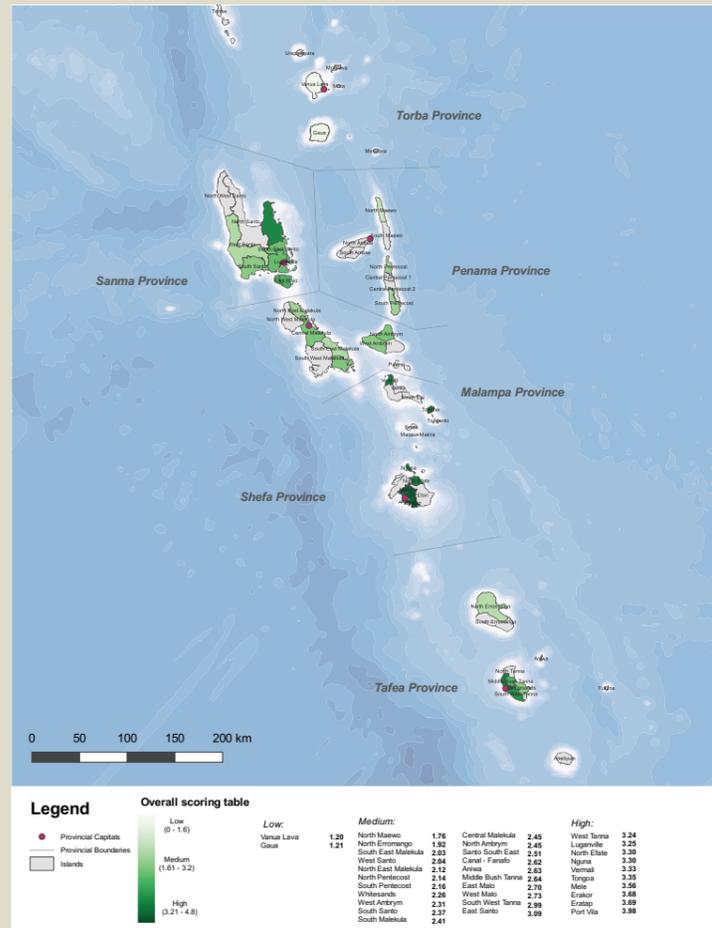


OVERALL SCORES FOR FEASIBILITY OF CASH TRANSFERS IN VANUATU

HIGH (3.21 - 4.80)	The most enabling environment for CTP in Vanuatu. Multipurpose, unconditional cash transfers are recommended.
MEDIUM (1.61 - 3.20)	Consider market recovery measures and a slow/phased introduction of cash modalities over an extended period, and income generating activity grant programs during the recovery phase of an emergency.
LOW (0 - 1.60)	The least enabling environment for CTP in Vanuatu. Low feasibility should be treated as a proxy indicator for the delivery of in-kind assistance.



RECOMMENDATIONS:

The findings summarised above indicate that CTP is feasible in Vanuatu and therefore should be considered as a possible response modality by national stakeholders and relevant coordination mechanisms, such as clusters. However, there is no one-size-fits-all approach to CTP in Vanuatu as the assessment found the degree of feasibility varies greatly between locations. In some locations, CTP is not feasible at all.

Overall recommendations

1. While CTP can be implemented in Vanuatu, there remain some capacity gaps. Governments, NGOs, civil society and other stakeholders should consider investing in operational agreements, training and learning for staff in order to build capacity to implement cash transfers at scale.
2. The piloting of different cash transfer modalities at a small scale should be encouraged to generate the required learning of implementing stakeholders and staff and to raise visibility around the utility and degrees of difficulty related to each modality.
3. The assessment found that the majority of stores and financial service providers are open to participating in CTP and receiving the training to do so. Targeted trainings are recommended for FSPs (commercial banks and remittance agencies) and market stakeholders, such as small and medium sized vendors and traders, as this would assist in building capacity and optimising the speed of operational set-up in cash transfer interventions.
4. Create a standard market assessment that is tailored to Vanuatu for the initial disaster response, in conjunction with the rapid needs assessment. This will help to determine at the outset of a response if CTP is feasible as part of that response, at that time and in that context – the most unpredictable factor in CTP tends to be market resilience, especially in small islands.
5. Advocate to Financial Service Providers to put systems in place for mass registration of bank accounts, or bulk cheque or transfer systems, and increase the number of cash-out services with the capability to support the implementation of CTP. This can also be easily linked with national Financial Inclusion goals.



METHODOLOGY

Assessment approach:

Data collection was carried out from March 2018- June 2018, the first being the general cash transfer feasibility assessment which collected data from 33 sites across all 6 provinces, and the second being the CTP service provider capacity assessment.

The report developed a feasibility scoring system which assigns each surveyed location a feasibility score out of 5 for each of the 4 CTP feasibility indicators. The scores were calculated using key questions identified in the general cash transfer feasibility assessment.

ACKNOWLEDGMENTS

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Oxfam would also like to thank and acknowledge the Vanuatu Chamber of Commerce and Industry (VCCI) Vanuatu Business Resilience Committee (VBRC), the Vanuatu Department of Local Authorities, the Vanuatu Department of Agriculture and Rural Development, Department of Local Authorities, Vanuatu Council of Churches, and the communities, households, retailers and local government officials who attended meetings and were interviewed as part of the feasibility study, their contributions were invaluable and form the centre of the report.

COVER PHOTO:

Luganville, Vanuatu: Ambae evacuee Canol used cash assistance from Oxfam to buy cuttings for the community garden. Photo: Sarah Doyle/OxfamAUS.

REPORT SUMMARY:

Vanuatu Cash Transfer Feasibility Assessment

February 2019



ABOUT THIS SUMMARY

This is a summary of the findings of the Vanuatu Cash Transfer Program (CTP) Feasibility Assessment that was conducted to build a context-specific evidence base to guide preparedness initiatives related to the use of cash and vouchers as a means of humanitarian assistance for response, recovery and resilience in Vanuatu.

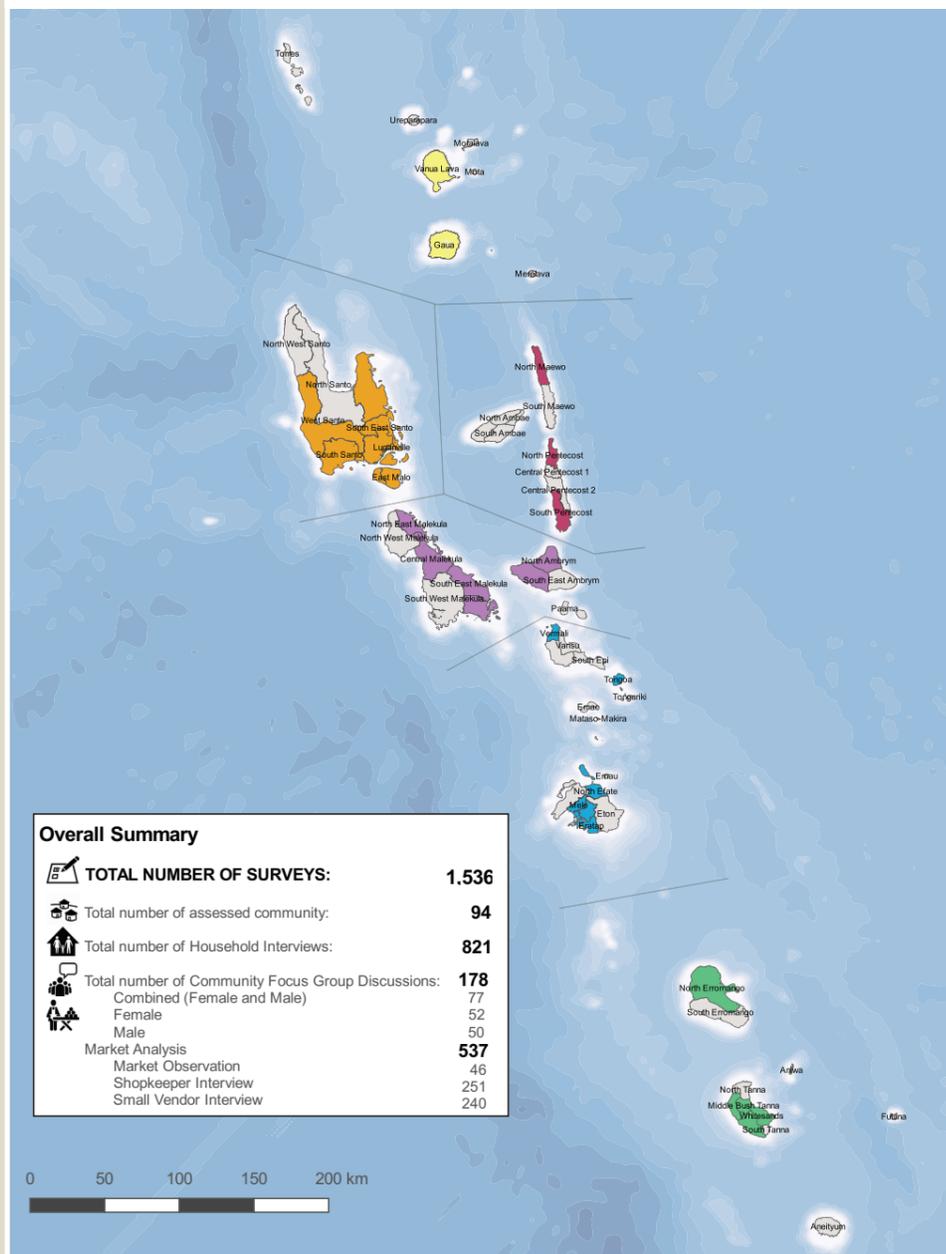
The assessment is part of the regional Pacific Cash Preparedness Partnership between Oxfam, Save the Children, and the United Nations World Food Programme, which is focused on conducting a series of feasibility studies across Vanuatu, Fiji, and Solomon Islands in order to increase awareness, capacity and expertise in CTP in the Pacific Islands.

The report identifies; the locations where CTP is a viable approach to deliver emergency assistance in Vanuatu, to whom CTP may be appropriately delivered, when this type of assistance is most effective, and provides preliminary recommendations on what form of CTP can be delivered in Vanuatu.

The feasibility assessment drew upon secondary and primary data sources. The primary sources come from the two Oxfam led field studies that were carried out from March 2018- June 2018, the first being the general CTP feasibility assessment, and the second being the CTP service provider capacity assessment. The results of these two studies together form the core of the Vanuatu CTP feasibility assessment. The report aims to answer the following research questions;

Where is CTP Feasible? Who are key stakeholders who will benefit from CTP? What needs can CTP address after a disaster? How could CTP be delivered in Vanuatu via existing financial and market systems?

Vanuatu – Coverage Map Feasibility for Cash Transfers in Vanuatu



The Cash Transfers Feasibility Assessment is structured around 4 indicators identified as essential dimensions when measuring the overall feasibility of a CTP; Access, Acceptance, Appropriateness and Market Capacity. The report is structured around addressing overall feasibility of CTP at the national level across the 4 indicators before then analysing each of the 6 provinces separately.

Access is defined as the extent to which households utilise and have access to an active and functioning market, and financial services to meet their needs.



Market capacity is measured based on the proximity of markets, density and frequency of market activities, availability of stocks and goods, impacts of disasters on vendors.



Acceptance is measured based on the positive and negative perceptions of CTP as disaster assistance by respondents, including perceived tensions and benefits of CTP.



Appropriateness is defined as the extent to which CTP is a means of meeting needs and addressing existing gaps in the delivery of humanitarian assistance.

OVERALL FINDINGS

The research shows that it is clearly possible to implement cash transfers in multiple locations within Vanuatu. However, the level of feasibility across different islands varies greatly. Therefore, there is not one single delivery mechanism that fits all locations; different mechanisms, and indeed modalities should be adapted according to the area of intervention and specific needs.

The general CTP feasibility trend revealed by the assessment results is that the further away and the less connected a location is from the two commercial centres of Port Vila and Luganville, the less conducive it is for CTP. The design of all CTP response activities should consider geographic location, the needs of the affected population and the timeframe of the intervention (e.g. response or recovery).

Access:

- In rural and remote areas, most households further away from provincial centres have easy access to small stores and small community markets that stock a small variety of goods, whereas, households in provincial centres, especially the two commercial centres, have access to larger markets that stock a wide range of goods.
- Low penetration of financial services providers (FSPs) outside of commercial centres means that access is a challenge.
- The most popular FSP used by the respondents are banks, particularly the National Bank of Vanuatu. The frequency of use is generally very low, with households using banking services on average once every 1.5-2 months, mostly for savings.

Acceptance:

- Unrestricted cash is the preferred type of assistance after a disaster.
- One third of communities expressed concerns about potential risks with the implementation CTP.
- Household results reveal a preference for the male head in the household to be the recipient whereas community group discussions indicated a preference for male and female members to receive the transfer together.

Appropriateness:

- Regardless of location, all households in Vanuatu regularly engage with markets to fulfil their daily needs. The top 5 weekly expenses outside of an emergency were food, school fees, clothing, travel/transport, and health needs.
- Just over two thirds of communities surveyed had been impacted by a disaster for which they received external assistance in the last 3 years (2015-2018). Households in these communities recalled their immediate disaster needs were food, water and shelter.
- Perceived problems communities think are most likely to occur in the next disaster response are; targeting of assistance (considered to be unfair and an insufficient amount for everybody who needed it to receive it), and the timing of the assistance (the average wait time of over 3 weeks and this was considered too long).

Market capacity:

- Essential goods are easy to supply from within the Pacific region, but the challenge is getting them to markets which are accessible to people within a timeframe that will prevent affected populations relocating to more accessible locations.
- Lack of critical services and infrastructure, such as credit, storage and warehousing, and bulk transport outside of the large commercial centres greatly reduces the market capacity to absorb sudden increase in demand.
- Three quarters of shop keepers predict that they could scale up to meet an increase in demand, though the majority reported needing up to 2 weeks to do so. For small vendors, the ability to increase their volume of supplies is lower, with 47% reporting that they cannot increase what they sell.

Delivery mechanism for CTP:

- FSPs would currently face operational challenges in transferring money efficiently to large groups of people at the same time. Banks do not have experience in mass registration of bank accounts and mobile money services have not been launched in the country. Most banks have payroll services but not organised cash-out. Because of these restrictions, bulk-payment to beneficiaries through cheques or other transfer instruments, and organised cash-out are currently the most feasible options.
- Vouchers are feasible and particularly suitable for medium feasibility areas where there are challenges for local stores to maintain stable supply and re-stock. However, currently they involve heavy logistical requirements, as the organisation will need to do thorough vendor mapping, assessment, and contracting in the targeted locations.
- Minimum Know Your Customer requirements are attainable: two pieces of ID or validation by a local chief, and protocols exist for delegation of authority for disabled people.

CTP FEASIBILITY LEVELS IN SURVEYED LOCATIONS VANUATU

