

Cash Emergency Preparedness (CEP) pilots

CEP guidelines & Key findings from
pilot assessments

April 2012



1. Rationale and Objectives of Cash Emergency Preparedness

Acknowledgements

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Introduction

Save the Children (SC) has over 10 years experience implementing Cash Transfer Programmes (CTPs) in both humanitarian and development settings and is a founding member of the Cash Learning Partnership (CaLP). SC has used CTPs to address humanitarian needs in a wide range of contexts, responding to rapid and slow onset emergencies as well as more chronic emergency needs.

Despite the breadth and scale of SC's CTP work, certain systematic challenges to the operational efficiency and scale-up of CTP have been identified, in particular the depth and quality of market assessments, and the limited operational capacity to effectively deliver CTPs. These deficiencies were also highlighted in the CaLP-commissioned report "Ready or Not? Emergency Cash Transfers at Scale, by Lois Austin and Jacqueline Frize, 2011"¹. Based on these findings, SC focused specifically on Cash Emergency Preparedness (CEP) as one of the key strands of its Cash Institutionalisation process.

The objective of CEP is to produce a systematic risk assessment of the feasibility and viability of CTP at country programme level, to strengthen wider Emergency Preparedness Planning (EPP) and provide country programmes with context-specific recommendations and guidance for the implementation of CTPs. The projected outcomes of CEP are that:

- Country programmes are in a position to design and operate a timely and accountable Cash Transfer Programme which can be rapidly scaled-up in the event of an emergency
- At national-level: Key country programme staff have the training, skills and tools to assess the appropriateness of CTP to meet emergency needs, and ensure rapid operational scale-up if appropriate
- At field level: Field offices are provided with a detailed analysis of market feasibility and trends and delivery mechanism options, and specific CTP-related capacity building guidance. The team are in a position to rapidly review this CEP plan should an emergency arise, and rapidly implement CTP if appropriate

This document presents SC's guidelines for CEP assessments, and SC's experience of conducting 4 pilot CEP assessments during the course of 2011. It also addresses the benefits of coordination between agencies for enhanced preparedness, and suggests ways in which the CEP process can be modified to meet country-specific contexts.

¹ <http://www.cashlearning.org/downloads/resources/calp/CaLP%20Ready%20Or%20Not%20-%20Emergency%20Cash%20Transfers%20At%20Scale.pdf>

2. CEP ASSESSMENT GUIDELINES

Rationale & Objectives

These Terms of Reference (ToR) outline the rationale for Cash Emergency Preparedness (CEP) planning including the methodology required in order to carry out a CEP assessment. These activities correspond to Stage 1 of the Cash Transfer Programming ESOP. Although designed as an emergency preparedness document, the findings of the exercise may also give the country programme a steer on whether CTP may be suitable for some non-emergency activities.

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Scope of work/process

The table below summarises the stages of the CEP risk assessment; the key questions to be answered at each stage, and the recommended approach at national level and field level.

Cash Emergency Preparedness (CEP) Risk assessment	
1. Appropriateness	
QUESTION: Is CTP politically/socially/culturally acceptable by communities and within the local context? Can CTP be used to meet the most likely emergency-related needs? What CTP modality may be more appropriate to meet needs?	
APPROACH (at national level): Stakeholder analysis including: <ul style="list-style-type: none"> • Donor positioning on CTP in country and in the region • Experience of other agencies/institutions implementing CTP • Experience of government-led social protection cash programmes • Beneficiary acceptability 	APPROACH (at field level): <ul style="list-style-type: none"> • Vulnerability analysis for key sectors likely to use CTP as an emergency response tool • Assessment of needs to be addressed through CTP including scope and scale and value of potential transfers • Beneficiary acceptability at local level
2. Market Feasibility & Trends	
QUESTION: Is CTP logistically possible, timely and cost effective to meet the potential needs of beneficiaries? Will CTP impact positively on beneficiaries/communities and markets in the long term?	
APPROACH (at national level): <ul style="list-style-type: none"> • Analysis of national level market trends for the key commodities / services likely to be required in an emergency • Overview of national market recovery 	APPROACH (at field level): <ul style="list-style-type: none"> • Market assessment for key commodities identified through vulnerability analysis • Local level market trends for key commodities / services likely to be

trends after previous emergencies	required in an emergency <ul style="list-style-type: none"> • Understanding of local market recovery trends after previous emergencies
3. Finance	
QUESTION: Is there an appropriate delivery mechanism which ensures speed and accountability, while reaching all vulnerable groups? This stage should also include an assessment of logistical and finance capability in terms of ensuring security and accountability.	
APPROACH (at national level): <ul style="list-style-type: none"> • Overview and analysis of CTP delivery mechanisms available in country • Experiences of delivery mechanisms by other agencies • Opportunities for public/private partnerships & updates on development of new technologies 	APPROACH (at field level): <ul style="list-style-type: none"> • Understanding of local market recovery trends after previous emergencies • Experiences of delivery mechanisms by other agencies • Identification of one delivery mechanism to scale-up in case of an emergency • Identification of one contingency mechanism if first choice delivery mechanism fails
4. Security	
QUESTION: Is the proposed delivery mechanism safe for agency staff and beneficiaries?	
APPROACH (at national level): <ul style="list-style-type: none"> • Analysis of national-level security implications of CTP implementation 	APPROACH (at field level): <ul style="list-style-type: none"> • Detailed local implications of implementing CTP through chosen delivery mechanism • Identification of potential risks and recommendations on how these can be mitigated against

Annex 2 of Save the Children's CTP ESOP is the full risk assessment tool which follows the stages set-out above. It should be noted that, while the risk assessment forms are designed for country programmes, they may be used for specific geographical areas within a country if the need arises (i.e. due to size, rural/urban differences, cultural differences etc.). This risk assessment will provide an overall conclusion as to whether CTP is a viable option in a pre-emergency context. It will help you to decide whether a country programme should form a CTP team, train staff and whether market and risk assessments are needed in the case of an actual emergency.

Human Resource requirements

It is recommended that the CEP assessment process requires the full-time involvement of 3 people, with the following responsibilities.

- 1) **Technical (FSL) Advisor**, responsible for:
 - a. Vulnerability analysis, leading to overview of potential needs that may be addressed through CTP
 - b. Estimation of scope and scale of potential CTP
 - c. Analysis of market feasibility and trends (working with Country Programme logistics staff)
- 2) **Finance Advisor**, responsible for:
 - a. Identification and analysis of delivery mechanisms, and security implications
 - b. Selection of one delivery mechanism and contingency mechanism at local level
 - c. Identification of security risks and mitigation measures associated with CTP and chosen delivery mechanism
- 3) **CEP coordinator (national staff)**, responsible for :
 - a. Liaising with CO and local staff on CTP needs and opportunities

- b. CTP stakeholder analysis in country (including donors and other agencies)
- c. Overall consolidation of CEP review and outputs for use by Country Programme
- d. Delivery of training on CEP to key County programme staff members, and development of future training plan
- e. Identification of a CTP focal point responsible for operationalising the CEP and supporting the CTP team

In order to effectively carry out this process, the cooperation and coordination of staff at country office level and field level is essential.

At least one member of the CEP team should be a member of Country Programme staff in order to ensure local understanding and buy-in to CEP.

Timeframe & planning

Timeframe & planning

The overall CEP process is expected to take 3 weeks, although this is flexible and will depend on the country-specific context. The following stages should systematically be included in any CEP assessment (although the exact duration of the each phase will differ by context):

<p>PREPARATION (1 month prior to the assessment)</p>	<p>Information-scoping</p> <ul style="list-style-type: none"> • Country programme to provide documentation on previous CTPs (i.e. proposals and evaluations) to the assessment team • Country programme to list partners (local NGOs, INGOs, IOs, financial institutions) that they currently work with and a brief description of the existing cooperation • Country programme to compile a list of local and international actors active in CTPs (including contact information) • Finance advisor to produce a 'partner due diligence' questionnaire to be sent by the country programme to potential financial partners (serving as a preliminary selection mechanism) • Technical advisor to produce a CTP experience scoping questionnaire to be sent to organisations with previous CTP experience • Technical advisor to request any existing information on vulnerability in emergency-prone areas and any market surveillance reporting/data from country programme (and/or from other organisations where there is limited FSL capacity in-country) • Advisors to review existing EPPs (where applicable) <p>Selection of field site</p> <ul style="list-style-type: none"> • Country programme to select a location for the field visit and make relevant logistical arrangements for the visit of the assessment team
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	<ul style="list-style-type: none"> • The following criteria should be used as a minimum for the selection of the field location: <ul style="list-style-type: none"> ○ Presence of an active SC programme on site with access to and knowledge of current beneficiaries ○ Present logistical challenges found in major parts of the country (i.e. not be the comparatively easy part of the country to reach, which would distort market assessment) ○ High vulnerability to emergencies
INCEPTION & Planning	<ul style="list-style-type: none"> • Inception meeting presenting objectives of CEP and methodology to senior management • CTP training workshop (1 to 2 days) for key operations and programmes staff (ideally including field-based staff)
National Level Assessment	<ul style="list-style-type: none"> • Technical assessment (appropriateness, vulnerability and markets) • Finance assessment • CTP scoping exercise
FIELD Level Assessment	<ul style="list-style-type: none"> • Technical assessment (appropriateness, vulnerability and markets) • Finance assessment • Consolidation of report + outputs
REPORT COMPLETION	<ul style="list-style-type: none"> • Finalisation with country programme staff, including links to emergency preparedness planning • Presentation of key findings of assessment to senior management team • Completion of report

Outputs

This section summarises the proposed suggested minimum outputs of a CEP assessment:

At country level: A CEP report, including:

- A summary of key CTP stakeholders in country
- A brief summary of lessons learned through use of CTP by SC and other agencies
- Donor positioning and perspectives on CTP in country
- A comprehensive risk assessment analysis for CTP at national level, including recommendations on practical readiness for emergencies (to be linked in with existing EPP process if this has recently been conducted)
- Operational recommendations related to CTP for the Country programme:
 - Systems recommendations (finance)
 - HR needs related to CTP, including:
 - Mapping of staff capacity for CTP
 - Identification of key staff to be involved in leading CTP, including an assigned staff member from:
 - Programmes
 - Operations
 - Logistics
 - Finance
 - Security
 - Potential backstopping requirements linked to involvement of these staff members in CTP
 - Recommendations on pre-positioning of materials/equipment linked to delivery mechanism (i.e. cards, POS machines etc), if appropriate
- Technical recommendations for CEP, including:
 - Needs assessment templates
 - Market monitoring guidance
- Training needs for relevant staff and how this will be delivered (locally, nationally)
- Identification of one CTP focal point responsible for coordinating CTP response and communicating with HQ on operational support for CTP
- Guidance on maintaining the CEP risk assessment, including
 - Key indicators to monitor
 - When it should be reviewed
 - Key trends in existing/new delivery mechanisms to monitor
- Recommendations on integrating the CEP with the broader country-level EPP process

At field level (depending on context / programme needs):

- Vulnerability analysis for projected emergency needs
- Identification of a viable delivery mechanism in case of an emergency
- Identification of a contingency mechanism if first choice delivery mechanism fails
- Draft agreements with financial institutions
- Draft agreements with selected vendors (if voucher system is deemed appropriate)
- Set-up of pilot run-through of delivery mechanism process
- Guidance for proposal and budget development for CTP including sample log-frames & suggested sectoral indicators

NB: These outputs should be detailed at the inception meeting depending on country programme needs

3. Cash Emergency Preparedness (CEP) pilot assessments

Through CaLP funding, 4 pilot CEP assessments were conducted between October and December 2011, in the following countries: Bangladesh, Indonesia, South Sudan and Nepal. These were chosen because of a combination of the following factors: geographical diversity; range of emergency scenarios; country-level interest in expanding CTP in emergencies; clear capacity-building needs identified; donor interest in funding CTP. The following table summarises the key findings and recommendations from these assessments.

Summary of general findings and recommendations from SC Cash Emergency Preparedness (CEP) pilots	
PROGRAMMATIC	<p>STAKEHOLDER APPROPRIATENESS</p> <ul style="list-style-type: none"> • Donor sentiment on CTPs tends to be positive at country-level; donors particularly value the CEP risk assessment methodology and the links to DRR and longer-term programming • Government-level acceptance of CTP varies significantly between and within countries but engagement as part of the CEP process can considerably improve understanding and acceptance • At country programme-level, the CEP process reinforced the importance of vulnerability analysis, and an understanding of household economy and income, as a pre-requisite for developing effective CTPs to meet multiple sectoral objectives <p>MARKET ASSESSMENTS</p> <ul style="list-style-type: none"> • Market data at national level varies in quality and rigour and cannot systematically be relied on for programme design • As part of emergency preparedness planning, commodity tracking systems should be established by programmes staff, with support from logistics • CTPs can play a key role in strengthening market infrastructure and recovery, i.e. by combining supply-side interventions (such as conditional cash transfer enabling traders to replenish stock) with demand-side interventions; these opportunities can be identified as part of emergency preparedness planning • Markets may be able to provide certain commodities and services (and respond to CTP interventions for those commodities or services), but not others; therefore responses should consider a mix of in-kind & cash (and advocate to donors accordingly)

OPERATIONAL	<p>PROGRAMMATIC CAPACITY BUILDING</p> <ul style="list-style-type: none"> • Food Security and Livelihoods (FSL) capacity is essential for the implementation of successful CTPs irrespective of the sector • Specifically market assessment and monitoring capacity (both during preparedness and response phases) is critical, all the more so in very volatile market environments (i.e. South Sudan) • Investment in capacity building of local partners for CTP as a preparedness measure can significantly improve the scale of emergency CTP • Country programmes should seize opportunities to learn from other programmes in the region (i.e. South Sudan to learn from HSNP in Kenya or Cash Consortium in Somalia) • Potential CTP responses for all sectors need to be considered in emergency preparedness scenario planning and recommendations <p>COORDINATION</p> <ul style="list-style-type: none"> • Inter-agency coordination on advocacy for CTP has the potential to support increased donor momentum and changes in government regulation/framework • Effective CTP requires strong coordination with ministries engaged in social welfare initiatives as a preparedness measure • The quality and scale of market monitoring can benefit hugely from inter-agency coordination, i.e. through conducting Emergency Market Mapping Analysis (EMMA) baselines as a preparedness tool • Agencies should coordinate their donor advocacy on CTPs based on shared global and country-specific learning
	<p>DELIVERY MECHANISMS</p> <ul style="list-style-type: none"> • New technologies for the delivery of cash are emerging rapidly (even in fragile states such as South Sudan), some of which are very sophisticated. These should be monitored regularly to ensure that most effective delivery mechanisms are identified and scaled-up • Specific technical assistance is necessary to support country programmes to conduct due diligence of potential delivery agents, and agree MoUs which include minimum reporting standards and safeguards for partners • More dialogue with other NGOs, private companies and the government is needed to share lessons learned on delivery mechanisms • Engagement with local NGOs with extensive networks should be considered for the delivery of cash (i.e. Bangladesh) • Opportunities for regional development of delivery mechanisms should be considered (i.e. Standard Bank in Kenya) <p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • The CEP assessment should identify an alternative delivery mechanism to allow for the potential failing of the primary delivery mechanism

in an emergency

- Most risks of misappropriation stem from the complexity of project design. The workflow should be kept simple and logistics and finance should be engaged from the design phase
- Security risks can be, in part, addressed through transparency during distribution (where appropriate according to risk assessment), and insurance

OPERATIONAL CAPACITY BUILDING

- Capacity building for CTP should be jointly delivered to programmatic and operational staff (SC has developed joint training modules as part of its Cash Institutionalisation Process).
- Standard Operating Procedures (SOPs) for CTPs with clear workflows need to be systematised within country programmes as part of emergency preparedness
- Existing accounting and Financial Management Software (FMS) solutions are typically underutilized, and there is scope for further automatisation (in data input, CAATs, recon's, etc) which finance staff should be trained on as part of emergency preparedness
- CEP recommendations need to be systematically integrated within emergency preparedness guidance, such as SC's 'Preparedness Improvement plan' and 'Response Outline', which describes the responsibilities of different departments within the first 14 days of an emergency

4. Benefits of CEP at Country programme level

The following section summarises the benefits of CEP from the 4 country programmes in which the pilots were conducted.

Programmatic

- Positive staff engagement on CTP, specifically promoting an understanding of the risk assessment process; and the need for cross-departmental (and cross CO) cooperation
- Improved understanding of vulnerability and household economy in key areas of assessment, including how these are impacted by disasters, and how this understanding can influence CTP design
- Identification of key commodities and services people require in an emergency, and provision of guidance for future market assessments
- Identification of suitable linkages with other agencies involved in CTP
- Identification of potential CTP responses for different emergency scenarios
- CEP risk assessment conclusions provide support for future funding opportunities and donors are very supportive of preparedness risk assessment process
- Identification of capacity building needs for CTP at country level, specifically on market assessment

Operational

- Identification of most appropriate delivery mechanisms (including geographically-appropriate mechanisms, and specific mechanisms for different stages of the emergency response)
- Clear guidance on future steps for developing and testing suggested delivery mechanisms
- Identification of country-level operational capacity for CTP & future capacity building needs
- Opening of dialogue with future potential partners on CTP (NGOs and private sector)
- Linkages with EPP where this has already been developed, including segregation of duties and workflow mapping suggestions for CTP

5. Country-specific recommendations

The section below outlines the finding of the risk assessment stages (appropriateness, markets, finance / delivery mechanism and security) for the 4 CEP pilots conducted by SC. Each country-specific box also includes 2 recommendations for external use from the CEP assessment which country programmes should implement as preparedness measures for CTP.

Bangladesh	Indonesia
<p><u>Risk assessment</u></p> <p>Appropriateness Risk: LOW Market Risk: LOW Finance / Delivery Mechanism Risk: MEDIUM Security Risk: LOW</p> <p><u>Key recommendation 1</u></p> <p>WHAT? Establish partnerships with the NGO BRAC for cash delivery</p> <p>WHY? BRAC is a large national NGO with substantial field-level infrastructure throughout Bangladesh and good financial capacity through their associated organisation BRAC-Bank. Partnering with BRAC will significantly increase operational capacity to deliver CTP at scale</p> <p><u>Key recommendation 2</u></p> <p>WHAT? Develop a thorough analysis of mobile phone-based payment providers in Bangladesh, specifically bKash (a subsidiary of BRAC Bank) and DBBL (Dutch-Bangla Bank Limited), testing their systems through due diligence and pilot CTPs</p> <p>WHY? Mobile-phone ownership is high even amongst unbanked populations, and mobile-phone based payment systems are can be scaled-up rapidly, are cost-efficient (at scale), and facilitate secure financial reporting,</p>	<p><u>Risk assessment</u></p> <p>Appropriateness Risk: LOW / MEDIUM Market Risk: LOW Finance / Delivery Mechanism Risk: LOW Security Risk: LOW</p> <p><u>Key recommendation 1</u></p> <p>WHAT? Conduct joint government advocacy on CTP feasibility</p> <p>WHY? Despite CTP being used at scale in recent emergency responses, there is still a lot of reluctance to accept NGO involvement in CTP, particularly from local governments. As other agencies (such as WFP jointly with Oxfam) have recently conducted their own feasibility studies, there is scope for coordinated advocacy at national and local level.</p> <p><u>Key recommendation 2</u></p> <p>WHAT? Build a nationwide MoU with the Postoffice and Telkomsel, a mobile-phone based payment provider.</p> <p>WHY? Established cooperation will reduce future set up costs and speed up emergency response times when responding with CTPs. Establishing a relationship with 2 delivery mechanisms will provide a back-up solution and an appropriate choice based on type & location of emergency.</p>

Nepal	South Sudan
<p><u>Risk assessment</u></p> <p>Appropriateness Risk: LOW Market Risk: HIGH Finance / Delivery Mechanism Risk: MEDIUM Security Risk: LOW</p> <p><u>Key recommendation 1</u></p> <p>WHAT? Conduct detailed market mapping (i.e. EMMA) as part of emergency preparedness (ideally in coordination with other agencies) in rural locations where CTP is considered.</p> <p>WHY? Market access is very limited, and frequently disrupted, in remote areas of Nepal therefore location specific understanding of markets will enhance the appropriateness and efficiency of an intervention, even in instances where CTP is not used.</p> <p><u>Key recommendation 2</u></p> <p>WHAT? Develop better partnerships with NGOs in rural/ hard to access regions to use as implementation partners and cash delivery agents.</p> <p>WHY? Closer cooperation with local NGO partners will enable better and continuous market monitoring capacity and more rapid scale-up of cash delivery</p>	<p><u>Risk assessment</u></p> <p>Appropriateness Risk: LOW Market Risk: MEDIUM / HIGH Finance / Delivery Mechanism Risk: MEDIUM / HIGH Security Risk: HIGH</p> <p><u>Key recommendation 1</u></p> <p>WHAT? Conduct baseline market mapping for key commodities in border states</p> <p>WHY? Given the recent closure of the border, EMMA style market assessments are necessary to assess how local traders are adapting to being cut-off from one of their major procurement sources and highlight the potential supply side interventions that could accompany demand-side CTP interventions</p> <p><u>Key recommendation 2</u></p> <p>WHAT? Capacity building of local partners for CTP</p> <p>WHY? The challenge of recruitment of local staff in South Sudan can be partly addressed through capacity building of local partners on CTP. Therefore, NGOs should engage potential local partners with “head of terms” in order to help with eventual surge needs.</p>

6. SCALING UP AND ADAPTING CASH EMERGENCY PREPAREDNESS

Internal

In each of the pilot CEP countries, SC has identified a CTP focal point, responsible for ensuring that the findings and recommendations of the assessment are included in emergency preparedness planning, and implemented accordingly. SC recommends that the CEP plan is reviewed every 6 months, alongside the emergency preparedness plan. The implementation of the recommendations is also being followed closely by head office staff, in order to be able to demonstrate the added value to CEP.

Following the pilot studies in 2011, SC has been disseminating the CEP guidelines to country programmes in order to support their emergency preparedness planning process. Where countries have limited experience of CTP, head office staff have offered to provide technical assistance, either remotely or through direct support.

In parallel, SC has also been using elements of the CEP process to support post-emergency needs assessments. In Mozambique in February 2012, following tropical storm Dando, we combined an Emergency Food Security and Livelihoods (FSL) assessment in Gaza, with a CTP feasibility assessment (based on the CEP guidelines) designed to identify overall programmatic and operational risks and recommendations for SCiMOZ on CTP of CTP in Emergencies. The recommendations from the risk assessment could therefore both inform the design and implementation of this cyclone/flood response, as well as future emergency responses.

External

There is significant scope for building on the CEP process and pilot experiences to systematise CTP preparedness in emergency-prone contexts. However, the effectiveness and value of CEP will be exponentially increased through coordination between agencies implementing (or considering) CTP.

Coordinated preparedness initiatives include:

- Joint engagement and advocacy towards national governments on CTP
- Joint engagement with donors at national level on CTP (including funding preparedness activities)
- Clarity prior to an emergency on where CTP should sit in the cluster system should an emergency be declared
- Investment in joint market baselines

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