



Global learning event

Cash transfer programming and preparedness

*Hosted by the International Federation of Red Cross and Red Crescent Societies
in partnership with the Cash Learning Partnership*

Kuala Lumpur, 25 and 26 July 2013

Event funded by



Event supported by



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Report prepared by Ben Mountfield for IFRC.

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P.O. Box 372
CH-1211 Geneva 19
Switzerland
Telephone: +41 22 730 4222
Telefax: +41 22 733 0395
E-mail: secretariat@ifrc.org
Web site: www.ifrc.org

Cash transfer programming
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The International Federation of Red Cross and Red Crescent Societies (IFRC) is the world's largest volunteer-based humanitarian network, reaching 150 million people each year through our 187 member National Societies. Together, we act before, during and after disasters and health emergencies to meet the needs and improve the lives of vulnerable people. We do so with impartiality as to nationality, race, gender, religious beliefs, class and political opinions.

Guided by *Strategy 2020* – our collective plan of action to tackle the major humanitarian and development

challenges of this decade – we are committed to 'saving lives and changing minds'.

Our strength lies in our volunteer network, our community-based expertise and our independence and neutrality. We work to improve humanitarian standards, as partners in development and in response to disasters. We persuade decision-makers to act at all times in the interests of vulnerable people. The result: we enable healthy and safe communities, reduce vulnerabilities, strengthen resilience and foster a culture of peace around the world.

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1.

Background

1.1 Cash learning events

As the investment in cash transfer programming (CTP) continues to grow, the focus is turning to the need to do more, do it faster and do it better. As a result, the consideration of integrating cash into preparedness and contingency plans is being raised up the cash agenda.

Through this learning event, the International Federation of Red Cross and Red Crescent Societies (IFRC) created an opportunity for humanitarian actors to come together, share experiences and identify positive approaches in integrating CTP into existing preparedness and contingency planning processes.

This learning event forms part of a series of similar events, organized by Cash Learning Partnership (CaLP) and the IFRC with support from ECHO, designed to bring practitioners together to discuss current issues and continue to move the CTP agenda forward.

1.2 Why focus on preparedness and CTP?

Preparedness, at all levels, is an important investment against disasters and crises as it saves valuable time in response and gives vulnerable people a buffer against the repeated crises that strip away their resilience and increase their vulnerability. As climate change, population growth and urbanization are placing more people at risk of being affected by disasters, it is important to scale-up our disaster preparedness programming and strengthen organizational preparedness to raise a warning flag and to be ready to respond to disasters when they occur.

A survey conducted by the Inter Agency Standing Committee Sub-Working Group (IASC SWG) on Preparedness in July 2010 demonstrated the growing links between preparedness for emergency response and capacity development. The SWG on Preparedness survey revealed a number of gaps in how IASC agencies are approaching emergency preparedness, including:

- Deficiencies in the coordination of emergency preparedness activities, for example among international organizations, between international and national organizations, or between the national and local levels;
- A lack of predictable, systematic coordinated and coherent approaches to capacity development of country-level actors on emergency preparedness;

- Insufficient funding for agency and inter-agency emergency preparedness as well as for capacity development of country-level actors on preparedness for emergency response;
- Emergency preparedness continues to be seen as primarily a humanitarian endeavour, and is not adequately linked to development programming.

Strengthening disaster preparedness at global, regional and national levels is thus critical to save lives, protect livelihoods and strengthen recovery from disasters and crises. However, significant gaps exist in the wider humanitarian systems for the coordination of preparedness efforts. These can be addressed by better integrating the current diverse practices of contingency planning and business continuity planning through establishing agreed standards and tools for multi-hazard emergency preparedness.

Contingency planning ensures that we know what to do when disaster strikes, and have the systems and tools to respond fast. It means anticipating the types of disasters we might face and knowing practically how to manage disasters when they do strike. It also means rehearsing our procedures and working out where the gaps are, so that we can be ready when we are needed most. Plans need to be regularly updated and tested through simulations.¹

The Red Cross and Red Crescent Movement has become increasingly involved in CTP, mainly in recovery activities and more recently in relief operations. As with relief efforts, thinking ahead about what this might involve will allow National Societies to respond to recovery needs faster and better. All of the evidence shows that recovery starts early following a disaster – sometimes within the first few days as people seek to rebuild shelter or start earning money. Cash transfers allow people to choose what they need. Hence cash transfers are an effective and efficient way of meeting multiple and diverse needs, whether that be to buy food, to prevent the sale of a productive asset or to continue to pay healthcare and school fees. Some simple preparation can be of great benefit in starting such programmes quickly.

The time is right to look in more detail at what pragmatic preparedness means in the context of CTP and a changing humanitarian context. This learning event was designed with the intention to provide initial thoughts in this process. and this report is a useful output on which others can build.²

In the past, contingency and preparedness planning used to focus largely on warehouses full of stocks. The emphasis has changed over the years, and while stocks remain important, it is now also common to have *agreements in principle* with major suppliers to provide agreed materials on demand. This ‘pre-engagement agreement’ approach is an essential component of contingency planning for CTP, i.e. setting up service agreements and contracts with financial institutions in advance of an emergency.

Humanitarian agencies have always been willing to tolerate a proportion of losses and leakage when providing food assistance on a large scale. It is not clear whether the same level of tolerance has been agreed and/or will be accepted when dealing with CTP. There may be an expectation that such ‘leakage’ can be kept to zero in CTP projects. While it is possible to use the technology to build in additional levels of control, these come at a cost in time and resources. A zero level of ‘leakage’ is not a realistic expectation in all situations.

Preparedness for CTP is not fundamentally different from preparedness for other types of response, although it does have some unique characteristics. CTP requires us to work in new ways with different commercial partners. In the way

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¹ <http://www.ifrc.org/en/what-we-do/disaster-management/preparing-for-disaster/disaster-preparedness-tools/contingency-planning-and-disaster-response-planning/>

² CaLPs guidelines for the use of e-transfers, currently in development and due for release later in 2013, will include a section on contingency planning and preparedness.

that trucking companies make a profit when delivering food aid to a distribution centre, banks and mobile phone companies also expect to make a profit when transferring resources to programme beneficiaries. Both are commercial partners with a profit motive and the transaction serves the interests of both parties. There are strong similarities, but there are also important differences – not least that we are often providing the new partners with specific information about the beneficiaries themselves.

1.3 Introduction to the learning event

This learning event brought together an interesting mix of people – humanitarian practitioners with considerable experience of contingency planning, in using cash transfers in disaster response, with representatives from the financial services sector and donors. The emphasis was in part on sharing experiences, and in part on learning to understand the terminology, motivation, expectations and constraints of the other party. The purpose of the event was to learn together what should be in place in advance, in order to implement CTP quickly, effectively and at-scale after a major disaster. This report is not a simple summary of the event, but a synthesis of the ideas, presentations and discussions over two days. It is not intended to be authoritative or exhaustive, but it is hoped that it provides a useful starting point.

The purpose of the event was to learn together what should be in place in advance, to implement CTP quickly, effectively and at-scale after a disaster.

The meeting was hosted by the IFRC and while many of the participants came from the Red Cross and Red Crescent Movement there were also participants from the UN and NGOs. Given the composition of the participants attending the meeting the report has been drafted with a generic appeal to it. Agency-specific terminology has been avoided, as have technical debates about differences between contingency and preparedness plans, for example, and debates about the benefits or risks of CTP. The emphasis for the learning event and consequently for this report is simply on being as ready to respond as possible, while retaining flexibility to do so in the most appropriate manner.

1.4 Outline of the learning event process

The learning event took place over two days. A detailed programme of the event can be found in Annex 1 and a list of participants in Annex 2. The first day provided an opportunity for various stakeholders to present a range of perspectives. The technical presentations were interspersed with case study examples from around the world and from many different organizations. Participants heard about trends within CTP, the challenges of contingency planning, the expectations and perspectives of a major donor to CTP, the potential for partnership with Financial Service Providers (FSP), and the experiences of a number of humanitarian actors in this field.

At the start of the second day, participants were invited to suggest topics that warranted further examination. These were considered and prioritized and as a result the following four questions were explored in small groups:

1. Why are we not prepared to take risks? What can be done early in the preparedness stage to enable us to take risks? What processes need to be put in place to minimize fraud?
2. What is the minimum checklist needed for us to be prepared? Produce a checklist to work with mobile service providers and financial service providers during a disaster.
3. What monitoring tools need to be put in place prior to a disaster to improve quality of programmes? How do we build good exit strategies into our contingency plans?
4. How do organizations link into existing government and cluster systems' contingency plans? Who leads? How do we maximize our collective resources to achieve better impact?

The four groups presented their feedback in very different ways and levels of detail – in some cases the discussions in the plenary group led to revisions and additions to the outputs. These outputs presented here have been synthesised with key messages from the presentations and other discussions that took place throughout the learning event.

The individual presentations have not been included here. A list of the presentations can be found in Annex 1 and can be made available on request.

1.5 How to use this report

This report has taken the good practice, the lessons learned and the outcomes of many discussions through the course of the learning event and re-packaged it as guidance.

Part 1 of the report provides the background, introduction to the event and structure of the report.

Part 2 of the report presents the guidance under headings that address the following five key questions:

- How to ensure that CTP is properly included in broader emergency response policy and strategy?
- How best to work with others in CTP planning and implementation?
- How to set up CTP implementation structures in advance?
- What needs to be considered regarding beneficiaries' personal information and protection?
- What needs to be done in advance to ensure effective monitoring and exit strategies for CTP programmes?

Part 3 of the report takes a functional perspective, looking at the contributions to be made by different parts of the organization, and outlining responsibilities and actions to be taken.

Part 4 focuses on the recommendations from the event and suggested next steps to take this thinking forward and draws on the presentations and discussions from the two days. It is by no means exhaustive, but suggests some signposts for others to consider should there be a desire or means to further this work.

This report should be seen as work in progress. It has been pulled together from a range of sources and while all of the participants will recognize parts of it, it is likely that none will recognize it in its entirety. This report is not only useful in its current form but also is a valuable foundation for a more substantial and thoughtful piece of work that incorporates existing good practice from the field.

2.

Effective preparation for CTP



2.1 Ensuring that CTP is included in response strategy and policy

2.1.1 Make space in your strategy

CTP should be agreed in principle at policy level and adopted as strategy in emergency response. Since effective CTP requires coordinated action across a number of functions, as well as support from the leadership, it is important to identify any remaining points of concern, or potential barriers to effective implementation, and address these proactively.

2.1.2 Understand your context

The following information needs to be gathered and considered when planning for CTP:

- Government policy framework will influence programmatic decisions and thus contingency planning activities. This includes Government attitudes to CTP, humanitarian aid and coordination.
- The existence – or otherwise – of a cash-based government safety-net programme.
- The existence and effectiveness of a universal National ID card or registration system, which effectively includes minority groups, refugees, etc.
- Literacy rates, including financial literacy – disaggregated by gender, urban/rural, different areas of the country when appropriate, etc.
- Attitudes to debt and credit, in rural and urban areas. Attitudes to and availability of savings schemes, rotating funds, microcredit and microfinance, and insurance.
- Penetration of the banking system, post office, mobile phones. Use of mobile wallets. People's willingness to engage with the formal banking sector (especially marginalized people).
- Remittances and informal banking systems: coverage and acceptance; and utility for CTP.
- Monopolies over service provision.
- National and international institutions – mapping, services provided, coverage and rates.

2.1.3 CTP is just a modality, not a programme

It is better to build CTP into the existing contingency plan than to develop a separate plan for CTP modalities. CTP may form a sub-set of the existing plan. Building CTP into an existing plan also provides an opportunity to revisit the existing approach and ensure that it really is fit for purpose.

2.1.4 Include reflections from past learning

Cash programmes tend to be quite heavily scrutinized, so there is lots of experience already documented. It is important to ensure that this experience, from your own organization as well as others, is readily available and is being used.

2.1.5 Having a plan is not being prepared

The planning document may not be sufficient: building effective CTP preparedness within the agency will probably require internal advocacy, training, and staff development. Identifying a focal point within each relevant department will help to ensure that each departmental perspective is represented in the planning process. However, the entire staff may need to be exposed to the justification and approaches of CTP.

It is worth investing in pilot testing, simulation, and post-implementation review to strengthen plans and ensure they are realistic.

2.2 Planning to work with others in CTP

2.2.1 Coordination and communication are critical

Agree and document roles and responsibilities, specific to cash transfer approaches for the:

- Agency itself, with respect to the national coordination frameworks (government coordination, national disaster management framework, IASC / clusters / humanitarian country team, early warning systems, etc.);
- Different levels within the organization: national headquarters, provincial, regional, district, etc.;
- Departments responsible for different services and functions: programme, monitoring and evaluation, finance, logistics, admin, legal, security etc. (See Part 3).

Contingency plans should be shared between agencies at national and local levels to support the development of coordinated contingency planning at that level.

Understand and consider the perspectives of the community and the authorities with respect to CTP. Consider sensitization and advocacy work prior to the disaster.

2.2.2 Working in collaboration and in consortia

Evidence presented at the learning event strongly supports the value of working in consortia, particularly in terms of cost-effectiveness. If a majority of agencies approach a FSP together, they will be in a better position to negotiate lower fees, protection for beneficiaries, and common standards. Working in consortia presents challenges. The earlier such groups are formed, the more likely they are to succeed.

2.2.3 Preparations with donors

Donors differ quite markedly in their attitudes to CTP – although there is a clear trend of increasing acceptance. It is worth discussing possible approaches with the most likely donors in advance, to understand their position (which may vary from country to country) and any particular expectations from their side.

Donors may also propose that agencies collaborate on systems, rates or approaches, or that they work in consortia.

2.2.4 Preparations with early warning systems, clusters and other coordination mechanisms

In some situations, where disasters are frequent, seasonal, or typically slow onset, there may exist effective coordination mechanisms or early warning structures that can support CTP preparedness.

While CTP is most commonly used in the areas of meeting basic needs, food security and livelihoods, there is a growing recognition that it can be appropriate across a wide range of sectors and interventions.

Work can be done in advance to promote cross-cluster support for CTP and recognition that CTP approaches can support interventions in many sectors. As clusters are organized by sector and CTP is a cross-cutting modality, additional work may be required to ensure common approaches, especially in activities such as cash for work. In some situations, cash coordination mechanisms have been created to work between and across sectors, and it is worth looking out for these (or suggesting them if they are missing and would add value).

Early warning mechanisms and clusters present an opportunity to pool limited (pre-disaster) resources to develop mapping and/or baseline of the 'normal' pre-disaster situation for later use by all actors. Some actors may already be collecting information, and much is often available from secondary sources.

Efforts can also be made to ensure the inclusion of relevant information in joint assessment processes, to ensure that it is possible to collect, for example, basic market information and data on finance sector, if this has not been done in advance.

2.3 Preparing to manage beneficiary information

2.3.1 Knowing your customers

Humanitarian aid is usually targeted to named individuals, often as representatives of households. This is true for CTP as much as it is for distributing food or tents. However, when distributing aid through financial institutions, banks or mobile money systems, these institutions must comply with Know your customer (KYC)³ legislation: this can add considerable time to registration processes, and in some circumstances may provide additional challenges.

The KYC legislation varies from country to country as well as between different types of financial institution. These can be categorized into three broad scenarios:

- **Demanding KYC requirements.** These tend to apply to traditional bank accounts and credit and debit cards. The banks ask for comprehensive details including full name, address, national ID number where these exist, and often, additional evidence such as birth or registration certificates, biometric data, photographs and fingerprints. Gathering this information from your beneficiaries will take time, and some may not have the necessary documentation – or might prefer not to share it. It may be especially challenging to collect such data in the period immediately after a sudden-onset disaster.
- **Moderate KYC requirements.** These can sometimes apply to some types of transfers, for example, through remittance agents or mobile phone systems. Less documentation is required as evidence for the registration process. Such systems can allow faster registration, while maintaining an audit trail.
- **Very light KYC requirements.** These might be as a result of waivers for the duration of an emergency period, or they may apply to, for example, 'anonymous' debit cards – with no beneficiary name – topped up with a balance, to be spent on certain items only within a limited time. Mechanisms such as these may not be available in all countries or in all situations, but where they exist they allow for very swift registration and transfer – with lower levels of control.

³ KYC legislation is designed to reduce opportunities for fraud and money laundering.

2.3.2 Management of beneficiary data

The means chosen to collect, store and access beneficiary information – transfer amounts and distribution schedules – is likely to be influenced both by KYC and by the requirements of the FSP. It may be enough to have a spreadsheet, but in many cases a more substantial database may be required. If so, it will need to be designed and tested prior to any operation.

Producing the technical specification of the database is critical and it requires inputs from the field users, the management and monitoring and evaluation teams, the FSP and the IT function. It is essential to build as much flexibility into the database as possible, including timings, number of tranches, and amounts.

The database may also need to be able to cope with multiple simultaneous users, with remote data collection and upload, with managing several different tasks (data entry, validation, reporting) at the same time.

It is important to be clear what the purpose of the database is – for financial controls, to print transfer requests, for validation of data, for monitoring progress – to be sure that it can meet all of these expectations.

Beneficiary data must be protected according to the laws of the country and the agency's home country. Protecting the immediate and longer-term interests of the beneficiaries is paramount.

2.3.3 Do no harm

It is essential to understand and comply with local legislation including KYC (above), but also data protection legislation.

CTP differs from distributions of commodities, in that we sometimes don't undertake the final stage of the distribution ourselves: instead we use third parties to distribute to the beneficiaries. This means that we share beneficiary data with external, commercial companies. There are legal and ethical implications to this, and these must be considered in advance and factored into the contract that is agreed with the FSP. Aspects to consider include:

- Degree of financial literacy of the beneficiaries, especially if this is their first exposure to formal banking
- Cash-out and transaction charges levied on beneficiaries during the programme period
- Advertising aimed at beneficiaries for additional products or services during the programme period
- Type of guarantees that can be put in place once the programme period is over.

At the same time, it is critical that beneficiaries have the means to provide feedback on the assistance provided. If transfers are done through mobile phones, feedback can be gathered, for example, through SMS post-distribution surveys. In other cases, other approaches may be required. It is best to have a choice of systems to ensure that people can provide feedback. Cultural considerations and literacy levels should also be considered in the design.

The CaLP are developing a Code of Conduct for data protection and management of e-transfers. Further information is available on their website.⁴

It is critical beneficiaries have the means to provide feedback on the assistance provided.

⁴ <http://www.cashlearning.org>

2.4 Setting up implementation mechanisms in advance

2.4.1 Considering capital (start-up) costs and operating (running) costs

Different payment mechanisms have different start-up costs (often known as CapEx, capital expenditure) and running costs (OpEx, operating expenditure). In part, these are associated with the costs of the KYC process: where KYC requirements are high, start-up costs are also higher per customer. The transaction fees associated with the agency putting money into an account (cash-in), and with the beneficiary withdrawing money or paying for goods (cash-out) can vary significantly. The cash-out costs can often be waived during CTP projects, but it is also important to consider the longer-term implications for beneficiaries.

For scenarios that envisage only one or two payments per beneficiary, it may be acceptable to consider mechanisms with low capital expenditures and higher transaction costs. For scenarios that envisage multiple payments, it may be worth considering mechanisms with higher capital expenditures and lower transaction costs. It is normally possible to negotiate for lower transaction costs in either scenario, and the use of new technologies like mobile money generally results in lower transaction costs than traditional technologies like cheques.

The FSPs are increasingly introducing products aimed at bringing new customers to banking services. These are sometimes described as a 'minimum package' or 'no frills banking', and may be associated with lower levels of KYC requirements. They come with lower charges and lower functionality, and can often be appropriate for CTP projects.

The CaLP is undertaking research (August 2013) into the cost-effectiveness of e-transfers compared to traditional means – and what factors influence the cost-effectiveness.

2.4.2 Preparing for and working with surge capacity

Humanitarian agencies are familiar with deploying surge capacity in emergency response situations. In developing the preparedness plan, it may be necessary to consider less traditional forms of surge capacity, for example, in areas such as administration or finance.

Consider both the sources of surge capacity, and the capacity to receive it within the operation.

2.4.3 Selecting your technical partners – considerations

Consider disaster-specific scenarios as well as broader, flexible partnerships. Different types of response may require the different FSPs. Additionally, different providers may be better suited to urban and rural contexts, or in different parts of the country.

There are four broad types of FSPs:

- Financial Institutions, such as banks and the post office
 - Remittance agents
 - Mobile network operators
 - Third party providers, such as credit card companies
-

Consider less traditional forms of surge, such as admin and finance.

Important questions to consider include:

- What are the timelines associated with KYC processes, setting up accounts and transaction parameters, printing cards, and physically managing distributions?
- Will the providers have sufficient float – especially at the point of ‘cash out’ to service your programme? Will you need to provide additional cash? Is the current level of float also likely to be available in the immediate aftermath of a disaster? What risks are associated with this?
- What level of financial literacy do the provider’s systems require from beneficiaries? Is training an option?
- What are the travel, cost, and other implications to the beneficiaries? Who pays the transaction charges? Can they be waived and for how long?
- Consider the FSP capacity in each location. Can they handle 500 transactions/day? 5,000? 50,000? Is this capacity evenly distributed across the country? It is worth looking at capital, audited accounts, human resource capacity, and overall reach or coverage.
- How quickly can the system be online? What are the minimum performance levels expected? What penalties will apply if these are not met?
- The capacity of the FSP may be sufficient for your project. But are they in parallel discussions with other humanitarian actors? Is there sufficient capacity for multiple simultaneous partnerships? Is there value in working together, or should you agree to work with different partners to share the burden?
- Understand the chain of providers that makes up the overall service: does each part of the chain have the necessary capacity?
- What value should be placed on the reputation of the FSP? Internationally recognized partners may be more expensive, but may bring additional capacity or controls to a CTP project.

2.4.4 Selecting your technical partners – process

There are two broad approaches to deciding on a service provider. A programme-led approach builds on an analysis of response options, where a procurement-based approach follows a traditional tendering process. In practice, both approaches consider a wide range of factors when making a decision about choice of provider, but the weight attached to these factors may be rather different. Selecting the cheapest option may not be appropriate if there are questions about capacity, coverage or risk.

It is important to identify and document all the factors that influence the decision-making process as well as include these in the process. The detailed technical specification is an essential part of this process and it requires inputs from a wide group of stakeholders, outlined in Part 3.

2.4.5 Managing risk

Risks are usually handled at the programme level in smaller responses using traditional modalities. However, in cash-based programming, especially at-scale, many agencies have brought people together to focus on and manage risk at a higher level.

From the perspective of the contingency plan, it is important to know who is leading on risk management, and who else will be involved. The format of the risk register (or equivalent tool) should be agreed in advance, and if possible, thresholds for action should also be identified.

Those responsible for risk management will want to consider:

- External relations and reputational risk

- Selection of FSP partners, their capacity, and the parameters of the contract
- Policies on fraud and corruption, whistle blowing
- Risk sharing strategies
- Protection of beneficiaries data and beneficiary interests during and beyond the programme period.

Mitigation actions for all key risks should be identified in advance.

Most risk management tools look at risks in isolation. There is also value in considering the impact of multiple simultaneous risks when preparing for a future response.

One useful exercise is to consider, in advance, what an acceptable threshold might be for each risk, and to ensure that the monitoring tools are tracking appropriate indicators.

2.5 Planning for monitoring and exit strategies

2.5.1 Build your monitoring framework in advance

Identify the right indicators to monitor changes in context, the internal processes needed for implementation, and the results achieved.

With good planning, it is possible to compare a reference value (pre-disaster, normal) with a baseline value (post-disaster, pre-implementation) and an end-line value (post-implementation).

Document pre-disaster reference values that cover all of these indicators. Be sure to consider seasonality for indicators such as prices that might vary during the year.

Include these indicators in the tools that are used for emergency needs assessment, so that the baseline assessment is completely comparable, and in the tools for programme monitoring.

A range of stakeholders will be needed to identify the correct indicators for the CTP programme. The stakeholders will include finance, legal, communications and logistics specialists, as well as the technical sectors.

Find out what information can be automatically generated by the FSP or built into the database design and ensure that this functionality is available and feeds into the monitoring system.

2.5.2 Think about exit from the start

Is the monitoring system sufficiently sensitive to provide information about results in time for decisions to be made about the value of the transfer, possible extension or appropriate closure of the CTP project?

What are the benefits and risks of bringing 'unbanked' people into the formal banking system? What are the longer-term implications?

Is there value in following these up and learning about the impact some time after the programme has been completed?

Consider the benefits and risks of 'banking the unbanked'.

2.6 Lots to do: How to begin?

Identify focal points

Once a decision has been taken to include preparations for CTP in the contingency planning process, how should a humanitarian agency go about it?

CTP planning, like CTP, requires coordinated inputs from a wide range of internal stakeholders – across technical sectors, management and support functions, hierarchies and geographic structures. These stakeholders need to be coordinated, and the whole process needs to be led. Being clear about roles, responsibilities and expectations from the start will greatly facilitate this process.

One approach to achieve this is to identify – within each group of stakeholders – a focal point. This person would be oriented and trained on CTP methods, and would have three broad roles:

- To represent their function or department in the CTP planning process
- To be the go-to person for rapid inputs or advice when required
- To be the ‘champion’ of CTP within their function or department.

In an ideal situation, everyone in the organization should be exposed to and confident about, cash transfers. The focal point approach supports that longer-term goal while achieving the short-term objective of developing a realistic and inclusive plan.

The table in Part 3 looks in more detail at the roles of the various functions in a humanitarian agency, when it comes to planning and preparedness for CTP.

3.

Who does what

3.1 Building CTP into existing contingency plans in your organization

The table on pages 18 and 19 allocates responsibilities to functions rather than to departments, as different organizations have different structures. Each agency would need to adapt this table to its own requirements, and would build these roles into their existing preparedness and response Standard Operating Procedures (SOPs).

The first stage in developing an effective preparedness plan is to be clear about roles, responsibilities and expectations. The table on pages 18 and 19 will need to allocate roles to people and departments. Different organizations will choose to do this in different ways. The table suggests that senior management or leadership should assign responsibility for five critical functions. This allocation will vary between organizations. In the example on pages 18 and 19, roles and responsibilities have been assigned between programme management, IT/ICT and logistics. Involvement of other departments has also been indicated. If your organization assigns these roles in a different way, then the table below will need to be adjusted accordingly.

Function/ Services	Actions and responsibilities
Senior management/ leadership	<ul style="list-style-type: none"> • Ensure policy framework is in place • Strategy development and oversight of contingency planning • Allocate lead responsibilities and/or processes for five critical roles: <ul style="list-style-type: none"> – Design and documentation of CTP baseline, monitoring tools <i>(in this table, this is placed with programme management, but this may vary between agencies and needs to be agreed at the start of the process)</i> – Technical specification of FSPs <i>(likewise: here with programme management)</i> – Technical specification of beneficiary registration/database <i>(below, with ICT)</i> – Selection of FSPs and database providers <i>(below, with logistics)</i> – Risk management • Ensure effective communications between geographic units and functional departments
Disaster Management/ programme management	<ul style="list-style-type: none"> • CTP coordination function – working with CTP focal points (below) • Orientation and training for CTP focal points in other sectors/functions • Lead on development of CTP baseline • Coordinate the development of the technical specification(s) for FSP selection • Contribute to/sign-off the technical specification of the beneficiary database • Piloting and field-testing the contingency plan; periodic learning and review
Logistics	<ul style="list-style-type: none"> • CTP focal point identified • Identify potential suppliers – due diligence • Lead on FSP and database procurement processes
Finance	<ul style="list-style-type: none"> • CTP focal point identified • Lead on baseline analysis of potential suppliers – due diligence • Contribute to/sign-off technical specification for FSP prior to contracting • Build/ensure systems for financial control • Contribute to/sign-off beneficiary registration/database design • Contribute to monitoring and evaluation systems to ensure adequate financial controls
Risk management	<ul style="list-style-type: none"> • Identify appropriate lead person <i>(depending on scale of programme?)</i> • Develop and maintain risk register with inputs from all focal points • Contribute to/sign-off technical specification for FSP prior to contracting
IT/ICT	<ul style="list-style-type: none"> • CTP focal point identified • Contribute to/sign-off FSP technical specification prior to contracting • Lead process of database specification prior to contracting

Function/ Services	Actions and responsibilities
Human resources, training and development	<ul style="list-style-type: none"> • CTP focal point identified • Policies in place and understood: effective briefings for staff and volunteers on CTP implications • Training on the use of cross-sector assessment tools • Promote international standards, organization values and principles
Technical Sectors (health, water, sanitation and hygiene, livelihood, food security, etc.)	<ul style="list-style-type: none"> • CTP focal point identified • Contribute to FSP technical specification • Contribute to/sign-off monitoring and evaluation framework, especially database technical specification in areas of functionality/reporting
Media/external communications	<ul style="list-style-type: none"> • CTP focal point identified • Communication strategy identified for CTP
Resource mobilization/grant management	<ul style="list-style-type: none"> • CTP focal point identified • Donor liaison and mapping • Donor advocacy and engagement as required
External coordination	<ul style="list-style-type: none"> • CTP focal point identified • Identify government department (i.e. social welfare department, national disaster response department, etc.) and the focal point • Identify named strategic partners in clusters and early warning mechanisms • Sharing and receive contingency plan(s) to/from other agencies
Beneficiary communication	<ul style="list-style-type: none"> • Baseline on acceptance of CTP and various modalities and transfer mechanisms • Develop in-principle communications strategy, and sensitize key media partners • Development of feedback and complaints processes and tools
Monitoring and evaluation, assessment and baseline	<ul style="list-style-type: none"> • Ensure monitoring tools are fit for CTP purpose • Identify and share appropriate indicators for context, process and results • Market baseline assessment • Support baseline assessment of FSPs (led by finance) • Use secondary data as available • Join needs assessment (multi-sector, multi-agency assessment)
Security	<ul style="list-style-type: none"> • Focal point to lead contextual analysis • Security procedure for the affected areas in place and shared
Legal	<ul style="list-style-type: none"> • Ensure access to legal advice at programme level • Prepare template contract/agreement with traders/service providers/financial institution etc.

4.

Recommendations and next steps

Participants at the learning event looked at 'next steps' only at a personal level. The following list has therefore been developed independently, after the event, based on the themes arising and pulling issues from various presentations and discussions.

4.1 Recommendations for institutional leaders

One of the key findings from the meetings is the important role of senior managers in this process, i.e. placing CTP firmly within the agency strategy and policy framework; directing the process of revising contingency plans to bring them up-to-date with current modalities, and ensuring effective participation from a wide range of technical and support service teams throughout the process.

- Leaders should prioritize preparedness to deliver CTP swiftly and at appropriate scale within their organization, in order to maintain effective response across all kinds of modalities.
- Leadership should task functional heads to identify appropriate focal points to take this forward, and monitor progress towards the goal.
- Leaders should be supportive of the preparedness planning process and the resultant product, and ensure that doors are kept open throughout the process.
- Leaders should take steps to ensure that the real risks of CTP are properly quantified, and can be monitored and mitigated. This should include the risks associated with responding at too small a scale or too slowly. Leaders should be willing to embrace 'no regrets' programming in certain situations.
- Leaders should ensure, if a tendering process is used to identify FSP partners, that the needs and expectations of the programming team are fully expressed in the specification and are prioritized during the process.
- Contingency plans need to be piloted and tested – the pilots should be monitored, and the plans reviewed and revised as a result. Openness around sharing pilot results should be encouraged.

4.2 Actions to improve communication and mutual understanding between stakeholders

- A key piece of learning expressed by many at the event was the need to understand our ‘new’ partners, to learn to speak the ‘same language’. Humanitarian professionals need to be able to understand the priorities and expectations of those who work in the financial services sector. We need to take the opportunity to promote our values and our programme objectives to them.
- Completed cash transfer programmes (successful and less successful) could be reviewed in case study format from the perspective of the various functional and technical specialists, including voices from finance, logistics, administration, risk management, IT, technical sectors, monitoring and evaluation and legal. If possible, the case study could be further expanded to include the viewpoints of donors, technical partners and beneficiaries. The result would be a comprehensive case study that really demonstrates the integrated nature of the process, and which would support effective learning and thus preparedness.

4.3 Opportunities for advocacy

- Work needs to be done with contingency planning and preparedness specialists, to ensure that they see the need for a review of contingency plans based on the new modalities being used in response.
- While some donors are very supportive of CTP, others are less so. Funds for institutionalization: for SOPs, preparedness plans and so on, are not easy to come by, although they would clearly be a cost-effective investment. Advocacy with donors is therefore necessary, based on existing work exploring the cost-effectiveness of both cash programmes and emergency preparedness activities. It could be argued that donors should be expecting agencies to demonstrate preparedness for cash (and other sorts of) interventions, as part of applications for emergency funding.
- There are opportunities for internal advocacy, with proponents of contingency and preparedness planning, and proponents of cash programmes, jointly working to persuade the organization’s leadership to support and promote this work.

4.4 Further experience sharing and learning

- It is recommended to undertake a second, similar learning event, again sharing operational experiences, using this report as a starting point, and working with additional case studies to develop some substantial, cross-agency guidance. Ensuring the inclusion of direct operational counterparts of humanitarian actors within the FSPs and other categories of FSPs such as mobile phone service providers and remittance agents should be prioritized.
- There may be value in developing a sub-group or a number of threads within the CaLP D group⁵ related to contingency planning and cash, using this report and other work as a springboard.
- Consider supporting a compare-and-contrast review of existing contingency plans across a number of agencies, in a context where CTP has been quite widely adopted such as the Philippines, starting with a desk review of planning documents and moving on to a set of structured interviews with key stakeholders.

⁵ <https://dgroups.org/groups/CaLP>

Annex 1

Learning event programme

Thursday, 25 July 2013

Introductions, participant expectations and administration

Welcome: Jagan Chapagain, IFRC Asia Pacific Zone

Contingency planning: Nelson Castano, IFRC

Trends in CTP: Lili Mohiddin, CaLP

Break

Use of technology in cash transfers: Malith Gunasekera, NetHope

Case study – country focus Chile: Mario Medina, Chilean Red Cross

Cash at-scale – preparedness: Agnes Shihemi, Adeso Africa

Lunch

ECHO position on CTP and preparedness: Devrig Velly, ECHO

Moving from economic inclusion to economic empowerment, Rajen Prabhu, MasterCard

Case study – country focus Philippines: Zenaida Beltejar, Philippine Red Cross

Break

Market analysis and contingency planning: Geraud Devred, ICRC

Contingency Planning in Phillipines: Sharon Lumpias, WFP

Friday 26 July 2013

Recap of the previous day; outline of today

Identifying and prioritizing the essential questions:

What is preventing effective contingency planning for the implementation of CTP at scale?

Small group work on the identified key questions

Break

Presentation: Debit Cards in Emergency Response: Demos Militante, ACF Philippines

Case Study – country focus Vietnam: Pham Thi Thanh My, Viet Nam Red Cross Society

Case Study – Senegal: Ibrahima Laye, Senegalese Red Cross Society

Lunch

Feedback from working groups – checklists or other answers to the key questions identified in the morning

Break

Way forward: Action planning

Wrap-up

Annex 2

Learning event participant list

- **Pitambar Aryal**, Nepal Red Cross Society, Director, Disaster Management Department
- **Teuku Khairil Azmi**, Australian Red Cross (Indonesia), Programme Manager
- **Zenaida P. Beltejar**, Philippine Red Cross, Manager of Welfare Services
- **Kathrin Bergmann**, German Red Cross, International Cooperation Department, Desk Officer for South-East Asia
- **David Calef**, FAO, International Development Specialist
- **Peder Damm**, Danish Red Cross, Disaster Management delegate in the South-East Asia region
- **Reubela Maria Dass**, IFRC Asia Pacific zone, Finance, Senior Finance Analyst
- **Geraud Devred**, ICRC – Nairobi Regional Delegation, Cash and Market Specialist
- **Nigel Ede**, IFRC Asia Pacific zone, Recovery Coordinator
- **Razmi Farook**, British Red Cross (Kuala Lumpur), Regional Representative: East and South-East Asia
- **Kate Ferguson**, IFRC Geneva, Cash Transfer Programming Coordinator
- **Enkhjin Garid**, IFRC Mongolia Delegation, RRRC project manager
- **Malith Gunasekara**, Net Hope/e-MITRA, Chief of Party, e-MITRA Mobile Financial Services Implementation Unit
- **Brad A. Gutierrez**, American Red Cross, Director, International Policy and Relations
- **Caroline Holt**, Norwegian Red Cross (Kuala Lumpur), Regional Programme Advisor – Asia
- **Alwynn Javier**, Christian Aid, Senior Programme Officer for Resilience, South-East Asia
- **David Junus**, World Vision International, Programme Development Advisor
- **Lee Mun Keat**, Tzu-Chi Foundation Malaysia, Emergency Response Team Co-coordinator
- **Carla Lacerda**, CaLP Asia Regional Focal Point
- **Sharon Lumpias**, WFP (Philippines), Cash and Voucher Officer
- **Alexandra Machado**, IFRC Asia Pacific zone Health, Water and Sanitation Delegate
- **Baktiar Mambetov**, IFRC East Asia Regional Delegation, Regional Development Delegate, East Asia
- **Necephor Mghendi**, IFRC Philippines Delegation (pilots), Operations Manager
- **Demosthenes Militante**, ACF Spain, Food Security and Livelihood Coordinator
- **Lili Mohiddin**, CaLP, CaLP Technical Coordinator
- **Pham Thi Thanh My**, Vietnam Red Cross Society, Disaster Management Officer
- **Rajen Prabhu**, Mastercard (Singapore), Senior Business Leader
- **Haslinda Salleh**, IFRC Asia Pacific Zone, Executive Assistant to Director of Asia Pacific Zone
- **Alex T Sen**, Swiss Red Cross (Bangladesh), Coordinator
- **Satu Seppälä**, Finnish Red Cross (Kuala Lumpur), Regional Finance Development Delegate, Asia
- **Saw Yu Shen**, MERCY Malaysia, Programme Officer, Relief Operations
- **Agnes Shihemi**, ADESO Africa, Regional Cash and Vouchers Coordinator
- **Taina Sihto**, IFRC Asia Pacific zone Logistics, Acting Procurement Coordinator
- **David Raj Silvaraja**, IFRC Asia Pacific zone Finance, Project Manager – Finance
- **Christine Strater**, IFRC Asia Pacific zone Disaster Management Unit, Operations Coordinator
- **Ibrahima Laye Thiome (Maralaye)**, Senegalese Red Cross Society, Disaster Management Coordinator
- **Mario Medina Valeria**, Chilean Red Cross, National Programme Coordinator
- **Tanyaporn van Os**, Danish Church Aid (Chiang Mai, Thailand), Programme Officer
- **Devrig Velly**, ECHO, Regional Food Assistance Coordinator
- **Karlheinz Ziefle**, German Red Cross (Kuala Lumpur), Regional Finance Delegate
- **Zulkarnain**, Malaysian Red Crescent Society
- **Susheila Kukatas**, IFRC consultant, recorder
- **Ben Mountfield**, IFRC consultant, facilitator and report author

The Fundamental Principles of the International Red Cross and Red Crescent Movement

Humanity The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

Impartiality It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

Neutrality In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

Independence The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

Voluntary service It is a voluntary relief movement not prompted in any manner by desire for gain.

Unity There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

Universality The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.

For more information on this IFRC publication, please contact:

Emma Delo

Senior Officer, Recovery
Disaster and Crisis Management Department

Tel: +41 (0)22 730 4676

E-mail: emma.delo@ifrc.org