Cash & Voucher Assistance – feasibility study

Terms of reference

Country: Zimbabwe

Duration: 6 weeks

Expected starting date: 03/02/2020

Expected ending date: 13/03/2020

1. **The context**

Zimbabwe is facing multiple socio-economic challenges, which have been further exacerbated by 2019 hyperinflation and by the El Niño-induced droughts during two consecutive agricultural seasons (2018/19 and 2019/2020). The country has been left with a soaring inflation estimated at 300% in August 2019 according to International Monetary Fund and with a national cereal deficit estimated at over 800,000 MT for the 2019/20 lean season. This has resulted in households being faced with deteriorating purchasing power amidst shortages of basic commodities such as bread, cooking oil and fuel. It is anticipated that from January 2020 to April/May 2020, the food security situation will worsen with an estimated 7.7 million Zimbabweans food insecure (more than 50% of the population) and with 4.1 million people who will require urgent action to reduce food consumptions gaps and save livelihoods. It is a 17% increase of the people in need projected between October and December 2019 (3.46 million). Among these, an estimated 2.9 million people will likely face crisis conditions (IPC Phase 3) whilst 1.2 million will likely be in Emergency (IPC Phase 4). With regard to the situation and due to lack of cash liquidity and maize grain shortage in the country, the World Food Programme decided to launch food distribution to 4.1 million people throughout the country, covering all the 60 districts during the lean season (January to April). Most assistance is currently planned as in-kind transfers rather than as cash or vouchers, due to the prevailing macro-economic situation that has seen the prices of food commodities increase at an unprecedented rate since the promulgation of Statutory Instrument (SI) 142 of 2019, which introduced the Zimbabwe dollar as the sole legal tender in the country. Some commodities like maize grain are also unavailable in most districts on the formal market, which suggests that households are increasingly relying on more expensive alternatives, such as maize meal. Furthermore, the country continues to face liquidity challenges and access to physical cash has remained constrained, while payments made using mobile money in rural areas continue to attract a premium of 30 to 50%, essentially eroding the purchasing power of cash transfers.

On top of food needs, the population of Zimbabwe is faced with electricity, water (and possible cholera outbreak with the start of rainfall), and fuel shortage. The inflation and lack of liquidity are leading children to drop out from schools (for school fee non-payment) and households to stop their medication (HIV/AIDS, TB, hypertension, etc.), adding an additional risk of mortality and morbidity.

The 2019/20 rainfall season is forecasted to be below average characterized by a late start and erratic rainfall. This combined with the anticipated widespread poor access to agricultural inputs, will likely lead to below average cropped area. A second consecutive below-average season will thus result in a drop of livelihood opportunities, household incomes, and 2020 harvest, driving an atypically high assistance needs. In such conditions, the situation will remain still difficult beyond the lean season.

1. **The purpose**

Based on the above information and data from the Food Security cluster, WFP and Partners monthly food security monitoring reports, Action Against Hunger (ACF) and its implementing partner Nutrition Action Zimbabwe (NAZ) would like to propose an intervention to support most vulnerable and food insecure households in rural and in urban areas of Zimbabwe to complement WFP intervention. This intervention is expected to strengthen and complement the actions carried out by the Government and other humanitarian partners in addressing the nationwide emergency in three (**3)** potential districts or domains: Epworth (informal area in Harare), Bulawayo and Chiredzi (Rural and Urban).

1. **The stakes**

After consultation of various stakeholders and analysis of the planned response, it seems that urban poor will not be totally covered by the response. Food Security Cluster highly advised ACF to engage in urban programming for an impactful response. For instance, 184,000 urban poor (either in IPC 3 or 4) of Epworth domain in Harare City, will not be covered by any assistance. With regard to a highly volatile economic situation, ACF and NAZ would like also to explore the feasibility and adequate modalities to support the urban and rural food insecure households beyond WFP support and help them to sustain and cope with the current situation, and prepare for the next agricultural season (2020/21) for the rural population.

The objective of the proposed intervention is

- **Global objective:** to contribute to address life threatening needs of vulnerable populations affected by the double impact of El-Niño-induced drought and harsh macro-economic environment.

- **Specific objective:** to ensure the access to basic needs and strengthen the livelihoods’ resilience of vulnerable people affected by shocks in urban and rural areas of Zimbabwe.

1. **Objective of the consultancy**

To conduct a feasibility study of Cash and Voucher Assistance (CVA) that would respond to the multiple needs (ex. food, multipurpose and agricultural inputs of possible beneficiaries) and propose recommendations per area (urban, rural) for the most adequate modalities with several alternative options. The identified delivery mechanisms should ensure cash transfers or vouchers are distributed in a timely and quality way, minimizing protection risks and mitigate for any potential obstacles to this type of programming. The information from this analysis will be used to improve CVA quality in Emergency response. These findings will also improve the knowledge on the various cash transfer payment and voucher mechanisms that are currently being used by the humanitarian community of Zimbabwe and could fit for purpose in any response in the country.

The consultancy shall explore various market-based modalities: e-cash or direct cash transfer and/or voucher (including e-voucher).

1. **Methodology**

The study shall be based on:

* A Rapid desk review on the context and on existing and past cash interventions of Zimbabwe (in rural and urban areas) and literature
* Key informant interviews with main actors in-country
* Qualitative primary data collection

A number of elements and criteria shall be considered to inform the proposed intervention methodology, including at least:

* The capacity of local markets to supply, store food and agricultural inputs, and respond to an increased demand) in targeted areas
* The financial and legal context (hyper-inflation and ban on foreign currency in particular)
* A stakeholder analysis (including national authorities, INGO, LNGOs, Faith-Based organisations, etc.) related to cash and voucher transfer programming.
* The capacity, reliability and cost of mobile network operators and other financial services (for cash-out)
* An assessment of beneficiaries’ behaviours and preferences related to purchase, type of expenditures, debts, and coping mechanisms
* A risk assessment and mitigation plan – providing a comparative analysis by expected criteria and highlight concerns.

1. **Expected deliverables and timeline:**

1) An inception document detailing the methodology, schedule of activities and tools for data collection – to be sent no more than 1 week into the consultancy

1) A report (not exceeding 15 pages – excluding the annexes) – draft to be shared 4 weeks into the consultancy to allow for comments and revision, and final version to be shared at the end of the consultancy - including:

* A short analysis of the current economic situation-
* Recommendation with regards to whether or not a cash-based intervention is feasible in Zimbabwe
* A proposed methodology of intervention per area with detailed recommendations about service providers, tools/equipment/software, human resources needed, training needs.
* Annexes providing justification and documentation for the report, based on the criteria provided above. .
* A PowerPoint presentation at the end of the fieldwork, with the key findings for collective debriefings to be shared at the end of the consultancy

1. **Reporting line**

The Consultant will report to ACF Country Director (under recruitment) and will work in coordination and consultation with ACF Regional Technical Advisor for Food Security and Livelihoods.

1. **Offer**

The consultant must send the offer to:

[fbarennes@actioncontrelafaim.org](mailto:fbarennes@actioncontrelafaim.org) before the **27th of January 2020** (cob Paris time).

Full offer must contain the following documents:

* An updated **Curriculum Vitae** with 3 recent references
* A **cover letter** demonstrating how she/he is the best place to fulfil the assignment in terms of education, English proficiency, professional background, similar experience, areas of expertise, knowledge of Zimbabwe context.
* A **preliminary technical offer** explaining the proposed methodology to conduct the consultancy including a work plan.
* A **financial offer** taking into account that,
  + The consultant must provide the detailed costs for modifiable flight tickets, visa for the duration of the stay, home-based working days, field-based working days, in-country human resources if needed, per diem, equipment and communication means.
  + ACF will provide with the in-country transportation, accommodations, a basic phone with SIM card and a working place in Harare with access to internet.

IMPORTANT:

All documents must be signed and submitted as pdf version, to secure their validity and prevent any possible falsification. Thanks in advance for your comprehension.