

**Project Title:**  
**Mercy Corps Emergency Cash and Household Recovery –  
Bosnia and Herzegovina Floods**

Implementing Agency



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**FINAL REPORT August 2014**

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## 1. Executive Summary

The May 2014 floods in Bosnia and Herzegovina (BiH) were caused by three months of rainfall falling within a three-day span. The flooding had devastating effects across the North, East and Central regions of the country. Over 46 local districts were declared a disaster area, with the Government of Bosnia and Herzegovina indicating that over 1,000,000 people (25% of the country's population) being affected by the floods. There were three types of calamities affecting the country: damage caused by rising water including flood damage to homes, changed landscapes as fields and roads were washed away, and unknown movement of landmines; landslides destroying homes and entire villages as mountain slopes fell away; extensive elevation of the Sava River resulting in many areas, particularly agricultural fields, being underwater.

As a response to the needs of people affected by the floods and landslides, Mercy Corps proposed and implemented, together with the partner CRP (Centre for Development and Support), a non-conditional, cash-grant of £150 (360 BAM) to 164 households who were considered extra-vulnerable to this shock, and needed immediate support to repair damaged houses.

Targeting: People in need exceeded the resources available and therefore, the following criteria was used to target the most vulnerable:

- Households that had lost their homes entirely and;
- The household reported no means of income (unemployed) and;
- The household included a family member with disabilities or the household is registered as displaced or returnees following the war.

All claims and beneficiary lists were cross-checked through social services and the local level of government (Mjesna Zajednica -MZ).

In June, the Centre for Development and Support (CRP) signed the Sub grant Agreement with Mercy Corps, with a total amount of £27,823. Between June and July 2014, Mercy Corps, acting through CRP implemented the activities described below:

## 2. Activities Undertaken

### *Preparatory activity 1: Setting up the program implementation team*

Immediately after signing of the contract with Mercy Corps, CRP management team held a meeting with the staff in order to establish the Project Implementation Team. This was comprised a Project Manager and assistant, a Finance Manager, and three Field Officers. Mercy Corps was also able to provide a technical expert on cash programming, in order to feed into all the planning, operational and monitoring aspects of the whole implementation.

## ***Preparatory activity 2: Establishment of Standard Operating Procedures (SOP) of the Project***

The Project Implementation Team defined the horizontal and vertical levels of responsibility, and the implementation methodology and procedures. The team, with close input and coordination from Mercy Corps staff, defined final versions of documentation and forms as well as criteria to be used during implementation of the activities including the following: JOAC Cash Grant Programme **Beneficiary Application Form** (Annex 02 to this Report), JOAC **Cash Handover Voucher** (Annex 03 to this Report), JOAC **Monitoring Form** (Annex 04 to this Report). There was a database beneficiary list, but for purposes of data protection, this was not attached as an annex, rather the location and numbers of beneficiaries per municipality are expressed in the table under WP #3.

## ***WP (Working Package) # 1: Identify appropriate and eligible cash grant recipients***

1. 1. Finalize “Geography” and initial number of communities/beneficiaries, including identification of affected households (HH)

CRP project team organized meetings with official representatives in each of the 9 municipalities (via the Social Welfare Centres - SWC, Red Crosses, Civil Defence and Representatives of municipal teams for Floods damage assessment) and presented the project, its criteria and timeframe so they could create and provide CRP with potential beneficiary lists. Those municipalities are: Žepče, Maglaj, Orašje, Odžak, Domaljevac and Tuzla in the Federation of BiH and Doboј, Šamac and Bijeljina in the Republic of Srpska. Planned number of grants and geography of grants to be distributed per municipality was designed following the criteria of the most affected local communities/villages by floods/landslides in each municipality.

## ***WP # 2: Verify that the approved applicant is ready to receive cash grant assistance***

2.1. Conduct field visits to geographically eligible potential beneficiaries;

Once the municipalities (via SWC) submitted to CRP the potential beneficiary lists, sorted per priorities, CRP started the process of field visits and their eligibility verification. In the period between 26 June and 4 July 2014, CRP Field Officers accompanied by the representatives of the municipal SWC, visited over 200 candidates from the potential beneficiary lists. It resulted in the selection of the 164 beneficiary HHs, based on preliminary-defined criteria, completion of information, photo documentation of beneficiaries and preliminary-signing of verification document (some form of contract) with beneficiaries verifying that they fully understand the terms and conditions under which they will receive the cash. See **Photo Documentation** (Annex 01 to this Report)

2.2. Cash approval process

Field officers, together with the project manager reviewed collected information from application/evaluation form, photo documentation of selected beneficiaries and verified that all selected beneficiaries met the required criteria. Upon completion of the reviewing process,

the Project manager approved the cash transfers to the selected HHs and sent the final list along with pre-signed verification document including personal transfer bank account, to the Finance manager for further cash transfer processing. Note: at the time of the original proposal, Mercy Corps understood that ‘electronic gift cards’ were widely used in BiH, were able to be used to withdraw cash from ATMs, and were accepted at many point of sale (POS) in the project area. However, at implementation stage, following a short trial run of a few cards in our selected locations, (before more were printed for the beneficiaries) it was found that the cards could not be used at ATMs to get cash, and the presence of POS (point of sale) terminals in merchants in our target locations was not satisfactory, and there were too many concerns from our implementing partners about the limitations of the card for the types of goods and places of purchase that would be required by our beneficiaries. The decision was taken therefore to deliver the cash programming via direct bank transfers, see below.

***WP # 3: Disbursement of cash grants in a safe and efficient manner***

**3.1. Cash disbursement to approved beneficiaries through bank accounts**

The Financial manager and the assistant managed the cash distributions to the selected, verified and approved 164 beneficiary HH. This was also overseen by Mercy Corps finance staff. Cash was mainly distributed through bank accounts of beneficiaries, following a double check on the transaction accounts with the banks, (133 of them), and in 31 cases, where the beneficiaries were elderly people/or did not have bank accounts, cash disbursements were organized by CRP directly providing cash to beneficiaries at their addresses. All cash disbursements were completed by 9 July 2014.

Number and location of cash grants disbursed, throughout the 9 municipalities.

<b>Municipality</b>	<b>Number of HH supported</b>
BIJELJINA	23
DOBOJ	25
DOMALJEVAC	31
MAGLAJ	10
ODŽAK	22
ORAŠJE	29
ŠAMAC	13
TUZLA	4
ŽEPČE	7
<b>Total</b>	<b>164</b>

***WP # 4: Monitoring and assessment of impact of the program***

**4.1. Spot checks/monitoring visits to final beneficiaries**

CRP Field officers conducted spot checks/monitoring visits to 13 final beneficiaries, and phone interviews with other 20 final beneficiaries, randomly selected in each municipality, and

verified that cash has been used for the purposes and needs identified by the beneficiaries. All of them have duly received the amount of 360 KM, either transferred onto their bank accounts or paid directly by CRP Field officers in cash. Mercy Corps monitored and was satisfied with the operational distribution of cash and/or bank transfers. From the visits and interviews, the beneficiaries listed the items they had purchased, or were about to purchase with the cash grant, which included:

- a few beneficiaries planned to buy two new windows
- one beneficiary bought a new front door
- several beneficiaries planned to match this fund with funds of other potential donors (or their own savings) and buy indoor basic building material to set up one dry room (indoor basic material includes: cement and hydro isolation, water resistant wall paint, water pipes)
- a couple of beneficiaries bought medicines
- several beneficiaries planned to pay utility bills (electricity, gas, etc.),
- a couple of beneficiaries bought brand new stoves
- one beneficiary bought a used refrigerator on the local market, and another one bought a used washing machine from his neighbour
- a couple of beneficiaries planned to use this cash for purchasing food
- Others bought some basic second hand furniture, including small tables, beds and mattresses, couches, chairs, lamps, cupboards, shelves, dishes etc.

In brief, the 360 KM/£150 is not enough money to meet all needs of one family, but as the beneficiaries said, it helped them to at least buy some used furniture and appliances, or pay their bills and food for one month – the critical urgent need in the first month following the floods, until more support and/or self-help enables them to re-establish their homes and livelihoods. It is also important to note that this cash transfer was **the first** and **only** tangible assistance they had received since the floods had occurred.

### 3. Budget in GBP

Item	Budget	Actual
Personnel (Staff directly involved with implementation and monitoring)	3,480	2,259
Transport and logistics in-country	1,000	1,610
Programme Materials Gift Cards for 164 vulnerable households	24,600	25,211
Administration costs (UK 3%)	872	872
<b>TOTAL</b>	<b>29,952</b>	<b>29,952</b>

## 4. Lessons Learned

The modality of cash disbursement to the beneficiaries used in this project was a cash transfer to personal bank accounts, instead of distributing gift cards. Advantages of this system are:

- better impact of the action since cash enables the beneficiary to purchase commodities from various shops, according to his/her needs and priorities (rather than being tied only to the vendors that accept gift cards);
- implementation of grant is not related to trade companies/shops that have POS, but procurement can be made at marketplace or at second hand shops or local informal markets – often for a much lower price;
- beneficiaries are able to match other own funds in the purchase of necessary resources;

Challenges in this model are:

- detailed preparations for disbursements are needed during beneficiary selection process (e.g. defining adequate transaction account details with beneficiaries who are elderly and/or infirm and may depend on another person for help and care);
- the process takes longer and requires engagement of the staff at the field;
- lack of bank accounts for some beneficiaries - of the 164 total HHs, 31 (18,9%) disbursements were in cash, which did not present a major challenge, since the project team were able to accommodate the group of 31 and personally deliver the cash. Although in BiH the banking system is sufficiently developed that it takes less than a day to open an account, it was decided to use the cash-in-hand disbursement, due to the limited availability of time and staff to assist the 31 beneficiaries in opening accounts.

## 5. Recommendations:

In the future, in similar actions we should continue with cash transfers to personal bank accounts rather than gift cards. It is recommended that all beneficiaries have bank accounts, however if they do not, the project design should include time and resources to help them open one, since it takes less than a day to do it. It will be beneficial for them in the future, since other donors working with flood affected families also use this system (Swiss Red Cross, International Red cross etc.). Furthermore, it would significantly increase the efficiency of cash disbursement and decrease project activity costs.

## **ANNEXES**

**[All annexes are submitted electronically]**

**ANNEX 1:** [01 JOAC Photo Documentation.doc](#)

**ANNEX 2:** [02 JOAC Beneficiary Application Form.doc](#)

**ANNEX 3:** [03 JOAC Cash handover voucher.xls](#)

**ANNEX 4:** [04 JOAC Monitoring form.xls](#)