration may be the first formal interaction program participants have with Mercy Corps, it can be an important opportunity to communicate key program details. Familiarize program participants with the program, its objectives and length; selection criteria and verification exercises; and the registration process. Also clarify with participants that they must be able to safely redeem vouchers with vendors and explain any additional efforts you are making to ensure their safety during program implementation (such as tailoring redemption times, choosing favorable distribution sites, etc.)

M&E: VERIFICATION OF PROGRAM PARTICIPANTS

Participant verification is carried out to confirm participants meet the program selection criteria. It is usually completed when participants are selected by someone other than a Mercy Corps team member (e.g., a community selection committee or implementing partner). Verification should take place with a representative sample of participants randomly selected from the community's or partner's list (Annex 5: Participant Verification Form.) For additional guidance, see the Monitoring, Evaluation, Research and Learning (MERL) team's Tip Sheet on Sampling[14] and Sample Size Calculator.[15]

BASELINE STUDY

A solid baseline study provides the basis by which results can be compared at the end of the program. Baselines are especially important for measuring outcome-level indicators (e.g. behavior change or use of skills over time, improved incomes, etc.) that help accomplish the program's goal. The M&E plan should include clarity on what will be measured (e.g. indicators) and the methods required for the baseline study. Since baseline data should be collected on indicators before the activities relevant to those indicators have begun, baselines are often conducted early in program implementation. See the DM&E Tip Sheet #5: Baselines[16] for further guidance.

	ACTIVITY B: IDENTIFYING AND REGISTERING PROGRAM PARTICIPANTS **Checklist & Tools/Templates**		
	Main Steps	**Tool/Template**	**Responsible**
☐	Select and confirm target geographies with other implementing agencies	Note to File (Annex 3) and written approval from donor if altered	Program Operations (Security)

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14   Tip Sheet on Sampling, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/cgi-bin/library?a=q&r=1&hs=1&t=0&c=all&h=dtt&q=tip+sheet+sampling
15   Sample Size Calculator, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/cgi-bin/library?e=q-000-00---0all--00-0-0--0prompt-10---4----dtt--0-1l--1-en-9999---20-mchome-sample+size+calculator--00031-011-0-0utfZz-8-00&a=d&c=all&cl=search&d=HASH0e8e49f43b0fca2b15ae6f
16   DM&E Tip Sheet #5: Baselines, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/DME%20Tip%20Sheet%205%20Baselines.pdf

☐	Determine participant selection criteria	Sample Participant Selection Criteria (Annex 4)	Program
☐	Conduct participant verification (if necessary)	Participant Verification Form (Annex 5)	Program M&E
☐	Register participants	Participant Registration List (Annex 6)	Program
☐	Reemphasize program details during registration		Program
☐	Create master Registration List; create separate Registration Lists by distribution site if necessary	Participant Registration List (Annex 6)	Program
☐	Conduct a baseline study	DM&E Tip Sheet #5: Baselines[17]	Program M&E

17   DM&E Tip Sheet #5: Baselines, https://mcdl.mercycorps.org/gsdl/docs/DME%20Tip%20Sheet%205%20Baselines.pdf

ACTIVITY C: DETERMINING THE VOUCHER TYPE, AMOUNT AND DISBURSEMENT MECHANISM/PROVIDER

Determining the Voucher Type

The type of voucher you choose will depend upon your program's objective. **Mercy Corps' preferred voucher type is cash vouchers**, since they maintain the most freedom of choice for program participants.

As defined earlier, **cash vouchers**[18] allow the purchase of any good or service offered by the participating vendor up to the amount listed on the voucher (e.g., any goods up to the voucher value of USD 25); they do, however, typically restrict purchase of "anti-social" goods. In contrast to other voucher types, cash vouchers maintain purchase flexibility for program participants, allowing participants to determine which items and quantities they wish to purchase.

Restricted cash vouchers[19] allow program participants to purchase a combination of commodities or services listed on the voucher, up to the amount of that voucher (e.g., choose between any combination of rice, lentils, and cooking oil, with the total not to exceed USD 25). Restricted cash vouchers can be used when an agency wants to increase participants' choice within a specific set of goods or services.

For the purpose of this Implementation Guide, **restricted cash vouchers follow the same implementation steps as cash vouchers**.[20]

Commodity vouchers are the most restrictive voucher type, limiting participants' purchases to the specific goods or services listed on the voucher in the exact quantity specified (e.g., 5 kilos of rice). Commodity vouchers are useful if a program wants to restrict or direct the goods/services participants purchase (e.g., to address malnutrition by ensuring a specific intake of high-caloric foods). Commodity vouchers may also be helpful in areas with highly fluctuating prices, since they allow Mercy Corps to absorb the costs of those fluctuations (within reason) by listing the goods/services for exchange rather than a value.
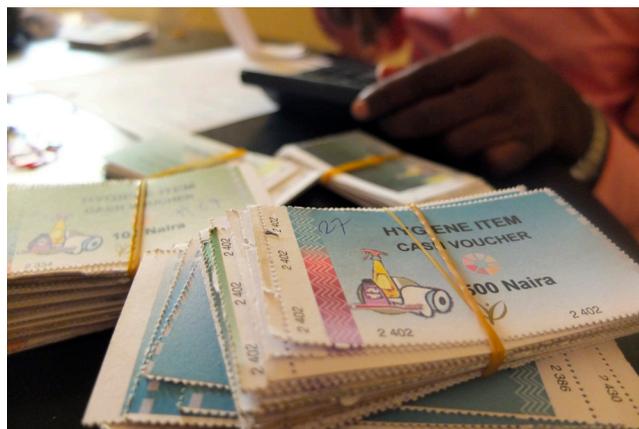
Nigeria — Mercy Corps

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18   Cash vouchers are also referred to as "value vouchers" and the terms are synonymous.
19   Mercy Corps has adopted the term "restricted cash vouchers" to refer to this hybrid between cash and commodity vouchers. It is not an industry standard.
20   If a USAID- or ECHO-funded commodity voucher or restricted cash voucher program includes agricultural commodities or pharmaceuticals, additional compliance considerations apply. Please review these voucher programs carefully during the concept or proposal stages with the Finance and Compliance Support Units in either Portland or Edinburgh.

CASH VOUCHERS	RESTRICTED CASH VOUCHERS	COMMODITY VOUCHERS
Advantages		
• Most flexible of the three voucher types; participants can tailor purchases to meet their specific needs. • Most closely mimics a competitive market because participants can negotiate prices/quality with vendors. • Prices do not need to be negotiated with vendors in advance.	• More flexibility than commodity vouchers. • Prices do not need to be negotiated with vendors in advance. • Purchases can be targeted (towards food, tools, seeds, etc.), but still allow participants choice.	• Purchases can be targeted (e.g., shelter materials, food with varied nutritional contents, livelihoods tools, etc.) • Allows agency to absorb the impact of price fluctuations. • Easy for vendors to anticipate which items to stock.
Disadvantages		
• In areas with severe price fluctuations, the value of voucher may "erode," requiring participants to absorb the difference or Mercy Corps to make frequent changes to voucher amounts. • Some vendors find detailing receipts of cash voucher purchases burdensome.	• Can be more confusing for vendors/participants than straight cash or commodity voucher programs. • Limits participant choice. • Requires additional resources for monitoring adherence to restrictions.	• Prices must be negotiated in advance with vendors. • Eliminates participant choice. • Requires additional resources for monitoring adherence to restrictions. • Can be difficult to find multiple vendors able to provide all voucher goods/services in sufficient quantities. • Vendor selection process can take longer than for other voucher types.
Suggestions for Use		
• When there are concerns with distributing cash (security, liquidity, diversion/anti-social uses). • To ensure maximum flexibility within a voucher program. • When identified needs are widely varied among selected population (such as basic needs).	• To maintain a degree of flexibility within a specific set of goods. • When there are concerns participants may not have control over the choice of items purchased. • When the program wants to support a more specific objective, such as agriculture restart.	• To direct program participants' purchases to specific items. • In contexts with frequent price fluctuations. • When the program has specific behavior change goals, such as maternal health.

Likely, the rationale for your voucher choice has already been explained in your concept note or proposal. (See the CTP decision tree in Chapter 2 of the CTP Methodology Guide for additional rationale.) If you have not chosen your voucher type – or you now need to change it – you must capture this decision and its rationale in a Note to File (Annex 3). Be aware that in some situations, altering the voucher type requires prior approval from the donor. Be sure to discuss the proposed change (and any impacts) with your Country Finance Director, Regional Finance Officer/International Finance Officer, and Regional Program Officer to determine if donor approval is required for your program. Make sure to also incorporate any changes into your SOPs.

Determine the Voucher Amount

The value of cash and restricted cash vouchers is based upon earlier assessments, such as your baseline assessment or rapid needs assessment, and a thorough understanding of household needs. Your program objective should drive the voucher amount: What need is the voucher intended to meet? What do you anticipate program participants purchasing? How much do these items/services cost? What are participants able to pay for on their own (e.g., what is the gap)? Additional information can be found in "Setting the Transfer Amount" in Chapter 2 of the CTP Methodology Guide.[21]

When setting the amount of a cash or restricted cash voucher, plan for seasonal and other anticipated price fluctuations. If your program will take place during one of these periods, consider increasing or decreasing the voucher amount to accommodate price fluctuations. Prices can be determined by reviewing secondary research (other assessments or, in some cases, national statistics bureaus) or by conducting a baseline market price survey (see the M&E section below).

Determine the Disbursement Mechanism and Provider

After determining/confirming your program's voucher type and amount, you need to decide how the voucher will be distributed to your program participants. This is called your disbursement mechanism. Vouchers can be distributed on paper or electronically (e-vouchers). E-vouchers may be distributed on a mobile phone, smartcard, ATM card, or other mobile device.[22] A general comparison of traditional vouchers and e-vouchers is captured in the table below.

DRC – Francesca Reinhardt/Mercy Corps

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21   https://mcdl.mercycorps.org/gsdl/docs/CTP1MethodologyGuidewAnnexes.pdf
22   See "Advantages and Disadvantages of E-transfers," Chapter 1 in the E-transfer Implementation Guide, for more information, https://mcdl.mercycorps.org/gsdl/docs/E-TransferGuideAllAnnexes.pdf

PAPER VOUCHERS	E-VOUCHERS
Advantages	
• First distribution can be conducted more quickly than e-vouchers. • Easy for illiterate/innumerate populations to use. • Currently less expensive to operate than e-vouchers.	• Once first distribution takes place, repeat distributions are easier to manage than paper vouchers. • Expenditure data is often more easily-accessed. • Vendor reimbursement process is simplified. • Transaction can be done without connectivity and uploaded later when connectivity is available (for some systems).
Disadvantages	
• Heavy administrative burden for vendors, Mercy Corps and partners. • Printing costs can be high. • Vouchers can be damaged (i.e. torn, stained, waterlogged, etc.), lost or stolen. • Voucher can be duplicated to commit fraud. • May require Mercy Corps to store large amounts of paper in the event of future audits.	• High cost, especially if program does not include multiple distributions to the same group. • Can be difficult for illiterate/innumerate participants to use (depending upon type of e-voucher product).

This Implementation Guide assumes you will be distributing vouchers printed on paper. If you believe an e-transfer mechanism may be more effective in your scenario – or have already decided to distribute vouchers through a mobile platform, smart card, or other e-transfer technology – please read the E-transfer Implementation Guide.[23] While many of the guidelines here apply to both traditional vouchers and e-vouchers, e-voucher programs require additional steps, including assessing network coverage, service provider capacity, user capability, etc.[24]

M&E: BASELINE MARKET PRICE SURVEY

To effectively monitor your program's impact on the market, it is important to establish a baseline for market prices against which you can measure prices once your program begins. A baseline also helps you determine (or reconfirm) the value of cash or restricted cash vouchers, select vendors for participation, and negotiate prices with vendors in a commodity voucher program. The baseline market price survey can be conducted during the development of your concept note/proposal, when determining the voucher type and amount (Activity C), or when selecting and contracting vendors (Activity D.)

To conduct the baseline price survey, fill out the Baseline Price Survey template (Annex 7) with the most commonly-needed items (determined by your needs assessment) and establish the current price and availability

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for each item, as well as the *average* high and low season prices. Compare these figures to those you collect once program implementation begins to determine if prices are still within normal bounds. Then, input the data collected into the Market Price Monitoring Database (Annex 7a).

Additional information on ongoing price monitoring can be found under Activity H: Redemption.

		Main Steps	Tool/Template	Responsible
ACTIVITY C: VOUCHER TYPE, AMOUNT AND DISBURSEMENT MECHANISM PROVIDER **Checklist & Tools/Templates**				
	☐	Determine/confirm voucher type	Note to File (Annex 3) if changed; if required, written approval from donor	Program
	☐	Conduct baseline market price survey	Market Price Survey (Annex 7)	Program (cash or restricted cash) Operations (commodity)
	☐	Determine/confirm voucher amount	Note to File (Annex 3) if changed; if required, written approval from donor	Program
	☐	Coordinate transfer amounts with other implementing agencies		Program
	☐	Determine disbursement mechanism/provider		Program

ACTIVITY D: SELECTING AND CONTRACTING VENDORS

The vendor selection process differs depending upon whether you are using cash, restricted cash or commodity vouchers. For **cash** or **restricted cash voucher** programs, please follow the steps outlined immediately below. For **commodity voucher** programs, please jump to page 19.

Regardless of the type of voucher program you are implementing, remember that a common CTP objective is to support the local economy. Programmatically, this might mean including vendors for participation who meet certain criteria, such as vulnerability, geographic location, trust in the community, etc. Please note, this differs from more traditional selection or procurement processes, which tend to prioritize one or two larger vendors who can provide all goods.[25]

CASH AND RESTRICTED CASH VOUCHER PROGRAMS – Selecting and Contracting Vendors

Selecting vendors for cash and restricted cash voucher programs should be an open and advertised process conducted by the Program team in close coordination with the Finance and Operations teams. Please note this is *not* a traditional procurement process, because we are not actually purchasing goods or services from vendors. Instead, we are requesting vendors to participate in a program that may or may not result in purchases from their shops. A successful vendor selection process must result in enough vendors contracted so that program participants have sufficient choice, prices are competitive, and the program can adjust if a vendor drops out or needs to be removed.

The Program team leads the five-step process for selecting vendors, which consists of:

Step 1: Establishing a baseline for market prices (if not yet completed)

Step 2: Setting vendor selection criteria

Step 3: Announcing the vendor selection process

Step 4: Accepting vendor applications, and

Step 5: Selecting vendors based upon a formal review and ranking exercise.

On average, this process should take about 10 days to complete. It may take longer if your geographic area is large, if there are security concerns associated with publicizing the announcement,[26] or if vendors require additional training or familiarization with voucher programs to agree to participate.

1. Establish a Baseline for Market Prices

If you have not yet conducted the baseline market price survey, you must do this prior to vendor selection.[27] This baseline serves many purposes: it is used to score vendor applications, to ensure that vendors charge reasonable prices during the redemption period,[28] and to help measure changes in the market that may indicate problems.

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25 This important point was made at the Global Logistics Cluster meeting in Paris on May 15, 2014.
26 Discuss with your Security Management Team if you believe this may be an issue for your program.
27 The rationale for conducting a baseline market price survey is covered in more detail in the M&E section of Activity C: Determining the Voucher Type, Amount and Disbursement Mechanism/Provider above.
28 "Reasonable" does not mean "the same." Prices may fluctuate, but they should be relatively close to those you found during your baseline market price survey.

2. Set Vendor Selection Criteria

Vendors are often evaluated based upon the prices they offer in relation to the average price of goods in the area. They are also evaluated against other criteria, such as proximity to program participants and the range or quality of goods they offer. Based upon your program's objective, determine the most important selection criteria and provide communities an opportunity to contribute. (This is frequently done during community meetings held prior to vendor selection.) In markets with a large number of vendors, it is critical to make highly-specific selection criteria to narrow down the pool of eligible vendors.

Vendor selection criteria should include:

- Price

- Ability to resupply (how quickly, how much, storage capability)

- Variety/quality of goods

- Accessibility for participants (Are shops within a reasonable distance and used frequently by the selected population? Can all sexes/ethnicities/tribes/etc. shop there comfortably?)

- Fee or commission charged to Mercy Corps[29]

- Hours and days of operation

- Vendor's willingness to accept payment terms and methods

- Vendor's reputation and length of time in the community

Additional criteria may include whether the vendor is legally registered[30] and whether the business is woman-owned, disaster-affected, etc. Annex 8 includes sample vendor selection criteria and a vendor scoring sheet.

Afghanistan – Cassandra Nelson/Mercy Corps

Program Profile:

Setting the Right Vendor Criteria

Setting the right criteria for vendor selection is critical. During the USAID-funded Incentives Driving Economic Alternatives for the North, East and West (IDEA-NEW) program in Afghanistan, implemented from 2009-2013, the team used price as the main criteria for selecting seed vendors. Most of the vendors with the lowest prices were not from the program area. Unfortunately, because they did not have a stake in that area, they provided sub-standard quality seeds, many of which did not germinate. The team documented this lesson learned and the following year the vendor selection was revised to include only local vendors who had an economic stake in providing quality goods to the target areas.

3. Announce the Vendor Application Process

Once the vendor selection criteria have been set, announce the application process (generally called a "Request

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29 In some contexts, vendors may be unwilling to participate in a voucher program without charging a fee to accept vouchers (particularly if an agency is new to the area). Mercy Corps may agree to pay a fee to participating vendors, but these situations are rare. Involve your Finance and Operations teams in any of these discussions.

30 Using legal registration as a criterion will depend upon local context. In many places we work, it may be impossible for vendors to obtain legal registration. In others, only the largest commercial traders may be legally registered. Consider donor requirements as well as your program's objectives when you look at adding this criterion as part of selection.

for Expression of Interest"). Notify as many vendors as possible that Mercy Corps is seeking participation in a voucher program. If you are implementing your program in multiple locations served by different marketplaces, run the application process in each marketplace.

The announcement should specify the details of the application process, the selection criteria, as well as the deadline for submitting applications. For additional guidance on publicizing criteria, contact your Operations team.[31]

4. Accept Vendor Applications

Depending upon the literacy/numeracy level of your vendors, as well as the security situation, the application process can be managed in one of four ways:

Option 1: Inform vendors how to collect the application materials during the announcement and indicate a place, date, and time by which they need to submit the completed documents to Mercy Corps (similar to a normal tender process); or

Option 2: Announce the application process in a marketplace and hand out applications to those interested, along with instructions for completing and submitting the documents to Mercy Corps; or

Option 3: At a publicized time and place, Mercy Corps team members complete the application in partnership with interested vendors; or

Option 4: Mercy Corps makes its best effort to widely publicize the opportunity directly, when public announcements are unfeasible. (See Tip: Publicizing the Vendor Application Process for additional information.)

Whichever process you choose, a completed application must consist of:

- A **Vendor Capacity Survey** (Annex 9): records individual vendor information and provides the basis for scoring vendors against selection criteria.

- A **Market Price Survey** (Annex 7): records individual vendor prices to compare against normal market pricing trends and other vendors.

- An **Expression of Interest** (Annex 10): indicates willingness to participate in the program and confirms participation requirements (such as length of participation, training requirements, selection criteria, etc.). This must be signed by the vendor.

> **! TIP: PUBLICIZING THE VENDOR APPLICATION PROCESS WHEN SECURITY IS AN ISSUE:**
>
> If security does not allow for an open, public process, every effort should be made to include as many vendors in the selection process as possible. If a traders' union or association exists, they may be able to help you notify vendors of the application process. If security allows, you may also chose to hold several small, discreet vendors' meetings in the marketplace at a time convenient for vendors. Some country teams have gone door-to-door to discuss the application process with as many vendors as possible within an allotted time period. Team members then worked with vendors to collect completed applications at a later date.
>
> If you must solicit vendors door-to-door, the Expression of Interest form (Annex 10) can serve as written invitation for vendor applications. Note whether vendors are "interested/not interested," collect the market price survey data, and log vendors' responses back in the office in a Vendor Invitation Log (Annex 11).

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31   If your country does not have one, contact the Procurement, Administration & Logistics Management (PALM) team at HQ.

5. Select Vendors

Vendor selection should begin once all application documents have been received for that particular marketplace. (In other words, teams do not need to wait to receive completed applications for all marketplaces in which the program will operate.)

Vendor applications should be scored by a three-person selection committee formed with one member from the Program, Finance and Operations teams. To facilitate a fair, unbiased selection process, selection committee members cannot have been involved in the baseline market price survey. In addition, the Program team member cannot have been involved in the vendor application process.

The selection committee uses the Vendor Scoring Sheet (Annex 8) to rank applications. Scoring sheet criteria must match those you used in your selection process; each criterion should have a weighted score adding up to 100. **Determine how points are awarded prior to evaluating applications.** The selection committee then selects the highest-scoring vendors up to the quantity of vendors required for your program. If the highest scoring vendor(s) are not selected to participate in the program, the rationale for declining that vendor needs to be fully explained and documented in the scoring sheet.

Remember, you want to maximize the number of vendors participating in a voucher program, while ensuring that selected vendors are well-established, in good standing with the community, and able to provide a wide variety of quality goods. While the number of vendors will vary, ideally you would select a minimum of 5-7 vendors per marketplace to mimic a competitive market, unless your program is very small. As a starting point, estimate approximately one vendor per 30-40 program participants. However, this is just an estimate. In many middle income countries, vendors tend to have significantly higher capacity and the vendor-to-program participant ratio might be closer to 1:200. Your program's actual ratio will depend heavily upon vendor capacity, geographic location, the number of days the market is open and other factors of specific to your context.

While there is no cap on vendors, keep in mind that you want to balance the ability to provide participants with choice with the need to drive enough business to vendors to make participation worthwhile. This is also coupled with the administrative reality of contracting, tracking and reconciling vouchers from all participating vendors. **If you anticipate using a large number of vendors, staff your program appropriately.**

The selected vendors should be entered into a Vendor Registration List (Annex 12). File the Vendor Scoring Sheet in your Program files to track the next highest-scoring vendors. In the event vendors drop out or need to be removed from the program (documented in a Note to File), you can return to this list to select alternates. Vendors who were not selected must be notified in writing and given an explanation as to why.

Contracting with Selected Vendors

After selecting vendors through the process described above, a contract must be signed with each selected vendor.

Vendor contracts must include the following information:

- The process and documents required for reimbursement, including payment terms, to whom documents should be submitted, by when, and where (Mercy Corps' office, at another agreed-upon location, etc.)
- The contract's beginning and end dates, and the dates for voucher redemption periods as laid out in the Distribution Plan (which may be included as an Annex.)
- Tax liability.
- If applicable, the agreed-upon commission or fee to be paid by Mercy Corps.
- Roles and responsibilities of each party, including maintaining sufficient inventory for the program,

storage, distribution, voucher verification, tracking, monitoring and CARMs.

- Instructions about paperwork, the vouchers, etc.
- Conditions under which the contract may be terminated.
- Remember: Prices for the vendors' goods/services are not set in contracts for cash or restricted cash voucher programs.

A vendor contract template for a cash voucher programs can be found in Annex 13; and a vendor contract template for restricted cash voucher programs can be found in Annex 14. Attach the WorldTracker report for each vendor (completed by Finance) to each contract; contracts should be signed by the Program Manager (or equivalent).

Finance should receive a copy of the Vendor Registration List and Vendor Scoring Sheet, with justification for the selection of each vendor documented. Additional guidance for Finance staff can be found in Annex 15: Finance Procedures for Voucher Programs.

ACTIVITY D: SELECTING AND CONTRACTING VENDORS – CASH OR RESTRICTED CASH VOUCHER PROGRAM
Checklist & Tools/Templates

	Main Steps	Tool/Template	Responsible
☐	Conduct baseline market price survey (if not completed previously)	Market Price Survey Tool – Baseline (Annex 7)	Program
☐	Set vendor selection criteria	Vendor Selection Criteria (Annex 8)	Program
☐	Allow communities to input on vendor selection criteria	Vendor Selection Criteria (Annex 8)	Program
☐	Announce vendor program opportunity (if security permits)		Program
☐	If door-to-door invitations are required, log invitations	Expression of Interest (Annex 10) Market Price Survey (Annex 7) Vendor Invitation Log (Annex 11)	Program
☐	Adjust AAM to include signing authority specific to voucher programs	Finance Procedures for Vouchers (Annex 15)	Finance Program

☐	Accept completed vendor applications	Vendor Capacity Survey (Annex 9) Market Price Survey – Baseline (Annex 7) Expression of Interest (Annex 10)	Program
☐	Select vendors	Vendor Scoring Sheet (Annex 8)	Program Finance Operations
☐	Register selected vendors	Vendor Registration List (Annex 12)	Program
☐	Complete vendor contracts	Vendor Contract – Cash Voucher (Annex 13) Vendor Contract – Restricted Cash Voucher (Annex 14) WorldTracker Report	Programs or Operations

COMMODITY VOUCHER PROGRAMS: Selecting and Contracting Vendors

For commodity vouchers, Operations leads the procurement process in line with the Field Procurement Manual (FPM).[32] Unlike cash and restricted cash voucher programs, commodity voucher programs require Mercy Corps to negotiate set prices for specific commodities with vendors (in other words, to procure a specific set of goods from a select group of vendors at a specific price.)

While the Program team initiates this procurement process by completing a Purchase Request (PR), the Operations team manages it. A successful vendor selection process for a commodity voucher program should result in enough vendors participating so that program participants have sufficient choice between vendors and the program can adjust if a vendor drops out or needs to be removed. In addition, choosing multiple, smaller vendors will help the local market recover more quickly than supporting only a few large vendors.

Balance the desire to assist vendors with the realities of monitoring a commodity voucher program: these programs require verification that a specific quantity/quality of goods was provided, a significant monitoring effort. Make sure to choose a reasonable number of

! TIP: HOW DO YOU SELECT THE TYPES/ QUANTITIES OF COMMODITIES FOR A FOOD ASSISTANCE PROGRAM?

Oftentimes we provide vouchers for programs designed to increase household food access (and, more specifically, for nutritionally vulnerable households, such as those with pregnant/lactating women and children under two years old.) In these programs, we need to ensure that the array of commodities purchase with the vouchers meets the nutritional needs of our participants. To compile a nutritional basket of food, determine what foods are available locally, what gaps exist in the local diet, and then pick a food basket that addresses these micro-nutrient shortfalls. Such baskets often consist of a grain, a pulse (such as beans or peas), and vegetable oil. For additional information, please contact the Health and Nutrition Team.

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32   Field Procurement Manual, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/field%20procurement%20manual%202006.pdf

vendors so that teams can effectively monitor at the required level.

In general, a minimum of 4-5 vendors per marketplace will help mimic a competitive market and provide program participants with sufficient choice. A good vendor-to-participant ratio is one vendor per 50-60 program participants. The vendor-to-participant ratio is typically higher in commodity voucher programs (i.e., you need fewer vendors), because vendors know exactly which items to stock, prices are fixed, and monitoring commodity voucher programs is already a resource-heavy endeavor.

Set Vendor Selection Criteria, Advertise the Tender and Select Vendors

Based upon your program's objective, Program and Operations staff should work together to determine the most important criteria for selecting vendors. Allow communities an opportunity to share their opinions regarding these criteria (usually done at a community meeting prior to vendor selection.)

Vendor selection criteria should include:

- Ability to provide commodities of agreed-upon quality (if vouchers for more than one commodity are to be provided, ability to stock all commodities covered by the vouchers)

- Price

- Ability to resupply (how quickly, how much)

- Location (are shops within a reasonable distance to program participants' homes?)

- Hours and days of operation

- Vendor's ability to be reimbursed by Mercy Corps at a later date (e.g., vendor has a way to receive payment from Mercy Corps and can manage cash flow needs)

Additional criteria may include the vendor's length of time in the community, legal registration,[33] whether the business is woman-owned, disaster-affected, small/medium vendors, or other vulnerability criteria etc. While we would like to include a number of vendors and assist vendors with early recovery, they also need to be capable of providing the required goods/services. An example of vendor selection criteria can be found in Annex 8.

The Operations team leads the process for advertising the tender, but the Program team must work with Operations to provide technical specifications for the commodities and to determine an appropriate timeline/deadline for receiving the tenders. Per the FPM, the Operations team schedules a tender opening. A selection committee composed of one team member from Program, Operations, and Finance will review each tender packet during the Quotation Analysis to select the vendors for inclusion.

Contracting with Selected Vendors

Contracting vendors is carried out by Operations with input from Program and Finance. Operations negotiates prices with vendors in each marketplace per the Operations Procedures for Voucher Programs (Annex 16), so be sure to provide the Operations team with a copy of the baseline market price survey. Each vendor participating in the program must sign a contract.

> **! TIP: ADAPT YOUR AAM**
>
> Set specific signing authority in your country's Approval Authority Matrix for voucher programs. This avoids bottlenecks associated with events such as signing contracts, releasing vouchers, etc.

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33   See footnote 29.

Vendor contracts should include the following:

- The process for reimbursement, including conditions and payment terms
- Negotiated prices for each commodity; contracts should include a mechanism for reviewing and adjusting prices if inflation is an anticipated issue
- If necessary, the agreed-upon commission to be paid by Mercy Corps
- Tax liability
- Roles and responsibilities of each party, including supply, storage, distribution, voucher verification, tracking, monitoring and CARMs
- Specifics regarding the quality and quantity of goods to be sold, as well as maintaining proper inventory
- Instructions for participation
- Conditions by which a contract may be terminated

A vendor contract template for commodity voucher programs can be found in Annex 17. Attach the Vendor Registration List and the WorldTracker report (run by Finance) to each contract.

ACTIVITY D: SELECTING AND CONTRACTING VENDORS – COMMODITY VOUCHER PROGRAM Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Conduct baseline market price survey (if not completed previously)	Market Price Survey Tool – Baseline (Annex 7)	Operations with support from Program
☐	Set vendor selection criteria	Vendor Selection Criteria (Annex 8)	Program Operations
☐	Adjust AAM to include signing authority specific to voucher programs	Finance Procedures for Vouchers (Annex 15)	Finance Program
☐	Conduct tender process for vendor selection	Procurement Documents per Field Procurement Manual	Operations
☐	Select vendors	Quotation Analysis per Field Procurement Manual	Operations Program Finance
☐	Register vendors	Vendor Registration List (Annex 12)	Program
☐	Negotiate prices with vendors	Operation Procedures for Voucher Programs (Annex 16)	Operations
☐	Contract vendors	Vendor Contract - Commodity Voucher (Annex 17) WorldTracker Report List of negotiated prices	Operations

ACTIVITY E: DESIGNING AND PRINTING VOUCHERS

Vouchers can be designed before vendor selection, but it is recommended that you wait to print them until the vendor selection process has been completed, if time permits. This allows you to make changes to the voucher design based upon vendors' feedback.

Vouchers should be printed prior to vendor and participant training activities, so samples can be used during these activities.

Designing Vouchers

Vouchers should be treated like cash and designed with security and fraud-resistant features (described below.) The voucher design must be clear so that people can easily understand the amount or commodities allowed for exchange. Vouchers should also be translated into the local language(s).

If Mercy Corps is designing the vouchers, you may want to design them in Adobe Photoshop and generate serial numbers with MS Publisher. If a printing company designs them, the Program team must approve the final voucher design. If you need design help, contact the Economic and Market Development (EMD) team on the Technical Support Unit (TSU); voucher design samples can be found in Annex 18.

All voucher designs must include the following:

- Mercy Corps and donor logos (security permitting)
- A unique serial number on each voucher; this serial number will be linked to an individual program participant and captured on the Voucher Distribution Form
- The terms and conditions of voucher usage (i.e. cannot be exchanged for cash,[34] alcohol, cigarettes, etc.), including the voucher's redemption period or expiration date
- A space on the front or the back of the voucher for the vendor to record the name, ID number and sex of the program participant, as well as the purchase date

Cash vouchers also include:

- The voucher value; for illiterate/innumerate program participants, symbols may accompany words or numbers to represent the voucher amount
- Space to record the total purchase amount (required for Finance to approve payments to vendors.) If the design allows, it is also recommended to build in additional space for vendors to list the quantity and price of each item purchased[35]

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34   Some programs may be designed to allow vouchers to be exchanged for cash, but this is rare and often used to solve a distribution mechanism problem.

35   If space does not allow for this on the voucher itself – but you want this level of detail recorded – you may choose to issue receipt booklets with triplicate carbon copy to vendors. This would allow vendors to detail each individual item purchased as well as the total purchase price. The program participant reviews the total and signs/fingerprints on the signature line.
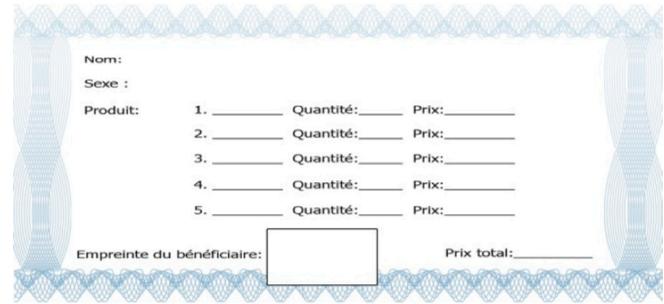
Cash voucher example from MC Niger's USAID-funded program PASTORAL.

> ## ! TIP: CASH VOUCHERS – ADVANTAGES OF SMALLER DENOMINATIONS:
>
> Providing cash vouchers in smaller denominations allows participants the freedom to purchase from several different vendors, increasing competition. It also allows them to purchase and transport fewer goods at a time, decreasing possible security risks they may face. For multiple denominations, the serial number should remain the same for vouchers for the same program participant, but a letter should be added to the end of the number (i.e. 10001a, 10001b, 10001c). Allowing for multiple denominations does come with some drawbacks: Mercy Corps must print, track, and store more vouchers. Please keep this in mind as you consider the balance between greater freedom for participants and the administrative burdens of voucher programs.

Restricted cash vouchers also include:

- The value of the voucher and the list of goods for which it can be exchanged.[36] For illiterate/innumerate program participants, photos and symbols may be used to represent the amount and goods for exchange.

- Place a small tick box next to each listed item so the vendors may check those that are purchased by the participant. Include space to note the quantity purchased, unit price, and the total purchase price. (The total purchase price is required for Finance to approve payments to vendors.)

> In Mali, participants were provided with four vouchers of equal value (9,250) totaling FCFA 37,000 on a single sheet of paper with perforated edges to allow for smaller purchases. In northern Syria, vouchers were printed as booklets with varying amounts (i.e., five vouchers worth USD 5, three worth USD 10, one voucher worth USD 20, etc.)

Restricted cash voucher example from MC Niger's USAID-funded program PASTORAL.

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36   In Iraq, during the ECHO-funded Shelter Vouchers Program, the list of 20 allowable goods was too long to print on the voucher itself. Instead, the team distributed brochures listing the allowable goods with the vouchers. Vendors were also required to post this list in their store during the redemption period.

Commodity vouchers also include:

- The exact list of commodities/services for which the voucher may be exchanged. For illiterate/innumerate program participants, photos and symbols may be used to represent the goods for which vouchers can be exchanged.

Commodity voucher example from MC Yemen's USAID-funded program TEFP.

Printing Vouchers

It is important to print vouchers in a way that decreases the opportunity for people to create counterfeit copies.

Some methods for doing this include:

- Printing on special paper
- Including a watermark or hologram, embossing, using perforated paper, using color ink or specific photos, etc.
- Printing on multiple colors; colors may correspond to different voucher amounts (i.e., pink vouchers are worth USD 5, green vouchers are worth USD 10) or to different distribution months (i.e., pink vouchers are distributed in September, green vouchers are distributed in October.)
- Printing outside the country of operation; note this option can increase both the cost and printing time.

The printing process is managed by the Operations team, who needs time to collect bids and contract a printer. To prevent unexpected delays, the Program and Operations teams should discuss how long this process might take. The PR must outline all the requirements for printing and, once contracted, the design should be provided to the printer. If the printer is designing the vouchers, Program must approve the final design.

Once the design has been finalized and the vouchers are electronically assigned serial numbers, a Program or Operations team member should **review the vouchers before printing** to make sure all the serials numbers are correct. This avoids expensive mistakes if vouchers are printed with errors.

> **! TIP: PRINT SAMPLE VOUCHERS**
>
> Have a few extra vouchers printed and with the word SAMPLE or EXAMPLE displayed across them to be used for vendor and program participant training. If you plan to use "secret shoppers" as part of your M&E plan (see Activity H: Redemption), it is recommended to print an additional set of vouchers with serial numbers for secret shoppers to use to conduct spot-checks.

Finance Intake of Vouchers

Treat vouchers like cash. When vouchers are returned from the printer, they must be immediately handed over to Finance by the Operations team with a copy of the Goods Received Note (GRN)[37]. Finance records receipt of the vouchers on the Monthly Voucher Inventory Sheet (Annex 19). Vouchers should then be stored in a locked safe or other secured location. (See Annex 15: General Guidance for Finance Procedures – Voucher Programs for additional information.)

ACTIVITY E: DESIGNING AND PRINTING VOUCHERS Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Design voucher (including serial numbers)	Voucher design samples: cash, restricted cash, commodity (Annex 18)	Program
☐	Contract printer (if necessary)	Per procurement procedures in the FPM	Operations
☐	Program approves voucher design (if voucher designed by printer)		Program
☐	Print vouchers		Operations
☐	Print sample vouchers for training		Operations/ Program
☐	Intake vouchers	Goods Received Note (GRN) (Field Procurement Manual) General Guidance for Finance Procedures – Voucher Programs (Annex 15) Monthly Voucher Inventory Sheet (Annex 19) Voucher Intake Flowchart (Annex 37)	Operations Finance

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37   See the Voucher Intake Flowchart (Annex 37) for a visual guide.

ACTIVITY F: TRAINING

Training Vendors

Participating vendors need to understand the redemption process and their role within it. Vendors are trained prior to participants to allow vendors adequate time to prepare for the redemption period, since they may need to resupply, hire additional staff, or undertake other activities. If possible, invite vendors with previous experience in Mercy Corps voucher programs to participate in vendor training events. They can be an invaluable resource for new vendors.

During the vendor training sessions, cover the following topics:

- The overall redemption process and any visual aids/signs they must hang in their shops

- The voucher distribution schedule, which should be staggered,[38] as well as the fact that program participants can choose which vendors they frequent (so business is not guaranteed)

- The voucher terms, their design and how to spot fraud (reiterate that fraudulent vouchers will not be reimbursed)

- Tips for the redemption period, particularly that adding another staff member may help to avoid excessive wait times for customers if their volume increases significantly

- What information vendors are required to track when they accept vouchers

- The overall reimbursement process, including required paperwork and how to contact Mercy Corps

- The monitoring process during redemption and PDM and their role

- How to provide feedback through CARMs; what actions may be taken if negative feedback is received

- Consequences for failing to comply with program rules

Remember to use your sample vouchers during training. Pass them around so vendors can look at the features in detail and understand exactly where to record transaction details. It can be particularly useful to have vendors role-play during the training, redeeming vouchers and filling out sample paperwork. Track your sample vouchers and collect them at the end of the session.

If vendors have not yet signed their contracts, this step can also be completed during training sessions. Provide vendors with all the materials they will need to track voucher redemption, including fingerprint pads and ink, receipt booklets, Mercy Corps forms, posters and any other identifying signs. Remember to keep the meetings short – or schedule them outside of regular shop hours – to prevent vendors from losing business.

Training Program Participants

Program participants should understand the program's overall aim as well as the process for receiving and redeeming vouchers (particularly if this is their first time participating in a voucher program.) Determine the best time to conduct training, ideally close to the first distribution session so people remember the instructions. (A good rule of thumb is no longer than a week prior to your first distribution.) Community representatives (and alternates/helpers, if applicable) should also be invited to attend to better understand the process and assist participants.

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38   This will be discussed more in Activity G: Voucher Distribution.

During the participant training sessions, cover the following topics:

- The overall voucher process, from distribution through monitoring and evaluation
- The voucher distribution schedule, redemption period and voucher expiration dates
- The voucher terms
- Which vendors are included in the program and their location
- Who can redeem the vouchers (a registered program participant or alternate[39])
- Participant responsibilities during redemption, including providing ID, signing/fingerprinting, etc.
- Rules for lost or stolen vouchers
- How to provide feedback and receive assistance through CARMs
- The monitoring process during redemption and PDM and their role
- Consequences for failing to comply with program procedures

Additional instructions for participants of **cash voucher programs** include:

- The vouchers' denominations
- That no change is provided if the full voucher is not redeemed[40]
- That goods redeemed in excess of the value of the voucher must be paid for in cash by the participant

Trainings should be simple and dynamic to help participants remember key points. Successful training techniques include simulations, role-playing, demonstrations, and posters depicting the process through pictures, especially for illiterate and semi-literate participants. Some examples of training materials can be found in Annex 13: Sample Training Material[41] of the E-transfer Implementation Guide.

As with vendors, use sample vouchers to allow participants to understand their features and become comfortable with the voucher design. Track the number of sample vouchers handed out and be sure that number is returned by the end of the session. Mention that the vouchers have been carefully design to prevent fraud, but do not explain what those features are.

Iraq — Rawsht Twana for Mercy Corps

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39   See Activity C: Identifying & Registering Program Participants

40   Change is only provided if the cash voucher program is designed as such. Note that allowing the provision of change can make it difficult to determine if vouchers are being sold or exchanged for cash. One way to mitigate against this is to only allow change only up to a certain amount.

41   https://mcdl.mercycorps.org/gsdl/docs/E-TransferGuideAnnex13SampleTrainingMaterials.pdf

		Main Steps	Tool/Template	Responsible
ACTIVITY F: TRAINING				
	☐	Design vendor and participant trainings	Sample training materials (Annex 13, E-transfer Implementation Guide)	Program
	☐	Prepare vendor training location/rent space if necessary Prepare materials: sample vouchers, fingerprint pads, ink, posters, required documents, etc.	Vendor Reimbursement Form – Cash or Restricted Cash Vouchers (Annex 20) Vendor Reimbursement Form – Commodity Vouchers (Annex 21) Sample vouchers	Program
	☐	Train vendors	Vendor Registration List (Annex 12)	Program
	☐	Prepare participant training location/rent space if necessary Prepare materials: sample vouchers, posters, etc.	Sample vouchers	Program
	☐	Train participants	Participant Registration List (Annex 6)	Program

ACTIVITY G: VOUCHER DISTRIBUTION

Scheduling and Staggering Distributions

Voucher distributions should take place in a secure location with minimal burden placed on participants. Communicate with community representatives about the distribution site selection, and take the following into consideration when making a choice:

- Security

- Accessibility for participants, including estimated travel and wait times

- Space to accommodate large crowds (including the availability of shade, clean facilities, etc.)

- Ability to manage large crowds

- Ability to exit easily

- More than one room/space if men and women will receive distributions separately

Ideally, 3-4 days prior to distribution, program participants should be notified of their distribution and the date/time assigned to them. (Oftentimes this is done through community representatives.) It is recommended to stagger distribution days at each distribution site. This benefits both participants and vendors by decreasing crowds, long lines and excessive wait times.

Lebanon — Cassandra Nelson/Mercy Corps

Program Profile:

Voucher Distribution in Lebanon

As part of a UNICEF-funded winterization program in Lebanon, Mercy Corps distributed 4,381 commodity vouchers over a period of three months. The distribution site selected was a school with a large front gate. People were only allowed through the gate if they showed the attendant a text message with the location, date and time of their assigned distribution. There was one waiting area for men and a second area for women. Participants were called one or two at a time. They entered the room through one door, received their vouchers, and exited through a separate door. Mercy Corps staff and volunteers were posted throughout the distribution location: at the gate, in waiting areas, at the exit, and also moving throughout the crowd outside the building to address any issues.

Completing Your Voucher Distribution Plan

Two weeks prior to distribution, prepare a Voucher Distribution Plan (Annex 22) for each distribution site. Larger programs should create a master Distribution Plan covering all program areas, as well as separate detailed Distribution Plans for each distribution site.

At a minimum, each Distribution Plan should contain the following:

- A unique distribution number[42]

- The location of the distribution (town/village/community)

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42   The distribution number helps differentiate multiple distributions within the same location. For additional guidance, see the instructions page for Annex 22: Voucher Distribution Plan.

- The date(s) the vouchers will be distributed to program participants
- The type of voucher (if multiple voucher types are being distributed)
- The anticipated number of participants receiving vouchers
- The team member(s) assigned to perform the distribution.

The Distribution Plan is then approved by the Program Manager (or equivalent), with copies provided to the Finance and Operations teams.

In addition to the Distribution Plan, prepare the Voucher Distribution Form (Annex 23). This form looks similar to a Program Participant List, but contains an additional column to record the voucher serial number next to the relevant participant. Organize participant names alphabetically by distribution location to make them easy to find during distributions.

Each program participant receives vouchers marked with unique serial numbers. There are two approaches to inputting these serial numbers into the Voucher Distribution Form: prior to distribution and during distribution. Both are covered below. Each option has advantages and drawbacks, and teams should decide which approach works best for their situation.

- **Option 1:** Prior to distribution, input the serial numbers into the Distribution Form and print. (If the participant names are arranged alphabetically, the serial numbers will be in order by family name.) Program team members responsible for distribution then request from Finance the vouchers with serial numbers corresponding to their Voucher Distribution Form. With this option, team members spend more time prior to distribution inputting serial numbers and call participants up to distribution in the order in which their name appears on the Distribution Form. Gaps in participants may occur, leaving teams with excess vouchers or requiring them to return to a participant who arrives late.

- **Option 2:** Print the Distribution Form with the serial number column blank. Program team members then request the specific numbers of vouchers they need from Finance, but not specific serial numbers, and manually input the serial number in the Distribution Form during distribution. With this option, participants can be called up in the order they arrive but more time will be spent filling in the serial numbers at the distribution site and electronically entering them in the Distribution Form back at the office.

The Day of Distribution – In-office Preparation

The process for requesting vouchers is similar to the process for taking and clearing an Operational or Travel Advance[43]. (Remember, vouchers are treated like cash.)

On the day of distribution (or earlier, if you are traveling to distribution sites far away), Program requests the required vouchers from Finance by submitting an approved Voucher Release/Return Form (Annex 24), supported by their detailed Voucher Distribution Plan (Annex 22) and Voucher Distribution Form (Annex 23). If distributions will be conducted by different teams during the same period (often the case when they are held in multiple locations), each staff member distributing vouchers must submit a separate Voucher Release/Return Form with their specific Voucher Distribution Plan and Voucher Distribution Form. For more detailed information, refer to the Finance Guidelines – Voucher Programs (Annex 15).

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43   See the Voucher Release, Return and Disposal Flowchart (Annex 37) for a visual guide.

Program team members should take the following items to the distribution:

- The vouchers corresponding to that particular distribution site, arranged by serial number
- The Voucher Distribution Form(s) for each distribution site
- Sufficient pens (blue or black only)
- Sufficient fingerprint pads and refill ink (blue or black only)[44]
- 2-3 Voucher Distribution Monitoring Forms
- CARM forms, if applicable
- Branding/marking materials, if applicable
- Camera(s) (only photograph participants with their consent; photos of children require parental consent)
- Chairs/table, if not available at the distribution site
- Loudspeaker (if necessary)

The Day of Distribution – At the Distribution Site

A *minimum* of two Program team members must conduct each distribution, but staff appropriately given the number of vouchers you are distributing. Community representatives should also be present at each distribution to help with issues that may arise, including verifying participants' identities. Before beginning the distribution, reiterate program rules, the voucher details (e.g. denominations), vendor locations, etc. If fraud is a particularly high risk, you can also stamp each voucher with an agency stamp prior to distribution (provided no security concerns exist around branding).

There are two options for queueing participants, dependent upon whether your team assigned serial numbers to participants prior to printing the Distribution Form (see "Completing Your Voucher Distribution Plan" previously.)

- **If participants were pre-assigned vouchers with serial numbers (Option 1):** Participants are called one-by-one, in alphabetical order, to receive vouchers with pre-assigned serial numbers. If necessary, you can ask participants to form multiple lines at the distribution site to reduce wait times (e.g., last names starting with A-G, H-R, S-Z).
- **If serial numbers are assigned to participants during distribution (Option 2):** Participants queue as they arrive and team members serve the first person in line. Team members locate the participant's name on the Distribution Form (arranged alphabetically), manually enter the vouchers' serial numbers and distribute those vouchers to the participant.

> ### ⚠ TIP: TWO OPTIONS FOR MANAGING CONCURRENT DISTRIBUTIONS
>
> When multiple distributions are taking place at the same time, several team members will be distributing vouchers in each location. The request for vouchers in this scenario can be handled in two ways: In one scenario, all team members involved in the distributions can submit separate packages of supporting documentation to Finance for release of the vouchers and clear those individually with Finance upon their return to the office. Alternatively, one team member can act as the distribution site leader for each location, submitting supporting documentation for that entire site to Finance for release of the vouchers. This designated leader then signs over vouchers to each team member involved in the distribution upon arrival at the distribution site. At the end of the day, the site leader collects all the unclaimed vouchers and Distribution Forms and is responsible for clearing them with Finance upon return to the office.

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44   See Tip Sheet: Collecting Signatures and Fingerprints from Program Participants, Annex G, CTP Methodology Guide.

Each participant must present the required ID form when it is her/his turn to receive vouchers. Upon receipt of the vouchers, the participant signs/fingerprints the Distribution Form to confirm receipt.[45] After all participants have received their vouchers, the team members leading the distribution – as well as the community representative(s), sign and date the Distribution Form.

Voucher distribution may also be an opportunity to collect missing data on program participants, new data (if needed), and/or baseline data for ongoing monitoring of the program. This information can be collected while program participants wait in line (to avoid delays during distribution) or when they receive their vouchers. If necessary, the day of distribution may also be an opportunity for additional training, but it is important to respect program participants' time.

Clearing Vouchers with Finance and Returning Undistributed Vouchers

At the end of the distribution, team members leading the process complete their Voucher Distribution Form by inputting the total number of vouchers received, distributed and any unclaimed/damaged vouchers. Within three days of completion of the voucher distribution, they must return the completed Voucher Distribution Form to Finance alongside any unclaimed or damaged vouchers. (Remember to think of this process as "clearing the advance," with the vouchers acting as the "advance.")

Managing Subsequent Distributions:

Generally, management staff should attend the first few distributions to ensure they are functioning well. They should attend subsequent distributions arbitrarily, with no prior notification to those managing the distribution process to conduct spot checks.

M&E: PROCESS MONITORING AND QUALITY ASSURANCE

M&E activities carried out during the distribution monitor the process; they can also serve as a good opportunity to conduct quality assurances and control. While Program team members perform the actual distribution, M&E or other Program team members should monitor the distribution, document any unusual events (substitution of participants, etc.), and complete a Voucher Distribution Monitoring Form (Annex 25). The Voucher Distribution Monitoring Form captures lessons learned about the distribution process to increase the efficiency of future distributions or to record any problems that may require action. It should be completed by a team member not involved in directly distributing vouchers. If that is not possible, then the team member carrying out the distribution can also fill out this form. Program staff should meet to analyze the information collected to determine whether adjustments need to be made to the distribution process for future distributions.

With the consent of participants, program staff should also photograph the distribution to document its occurrence.

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45   If you have allowed alternates, see Tip Sheet #2: How Do I Handle Alternates/Substitutions?, Annex G in The CTP Methodology Guide.

ACTIVITY G: VOUCHER DISTRIBUTION
Checklist & Tools/Templates

	Main Steps	Tool/Template	Responsible
☐	Establish Distribution Plan and provide copies to Finance and Operations	Voucher Distribution Plan (Annex 22)	Program
☐	Create Voucher Distribution Form (from the Participant Registration List)	Voucher Distribution Form (Annex 23)	Program
☐	Request release of vouchers from Finance	Voucher Release/Return Form (Annex 24) Voucher Distribution Form (Annex 23) Voucher Distribution Plan (Annex 22) Voucher Release, Return and Disposal Flowchart (Annex 37)	Program Finance
☐	Update Monthly Voucher Inventory Sheet	Monthly Voucher Inventory Sheet (Annex 19)	Finance
☐	Prepare materials for distribution site		Program
☐	Distribute vouchers	Vouchers Voucher Distribution Form (Annex 23)	Program
☐	Monitor the distribution	Voucher Distribution Monitoring Form (Annex 25)	M&E Program
☐	Return unused and/or damaged vouchers to Finance	Voucher Distribution Form (Annex 23) - (completed and signed) Voucher Release/Return Form (Annex 24) Monthly Voucher Inventory Sheet (Annex 19)	Program Finance
☐	Destroy damaged vouchers, if applicable	Voucher Destruction Form (Annex 26)	Finance
☐	Conduct voucher count at month-end	Month-end Voucher Count Form (Annex 27)	Finance
☐	Adapt program processes based up monitoring feedback		Program

ACTIVITY H: REDEMPTION

Participant Redemption of Vouchers

The redemption of vouchers is the process by which participants "purchase" goods/services from the vendors with their vouchers.

A typical voucher redemption process looks like this:

Step 1:   The participant visits a participating vendor's store (visiting as many as they want).

Step 2:   The participant selects the items they wish to purchase.

Step 3:   The vendor verifies the validity of the participant's voucher and requests her/his ID.[46] The vendor then turns the voucher over, fills in the date of purchase, program participant name, ID number, and sex. Vouchers left blank will not be reimbursed. Additional instructions apply by voucher type:

- For **cash vouchers:** Ideally, the vendor records the details of purchase as well as the total purchase price on the back of the voucher. **At a minimum, the vendor must record the total purchase price on the voucher.** If detailed transaction information cannot be listed on the back of the voucher, it can be recorded in a receipt book with triplicate carbon copy: one copy for Mercy Corps, one for the vendor and one for the program participant.

- For **restricted cash vouchers:** The vendor places a checkmark in the box located next to each of the items purchased and fills in the quantity and price for each item, as well as the total price. If vouchers were printed without the allowable items, the vendor should record the participant's purchase in a triplicate receipt book.

- For **commodity vouchers:** The vendor gives the items to the participant. The participant verifies the items are the correct quantity and quality (per the voucher's terms).

Step 4:   The participant reviews the information recorded on the voucher and/or receipt and then signs/fingerprints in the space provided on the voucher. If the participant is illiterate, they may have someone help them review the purchase information (ideally, this person should not be the vendor.)

> **! TIP: POSTING PRICES**
>
> Ideally, vendors will post exact prices for goods, so participants know them and can determine whether they think the prices are fair. Posting prices also increases transparency and reduces the likelihood of sales being cancelled if the participant is surprised by the total cost of purchase after all the goods are tallied. (Some country teams even make posting prices a minimum criterion for vendor participation in a voucher program.) If vendors find posting all of their prices burdensome, then they may list prices for the most commonly sold commodities on a signboard as a good compromise. In some countries, bargaining is a normal part of market transactions and posting prices is uncommon. In these scenarios, posting prices would not be required, but teams should make sure to invest heavily in strong monitoring practices to ensure program participants are receiving fair prices.

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46   If participants do not have IDs and Mercy Corps has not created program-specific IDs, then vendors should write "N/A" in the ID # space. Program team members should spot-check some vouchers against the Voucher Distribution Form to ensure that those participants did not actually have IDs.

Step 5:   The vendor provides the goods and a receipt, if requested, to the participant.

Step 6:   On a regular basis, the vendor should update the Vendor Reimbursement Form (Annex 20 and 21) for reimbursement (described in more detail in Activity I: Vendor Reimbursement)

Additional information on voucher redemptions can be found in Annex 15: General Guidance for Finance Procedures for Voucher Programs.

Additional Guidance for Vendors during Redemption

In cash voucher programs, the vendor should wait to enter the total purchase amount (or detailed purchase information) on the voucher until the participant understands and agrees to the total price. If the total price is less than the value of the voucher, the participant can choose to add additional items. If the total price is greater than the value of the voucher, s/he can pay the difference in cash or remove items from the order. Participants may change their mind about their final purchase when they understand the total price and choose to go somewhere else, in which case the vouchers should be returned to them.

If Program team members become aware of any issues with lost, stolen or fraudulent vouchers, vendors must be notified immediately and instructed not to accept the affected vouchers. Detail the situation in a Note to File, including the date vendors were notified.

M&E: DURING REDEMPTION

For the first few days of each redemption period, M&E or Program team members should rotate between vendors' shops for a few hours. This allows team members to fix problems that may arise, verify the validity of vouchers, and observe the redemption process. M&E or Program team members should complete a Voucher Redemption Monitoring Form (Annex 28) to record these observations, adjusting future trainings to mitigate issues that arise during initial redemption periods. Challenges during voucher redemption include long wait times, vendors who lose cash customers because they are unable to quickly handle program participants, shortages of goods or issues of quality, and whether participants are being treated with respect. Any problems should be reported to the Program Manager or their designee.

POST-DISTRIBUTION MONITORING (PDM)

Post-distribution monitoring (PDM) is conducted with both program participants and vendors and is primarily focused on process and results. PDM should be conducted in a reasonable time period after each voucher distribution. What is "reasonable" is based upon the type of commodities, products, or services being purchased. If PDM is conducted too soon, participants may not have redeemed vouchers or used the goods or services. If PDM is conducted too late, participants may no longer remember what they purchased. In a typical cash or food commodity voucher program, PDM will

! TIP: SECRET SHOPPERS

Some teams may choose to use "secret shoppers" to monitor quality control/assurance. In this scenario, a Mercy Corps team member outside of the direct program implementation team poses as a program participant. This person visits a selection of vendors to verify that they are providing the correct goods, in the correct amounts, and at fair prices. They also note vendors' treatment of participants and whether vendors are selling prohibited items and/or exchanging vouchers for cash. This technique can be applied randomly or to test vendors about whom complaints have been received. In cultures heavily reliant on trust, such as Somalia, this may not be appropriate. When using the "secret shopper" technique, the team member posing as the shopper completes the Voucher Redemption Monitoring Form (Annex 28) after leaving each vendor.

often be conducted two weeks post-distribution, since food is often consumed immediately. PDM for voucher programs targeting shelter material or agricultural inputs, for example, may need to wait until a month after distribution to allow time for participants to begin utilizing the materials.

Remember to also review your M&E plan to identify your information needs for your PDM tools. By building the questions directly from the indicators in your M&E plan, the questionnaire and the data collection process will be more efficient. Refer to Annex 29: PDM Monitoring Forms for more tools and templates.

PDM WITH PROGRAM PARTICIPANTS

The most common PDM tools used with participants are household (HH) surveys and focus group discussions (FGDs).

Household PDM surveys typically collect two kinds of information: quality assurance/accountability data and data to measure progress on the project's performance monitoring indicators. To measure quality assurance and accountability, questions may be about wait times, travel times, associated costs (i.e. transportation, etc.), amounts received, availability of goods, ease of service, clarity around the program processes, safety and security, conflict, etc. To measure the project's performance monitoring indicators, questions may be about what was purchased with the vouchers, how needs have shifted as a result of those purchases, how livelihoods were impacted, how spending decisions were made within the household, etc.

Household PDM surveys should be administered to a representative sample of program participants using simple random selection (SRS) from the overall participant list. For more information on sampling, please refer to the MEL Tip Sheet: Sampling[47] and the MC Sample Size Calculator.[48] As sample size determination can be challenging, please feel free to reach out to the MERL Team for assistance.

If you are seeing trends you do not understand from the data collected through HH and vendor surveys, focus group discussions (FGDs)[49] are a great way to uncover explanations for those trends.

Nepal – Suraj Shakya for Mercy Corps

PDM WITH VENDORS

The most common PDM tool used with vendors is the vendor survey. Similar to the HH survey, the vendor survey typically collects two types of information: quality assurance/accountability data and performance monitoring data. To measure quality assurance and accountability, questions on the survey may be about wait times, effect on business, understanding of the redemption process, early identification of problems, etc. To measure the project's performance indicators, questions may be about observed multiplier effects, the impact on supply and price of goods/services, change in business volume, change in goods or services offered, the effect on credit in the community, safety and security, conflict, etc.

Vendor PDM surveys should also be administered to a representative sample of participating vendors using SRS from the overall vendor list. If your program has less than 10 vendors, survey all vendors after each distribution.

47   https://mcdl.mercycorps.org/gsdl/docs/MELTipSheetSampling.pdf
48   https://mcdl.mercycorps.org/gsdl/cgi-bin/library?e=q-000-00---0all--00-0-0--0prompt-10---4----dtt--0-1l--1-en-9999---20-mchome-sample+size+calculator--00031-011-0-0utfZz-8-00&a=d&c=all&cl=search&d=HASH0e8e49f43b0fca2b15ae6f
49   MERL Team's Tip Sheet #4: Conducting FGDs, Mercy Corps' Digital Library, https://mcdl.mercycorps.org/gsdl/docs/DME%20Tip%20Sheet%204%20Focus%20Group%20Discussions.pdf

Additional sampling guidance tools are referenced in the preceding section (PDM with Program Participants.)

MARKET PRICE MONITORING

Regular monitoring of market prices is one of the most important monitoring exercises in CTP. It provides teams with an early indication of any problems in the market, signs of inflation, or indications of supply or transportation problems. Analyzing prices will also help staff understand if the voucher amount remains appropriate (i.e., participants can still buy what they need). Market price surveys should include staple foods and non-food items (for cash vouchers) or those goods/services targeted by the voucher program (for restricted cash vouchers and commodity vouchers). These items may have also been initially used to determine the overall voucher amount. When monitoring prices, you may also want to consider price data on fuel or transportation, which can impact the overall price of goods.

To conduct effective market price analysis:[50]

- Standardize the items in the Market Price Survey

- Standardize the measurement units for these items (i.e., kilo, box, etc.) and their quantity

- Gather prices for the same level of quality for each item,[51] and visit the same traders every time, if possible

- Collect prices on the same day of the week/time of day, if possible

Price monitoring can often be more difficult than teams realize, since traders may be reluctant to share price information with people not making purchases. Once data is collected, it also needs to be analyzed to determine trends and market effects. To make this easier, enter all the prices collected into a market price database. A template for this database is provided in Annex 7A, with an example database in Annex 7B. Both include charts to show pricing trends over time. Electronic data collection – via a mobile phone or tablet – may help ease the process of collecting and analyzing market price data.

If, through ongoing market monitoring, your team detects an unexpected price increase during program implementation, investigate further to understand if this is due to a supply chain problem (e.g., through a shortage of goods or a reduction in traders.) If the price increase is not due to a supply chain problem, consider adjusting the voucher amount to maintain program participants' purchasing power. If a supply chain problem *does* exist (i.e., goods are no longer flowing into the market in sufficient quantity to meet demand), then future voucher distributions may need to be suspended to avoid exacerbating the price increases for participants and non-participants alike. Alternatives, such as in-kind distributions or supply side support (such as transportation vouchers, conditional transfers to vendors, etc.), may help remedy supply constraints. You can contact the EMD team to explore alternatives to dealing with supply-side problems during program implementation.

KEY INFORMANT INTERVIEWS

Key informant interviews (KIIs) are held when additional insight is needed to supplement information collected through HH and vendor surveys or to get a better understanding of the program's effects. Examples of key informants include Ministry of Agriculture personnel, community authorities, head of Traders' Union, major wholesalers, etc.

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50   Recommended approaches here have been adapted from Creti, Pantaleo (2010) The Impact of Cash Transfers on Local Markets. Cash Learning Partnership: Oxford. http://www.cashlearning.org/resources/library/84-the-impact-of-cash-transfers-on-local-markets-a-case-study-of-unstructured-markets-in-northern-uganda

51   In other words, if you are measuring the price of a medium-quality product the first week, you should continue to measure that same level of quality in subsequent weeks. Recording the price of an expensive brand one week and bargain brand the next week will provide skewed data and make analysis extremely difficult.

Semi-structured interviews should be carried out with key informants to triangulate information. A semi-structured interview consists of a short list of questions (5-10) that are targeted to key informants; spontaneous questions are added during the interview as needed. An example of this tool is included in Annex 29: PDM Monitoring Forms.

ACTIVITY H: VOUCHER REDEMPTION Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Monitor redemptions	Voucher Redemption Monitoring Form (Annex 28)	Program
☐	Conduct quality assurance of redemption ("secret shopper"), as appropriate	Voucher Redemption Monitoring Form (Annex 28)	Program M&E
☐	Conduct PDM with program participants and vendors	PDM Tool Templates (Annex 29) - HH PDM Surveys - Vendor PDM Surveys - PDM FGDs Guides (as needed) - KII Guides	Program and M&E
☐	Conduct market price monitoring (likely weekly)	Market Price Survey (Annex 7)	Program (or as designated in SOPs or a Note to File)
☐	Adapt program processes based up monitoring feedback		Program

ACTIVITY I: VENDOR REIMBURSEMENT (RECONCILIATION)

Vendor Reimbursement

After redeeming vouchers, vendors must be paid by Mercy Corps for the goods/services they provided.[52]

Vendors should already be familiar with the reimbursement process (from their contracts and from training). However, please make sure the reimbursement process is as simple as possible for vendors. This may mean choosing favorable dates and times when Finance team members can meet with vendors, or even adjusting the meeting location. In many Mercy Corps programs, vendors will agree to travel to the closest major city where Mercy Corps has an office. In some cases, however, Program team members have collected vendor documents themselves and submitted them to Finance. In extreme cases, vendors have even traveled across international borders to meet with Finance (although this is not recommended as regular practice). To control workflow and avoid bottlenecks in processing reimbursements, we recommend that Finance team members allot fixed blocks of time or set specific appointments with vendors for accepting vouchers for reimbursement.

To be reimbursed for redeemed vouchers, vendors must submit the redeemed vouchers with sales details tracked on the completed Vendor Reimbursement Form (Annexes 20 or 21). If purchase details were tracked on receipts, a copy of the receipts should be submitted as well. Finance cross-checks the validity of the redeemed vouchers, verifies that they were completed correctly, and tallies up the total payment due to the vendor.

The Finance team member completes the Finance column of the Vendor Reimbursement Form and submits that, along with the package of redeemed vouchers, to the Program team for approval. The Program team provides an additional cross-check, signs the Program column, and submits that package with a Payment Request back to Finance for payment to the vendor. **For all voucher programs, a copy of the vendor contract must be included with that *first* Payment Request.** For commodity voucher programs, the Annex from the contract with the agreed-upon prices must be submitted with each additional Payment Request. Vendors are then paid by Finance, and the Finance team member stamps each voucher "paid" to avoid reissue.

Within the boundaries of procedure, reimbursements should be processed as quickly possible. Vendors who receive payments in a timely manner are more willing to continue participating in a voucher program. Since participating vendors may also be vulnerable, it is even more important to pay them quickly so cash flow problems do not arise as a result of program participation.

Typically, vendors are reimbursed once a month for monthly voucher distributions; however, in some situations, vendors may require more frequent reimbursement to appropriately manage their cash flow. The first month, it is recommended to reimburse vendors after two weeks to help them have cash on hand to restock for future voucher redemptions. Following the first reimbursement, teams can move to a monthly reimbursement schedule. If reimbursements must take place more frequently than monthly, this should be agreed upon with Finance to ensure they can administratively handle more frequent reimbursements. Be sure to budget sufficient Finance staff to handle the scheduled payments.

M&E: VOUCHER REDEMPTION SUMMARY

Program staff uses the information from Finance regarding the redeemed vouchers to update the Voucher Redemption Summary (Annex 30). This is a monitoring tool that tracks the number of vouchers redeemed against those distributed. It helps highlight potential problems and is used in donor reporting and audits.

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52   See the Voucher Reimbursement Flowchart (Annex 37) for a visual guide.

ACTIVITY I: VENDOR REIMBURSEMENT
Checklist & Tools/Templates

	Main Steps	Tool/Template	Responsible
☐	Vendor requests reimbursement from Mercy Corps and submits: • redeemed vouchers • receipts from booklet (if applicable) • Vendor Reimbursement Form	Vendor Reimbursement Form – Cash/Restricted Cash Vouchers (Annex 20) OR Vendor Reimbursement Form – Commodity Vouchers (Annex 21) Voucher Reimbursement Flowchart (Annex 37)	Finance
☐	Verify voucher validity and total payment request, submit to Program	Vendor Reimbursement Form (Annex 20 or 21)	Finance
☐	Cross-check redeemed vouchers and Vendor Reimbursement Form, create Payment Request, submit to Finance	Vendor Reimbursement Form (Annex 20 or 21) Payment Request	Program
☐	Pay vendor		Finance
☐	Stamp redeemed vouchers "paid"		Finance
☐	Update Voucher Redemption Summary	Voucher Redemption Summary (Annex 30)	Program

ACTIVITY J: END-OF-PROGRAM TRANSITIONS

The careful planning and stakeholder management that you built throughout your program implementation have laid the foundation for your program's end. It is important to review your End-of-Program Plan at least 90 days prior to your program's end date. End-of-Program Transitions are covered in detail in the Program Management Manual.[53] Specific guidance around ending voucher programs includes communicating the last distribution date, collecting and sharing lessons learned, and conducting a final document check.

Communications Plan

Make sure that your End-of-Program Plan includes steps to communicate your program's close-out with participants, vendors and other key stakeholders. Remind all groups of the final distribution date so they can prepare for the transition. For all voucher programs, the final voucher distribution should be at least 30 days prior to the end of the grant agreement. As an example, if the program end date is June 30, the final voucher distribution should take place before May 30.

Lessons Learned

For the benefit of future voucher programs – and their Program Managers! – please document the important lessons you learned implementing your program. Ideally, this information will have been collected and reported on throughout implementation and then compiled into a Final Report. At a minimum, this Final Report should be shared with your region's Senior Program Office and the EMD team.

The EMD team also shares lessons learned through a Program Profile template. (Many past programs are captured there in Annex G in the CTP Methodology Guide.) To add to this growing body of information – or to model your lessons learned document on this format – feel free to use the Program Profile template (Annex 31.)

Final Check on Documentation and Archiving

Program staff should check the description of deliverables and program documentation to ensure they are completed and filed correctly. Page 35 of the Program Management Manual contains explicit instructions for creating a description of deliverables. Mercy Corps' Program Records Retention & Archiving Policy[54] outlines the contents of the Program File.

Record Keeping and Archiving – Section 7 of the Field Finance Manual[55] – contains instructions on archiving Finance documents.

M&E: FINAL EVALUATION

The Program Management minimum standard stipulates that final program evaluations must be carried out and a report be made available. These evaluations can be very simple for smaller or less complex programs (for example, a documented endline study report only), or can be more detailed for larger or more complex programs (for example, an external impact and performance evaluation). Evaluations can be internal or external, depending upon donor requirements, available funding, internal capacity levels, objectives of the evaluation and other circumstances.

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53   https://mcdl.mercycorps.org/gsdl/docs/ProgramManagementManualPMM.pdf
54   Program Records Retention & Archiving Policy, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/ProgramRecordRetentionPolicyProcedure-sAllAnnexes.pdf
55   Field Finance Manual, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/docs/finance%20manual%20cover%20table%20of%20contents.pdf

Almost all types of evaluations will involve an endline study, using the same tools as were used for the baseline study to compare results and determine to which changes the program has contributed. The choice of other evaluation methods will depend on the type of program, the resources available and the type of questions the evaluation is trying to answer. In order for an evaluation to contribute to increased program quality, evaluations findings should be clearly documented and circulated broadly within Mercy Corps and among other stakeholders, as appropriate. The evaluation report should include a description of the evaluation methodology, findings, recommendations and lessons learned.

For additional information on final evaluations, see Tip Sheet #4: Conducting Final Evaluations of Cash Transfer Programs, Annex G in the CTP Methodology Guide.[56]

ACTIVITY J: END-OF-PROGRAM TRANSITIONS Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Review and update your End-of-Program Plan		Program
☐	Conduct a final evaluation	Evaluation SOW Template Guidelines on Evaluation Reports Tip Sheet #4: Conducting Final Evaluations of Cash Transfer Programs	Program and M&E
☐	Document lessons learned	CTP Program Profile template (Annex 31)	Program
☐	Communicate final program details with participants		Program
☐	Communicate final program details with vendors		Program
☐	Ensure required documentation is appropriately filed	See Program Records Retention Policy for details Section 7, FFM	Program Finance

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56   CTP Methodology Guide, https://mcdl.mercycorps.org/gsdl/docs/CTP1MethodologyGuidewAnnexes.pdf

FAIR IMPLEMENTATION

Voucher fairs can be used to provide a common location to exchange vouchers outside of an existing market or local trading system. Fairs bring together formal and informal traders who agree to accept vouchers as payment for goods or services. Fairs are administratively burdensome to implement and should be held only with clear justification. Some reasons that fairs may be implemented include the following:

- To increase the supply of goods and presence of traders in an underserved area

- To increase the quality of goods available or to introduce new goods to a particular area

- To catalyze market relationships between wholesalers and vendors and between vendors and program participants or communities

- To increase safe access to markets for program participants

Fairs can be held once or multiple times within a program. If fairs repeat, typically Mercy Corps would be involved in the set-up of the initial fairs and then handover management of remaining fairs to a local partner, business, or community.

Fairs are typically restricted to program participants. However, if your program's objective is to increase networking between market actors or to bring new goods into an area, you may consider opening a fair to the general public. In an open fair, the public can use cash to make purchases, while program participants use vouchers (and cash, if they choose to make purchases beyond their vouchers' value.)

Any fairs funded by USAID or ECHO that involve agricultural inputs or pharmaceuticals fall under strict compliance requirements. Please coordinate closely with the Finance and Compliance Unit in Portland and/or the Head of Compliance in Edinburgh.

A Note about Using the Fair Section of this Guide

Because many of the steps required of fairs are similar to those for running a general voucher program, we have only listed additional fair activities as necessary. Activities in the Fair section are numbered (1-9). Note that checklists provided at the end of each Fair section combine the general voucher activities with those specific to fairs.

ACTIVITY 1: FAIR PLANNING

Establishing the Fair Preparation Group

A fair preparation group should be formed to ensure that the fair is well-organized. Include a representative from local government, as well as various people familiar with the region and the goods to be featured at the fair. (For example, if you are holding a seed fair, someone from the Agricultural Bureau or a similar government agency should be involved.) If fairs have been previously conducted in the area, try to include an experienced participant from a former fair. Ideally, the fair preparation group should be composed of 5-7 people and represent the area's diversity.

The fair preparation group is responsible for organization of the fair and should be present on fair days. The group can divide their responsibilities: some may check-in participants, others might assess the quality of vendors' goods, and some will conduct monitoring of the fair throughout the day.

Site Selection

When selecting fair sites, be transparent about the selection criteria and make sure that no particular group is favored over another. Consider distance (both from the program participants' and vendors' perspectives) as well as proximity to a road. Ideally, fairs should be held in an enclosed area with a clear entrance and exit point – such as a school – to facilitate flow of traffic when participants and vendors check-in, as well as exit interviews with attendees. If necessary, however, fairs can be held in open, public spaces as well.

If your fair will be held over multiple days, remember that this may increase transportation costs for vendors (in attendance as well as transportation of goods.) Vendors may also face additional storage costs if the fair is located far from their normal area of operation. Sometimes, communities are able to provide storage for free. Other times, vendors may request reimbursement from Mercy Corps for transportation or storage costs. While reimbursement is possible, it is not recommended since vendors will be traveling from a variety of different distances and bringing different quantities of goods.

Selecting the Fair Dates/Times

The fair date should correspond to your program's objectives. Agricultural input fairs should occur relative to the cropping cycles. (Seed fairs, for instance, should coincide with planting seasons.) Other fairs, such as those with food vouchers, may correspond to a recurring hungry season. Your fair preparation group, program participants, and vendors can provide valuable insight into the best time for the fair.

Fair times should account for participants' and vendors' travel times to and from the fair. If security only allows travel during daylight, schedule the fair so that vendors and participants have time to access the fair after sunrise and arrive home before dark.

You may choose to stagger fair arrival times based upon your own staff capacity as well as that of participating vendors. Ideally, all participants should have access to the fair all day. However, if staggered start times are necessary, consider the daily activities of participants and assign them to specific times. For instance, if participants who farm need to be in the field at certain times of day, assign them a time outside of their normal hours in the field. If women have duties that require their presence at home during certain hours (meal preparation, childcare, etc.), assign them a time that accommodates their schedule. Or if urban participants attend jobs during weekdays, hold the fair on the weekend.

Contingency Planning

The fair preparation group must do contingency planning while choosing the fair site, date and time. They should establish procedures to determine whether a fair must be cancelled and what steps must be taken if this happens. Sometimes, fairs have to be cancelled due to bad weather, flooding, poor road conditions, extreme heat or cold, etc. Vendors and program participants should be aware of the contingency plans in advance of the fair.

ACTIVITY 1: FAIR PLANNING Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Hold kick-off meeting	Example Workplan (Gantt Chart) – (Annex 1)	Program Finance Operations M&E Security
☐	Establish SOPs	Sample SOPs from E-transfer Guide	Program Finance Operations M&E
☐	Clarify roles and responsibilities	Sub-award SOPs (optional)	Program Finance or Operations (if certain tasks are delegated to partners) Compliance (if drafting a sub-award or MOU) Partner(s)
☐	Establish CARMs	CARMs guidance (Annex 2)	Program M&E
☐	Establish M&E plan	Standard MC Indicator Plan Template[57] DM&E Tip Sheet #12: Developing a Monitoring System[58]	Program M&E
☐	Attend coordination meetings (if applicable)		Program

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57 Standard Mercy Corps Indicator Plan Template, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/cgi-bin/library?a=q&r=1&hs=1&t=0&c=all&h=dtt&q=standard+indicator+plan+template

58 DM&E Tip Sheet #12, Developing a Monitoring System, Mercy Corps Digital Library, https://mcdl.mercycorps.org/gsdl/cgi-bin/library?a=q&r=1&hs=1&t=0&c=all&h=dtt&q=dm%26e+tip+sheet+12

☐	Establish fair preparation group		Program
☐	Determine fair site		Program Fair Preparation Group Operations (if a contract/payment is needed for venue)
☐	Select dates/times of fair		Program Fair Preparation Group
☐	Determine rules/procedures for fair, including a contingency plan		Program

ACTIVITY 2: DETERMINING THE VOUCHER AMOUNT

The process for determining the voucher amount for those used in fairs is the same as in general voucher programs. Review Activity C: Determining the Voucher Amount, above, or "Setting the Transfer Amount" in Chapter 2 of the CTP Methodology Guide.[59] Remember, providing multiple voucher denominations allows participants the opportunity to purchase from more vendors.

	ACTIVITY 2: DETERMINING THE VOUCHER AMOUNT Checklist & Tools/Templates		
	Main Steps	**Tool/Template**	**Responsible**
☐	Determine/confirm voucher type	Note to File (Annex 3) and written approval from donor if changed	Program
☐	Conduct baseline market price survey	Market Price Survey (Annex 7)	Program (cash or restricted cash) Operations (commodity)
☐	Determine/confirm voucher amount	Note to File (Annex 3) and written approval from donor if changed	Program
☐	Coordinate voucher amounts with other implementing agencies		Program
☐	Determine disbursement mechanism/provider		Program

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59   https://mcdl.mercycorps.org/gsdl/docs/CTP1MethodologyGuidewAnnexes.pdf

ACTIVITY 3: SELECTING, CONTRACTING AND REGISTERING FAIR VENDORS

Selecting Fair Vendors

The vendor selection process for fairs is the same as the general process for all voucher programs. (See Activity D: Selecting, Contracting & Registering Vendors.)   If you are holding a cash or restricted cash voucher fair, refer to the section for cash and restricted cash voucher programs (pages 14-19.) If you are holding a commodity voucher fair, refer to the section for commodity voucher programs (pages 19-21.)

Fairs may require vendors to adhere to local rules related to markets. Carefully review the legal requirements for fairs early in the planning process and seek local assistance as needed. Get answers to any of the following:

- Do vendors need an official trading license?

- Do vendors need a license to transport their goods?

- Do vendors need to pay market dues? If so, is there a way to waive those dues?

- Are official inspectors needed to monitor quality control?

Voucher programs without a fair component often offer a long redemption period (for example, 30 days.) Because of this, their vendor-to-participant ratio can be low (e.g., one vendor to 30-40 participants.) With a fair, however, this is not the case. Participants must redeem their vouchers within a short time period, so more vendors are needed to ensure all participants are able to complete their transactions. A good estimation for the vendor-to-participant ratio for a fair is one vendor for every 20-30 program participants.[60] Keep in mind, this ratio is only an estimate and your particular scenario will be influenced by many factors, including your vendors' capacity, the number fair days, etc.

Contracting Fair Vendors

Once vendors have been selected, contracts must be signed with each vendor. Contracts for vendors participating in a fair are slightly different than those used in general voucher programs, since they also include the days/times vendors are required to be at the fair, the minimum quantity of goods that should be brought, the fair's location, and any prohibited items.

The best way to avoid fair-day inflation is to involve a large number of vendors to mimic a competitive market. If there are only few vendors participating in your cash or restricted cash voucher fair, it may be prudent to document a price ceiling in your vendor contract.

Contract templates for vendors for cash voucher fairs (Annex 32), restricted cash voucher fairs (Annex 33) or commodity voucher fairs (Annex 34) are included. Please adjust them to fit your specific fair scenario.

Registering Fair Vendors

Registration of vendors can be a simple list that includes the vendor's names, what goods and quantities they plan to bring, and their contact information (Annex 35: Vendor Registration List – Fairs.) The Registration List can also be used to check in vendors the day of the fair.

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60   Using this formula, if you expect 500 program participants, select approximately 20 vendors.

ACTIVITY 3: SELECTING, CONTRACTING AND REGISTERING FAIR VENDORS – CASH OR RESTRICTED CASH VOUCHER PROGRAM
### Checklist & Tools/Templates

	Main Steps	Tool/Template	Responsible
☐	Conduct baseline market price survey (if not already completed)	Market Price Survey Tool (Annex 7)	Program
☐	Set vendor selection criteria	Vendor Selection Criteria (Annex 8)	Program and M&E
☐	Allow communities to input on vendor selection criteria	Vendor Selection Criteria	Program
☐	Announce fair participation opportunity (if security permits)		Program
☐	If door-to-door invitation required, log invitations	Expression of Interest (Annex 10) Market Price Survey (Annex 7) Vendor Invitation Log (Annex 11)	Program
☐	Adjust AAM to include signing authority specific to voucher programs	Finance Procedures for Vouchers (Annex 15)	Finance Program
☐	Accept completed vendor applications	Vendor Capacity Survey (Annex 9) Market Price Survey – baseline version (Annex 7) Expression of Interest (Annex 10)	Program
☐	Select vendors	Vendor Scoring Sheet (Annex 8)	Program Finance Operations
☐	Register selected vendors	Vendor Registration List - Fairs (Annex 35)	Program
☐	Complete contracts with each vendor	Vendor Contract – Cash Voucher Fair (Annex 32) Vendor Contract – Restricted Cash Voucher Fair (Annex 33) WorldTracker Report	Programs or Operations (you must explain this in your SOPs or a Note to File)

ACTIVITY 3: SELECTING, CONTRACTING AND REGISTERING FAIR VENDORS – COMMODITY VOUCHER PROGRAM
Checklist & Tools/Templates

	Main Steps	Tool/Template	Responsible
☐	Conduct baseline market price survey (if not already completed)	Market Price Survey Tool (Annex 7	Operations
☐	Set vendor selection criteria	Vendor Selection Criteria (Annex 8)	Program Operations
☐	Adjust AAM to include signing authority specific to voucher programs	Finance Procedures for Vouchers (Annex 15)	Finance Program
☐	Conduct tender process for vendor selection	Procurement documents per FPM	Operations
☐	Select vendors	Quotation analysis per FPM	Operations Program Finance
☐	Register vendors	Vendor Registration List – Fairs (Annex 35)	Program
☐	Negotiate prices with vendors	Operation Procedures for Voucher Programs (Annex 16)	Operations
☐	Complete contracts with each vendor	Vendor Contract - Commodity Voucher Fair (Annex 34) WorldTracker Report List of negotiated prices	Operations

ACTIVITY 4: DESIGNING AND PRINTING VOUCHERS FOR FAIRS

Follow the design and printing guidelines in Activity E: Designing and Printing Vouchers.
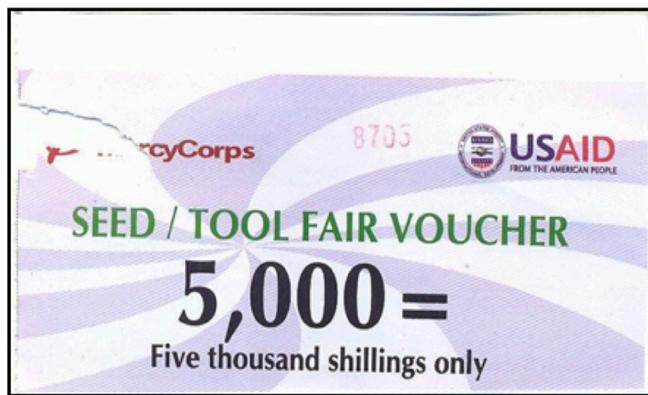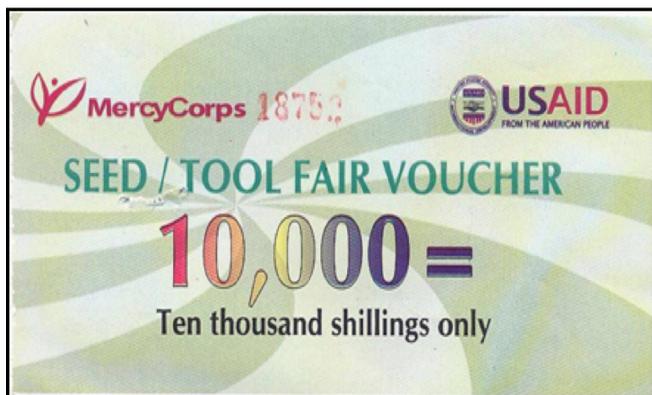
Vouchers from an MC Uganda seed fair.

ACTIVITY 4: DESIGNING AND PRINTING VOUCHERS FOR FAIRS Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Set voucher design (including serial numbers)	Voucher design samples (Annex 18)	
☐	Contract printer (if necessary)	Per procurement procedures in FPM	Operations
☐	Program approves voucher design (if voucher designed by printer)		Program
☐	Print vouchers		Operations
☐	Print sample vouchers for training		Operations/ Program
☐	Intake vouchers	Goods Received Note (GRN) General Guidance for Finance Procedures – Voucher Programs (Annex 15) Monthly Voucher Inventory Sheet (Annex 19) Voucher Intake Flowchart (Annex 37)	Operations Finance

ACTIVITY 5: TRAINING

As with all voucher programs, it is important to introduce fair participants and vendors to the fair objectives and processes. Hold the training session after the fair site location has been selected to explain where the fair will take place and what is expected. For additional guidance on training participants and vendors, refer to Activity F: Training.

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! **TIP: ENSURING A SUCCESSFUL FAIR FOR VENDORS**

How can you help vendors prepare for the voucher fair? Local vendors should have a good idea of the quantities they will be able to sell if they understand the parameters of the fair. Provide them with the total number of program participants and the times/days you expect them to arrive (especially if the start times are staggered). This will help vendors know that new customers will be arriving throughout the day, so they should not sell out of all their goods too early. Vendors should also know what types of vouchers will be used, so they can stock appropriately. For a cash voucher fair, they may want to bring a variety of goods; for restricted cash and commodity fair, they should focus only on allowable goods. Share the voucher values with them as well, which will allow them to anticipate how much may be purchased on fair day. Be as forthright as possible with vendors about the type and quality of goods they should provide. At one fair, a vendor brought the wrong type of goods and no one purchased from him. Luckily, it was a two day fair, and he returned the next day with more appropriate goods and had a very profitable second day.

		Main Steps	Tool/Template	Responsible
ACTIVITY 5: TRAINING **Checklist & Tools/Templates**				
	☐	Design vendor and participant trainings	Sample training materials (E-transfer Implementation Guide)	Program
	☐	Prepare vendor training location/ rent space if necessary Prepare vendor training materials: sample vouchers, fingerprint pads, ink, posters, required documents	Vendor Reimbursement Form – Cash or Restricted Cash Vouchers (Annex 20) Vendor Reimbursement Form – Commodity Vouchers (Annex 21) Sample vouchers	Program
	☐	Train vendors, including information regarding the number of participants, their needs, and the number of fair days	Vendor Registration List – Voucher Fairs (Annex 35)	Program
	☐	Prepare participant training location/rent space if necessary Prepare participant training materials: sample vouchers, posters, etc.	Sample vouchers	Program
	☐	Train participants	Participant Registration List (Annex 6)	Program

ACTIVITY 6: ORGANIZING AND PUBLICIZING THE FAIR

Capacity-building Opportunities

Fairs are a great opportunity for sharing information with participants. You may want to arrange skills-building classes, educational sessions on nutrition or agricultural practices, demonstrations of new products, etc. These can be led by vendors, government representatives, producers, agricultural or health extension workers, and/or partner NGOs. Topics do not necessarily need to be limited to agriculture or health; you can include activities around any topic relevant to your program and/or the wellbeing of your program participants.

The Fair Preparation Group should discuss whether capacity-building activities make sense for your fair and contact relevant parties to see if they are interested. You should be aware of the information each presenter will give and work closely with presenters through any changes. Ensure that any materials they need are available during the fair (such as a table, chairs, stationary, etc.)

Sometimes, it can be difficult to get people to attend these sessions in a busy fair environment. Attendance can be increased by having team members and Fair Preparation Group members circulate through the fair and direct people to sessions; by providing drinking water next to sessions to increase foot traffic; or by strategically placing educational sessions/booths in high traffic areas of the fair site.

	Main Steps	Tool/Template	Responsible
ACTIVITY 6: ORGANIZING AND PUBLICIZING THE FAIR **Checklist & Tools/Templates**			
☐	Arrange information-sharing activities for the fair (if applicable)		Program
☐	Publicize fair (only if fair is open to the public)		Program

ACTIVITY 7: DISTRIBUTION

Voucher distribution may take place separately from the fair or on the fair day. Vouchers should be distributed in line with the general guidelines outlined in Activity G: Voucher Distribution.

If vouchers will be distributed the morning of the fair, assign program participants staggered times to arrive at the fair.

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! TIP: STAGGERING ARRIVAL TIMES AT FAIRS

Sometimes when you stagger fair times, program participants assigned later time slots are concerned that all the "good" items will be gone by the time they arrive, so they come in the morning regardless. Always plan for heavier traffic in the morning, but work with vendors to ensure a steady supply of goods throughout the day. Another way to control the flow of participants to a fair is to hold several, smaller fairs closer to program participants. This is particularly effective in areas where conflict, distance, and/or transportation are issues.

		Main Steps	Tool/Template	Responsible
ACTIVITY 7: VOUCHER DISTRIBUTION **Checklist & Tools/Templates**				
	☐	Establish Distribution Plan and provide copies to Finance and Operations	Voucher Distribution Plan (Annex 22)	Program
	☐	Create Voucher Distribution Form (from the Participant Registration List)	Voucher Distribution Form (Annex 23)	Program
	☐	Request release of vouchers from Finance	Voucher Release/Return Form (Annex 24) Voucher Distribution Form (Annex 23) Voucher Distribution Plan (Annex 22) Voucher Release, Return and Disposal Flowchart (Annex 37)	Program Finance
	☐	Update Voucher Inventory Sheet	Monthly Voucher Inventory Sheet (Annex 19)	Finance
	☐	Prepare materials for distribution site		Program
	☐	Distribute vouchers	Vouchers Voucher Distribution Form (Annex 23)	Program

☐	Monitor the distribution	Voucher Distribution Monitoring Form (Annex 25)	M&E Program
☐	Return unused and/or damaged vouchers to finance	Voucher Distribution Form (Annex 23) Monthly Voucher Inventory Sheet (Annex 19)	Program Finance
☐	Destroy damaged vouchers	Voucher Destruction Form (Annex 26)	Finance
☐	Conduct voucher count at month-end	Month-end Voucher Count Form (Annex 27)	Finance
☐	Adapt program processes based up monitoring feedback		Program

ACTIVITY 8: FAIR DAY

Vendor Check-in

Check in the vendors upon their entry to the fair by making a note in the appropriate column in the Vendor Registration List – Voucher Fairs (Annex 35). Use this opportunity to also reconfirm instructions about the fair and provide any required documents; inform vendors of changes; show them where to set up and whom to contact if they have questions; and provide an agenda of any fair activities.

⚠ TIP: PRICING AT FAIRS

There are two methods for pricing at fairs. One is to have all vendors at the fair clearly mark prices to increase transparency and make pricing more competitive for participants. Having prices clearly marked also allows participants to carefully plan their spending. The second is to allow participants to browse goods and, once they have decided upon their purchase, negotiate prices with vendors individually. With either method, team members and the Fair Preparation Group should monitor activities to ensure participants are receiving fair prices.

M&E: FOR FAIRS

Establish your CARM before opening the fair and ensure that your CARM plan includes a mechanism for timely responses to feedback.

The Fair Preparation Group and Mercy Corps team members should be present during the fair to assess the quality of the goods being provided and to monitor the purchase process (Annex 28: Voucher Redemption Monitoring Form.) Program participants themselves should know they can reject poor quality goods and go to another vendor. If prices seem exorbitantly high or if there are other problems, these issues should be reported to Mercy Corps. Staff should address this issue with the vendor to ensure prices meet fair market value. If it continues to be a problem, vendors could be asked to leave or asked not to return.

DRC – Francesca Reinhardt/Mercy Corps

Program Profile:

Monitoring During Fairs

In the Democratic Republic of Congo, under the UNICEF-funded ARCC II, the staff set up a Feedback Booth where vendors and participants could go to request information or complain. For the Tajikistan agricultural fairs under the USAID-funded Tajikistan Stability Enhancement Program (TSEP), staff was available and visible and could be approached with complaints or questions. In addition, there was an anonymous feedback box available.

Mercy Corps Ethiopia held seed fairs for the Revitalizing Agricultural/Pastoral Incomes and New Markets program, partnered with Save the Children and funded by USAID. On the day of the fair, a previously selected seed committee checked the quality of the seeds upon entry. This committee included one person from the fair preparation group, two local farmers who were familiar with local tastes, preferences and conditions, and an agricultural specialist who knew about certified seed.

PDM

Conduct exit surveys with people leaving the fair to gain a better sense of participants' satisfaction and areas for improvement (Annex 36: Exit Survey template.) The two primary areas for evaluation are the fair's organization and the impact the fair had in relation to your program's objectives. Conduct exit surveys with a representative group of fair participants to measure the fair's organization. (For additional information on sampling, see the PDM section in Activity H: Redemption.) The impact the fair had on participants (as well as access/control and security concerns) must be measured later, when people have utilized the goods they purchased. For further guidance, see Activity H: Redemption.

Niger — Cassandra Nelson/Mercy Corps

Program Profile:

Adapting Programs

Build flexibility into your program to account for lessons learned. Mercy Corps Niger learned this first hand when implementing poultry fairs within the Gates-funded Global Food Crisis Response. Initially the poultry fairs were organized in a traditional manner, with poultry suppliers bringing live poultry. Not only was this a vector for the spread of poultry diseases, but the extreme heat on that particular fair day led to the death of much of the poultry supply. Mercy Corps Niger rapidly changed its approach, using subsequent fairs as a venue to share information on animal health and create business linkages only. Participants purchased poultry through vouchers exchanged directly with vendors. For additional information, see Program Profile #1 in Annex G of the CTP Methodology Guide.[61]

AFTER ACTION REVIEW

At the end of the program or at a logical assessment point, conduct a critical and analytical evaluation to ensure that lessons are learned for future fairs.

	Main Steps	Tool/Template	Responsible
ACTIVITY 8: FAIR DAY **Checklist & Tools/Templates**			
☐	Check-in vendors	Vendor Registration List – Fairs (Annex 35)	Program
☐	Vendors set up stands		Vendors
☐	Set-up information sessions (optional)		Program
☐	Set up CARMs	CARM guidelines (Annex 2)	Program M&E
☐	Check-in participants	Voucher Distribution Form (Annex 23)	Program

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61   CTP Methodology Guide, https://mcdl.mercycorps.org/gsdl/docs/CTP1MethodologyGuidewAnnexes.pdf

☐	Circulate through fair to provide info and answer questions	Voucher Redemption Monitoring Form (Annex 28)	Program M&E
☐	Conduct exit surveys with participants, vendors, public	Exit Survey (Annex 36)	Program M&E
☐	Conduct PDM	PDM Tools (Annex 29)	Program
☐	Conduct After Action Review		Program M&E

ACTIVITY 9: VENDOR REIMBURSEMENT (RECONCILIATION)

Once the fair is over, vendors must turn in all the vouchers they received during the fair alongside the completed Vendor Reimbursement Form (Annexes 20 or 21).

The vendor reimbursement process will follow that of Activity I: Vendor Reimbursement. With fairs, Mercy Corps may arrange to reimburse vendors at the end of the fair day, or at a later, mutually agreed-upon date. Arrange with Finance in advance to ensure there are team members available to process reimbursements in a timely manner.

		Main Steps	Tool/Template	Responsible
ACTIVITY 9: VENDOR REIMBURSEMENT **Checklist & Tools/Templates**				
	☐	Vendor requests reimbursement from Mercy Corps and submits: • redeemed vouchers • receipts from booklet (if applicable) • Vendor Reimbursement Form	Vendor Reimbursement Form – Cash/Restricted Cash Vouchers (Annex 20) OR Vendor Reimbursement Form – Commodity Vouchers (Annex 21) Vendor Reimbursement Flowchart (Annex 37)	Finance
	☐	Verify voucher validity and total payment request; submit to Program	Vendor Reimbursement Form (Annex 20 or 21)	Finance
	☐	Cross-check redeemed vouchers and Vendor Reimbursement Form, create Payment Request, submit to Finance	Vendor Reimbursement Form (Annex 20 or 21) Payment Request	Program
	☐	Pay vendor		Finance
	☐	Stamp redeemed vouchers "paid"		Finance
	☐	Update Voucher Redemption Summary	Voucher Redemption Summary (Annex 30)	Program

ACTIVITY 10: END-OF-PROGRAM TRANSITIONS FOR FAIRS

The project should be well-documented to ensure that these experiences and lessons learned can be disseminated throughout the organization. Refer to Activity J: End-of-Program Transitions for more information.

ACTIVITY 10: END-OF-PROGRAM TRANSITIONS FOR FAIRS Checklist & Tools/Templates			
	Main Steps	**Tool/Template**	**Responsible**
☐	Review and update your End-of-Program Plan		Program
☐	Conduct a final evaluation	Evaluation SOW Template Guidelines on Evaluation Reports Tip Sheet #4: Conducting Final Evaluations in Cash Transfer Programs in the CTP Methodology Guide	Program and M&E
☐	Document lessons learned	CTP Program Profile template (Annex 31)	Program
☐	Communicate final program details with participants		Program
☐	Communicate final program details with vendors		Program
☐	Ensure required documentation is appropriately filed	See Program Records Retention Policy for details Section 7, FFM	Program Finance

ABOUT MERCY CORPS

Mercy Corps is a leading global humanitarian agency saving and improving lives in the world's toughest places. With a network of experienced professionals in more than 40 countries, we partner with local communities to put bold ideas into action to help people recover, overcome hardship and build better lives. Now, and for the future.

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Haiti — Miguel Samper for Mercy Corps