



JUST IN TIME: Advancing Anticipatory Cash in Pakistan



PRACTICE PAPER SERIES



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The research team would like to thank the national and international stakeholders that participated in this research. We would also like to thank the CALP Network for their valuable input into this research.

About the partners

GLOW Consultants, based in Pakistan, is a leading national entity providing practice solutions and field implementation support to donors, their implementing partners and research institutions. GLOW has successfully completed more than 100 third-party monitoring and evaluation assignments.

Humanitarian Advisory Group (HAG) was founded in 2012 to elevate the profile of humanitarian action in Asia and the Pacific. Set up as a social enterprise, HAG provides a unique space for thinking, research, technical advice and training that contributes to excellence in humanitarian practice. As an ethically driven business, we combine humanitarian passion with entrepreneurial agility to think and do things differently.



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About the Humanitarian Horizons program

Humanitarian Horizons 2021–24 is the second iteration of HAG’s partnership-based, sector-wide research program. Focusing on Asia and the Pacific, Humanitarian Horizons aims to progress thinking on the role of the humanitarian sector and produce evidence about ways to achieve better outcomes for crisis-affected people. The program is funded by the Australian Government Department of Foreign Affairs and Trade (DFAT).

The research program for 2021–24 builds on achievements of the 2018–21 iteration and HAG’s experience supporting the sector for almost 10 years. Humanitarian Horizons has three interlocking streams: 1) Power, People and Local Leadership 2) Greening the System and 3) Real-Time Analysis and Influence. It is underpinned by a fourth stream focused on governance, accountability, and monitoring, evaluation and learning processes.

The Real-Time Analysis and Influence Stream aims to provide timely exploration of emerging issues and thematic areas across the humanitarian sector and to produce practice papers. Practice papers are concise and high-level analysis pieces intended to inform humanitarian response practices and support decision-making and discussions about future action.

This publication has been funded by the Australian Government through the Department of Foreign Affairs and Trade. The views expressed in this publication are the authors’ alone and are not necessarily the views of the Australian Government.

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Introduction

Cash assistance has firmly landed as an effective mechanism to meet the needs of affected communities in humanitarian response. Humanitarian actors are also increasingly investing early through acting in anticipation of a crisis to minimise damage and harm, and advance early recovery. Anticipatory cash, that is cash as a modality deployed prior to the onset of emergencies, is increasingly gaining traction to support communities prior to the onset of a crisis.

“Cash assistance is undeniably a critical component of anticipatory action. Having immediate access to funds can be a game-changer in disaster response.”¹ (National non-government actor)

The 2022 floods in Pakistan inundated more than one-third of the country and affected 33 million people, including causing more than 1700 deaths and displacing nearly 18 million.² Momentum and action are increasing for greater anticipatory action in Pakistan with the emergence of initiatives, frameworks, and potential approaches, and the country has substantial experience using cash during response. The Pakistan context therefore provides fertile ground for furthering the anticipatory cash agenda, with lessons emerging from the 2022 floods and ongoing action that can also be applied to responses in other contexts.

Box 1. What is anticipatory cash assistance?

Anticipatory cash assistance involves using the modality of cash as part of anticipatory action – that is, just before a disaster or emergency occurs. This differs to cash provided after the onset of an emergency as the coordination structures for disbursing cash at a program level are pre-established; the transfer value is pre-defined; and the registration and distribution of cash are implemented in the lead up to the onset of a disaster. While these features can be part of a post-shock response, it is the *pre-shock distribution of cash* which is the defining feature of anticipatory cash assistance.³

Evidence emerging from this research suggested that there are opportunities to strengthen the use of anticipatory cash in Pakistan. These include supporting an enabling environment through strengthening policies, systems and leadership; building on momentum through testing, piloting and scaling up anticipatory cash initiatives; leveraging and adapting the learning from how cash has been used in response programming; and further investing in and shifting current funding practices.

1 Interview 5

2 Humanitarian Outcomes, SDPI and United Kingdom Humanitarian Innovation Hub, *Floods in Pakistan: Rethinking the Humanitarian Role*, 2022, available at: https://www.humanitarianoutcomes.org/sites/default/files/publications/pakistan_floods_1122.pdf

3 Adapted from British Red Cross' Cash Hub, Cash and Anticipatory Action, available at: <https://cash-hub.org/resources/cash-and-anticipatory-action/page/2/>

What does this paper do?

This practice paper explores opportunities to strengthen the role of anticipatory cash in Pakistan in future disasters as part of broader anticipatory action efforts, building on learning emerging from the 2022 flood response (see Figure 2 below). The paper is primarily targeted at national, local and international actors working in Pakistan as well as international donors and policy makers seeking to invest in risk reduction, preparedness and response. Whilst this paper is grounded in the context of Pakistan, lessons and opportunities put forward in this paper can also be considered by stakeholders in other contexts, as well as at the global level.

Structure

The paper is structured in three sections. Following the methodology, the first section sets the scene in relation to understanding anticipatory cash, including the emerging benefits, and key barriers to greater use. The second section explores how anticipatory cash can be strengthened in Pakistan, building on existing momentum, practices and learning from previous responses. The final section provides a summary of key opportunities and actions. Figure 2 below provides a high-level snapshot of the opportunities that emerged to strengthen anticipatory cash in Pakistan through this research; these opportunities are further expanded upon from page 12.

Figure 2. At a glance - Emerging opportunities to strengthen anticipatory cash in Pakistan



Methodology

This practice paper was led by Humanitarian Advisory Group in partnership with GLOW Consultants, based in Pakistan. Research methods were mainly qualitative and included a document review and key informant interviews with government and non-government actors in Pakistan. Three sense-making workshops were also undertaken with national, regional and global stakeholders to test emerging findings. Figure 3 below provides an overview of the methodology.

Figure 3: Methodology



Underpinning our approach to research

Our approach to conducting research under the Humanitarian Horizons program is founded on principles of localisation and **working in partnership**. Our collaboration with GLOW Consultants for this practice paper reflects this – GLOW has deep expertise and networks in both Pakistan and internationally across emergency preparedness and response.

Limitations

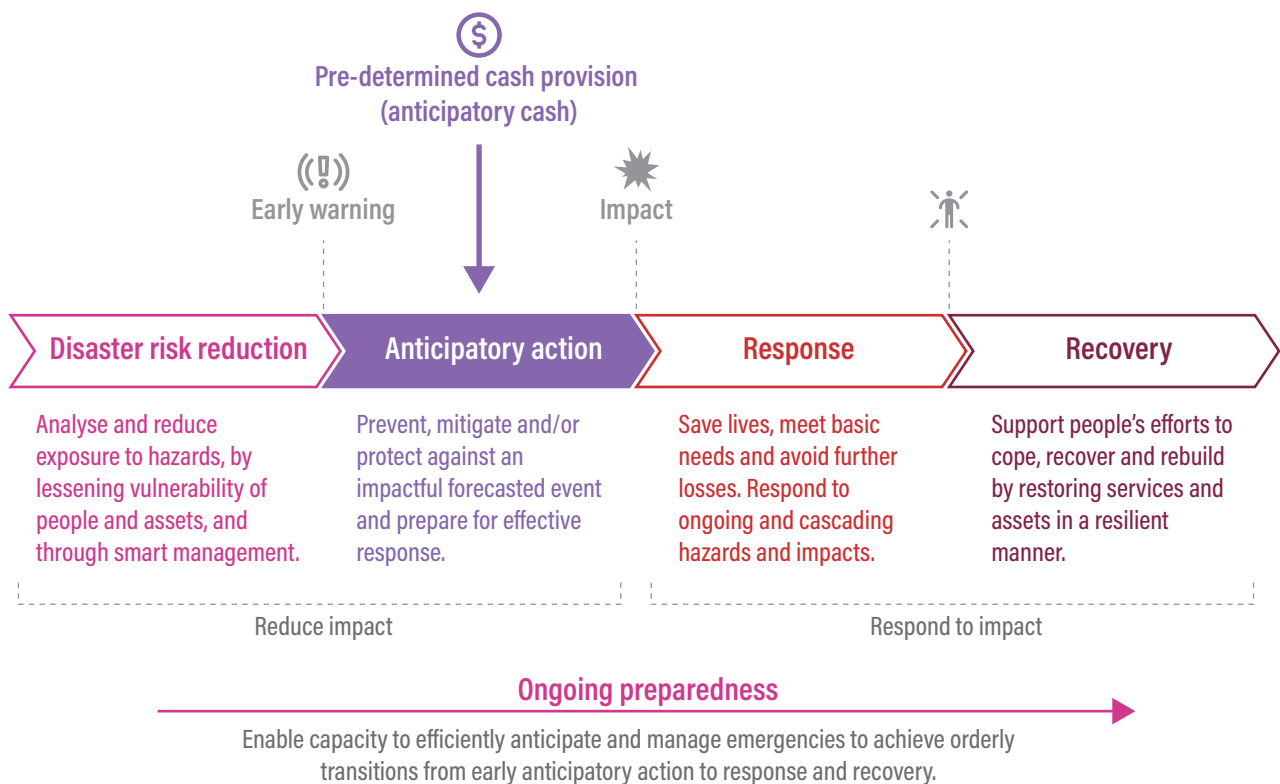
Scope: Practice papers are intended to be a snapshot of emerging practices, gaps and opportunities within a particular context. This paper is not intended to provide a systematic review of anticipatory action or anticipatory cash during the 2022 flood response. The research sample is not representative of all humanitarian actors' activities, perspectives and experiences during the response, nor does it capture community perspectives.

Anticipatory cash: Setting the scene

Cash and voucher assistance in humanitarian response has grown significantly in recent years, with evidence showing that it supports the agency of recipients, reduces harmful coping strategies, supports local economies, and is a cost-effective form of humanitarian aid. Cash now accounts for 21 percent of all international humanitarian assistance (IHA) and while projected growth of cash assistance as a proportion of IHA is not yet clear or assured, it is likely to remain firmly as a modality of response in future.⁴

The use of cash as a form of anticipatory action is also gaining traction globally, in the context of escalating climate related disasters, increasing humanitarian needs, and growing evidence of the economic case for acting early.⁵ The provision of anticipatory cash involves early decision-making based on forecast-based indicators, which trigger the disbursement of cash or vouchers to communities at risk of being affected by a specific risk or hazard. Figure 4 below shows how anticipatory cash is situated within the disaster management cycle.

Figure 4: Overview of anticipatory cash timeframe within the disaster management cycle⁶



4 The CALP Network, The State of the World's Cash 2023, available at: <https://www.calpnetwork.org/collection/the-state-of-the-worlds-cash-2023-report/>. This study indicates that cash assistance could be appropriate as a form of assistance for up to 30 to 40% of all humanitarian assistance if used wherever feasible and appropriate.

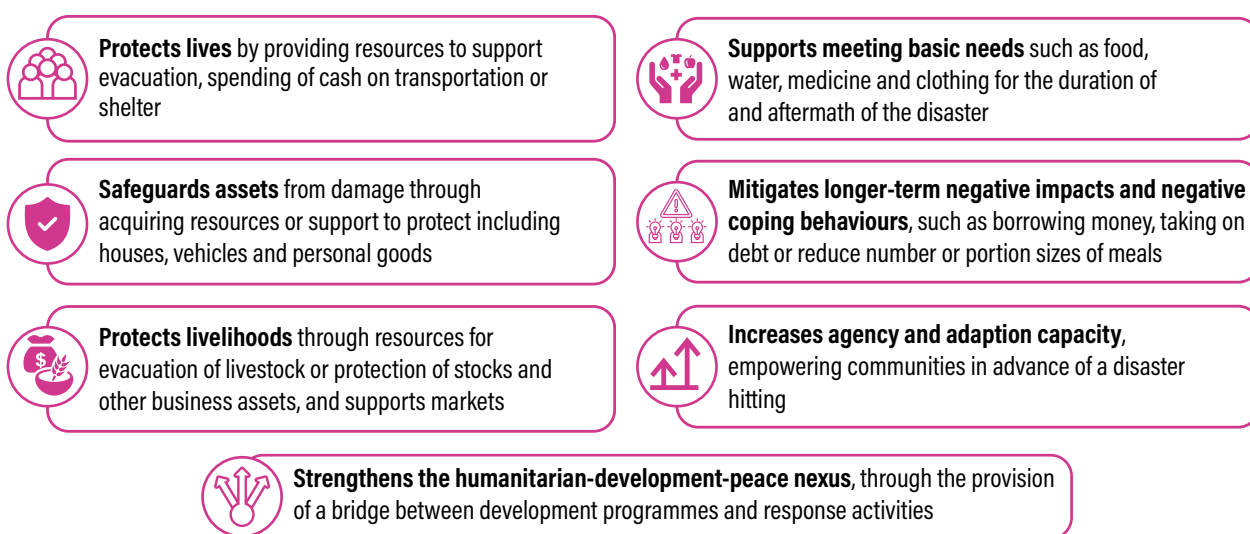
5 See for example: British Red Cross and Kenya Red Cross case study: *Drought Early Warning Action: Using Cash Assistance*, 2019, available at: <https://cash-hub.org/resource/case-study-drought-early-warning-early-action-using-cash-assistance/>; IRC, *Acting before disaster strikes: The impacts of anticipatory cash transfers on climate resilience in Northeast Nigeria*, 2023, available at: <https://reliefweb.int/report/nigeria/acting-disaster-strikes-impacts-anticipatory-cash-transfers-climate-resilience-northeast-nigeria>

6 Infographic adapted from the Anticipation Hub (IFRC, German Red Cross, Red Cross Red Crescent Climate Centre)

The case for anticipatory cash

Anticipatory cash is increasingly being considered by humanitarian actors due to a range of emerging benefits. Acting early to provide households with cash assistance can help people affected by a disaster to protect their homes, livelihoods, and health more effectively by undertaking actions that were otherwise not feasible without access to financial resources. This is particularly the case given the higher likelihood of market availability and functionality prior to the impact of a disaster as compared with post-disaster. Providing cash early can enable people to buy essential items before local markets are disrupted or to avoid selling assets to cover evacuation costs in a sudden-onset disaster.⁷ Whilst the evidence base is emerging, several studies have found that communities have indicated a preference to receive cash as the first form of assistance in advance of an event.⁸ Figure 5 below provides a broad overview of the benefits of anticipatory cash that emerged through the literature reviewed for this paper.

Figure 5: Emerging benefits of anticipatory cash



Barriers to progress

Despite the emerging information on the benefits, the pathway to increased use of anticipatory cash is not currently clear. A key barrier to the scaled use of anticipatory cash – and this applies more broadly to anticipatory action, too – is around the limited evidence to demonstrate effectiveness, outcomes and value for money, including understanding when, where and to whom anticipatory cash should be provided. For instance, available studies on anticipatory cash show a range of different approaches and definitions used to capture outcomes, including financial, wellbeing and/or longer-term outcomes.⁹ Anticipatory cash is also viewed as risky through a perceived potential for effectiveness and accountability to be undermined in instances where the impending disaster may not eventuate or be less severe than anticipated. The success of anticipatory cash is therefore linked to the effectiveness of disaster forecasts and systems, which may not always exist in practice.¹⁰

7 Ibid.

8 See Centre for Disaster Protection, Oxford University and 60 Decibels. *Collective Anticipatory Humanitarian Action for Monsoon Flooding - Bangladesh (Final Report)*, 2022, available at: <https://reliefweb.int/report/bangladesh/collective-anticipatory-humanitarian-action-monsoon-flooding-bangladesh-final>. OCHA. *Community perception report: flood, landslide and heavy rain*, Kathmandu, Nepal, 2022, available at: https://nepal.un.org/sites/default/files/2022-01/Community%20Perception%20Report%20-%20October%202021%20heavy%20rains_0.pdf, p.8

9 Asia Pacific Technical Working Group on Anticipatory Action and the Asia Pacific Regional Cash Working Group, *Anticipatory action and cash transfers for rapid-onset hazards*, 2022, available at: <https://reliefweb.int/report/world/anticipatory-action-and-cash-transfers-rapid-onset-hazards-practitioners-note-field-testing>

10 Juan Chaves-Gonzalez et al., *Anticipatory action: Lessons for the future*, Frontiers in Climate, Volume 4, 2022.

The 2022 floods

Pakistan currently ranks as the fifth most vulnerable country globally to the impacts of climate change.¹¹ These impacts will continue to pose threats to the country's already high exposure and vulnerability to seasonal floods, earthquakes, droughts and tropical cyclones. The 2022 floods were an unprecedented emergency in Pakistan, submerging a third of the country and affecting 33 million people across 84 districts. The floods clearly show Pakistan's climate vulnerability, with rainfall during the monsoon season at nearly 2.9 times the 30-year average.¹² Figure 6 below provides a snapshot of the scale of the crisis.

Cash and anticipatory action in the flood response

In the lead up to the onset of the floods, an anticipatory funding mechanism was activated by a member of the READY Pakistan Hub through the Global Start Fund.¹³ The Fund supported anticipatory action initiatives, which included one-off anticipatory cash transfers.¹⁴ Other anticipatory action initiatives included the Pakistan Red Crescent's Riverine Flood Early Action Protocol¹⁵, and government and non-government actor-led actions across several provinces. Cash was also used widely during the response by both government and non-government actors, which provides useful learning for anticipatory cash (see further on leveraging lessons from cash in response below).

11 UN Habitat Pakistan Annual Report 2022, *Global Climate Risk Index*, available at: https://unhabitat.org/sites/default/files/2023/06/4_pakistan_country_report_2023_b5_final_compressed.pdf

12 Pakistan faces some of the highest disaster risk levels in the world, ranked 18 out of 191 countries by the 2019 Inform Risk Index. *Global Climate Risk index 2023*, Ibid.

13 The Start Fund provides rapid response funding to under-the-radar, small to medium-scale crises, filling a critical gap in the humanitarian aid system. Funding is disbursed within 72 hours after members raise a crisis alert, making the Start Fund one of the fastest humanitarian assistance financing mechanisms in the world: <https://startnetwork.org/funds/global-start-fund>

14 For more information see: <https://reliefweb.int/report/pakistan/floods-pakistan-subside-locally-led-action-subverts-traditional-aid-myths>

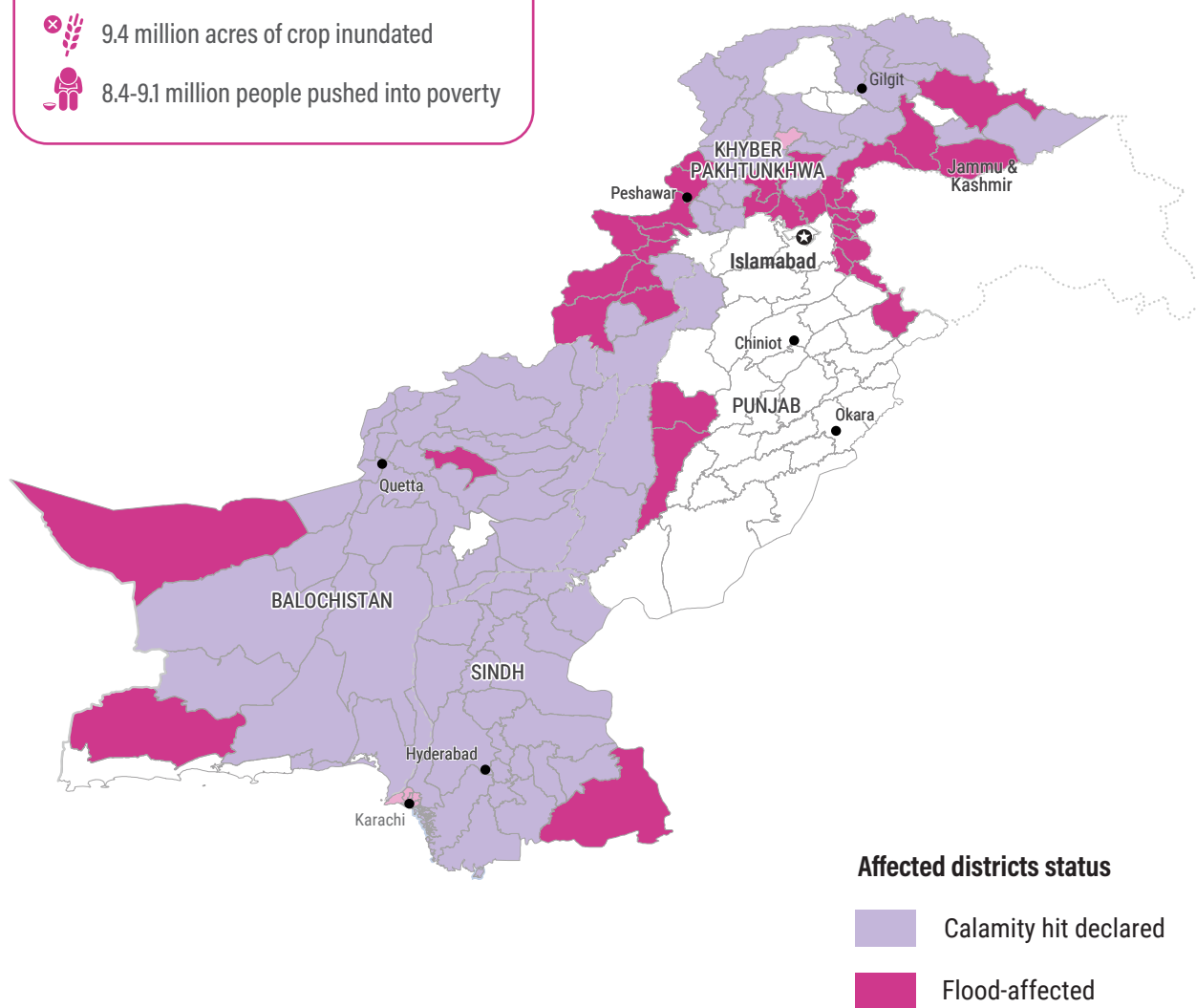
15 IFRC, *Pakistan Riverine Flood: Simplified Early Action Protocol*, 2023, available at: <https://reliefweb.int/report/pakistan/pakistan-riverine-flood-simplified-early-action-protocol-eap2023pk01-dref-no-mdrpk024>

Photo credit: Shutterstock



Figure 6: Overview of 2022 Pakistan flood impacts¹⁶

-  1,700 people killed, and over 12,800 injured
-  2 million houses destroyed or damaged
-  18 million displaced
-  1.1 million livestock killed
-  9.4 million acres of crop inundated
-  8.4-9.1 million people pushed into poverty



16 Humanitarian Outcomes, SDPI and United Kingdom Humanitarian Innovation Hub, *Floods in Pakistan: Rethinking the Humanitarian Role*, 2022, available at: https://www.humanitarianoutcomes.org/sites/default/files/publications/pakistan_floods_1122.pdf

Strengthening anticipatory cash in Pakistan

Evidence collected through this research suggests that momentum is gathering in favour of increased focus on anticipatory cash in Pakistan. There is growing recognition following the 2022 flood response of the need to both strengthen anticipatory action mechanisms, and to better understand and utilise the benefits of anticipatory cash.

“The lessons drawn from [the Pakistan floods experience] emphasise the importance of prepositioning funds, flexibility in planning, enhanced coordination, and risk mitigation strategies to ensure that cash assistance can be effectively integrated into anticipatory actions when needed.”¹⁷ (National non-government actor)

Pakistan is already taking significant steps to lay the foundations for greater anticipatory action in future disasters, and has significant experience in cash assistance in response to date (see *Creating the enabling environment* section below for more detail). This presents an opportunity to build awareness and action with humanitarian actors and communities on the potential use and benefits of this modality.

The following section presents four key opportunity areas to effectively support planning for and investing in anticipatory cash practices in Pakistan. It builds on evidence emerging from the floods, other recent responses, and evidence about the use of anticipatory cash in other responses elsewhere. These four opportunities are outlined below:

Opportunities to strengthen the use of anticipatory cash

1. Creating the enabling environment: leadership, systems and processes
2. Building on momentum: testing, piloting and scaling up anticipatory cash initiatives
3. Leveraging and adapting learning from cash assistance in response
4. Investing in the future: shifting funding practices

CREATING THE ENABLING ENVIRONMENT: LEADERSHIP, POLICIES AND SYSTEMS

Evidence suggests that creating an enabling environment through policy architecture and clear leadership and coordination systems are key to enabling greater use of anticipatory cash.¹⁸ This notwithstanding, it is acknowledged that while the Pakistan context provides much promise, the reality is that, with gaps in policies and practice and widespread resourcing challenges, emergency response remains largely reactive. The integration of anticipatory cash into both existing and emerging policies and practices will need to be part of a broader push to enhance the overall coordination of, and enabling environment for, emergency response.

¹⁷ Interview 5

¹⁸ See example of WFP's capacity and system building efforts in Ethiopia, *Anticipatory Cash Transfers and Early Warning Information Ahead of Drought in Ethiopia, 2022*, available at: https://docs.wfp.org/api/documents/WFP-0000145564/download/?_ga=2.262941260.1147293985.1695871422-263940454.1695692153. See also Anticipation Hub, Global Overview of Anticipatory Action in 2022, available at: https://www.anticipation-hub.org/Documents/Reports/Anticipatory_action_2022_-_Overview-Report_WEB.pdf

Policies, plans and initiatives

Pakistan has several existing frameworks, plans and policies that guide emergency management, including some aspects of anticipatory action as well as the use of cash in response and recovery, as outlined in Figure 8 below. This includes policies and plans by the National and Provincial Disaster Management Authorities, Ministry of Climate Change and Environmental Coordination, and the Benazir Income Support Programme (BISP). The national government as well as local, sub-national and international stakeholders are currently in the process of strengthening anticipatory systems and frameworks, including the drafting of the next National Disaster Management Plan 2023-2032, in which anticipatory action is expected to have a focus.¹⁹

Figure 8: Examples of policies and initiatives relevant to anticipatory action and cash in Pakistan



These policies and frameworks provide a critical platform on which to build anticipatory practices in Pakistan. There is currently, however, no overarching framework on anticipatory action more broadly that provides detail on contingencies, mechanisms and scenarios, or specific guidance on cash assistance.²⁰ This means there is currently a gap in guidance on when and how to activate mechanisms.

“Cash and voucher assistance has not been extensively considered within the framework of anticipatory action plans in Pakistan... it is not within the mandate of PDMA, which may hinder its effective integration into disaster response strategies.”²¹ (Government representative)

19 Interview 20

20 Interview 20

21 Interview 12

This gap resulted in barriers to activating anticipatory funding mechanisms for the 2022 flood response. Humanitarian actors identified that there were no triggers in place for anticipatory action by their donors: any funding support was contingent on a declaration of emergency and request by the Pakistan government for assistance.²²

“Without the call for humanitarian assistance [by the government]... the donor could not be convinced. So unfortunately we did not take any anticipatory action.”²³ (International non-government actor)

Leadership and coordination

The NDMA and its provincial arms lead planning and implementation across preparedness, response and recovery. The BISP manages the National Socio-Economic Registry (NSER) and cash disbursement and registration systems. Cash assistance, however, does not currently fall under the NDMA’s mandate and the BISP does not include emergency response as part of its mandate, despite previous use in responses.²⁴ There is evidence of large-scale use of BISP as a platform for cash assistance during the 2022 floods, though “with the most significant support in the first few months of the crisis a round of cash payments to vulnerable people... through the BISP”.²⁵ Nonetheless, participants outlined that clearer definition of roles and responsibilities across key agencies is needed and will support more systematic use of cash for response and anticipatory action. This also includes the role of the Pakistan Cash Working Group which facilitates coordination of non-government humanitarian actors’ cash programs and provides a platform for sharing information and guidance.²⁶

Opportunities

Develop a guiding framework

Stakeholders outlined that there is an opportunity to clearly articulate key roles and responsibilities as well as specific guidance on what amount of anticipatory cash will be given to who and when – including under which conditions or circumstances and triggers – through a guiding framework.²⁷ This includes clarity on roles and mandates for leading anticipatory cash policy and programming decisions between key bodies such as the BISP and NDMA, at sub-national levels and with other non-government stakeholders. It can also include guidance on targeting approaches using existing poverty or socio-economic metrics, and existing population information about marginalised groups or groups with particular needs, as well as for different types of emergencies.²⁸ This can build processes already in place to develop broader anticipatory action policies and plans. Figure 9 below outlines potential components of a guiding framework.

“We need to fill the gap of actively supporting the government in developing the framework on anticipatory action.” (Pakistan Cash Working Group discussion)

22 Interviews 2, 20

23 Interview 2

24 Interview 20

25 Humanitarian Outcomes, SDPI and United Kingdom Humanitarian Innovation Hub, *Floods in Pakistan: Rethinking the Humanitarian Role*, p.3, 2022, available at: https://www.humanitarianoutcomes.org/sites/default/files/publications/pakistan_floods_1122.pdf

26 Interviews 2, 20

27 Interviews 2, 3, 4, 5, 6

28 Interviews 1, 2, 9

Figure 9. Potential components of a guiding framework



Key roles and responsibilities for government institutions and non-government actors



Defining needs and targeting strategies for most in-need and at-risk in the context of Pakistan, building on BSP vulnerability data and the understanding of impact from different onsets by the Ministry of Climate Change



Determining different approaches and triggers for different types of emergencies and scenarios



Identifying key funding mechanisms and how they will operate from both national and international sources



Outlining an approach to inclusion, access and accountability to ensure access and inclusion by different groups



Mapping out a capacity development and communication plan to ensure a diversity of actors remain engaged and ready to act

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BUILDING ON MOMENTUM: TESTING ANTICIPATORY CASH INITIATIVES

Pilot anticipatory cash mechanisms show several emerging benefits, as well as key challenges in their implementation and scaling. During the flood response, a program supported through the START Network's READY Pakistan Hub involved an early release of funds and cash assistance a month before the state of emergency was declared and more response funding disbursed. The early release of funds allowed the distribution of anticipatory cash to 8,000 people. While the emerging benefits and learning from this particular assistance could not be verified for this paper, the box below provides an overview of how the mechanism works.

Box 10. Anticipatory cash in the flood response - READY Pakistan Hub Initiative²⁹

A collective of international, national and local Start Network members in Pakistan called the READY Pakistan Hub has developed a disaster risk financing programme to model risks, develop plans and pre-position funds to pro-actively respond to predictable hazards before and during the early stages of humanitarian crises.

Prior to the onset of severe flooding in 2022, the READY Pakistan Hub was able to access funds from the Start Fund, the hub's national reserves, as well as €1.2 million from the German Federal Foreign Office.



How it works

- **Alerts:** Start Fund is based on members raising an "alert". Any member (or group of members) can identify a crisis that they think is suitable for the Start Fund, focusing on underfunded, small to medium scale crises. Alerts can be anticipatory, relating forecast based information.
- **Allocation:** Information is shared and decisions are made on whether to release funds. If funding is allocated, members are invited to submit proposals within 24 hours.
- **Project selection:** Projects are selected from these proposals for funding, and funding released within a timeframe of 72 hours.

Overall, however, there was limited use of anticipatory cash during the 2022 flood response, with some participants identifying this as a missed opportunity.³⁰

“Unfortunately, a missed opportunity transpired last year when many of the organisations failed to provide cash assistance to communities... There existed a 4 to 5-day window [prior to the onset of severe flooding] during which more strategic planning could have provided substantial support to the affected populations.”³¹ (National non-government actor)

Stakeholders indicated that there were several factors as to why anticipatory cash was not utilised more widely including limited early warning systems and pre-positioning of funds, as well as the lack of awareness and evidence around the potential use of anticipatory cash, cost effectiveness, and the processes for

29 START Network's *READY Pakistan Hub Initiative* overview, available at: <https://startnetwork.org/network/hubs/pakistan-hub>

30 Interview 20

31 Interview 20

implementing this type of support, in comparison to wider knowledge about other anticipatory mechanisms.³² Some participants also outlined that there is increasing feedback from community members suggesting the use of anticipatory cash could be beneficial, but that a broader understanding of community perceptions is currently a gap amongst humanitarian actors.³³

Opportunities

Strengthened understanding and evidence of anticipatory cash approaches and modalities

There is an opportunity to strengthen the evidence and build greater understanding through pilot and scaled-up initiatives, research and monitoring, evaluations and learning to support decision-making, program design and testing.³⁴ Making decisions about using anticipatory cash requires a critical examination of why it is being considered and how it can be used most effectively. This includes developing a clear understanding of the most effective combination of different parameters that will lead to the best outcomes in Pakistan. A stronger evidence base that explores the comparative advantages of anticipatory cash will help accelerate the necessary shift and increase efficiencies in setting-up such programs. Understanding community perceptions in greater detail will support the development of targeting strategies and plans for different onsets, as well as support the crafting of key messages and awareness raising activities often developed alongside cash programs.³⁵

Future decision-makers can use the considerations posed in Box 11 below to support this process.

32 Interviews 2, 7, 5, 9, 11, 12

33 Interview 4

34 Interviews 2, 3, 4

35 Interviews 4, 6, 7

Photo credit: Shutterstock



Box 11: Considerations for understanding parameters to maximise benefits of anticipatory cash assistance

Amount & payment mechanism

- What are the appropriate amounts for anticipatory cash in the context of Pakistan? i.e. based on what anticipated needs, family sizes, and local costs of living?
- What amounts are appropriate for different types and scale of emergencies?
- How do different amounts of anticipatory cash transfers (ie. value of a single transfer) lead to different actions and outcomes for people?
- What payment mechanisms would be appropriate for different types of emergencies, locations and population groups?

Frequency & timing

- What is the optimum timing of anticipatory cash assistance? Does this vary for different emergencies?
- How does the timing of anticipatory cash lead to different actions and outcomes for people?
- How might multiple anticipatory cash transfers, or combined anticipatory and response cash transfers, support better outcomes for people?
- What combination of assistance, and respective timing, is likely to be most effective, and when?

Targeting

- How is anticipatory cash best targeted (ie. determining whether more targeted or blanket coverage in a specific location is appropriate) and through what means of assessment?

Other supportive factors

- What other external and contextual factors influence people's behaviours and use of anticipatory cash? E.g. community perceptions, trust and understanding of triggers, socio-economic situation of target population, inclusive practices that support access for marginalised groups.
- How can anticipatory cash be complementary to other cash plus programming approaches?

ADAPTING LEARNING FROM CASH ASSISTANCE IN RESPONSE

“Lessons can be drawn from past response experiences to improve the effectiveness of cash assistance in anticipatory action, including the importance of early planning, robust coordination, and building local capacity for distribution.”³⁶ (INGO coordination representative in Pakistan)

Cash assistance has been used across a range of responses in Pakistan in recent years, and has significantly increased in size and scope.³⁷ In the 2022 flood response, the government delivered cash assistance through the BISP to 2.8 million flood-affected families, totalling US\$ 261 million (about US\$ 93 per family), with financial support from bodies such as WFP and the World Bank.³⁸ Over USD 10 million was also disbursed

³⁶ Interview 7

³⁷ For example, one agency reported that 10 out of the 23 response projects involved cash assistance, and this has increased markedly over the last 10 years from few projects where cash was a small component targeted at vulnerable groups.

³⁸ UNICEF Pakistan Country Office Annual Report, 2022: <https://www.unicef.org/media/136311/file/Pakistan-2022-COAR.pdf>

by more than 20 different humanitarian organisations to over 1.5 million individuals in 23 districts. Key learning on the benefits and challenges from this programming can be drawn on and adapted to support the development of anticipatory cash. The Cash Working Group conducted a scoping study to understand these issues – key points emerging from this are outlined in Box 12 below.

Box 12: Overview of Key Issues – Cash Working Group 2022 Flood Response Scoping Study

In July-August 2023, The Pakistan Cash Working Group produced a scoping study reviewing the state of cash assistance since the 2022 floods. Key learning relevant for anticipatory cash in the future includes:

Early warning

- Overall, half of the communities did not receive flood alerts before floods. Around two-thirds of the population from KP province received flood alerts on the same day/a few hours before the flood occurred.

Timeliness

- Only 6% of people received cash assistance in the first three months of the floods (July-September). 43% received cash assistance in October-December 2022, and 44% received cash assistance in January-March 2023.

Access

- Only half of the targeted population could access the cash disbursement point in under one hour of travel time. KP and Punjab have greater difficulties accessing cash disbursement points.

Spending

- The cash received was spent on food needs, medical expenses and agriculture / livestock inputs.

Access and modalities

Access issues were a significant barrier for communities in being able to reach disbursement points in a timely manner, particularly in remote regions.³⁹ Certain provinces in Pakistan reported greater difficulties in accessing disbursement points for reasons including remoteness and transportation issues, mobile network issues, biometric issues, long queues and corruption or deduction of cash by distributors in the flood response.⁴⁰ As outlined above, the CWG Scoping Study found that only half of the targeted population could access cash disbursement points in less than one hour. This highlights the criticality of the transfer mechanism itself as an important consideration for anticipatory action / cash.

“In Balochistan, the signals were somewhat available in the main cities but not in the surrounding areas and not at all in the remote areas. The network was so slow that the process where cashiers verify the thumb impression and other requirements was getting difficult... People had to come to a central location.” (International NGO stakeholder)⁴¹

³⁹ Interview 2

⁴⁰ Interviews 1, 2, 11, and World Food Programme, Key Findings Cash Based Transfer (CBT) Scoping Study 2023.

⁴¹ Interview 2

Various cash modalities have been piloted across Pakistan to address these access issues, and humanitarian actors have engaged with finance service providers to discuss humanitarian requirements and priorities. Working with franchisees of the service providers has required humanitarian agencies to have an understanding of the capacities and requirements of these different bodies in different areas of the country, including maximum daily disbursement capacities that limit reach for example and security arrangements. Non-government agencies outlined that pre-agreements or arrangements with existing financial service providers have worked most effectively, with actors reporting challenges in establishing new agreements during response including delays due to administrative requirements. Stakeholders outlined that this will be key in supporting access and reach as part of anticipatory cash in the future.⁴²

“In our anticipatory mechanism our vendors are pre-identified... and at the same time we have contingency agreements with our different partners like banks.”⁴³ (National NGO representative)

Inclusive response

There are known inclusion challenges for cash assistance in Pakistan.⁴⁴ Women face greater challenges to register and collect cash compared to men in Pakistan, participate in humanitarian decision-making processes, and enact agency over the spending of cash for the household and their own needs.⁴⁵ Other groups also faced barriers in using and benefitting from cash assistance in the flood response including persons with disabilities being inadequately included in humanitarian response more broadly and Afghan refugees being excluded from accessing the BISP as non-nationals. Other factors such as ethnicity, age and remoteness are also likely to affect inclusive access to cash for other groups.⁴⁶

There have been a number of initiatives seeking to shift social norms and support greater equality and empowerment of marginalised groups to strengthen inclusive cash. This has included developing a more inclusive and flexible registration process for the BISP; specifically targeting groups such as refugees who do not qualify for social protection schemes; hiring more female staff and creating separate gender distribution points; and adaptation and flexibility with identification documents required and advocacy for greater representation of women in decision-making bodies and with community leaders for safer access.⁴⁷

“We’ve hired a Female Safeguarding Advisor who continuously trains our staff. And we’ve also deployed Safeguarding and Protection Officers at the community level; they are constantly working on community awareness in this regard.”

42 Interviews 2, 9

43 Interviews 3, 5

44 Interviews 1, 2, 4, 5, 6

45 Interviews 1, 4, 7, 5, 9, 10, 11

46 See for example UNHCR’s program on cash assistance for Afghan refugees, available at: <https://www.unhcr.org/pk/16105-unhcr-pakistan-launches-one-off-cash-assistance-scheme-for-1-3-million-afghan-refugees.html> and disability inclusion in the response from the International Disability Alliance, available at: <https://www.internationaldisabilityalliance.org/content/international-disability-alliance%E2%80%99s-statement-situation-persons-disabilities-affected-floods>

47 Interviews 9, 10, 12

Opportunities

Work collaboratively to address specific access and modality issues

Preparedness planning – and anticipatory cash planning within that – can build on the knowledge and evidence about access and modality issues in response, including pre-agreed arrangements with financial providers and methods to address inclusion issues. Building strong relationships with service providers requires investing in preparedness, and setup and testing of systems with particular focus on overcoming diverse access issues.⁴⁸ Stakeholders identified that further documenting and sharing between agencies on what works and doesn't work in terms of contracting a diversity of distributors and accountability mechanisms is important.⁴⁹ The development and maintenance of strong lines of communications with remote communities to understand safe and practical solutions to specific access issues is also necessary and may be more straightforward in anticipatory settings, as well as benefit future response efforts.

Elevate gender and inclusion and develop targeted interventions

Anticipatory cash programs can build on the knowledge gleaned on specific challenges and methods of addressing inclusion issues in cash provided as part of response, including how anticipatory cash can strengthen outcomes for marginalised and excluded groups.⁵⁰

INVESTING IN THE FUTURE: SHIFTING FUNDING PRACTICES

Given the growing gap between humanitarian funding and needs globally⁵¹, the advantages of anticipatory action in mitigating negative impacts and reducing potential humanitarian needs are clear. Current funding practices and behaviours of actors in Pakistan, however, will require a significant shift to optimise the promises of anticipatory cash.

Funding enablers and mechanisms

A number of preparedness and early actions were used in the lead up to the 2022 floods. This included pre-flood distribution of essential items to communities – non-food items including hygiene items as well as food; distribution of shelter supplies for families at risk of displacement; establishing WASH facilities; pre-arrangement of machineries; and other evacuation and shelter preparedness activities. Stakeholders outlined that these activities, together with some early forecasts and alerts, were instrumental in catalysing donor attention.

“By raising the alert and initiating immediate action, stakeholders were not only able to provide immediate relief to vulnerable communities but also garner broader attention to the impending disaster.”⁵²

Whilst this was important, a key challenge for garnering greater early or anticipatory support was the lack of contingency or pre-agreed funding mechanisms.⁵³ Non-government humanitarian actors outlined that

48 Interviews 1, 2, 4

49 Interview 5

50 Interviews 1, 4, 5, 6

51 Development Initiatives, *Global Humanitarian Assistance Report 2023: Chapter 1, Key trends in humanitarian need and funding: 2022*, overview page, available at: <https://devinit.org/resources/global-humanitarian-assistance-report-2023/key-trends-humanitarian-need-funding-2022/>

52 Interview 11

53 Interviews 7, 8, 10, 12

it is currently largely the case that there are limited standby arrangements or contracts with donors and implementing agencies in place for funding anticipatory cash programs. Limited awareness also leads agencies to prioritise other preparedness measures over anticipatory cash when agencies are making decisions about budget allocations.⁵⁴

“Currently, no or very limited contracts or standby arrangements exist with donors and implementing firms/partners... The anticipatory actions require available and predictable funding, which is mostly lacking currently.” [Donor agency]

Participants outlined there is a need to develop more effective anticipatory action funding models for cash.⁵⁵ Leveraging ongoing discussions with key donors, including finance institutions, will be key to developing effective mechanisms that can be deployed and how this could support public financing through social protection mechanisms or other large scale humanitarian grant modalities such as the CERF or DREF. This could also include humanitarian actors developing contracts with national financial entities for anticipatory cash assistance that could be used to distribute cash assistance in response, minimising efforts to re-set financial systems.

“For immediate funding, donors and the UN may consider establishing new funding lines or utilise other available funding mechanisms such as CERF.”⁵⁶ (Donor agency)

Stakeholders also outlined that funding mechanisms for anticipatory cash will be contingent on effective and accurate early warning systems and information, at both the national and sub-national levels.⁵⁷ This includes strengthening government modelling and forecast systems, and supporting the NDMA and PDMAs to communicate this information to district and down to communities, and for it to be used to trigger financing.

Opportunities

Strengthen the use of forecast-based financing mechanisms to support anticipatory action

Developing funding mechanisms that enable the use of anticipatory cash requires maintaining anticipatory systems, developing pre-agreements and strengthening forecast-based financing. These may be based on pre-agreed triggers such as in anticipatory models or a more contingency funding-based model such as the Start Fund which uses an alert-based system using forecast information.⁵⁸

54 Interviews 2, 4, 5, 10

55 Interviews 4, 8, 9

56 Interview 10

57 Interviews 4, 7, 9

58 Interviews 2,3, 8

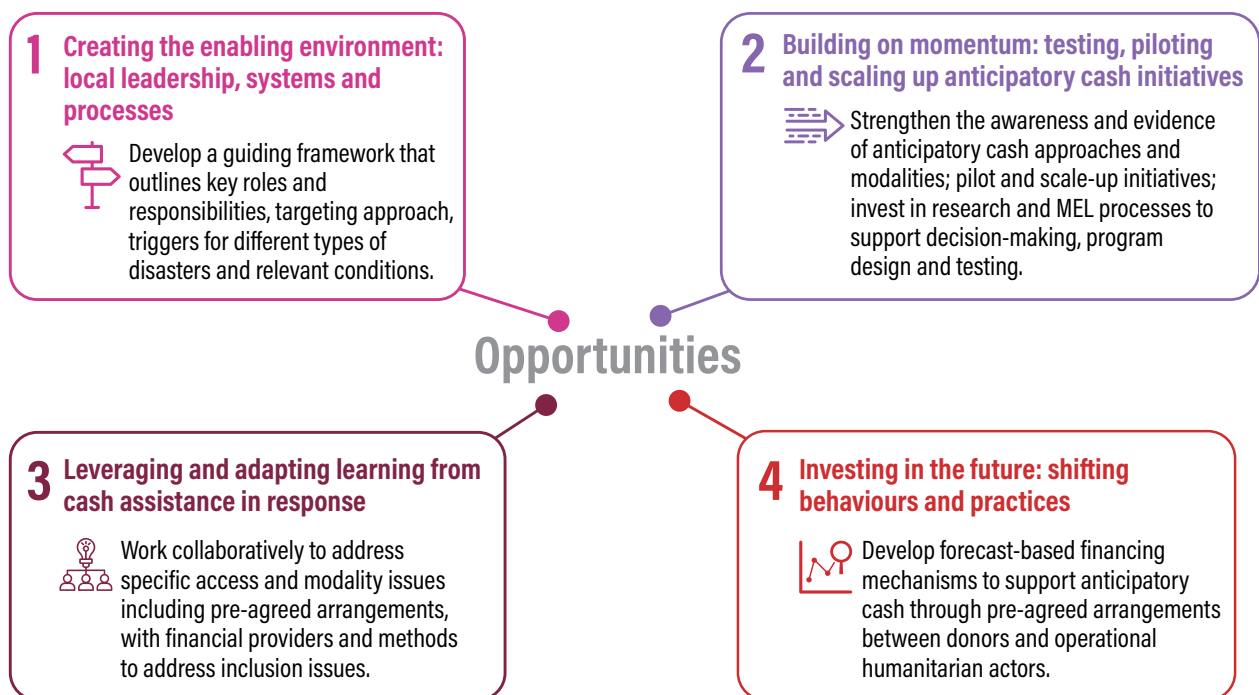
An eye to the future

Momentum is gathering in favour of strengthening anticipatory cash to support humanitarian action in Pakistan. There are strong foundations that can be leveraged, due to its well-established structures and mechanisms at various levels of government, including banking and social protection mechanisms, that would be required for anticipatory cash to be both possible and effective. The lasting negative effects of the 2022 floods on communities calls for greater preparedness and anticipatory efforts, as well as the acceleration of the shift towards a more connected and holistic humanitarian system to minimise impact and maximise limited humanitarian funds.

Beyond the likelihood of specific triggers being met and relatively complex anticipatory action systems being developed and effectively activated, the investment in contingency funding, and in maintaining systems for cash assistance will ultimately support faster delivery of aid, whether before or at the onset of a crisis, allowing for greater adaptation, recovery and eventually resilience of communities in a context of more frequent disasters.

This practice paper identifies key opportunities that exist for humanitarian actors in Pakistan to advance the use of anticipatory cash, and the pathways that can lead to realising these opportunities.

Figure 13. Emerging opportunities to strengthen anticipatory cash in Pakistan



Acronyms

BISP - Benazir Income Support Programme

CALP - CALP Network

CERF - Central Emergency Response Fund

CWG - Cash Working Group

DFAT - Department of Foreign Affairs and Trade

DREF - Disaster Response Emergency Fund

GLOW - GLOW Consultants

HAG - Humanitarian Advisory Group

IHA - International Humanitarian Assistance

KP - Khyber Pakhtunkhwa (province in Pakistan)

MEL - Monitoring, Evaluation and Learning

NDMA - National Disaster Management Authority

NDMP - National Disaster Management Plan

NSER - National Socio-Economic Registry

PDMA - Provincial Disaster Management Authority

PRCS - Pakistan Red Crescent Society

WFP - World Food Programme