



**Save the Children**

**CaLP Global Learning Event:  
Preparedness in Vietnam**

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## What the Cash Distribution ESOP covers

- Evaluating whether cash distributions are a suitable delivery mechanism within the country
- Conducting rapid risk assessments to evaluate whether cash distributions are suitable within the framework of the emergency
- Role of finance and programme staff within cash distributions
- Formation and composition of a cash distribution team and the segregation of tasks within the team
- Policies and procedures to be undertaken during the distribution
- M&E work to be carried out during and after the cash distribution



## Overview

- Emergency preparedness
- Cash intervention design
- Lessons learned



## Emergency Preparedness Vietnam

- Explore and summarise in country experience around cash transfer programming
- Assess the suitability of cash programming in flood response and recovery
- Summarise the typical emergency food security and livelihoods needs of poor households post flooding
- Suggest suitable approaches to delivering cash, including mechanism of transfer
- Make recommendations to the Vietnam programme around programme design and team capacity building



## Previous in Country Experience of Cash Programming

### Government led cash based schemes

#### **Long term / social protection:**

- Ex servicemen, disability and pension allowance
- Support to / subsidies for school fees
- Limitations: under funding, weak targeting, poor coverage

#### **Loans schemes for the poor:**

- Vietnam Bank for Social Policy (VBSP) have 8 loan options
- 70% coverage but failing to reach chronically poor
- Application process, repayment term, training / education

#### **Response & recovery:**

- Compensation grants
- Rehabilitation loans

### NGO / VRC led cash based schemes

#### **Long term / social protection:**

- Micro finance (incl. SC): paid back in cash or in kind 'pass it on'
- Small scale subsidies to basic services (eg. SC cash for HIV / AIDs for health care)
- One off cash grants by Oxfam 2008

#### **Response & recovery:**

- Many small scale projects
- Red cross – pre positioning / support to traders
- Oxfam pilot 2008



## .....Understanding Markets

- Most households live under 3km from a large market (although may be in a different commune)
- Smaller markets with basic food and non food items in many hamlets
- Large food markets rotating between communes on set days of each week
- Annual inflation just before harvest (coinciding with hunger gap) but low – under 1 or 2% & inflation after flooding – especially in vegetables
- Markets recover quickly after flooding and can scale up supplies within 2 days without problem through wholesalers at provincial level
- Substantial loss of stocks during flooding was not reported
- Destruction of access routes are main issues facing traders but this is usually manageable within a period of 1 to 10 days.



## Cash Transfer Mechanism

- Financial infrastructure in Vietnam is relatively poor with only 8% of the population 'banked' and estimates in the rural areas are lower
- To access formal financial services people must travel to the District level
- Two major banks offer services at a district level – The Bank for Agriculture and Rural Development (corporate) and The Bank for Policy and Social Affairs (State run not-for-profit)
- These two banks used to be merged and are now split to reach different ends of the market
- Rules out private bank accounts or post office transfers
- HOWEVER – interesting developments in the VBSP bank over the next couple of years – extending banking access to groups in communes. Could be worth supporting in the future

## Cash Transfer Mechanism

Two options are considered appropriate for transfer:

- By hand by Save the Children with the participation of partner staff and key commune stakeholders
  - Save the Children are involved at all stages and take full responsibility for the financial accountability
  - Most suitable and cost effective means of delivering the cash quickly
- Sub contracting of risk to AgriBank
  - Save the Children pay labour days and a premium to AgriBank to manage the cash counting and security to the distribution point
  - Should be considered for payments made on a regular basis when more time is available for set up of electronic database.





## SC Team Capacity

- Rapid FS&L checklist and analysis tools: in place
- Market analysis and monitoring tools: in place
- Rapid vulnerability mapping: underway

## Capacity Building Needs/Recommendations

- Finance training for SC and Partner distribution staff
- Finance manager with Cash experience for support to systems development in first two weeks
- Financial literacy training for all beneficiaries (cash counting, expenditure & budgeting)
- Mobilisation and sensitisation for all stakeholders of emergency response and recovery



## The Disaster Context in Vietnam

- Typhoons Ketsana and Mirinae hit Vietnam in six weeks, affecting 14 provinces in central Vietnam:
  - 3 million people affected
  - 163 dead, 11 missing, 629 injured
  - 258,564 houses damaged, 21,614 houses completely destroyed
  - Total damage losses of USD 795 million
  - Widespread destruction of crops, loss of agricultural land and livestock
- Good coordination among responders;
- Good security condition; and
- Resilient markets.



## Save the Children Cash Response

- -DEC funded cash grant for food security/livelihoods in Quang Tri province, October 2009 for 450 households;
- -ECHO, Irish Aid, and SCUK Appeal funded cash grant for livelihoods asset replacement in Quang Tri and Phu Yen provinces, March-April 2010 for 3,533 households; and
- -Irish Aid funded cash grant for shelter rehabilitation in Phu Yen province, May-June 2010 for 100 households.



## Cash Intervention Design

- House repair cash grant:
  - Poor household having houses damaged
  - Cash grant of US\$325 per household
  - Purpose: House repair
  - Type: Conditional, single frequency
  - Combination of building materials and cash
- Livelihood recovery cash grant:
  - Poor household having lost their livelihood assets
  - Cash grant of US\$50 per household
  - Purpose: Livelihoods asset replacement
  - Type: Unrestricted, single frequency

## Implementation Modalities

- Household selection was conducted at village meetings with community leaders' facilitation;
- Pre-disbursement monitoring was done by Save the Children staff before the list of households was finalized;
- Disbursement by SC teams consisting of community leaders, Red Cross and Save the Children staff (including program and finance team members);
- Disbursement was at local authority office and home;
- Photo IDs were required at disbursement sites;
- Feedback mechanism was provided; and
- Post disbursement monitoring by Save the Children staff.

## Observations and Lessons Learned

- Pre-disaster assessment was helpful:
  - We knew that cash programming would be suitable
  - In gaining good understanding of local markets and local residents' constraints in having decent access to markets
  - Good understanding of rural livelihood and post disaster needs
  - Previous interventions and procedures
  - Available cash disbursement mechanism



## Observations and Lessons Learned (Continued)

- Shelter Cash Grant: A combination of cash and request to purchase some building materials has proven to be effective in making sure that the grant be used for the intended purpose;
- Targeting Criteria: Involvement and endorsement of community leaders in operationalizing selection criteria was critical. In addition, the operational definitions of criteria were very helpful;
- Pre-disbursement Monitoring: This is crucial in making sure that the targeting is effective;
- Operational procedures, including household selection process, cash disbursement, and field monitoring, etc. need to be fine-tuned and standardized;
- The timing of the cash intervention is crucial for maximizing its effectiveness.



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Any Questions?

