CASH TRANSFER PROGRAMMING
in Emergencies in Pakistan
— NDMA & UNOCHA JOINT WORKSHOP —
4 & 5 NOV 2015, ISLAMABAD
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The Government of Pakistan has been using cash transfer programmes (CTP) in emergency relief and recovery operations since the 2005 earthquake. More recently, the Government has implemented a wide range of cash initiatives for those affected by the 2010 mega floods and to support people displaced by the complex emergency in FATA. Other actors including UN agencies, civil society partners and the private sector also use CTP. Currently, CTP initiatives in Pakistan are driven by the mandate and opportunities of individual organizations. There is a lack of coordination and enabling framework to support CTP in emergencies.

The National Disaster Management Authority (NDMA) and the UN Office for the Coordination of Humanitarian Affairs (UN-OCHA) organized a two-day workshop on Cash Transfer Programming in emergencies on 4 and 5 November 2015. Participants included representatives of 38 organizations including from the Government (NDMA, PDMAs, State Bank, SSN/BISP and NADRA), the private sector (telecommunication companies, commercial banks and financial software companies) and humanitarian partners (donors, UN agencies and civil society). During the workshop participants mapped Pakistan’s experience in CTP highlighting gaps and best practices. Group discussions were used to identify the strengths and weaknesses of, and opportunities for, CTP in preparedness, response and post-disaster recovery in Pakistan.

Key recommendations:

1. Establish a forum/platform for dialogue between key stakeholders including the Government, private sector, and humanitarian partners.

2. Develop national policy guidelines for the implementation of cash transfer programmes.

3. Form a national technical taskforce/advisory board on cash transfer programming in emergencies.
Cash transfer programming is “the the provision of money to individuals or households, either as emergency relief intended to meet their basic needs for food and nonfood items, or services, or to buy assets essential for the recovery of their livelihood.”

ECHO Funding Guidelines on Cash and Vouchers

Overview

Cash transfers have long been used to address social and economic vulnerabilities such as poverty, old age, disability and unemployment, and to complement household income in times of exposure to shocks. This can be done through culturally appropriate cash programming that takes into account the special access consideration of groups including women. As technology has improved and markets have become more resilient, cash transfers have increasingly gained attention and been used as a key component of emergency response.

Cash transfers offer several advantages over in-kind humanitarian assistance. Unlike in-kind aid, cash gives households flexibility in deciding how to meet their needs, which is a more empowering and dignified form of support. Cash transfers also stimulate local market activity, can help restart livelihoods, and is a more efficient aid mechanism. If it is targeted effectively, it can also be a trigger for social change including by giving women more decision-making power, which research shows has positive results on children’s nutrition, health and education. There are several prerequisites for successful cash transfer programming including a conducive security environment, functioning markets and the availability of required stocks in the market.

Implementing cash transfer programmes in emergencies requires substantial preparedness. This includes taking into account existing Government social protection projects, the financial rules and regulations in country, a review of the country’s profile for cash transfers, a study of market systems, the development of assessment tools and consideration of the potential role of the private sector.

Cash transfer programming in Pakistan

The Government of Pakistan has been using CTP as part of the relief and recovery response to emergencies since the earthquake of 2005. In recent years, the Government has implemented several of cash initiatives using a range of new technologies. These cash initiatives include:

Emergency response:

- The Government is providing approximately 600,000 people displaced from North Waziristan Agency with cash transferred electronically each month. More than $186 million has been disbursed by the Government to date.

- In terms of the response to people displaced from the Federally Administered Tribal Areas (FATA), the Government has shifted most of its support from in-kind to cash transfers. The Government is providing each registered family that is returning to FATA with a transport grant of PKR10,000 (US$100) and an additional return cash grant of PKR25,000 (US$250). By the end of 2016, an estimated $105 million will be disbursed to more than 300,000 families. To date, more than $30 million have been disbursed to 86,000 families.
The Government has a well-established social safety net system in the form of the Benazir Income Support Programme. Under this programme, more than 5 million people are provided with an unconditional cash grant on quarterly basis. Since the start of the programme in 2008, around $3.373 billion has been distributed.

Recovery:

- Citizen Damaged Compensation Programme for those affected by floods in 2010. Compensation in the form of cash was transferred into the bank accounts of approximately 1.1 million affected families, with more than US$800 million disbursed.

Different bodies within Pakistan are already using CTP including in the Government, private sector and humanitarian community, and many more are preparing to start. There are currently no guidelines or policy framework in Pakistan to support these initiatives. Programmes are mostly driven by mandate of a particular organization, as well as the needs and opportunities. As the number of bodies using CTP increases, and as the technological solutions advance, the use of CTP in emergencies is likely to become more complex and widespread. As more affected people begin to benefit from cash transfers, a more coordinated approach to implementation is required.
The National Disaster Management Authority (NDMA), the overall regulatory body for disaster management in Pakistan, took the initiative to support an effective and coordinated approach to ensure use of CTP in an efficient and accountable manner.

A two day workshop on 3rd and 4th of November, 2015 was organized by NDMA and UNOCHA on CTP in emergencies with a vision to:

- Share experiences, best practices and challenges on CTP in emergency and relief operations
- Exchange ideas on key policy topics and institutional infrastructure for supporting CTP
- Propose a way forward for integrating CTP in preparedness and response planning

The workshop was inaugurated by the Major General Asghar Nawaz, Chairman National Disaster Management Authority (NDMA) and Ms. Marvi Memon, Member of the parliament / Chairperson Benazir Income Support Programme (BISP/SSN). The workshop was attended by a wide range of stakeholder from government, UN system, INGOs/NGOs, commercial banks, telecom companies and technology firms.

Participating organizations

- Government: NDMA, PDMA (Baluchistan), PDMA (KP), SDMA, FDMA, PDMA (Sindh), State Bank Of Pakistan, Benazir Income Support Programme (BISP), NADRA, Utility Stores Corporation of Pakistan
- United Nations: World Food Programme (WFP), United Nations Development Programme (UNDP), United Nations High Commission for Refugees (UNHCR), UN Women, International Organization of Migration (IOM), Food and Agriculture Organization (FAO), UNICEF
- INGOs: ACF International, ACTED, Johanniter International, Islamic Relief International, OXFAM GB, IFRC/Danish Red Cross, IFRC/British Red Cross
- Private Sector: Mobilink, United Bank Limited, Telenor, Innov8, Wateen Telecom, IQRA University
- Donors: Swiss Development Cooperation (SDC), USAID
The main purpose of DAY 1 was to map the existing capacities, best practices, institutional infrastructures, and the different roles of stakeholders in CTP in emergencies. Different bodies with experience in cash programming briefed the forum on how they had implemented programmes, the challenges experienced and prerequisites for successful implementation.

Session 1: Introduction
A representative from UNOCHA Geneva introduced cash transfers in emergencies. Emphasis was placed on the important role of cash in emergencies and the need for a coherent approach. The participants were briefed on the different aspects of CTP with examples of international best practices.

Session 2: Citizen’s Damage Compensation Program
NDMA gave a presentation on one of Pakistan’s largest recovery cash transfer programmes: the Citizen’s Damage Compensation Program, set up to assist those affected by the 2010 floods. The programme assisted 1.2 million people with a total financial outlay of US$576 million. Each beneficiary under the programme was provided with $400 in two installments. The shortcomings and lessons learnt from the programme were discussed.

Session 3: Cash assistance in complex emergencies
The Director General of the FATA Disaster Management Authority (FDMA) gave a presentation on Pakistan’s first electronic cash transfer projects for people displaced from FATA. The presentation covered the whole project cycle from inception to implementation and evaluation. While discussing the merits of CTP, the Director General emphasised that cash is not the answer to every emergency and posed the following questions to the participants:

• When to do cash?
• How to do cash?
• Is there a need for national standard operating procedures on cash transfer in emergencies?

Session 4: Linking cash transfers with the social safety network
The Director General of the Benazir Income Support Program (BISP) gave a detailed presentation on the programme. BISP has contributed to the socio-economic recovery of more than 2.7 million households (approximately 15.5 million people). More than 5 million female beneficiaries receive cash on a monthly basis through the programme. The presentation was followed by a lively discussion on targeting and the poverty scorecard used by BISP. The case of the Philippines, where data from the social security network was used for relief assistance was also shared. The collection of data on disabilities was appreciated by the forum.

Session 5: Market assessment & cash working group
Representatives of the World Food Programme (WFP) gave an in-depth presentation on the work of WFP on market assessments. The results of several market assessments were shared including the recent market assessment conducted in FATA. The forum requested that the reports be shared widely for planning purposes. WFP also gave a detailed presentation on the Cash Working Group working, which is co-lead by the WFP and the Food and Agriculture Organization, and co-chaired by an international NGO. Work on the harmonization of wages, the development of guidelines, and capacity building initiatives were appreciated by the forum.
Session 6: NGO experience with cash transfers in Pakistan

The British Red Cross gave a presentation on behalf of the International Federation of the Red Cross (IFRC) and the Pakistan Red Crescent on their cash transfer experience in Pakistan. IFRC implements CTPs in over 46 countries worldwide. Around 50 per cent of emergency appeals in 2013 included a cash component. In Pakistan, cash based response operations have been used since 2009. Challenges for the increased use of cash modalities include:

- Lack of capacity at all level
- Slow financial processing
- One time financial transfer limit

ACTED presented on CTPs they have implemented both in relief and recovery phases. ACTED has used conditional and unconditional modalities through electronic cash transfers through where mobile phones and coverage is available, and a PIN mailer system (supported by mobile phone companies) in other areas.

Session 7: Mobile technology in CTPs

Mobilink, one of the leading cellular companies of Pakistan, gave a presentation on branchless banking and mobile financial services can are used in CTP. Information about the different financial services available, including those used by the Government and humanitarian community, were shared with the forum. Products designed specifically for emergency disbursements were shared. Mobilink also made several suggestions:

- Discuss product design before starting emergency transfers to minimize the time required for implementation.
- Mutually agree on and follow project implementation plans.
- Branchless models enable the withdrawal of cash from thousands of agents. This should be used for maximum convenience
- The State Bank of Pakistan and Federal Board of Revenue should be involved and a one-time approval for waiver of tax and 1-link charges should be obtained for emergency cash transfer programs

Session 8: Use of vouchers through mobile technology

Telenor gave a detailed presentation on the use of mobiles and the disbursement of cash through vouchers. Lesson learned on a voucher based programme were shared with the forum.

Key success factors for voucher programme:

- Robust delivery partners
- Stakeholder Training
- Consistent Connectivity
- Limitation of voucher programme
- Risk
- Cash Management
- Mobile Literacy

Session 9: Formal banking and its role in emergencies

United Bank Limited one of the leading commercial banks of Pakistan and pioneers in cash disbursement in emergencies during the flood of 2010 gave a detailed presentation on how the commercial banks have been supporting the government and humanitarian organization in cash disbursement during emergencies. They shared bank-based solutions with some new innovations suited for emergency disbursement. Key highlight of the solutions were:

- Simplifies the process for funds mobilization
- Establish a transparent and efficient mechanism for soliciting and deploying donations
- Project stage wise disbursements
- Project stage completion verification via photographs and GPRS coordinates
- End to end audit trail
DAY 2 of the workshop focused on international experiences and international best practices in CTP in emergencies. In the afternoon session, the stakeholders came up with some recommendations for the way forward in CTP programming for Pakistan including integration in the national and provincial preparedness and response plans.

**Session 10: International Experience of cash transfer Programming**

OCHA Geneva gave presentation on lesson learned from the international practices of cash transfer programming in emergencies in Philippines and Nepal:

- Institutionalizing a cross-sectoral active cash working group
- Improve preparedness and planning between aid agencies and FSPs
- Set up mechanisms for coordination with the private sector during emergencies
- Ensure both operational and strategic coordination of CTP
- Develop and disseminate tools for harmonizing approaches on CTP
- Improve information sharing with the private sector
- Building links to non-traditional actors working on CTP
- Cash Feasibility – when do we use cash?
- Needs for Cash - vulnerability and targeting
- Private sector and opportunities
- Monitoring
- Partnerships, scale and preparedness

**Session 11: Gender and cash transfer programming**

UNWOMEN presented the inclusion of gender distinct needs and women in cash programming demonstrating greater empowerment of women beneficiaries. Also discussed were the increased participation of women in decision making, women tending to spend more on children, health and education, and investing in risk reduction and preparedness.

In Pakistan's experience women in CTP reported greater community and spousal respect, inclusion in decision-making, and their ability to bargain to access credit. Moreover where families have accessed cash the men are more likely to stay with their families and not seek employment in other locations.

Some areas need to be prerequisite for ensuring inclusion of gender and vulnerable groups like transgender, elderly, and persons with disabilities. They include an analysis of spending profiles in emergencies of women and men, roles of women in society and family, and the power imbalances and decision-making processes at household level.

**Session 12: Cash transfer programme law and policies**

State Bank of Pakistan gave a detailed presentation on how the bank regulates currency movement and distribution mechanisms in Pakistan. State Bank being one of the key actor in CTP received numerous queries such as Know your Client (KYC) limits on cash transfer, and disaster sensitive cash transfer SOP.

State Bank of Pakistan representative appreciated the commencement of the workshop with comments that this is State Bank's first interaction with the humanitarian community and they acknowledge the importance of the CTP in emergencies, NDMA should take the lead in this regards and State Bank is willing to relax their SOPs if there is a national policy. Example of SOP relaxation were shared during the FATA IDPs response.

**Group Work**

Participants were divided into three groups to do a SWO (strength, weakness and opportunities) analysis on the following themes in reference to the two day discussion and way forward on the cash transfer programming in emergencies.

- Preparedness
- Response
- Post-emergency/disaster

**Summary of discussions**

The outcomes of the group work discussions are summarize in the below tables.
When to Use Cash?

### Strengths
- Food production and its availability to the vulnerable population
- Some gender distinct best practices where women have secured better livelihood and home food security status
- BISP data base
- Donors willingness for cash transfer
- Strong market structure
- Government willingness to provide cash compensation
- Existence of FSC CWG and ECHO funded PEFSA
- Strong market structure
- Systems of market assessment is available through FSC CWG
- State Bank of Pakistan is open to flexibility and decisions in emergencies
- Disaster prone areas are identified

### Weaknesses
- Lack of vulnerability criteria in data base e.g. gender, disability, older people etc.
- Registration of CNIC lacks specific details on location of the individuals and often excludes women
- Capacity assessment exercise should be a continuous process for disaster preparedness/ focusing multi-purpose CTP
- No institutional framework (in place) of response in emergencies from NDMA
- Lack of information (assessments)
- Lack of specific beneficiary criteria harmonized at the onset of an emergency especially targeting vulnerable groups and gender distinct needs
- Lack of comprehensive planning and coverage (market assessment) in terms of data gathering
- Development of CTP guidelines/SOPs on implementation
- Public/private partnership needs to be harmonized in emergency preparedness and response
- Lack of coordinating body in CTP at national level and provincial level (present FSC CWG has limited spectrum)
- Lack of technical facilities
- Government policies on CTP are in place but not properly implemented or the policies needs to be revised

### Recommendations, roles and responsibilities
- Mapping of traders, markets, partners in the field (strong sex and age disaggregated baseline data)
- Risk and vulnerability profiling (identifying the hotspots for recurrent disasters)
- Develop a uniform databases for CTP
- SOPs for implementation of CTPs in various scenarios
- Use of comprehensive tool for market assessment i.e. EMMA
- Tapping into technological advancement (use of electronic devices, cellular technology)
- Effective advocacy with government on greater use of cash, relaxation of policies on cash transfer and leveraging existing Social Security Networks
- Clear Understanding of set criteria: beneficiaries / vulnerability; Verification; Basket amount
- Stock management and restocking possibilities for markets
- Use of lessons learnt for future planning
- Capacity building through assessments and Cash Learning & Practice training
- Technical FSC CWG to expand to other sectors to benefit all
- Clarity on roles and responsibilities
- e.g. who does advocacy, Cash Working Group
- Overarching coordinating platform (strategic and technical teams)
- Clarity on when to use cash
**PART I: RESPONSE HOW TO USE CASH?**

**HOW TO USE CASH?**

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<th>Weaknesses</th>
<th>Recommendations, roles and responsibilities</th>
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<td>Technology (branchless banking).</td>
<td>SOPs – specific to disaster by the Government and other stakeholders for technology.</td>
<td>Strengthening of coordination mechanism amongst the different stakeholders (Govt. Private sector-Humanitarian actors). (NDMA/HC/RC)</td>
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<td>Coordination mechanism (cluster system).</td>
<td>Lack of MOU/Agreement amongst the stakeholders on cash transfer.</td>
<td>Ownership of the Cash Working Group need to be taken by Government, so that the scope is broaden.</td>
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<td>Strong Government presence (NDMA, PDMA, GBDMA, SDMA, SBP).</td>
<td>Lack of market assessment.</td>
<td>(Relevant Government authority)</td>
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<td>Expertise in country (Gov. Institution, Financial institution, NGOs, UN, Telco’s)</td>
<td>Lack of civil documentation especially for women</td>
<td>Building the capacity of Civil society organization on</td>
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<td>Databases (NADRA, BISP).</td>
<td>Lack of uniform strategy/standardization on cash transfer.</td>
<td>CTP. (HCT/UNCT/Donors).</td>
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<td>Search &amp; Rescue capacity (Army, Rescue 1122).</td>
<td>Weak coordination among Govt-private sector and humanitarian actors on cash transfer.</td>
<td>NADRA support in provision of civil documentation</td>
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<td>Well established market system (utility stores etc.)</td>
<td>Lack of sensitization on women issues- Technology and Cash.</td>
<td>(NADRA).</td>
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<td>Strong civil society organizations.</td>
<td>Poor targeting.</td>
<td>Exemption of taxes on all financial transaction in humanitarian relief response (NDMA/CBR).</td>
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<td>Separate financial resources with NDMA/PDMA/DDMA/FDMA</td>
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<td>Disaster and gender and vulnerability specific SOPs by the regulator (NDMA/Govt)</td>
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<td>Established gender and vulnerability criteria with NDMA, PDMA and CSOs.</td>
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<td>Capacity building of Media on ethical and sensitive reporting (NDMA/PEMRA).</td>
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<td>Contingency plan.</td>
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<td>Ensure female are equally part of response team (NDMA, CSOs).</td>
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- SOPs – specific to disaster by the Government and other stakeholders for technology.
- Lack of MOU/Agreement amongst the stakeholders on cash transfer.
- Lack of market assessment.
- Lack of civil documentation especially for women.
- Lack of uniform strategy/standardization on cash transfer.
- Weak coordination among Govt-private sector and humanitarian actors on cash transfer.
- Lack of sensitization on women issues- Technology and Cash.
- Poor targeting.
How We Measure the Use of Cash?

**Strengths**
- Active coordination forums
- Existing assessments
- Wide range of service providers: Banks, Tele-comm., Pvt. Companies
- Three and four W’s matrix
- Strengthen existing local government institutes at District level, DDMAs etc.
- Existing SOPs and policies to be linked with cash transfer programme
- Institutionalizing the existing donors.
- Strengthening of the existing government base line data
- Monitoring and managing huge amounts of donations from all over the country

**Weaknesses**
- Information needs to be disseminated widely reaching all the stakeholders/ lacking effective outreach to women and other hard to reach groups.
- There is a lack of sex disaggregated data.
- Lack of network coverage of cellular companies.
- Lack of dedicated staff in DDMAs.
- Lack of implementation of policies, SOPs, TORs and lack of unified policies from Government and Humanitarian community in general during humanitarian crisis
- Database is not updated (Needs to improve the quality of the data)
- Lack of access and NOC issuance from the authorities
- Lack of post-disaster strategies and SOPs

**Recommendations, roles and responsibilities**
- Expand existing Cash Working group to be led by the government for data consolidation and best practice sharing among all stake holders.
- Develop policies for strategic plans and agreements with important stake holders.
- State Bank and NDMA to jointly develop policies regarding service providers
- NDMA should make sure that the policies are implemented from the grass roots level insuring inclusion of gender and vulnerable group’s needs.
- Government update baseline data
- NDMA/authorities to reduce the time for issuing the NOCs.
- Service providers should increase the coverage in the affected areas and include female staff to interface with community women
- Developing links with the organizations working in the same domain of the cash (Map organizations working in CTP)
- Government and humanitarian community should develop a transparent system in CTPs
RECOMMENDATIONS

NEXT STEPS

Taking into account the specificity of Pakistan and the vast experience in the country on cash transfer in emergencies and in development, and reflecting on the conclusions of the workshop discussions, and capacity available in the country, following general recommendations were made:

1. Establish a forum/platform for dialogue between key stakeholders including the Government, private sector, and humanitarian partners.

2. Develop national policy guidelines for the implementation of cash transfer programmes.

3. Form a national technical taskforce/advisory board on cash transfer programming in emergencies.

There are some specific activities government and the UN system have to undertake together to build the capacity to respond:

- Development of disaster sensitive SOPs for cash transfer in emergencies, UN system can share successful models like Philippines
- Guidelines on Development of a Cash feasibility study
- Mapping of financial service providers (Mobile companies, Banks, Post offices etc)
- Linking relief with the social safety net
- Developing national guidelines on beneficiary selection to avoid duplication
- Development of cross sectoral market assessment tools
- Capacity building of government, UN and INGOs/NGOs on CTP in emergencies