GUIDELINES FOR CASH AND VOUCHER INTERVENTIONS

PAKISTAN FOOD SECURITY CLUSTER

January 2013
GUIDELINES FOR CASH AND VOUCHER INTERVENTIONS
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**ACRONYMS**

<table>
<thead>
<tr>
<th>ACF</th>
<th>Action Against Hunger</th>
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<tbody>
<tr>
<td>ACTED</td>
<td>Agency for Technical Cooperation and Development</td>
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<tr>
<td>ATM</td>
<td>Automated Teller Machine</td>
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<tr>
<td>BISP</td>
<td>Benazir Income Support Programme</td>
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<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CFT</td>
<td>Cash for Training</td>
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<tr>
<td>CWG</td>
<td>Cash Working Group</td>
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<tr>
<td>CFW</td>
<td>Cash for Work</td>
</tr>
<tr>
<td>CWW</td>
<td>Concern Worldwide</td>
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<tr>
<td>CNIC</td>
<td>Computerized National Identity Card</td>
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<tr>
<td>CDCP</td>
<td>Citizen Damage Compensation Programme</td>
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<tr>
<td>CWS</td>
<td>Church World Service</td>
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<tr>
<td>DRR</td>
<td>Disaster Risk Reduction</td>
</tr>
<tr>
<td>DNA</td>
<td>Damage and Needs Assessment</td>
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<tr>
<td>DLA</td>
<td>Detailed Livelihood Assessment</td>
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<tr>
<td>DAP</td>
<td>Diammonium Phosphate</td>
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<tr>
<td>DFSA</td>
<td>Detailed Food Security Assessment</td>
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<tr>
<td>ERAF</td>
<td>Early Recovery Assistance Framework</td>
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<tr>
<td>EDT</td>
<td>Entrepreneurship Development Trainings</td>
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<td>EUFF</td>
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<td>Food for Work</td>
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<tr>
<td>FSP</td>
<td>Financial Service Provider</td>
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<tr>
<td>FATA</td>
<td>Federally Administered Tribal Areas</td>
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<tr>
<td>FDMA</td>
<td>FATA Disaster Management Authority</td>
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<tr>
<td>FMWC</td>
<td>Farmer-Managed Water Courses</td>
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<tr>
<td>GB</td>
<td>Gilgit Balistan</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>HH</td>
<td>Household</td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
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<tr>
<td>IRC</td>
<td>International Rescue Committee</td>
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## ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>IVAP</td>
<td>Internally Displaced Person Vulnerability Assessment and Mapping</td>
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<tr>
<td>IARA</td>
<td>Inter-Agency Rapid Assessment</td>
</tr>
<tr>
<td>IFRC</td>
<td>International Federation of Red Cross and Red Crescent Societies</td>
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<tr>
<td>IASC</td>
<td>Inter-Agency Standing Committee</td>
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<tr>
<td>IBEFT</td>
<td>Inter-Bank Electronic Funds Transfer</td>
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<td>KP</td>
<td>Khyber Pakhtunkhwa</td>
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<tr>
<td>LRA</td>
<td>Livelihood Recovery Appraisal</td>
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<tr>
<td>MCB</td>
<td>Muslim Commercial Bank Limited</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NFI</td>
<td>Non-Food Item</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>NDMA</td>
<td>National Disaster Management Authority of Pakistan</td>
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<tr>
<td>NADRA</td>
<td>National Database and Registration Authority</td>
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<tr>
<td>NIDA</td>
<td>National Integrated and Development Association</td>
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<tr>
<td>OCHA</td>
<td>Office for Coordination of Humanitarian Affairs</td>
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<tr>
<td>OFWM</td>
<td>On Farm Water Management</td>
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<tr>
<td>PDMA</td>
<td>Provincial Disaster Management Authority</td>
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<tr>
<td>PRCS</td>
<td>Pakistan Red Crescent Society</td>
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<tr>
<td>POS</td>
<td>Point of Sale</td>
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<tr>
<td>PIN</td>
<td>Personal Identification Number</td>
</tr>
<tr>
<td>PKR</td>
<td>Pakistani Rupee</td>
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<tr>
<td>RWF</td>
<td>Roots Work Foundation</td>
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<tr>
<td>RDF</td>
<td>Research and Development Foundation</td>
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<tr>
<td>RTGS</td>
<td>Real-Time Gross Settlement</td>
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<td>SCB</td>
<td>Standard Chartered Bank</td>
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<td>TOP</td>
<td>Terms of Partnership</td>
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<td>Tameer Microfinance Bank Limited</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>USD</td>
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<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UBL</td>
<td>United Bank Limited</td>
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<tr>
<td>WUA</td>
<td>Water User Association</td>
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GUIDELINES FOR CASH AND VOUCHER INTERVENTIONS

PURPOSE OF THE GUIDELINES
These guidelines focus on the use of cash and voucher transfers within the context of humanitarian response and have been developed to:

1. Assist organizations within the Food Security Cluster in the appropriate planning and implementation of cash and voucher interventions.
2. Assist in deciding when cash and voucher interventions are the most appropriate.
3. Provide guidance on all stages of programming from assessment, decision making, operational planning and implementation to monitoring and evaluation.

STRUCTURE OF THE GUIDELINES
Section 1: Brief introduction on the Pakistan Food Security Cluster and the Cash Working Group
Section 2: Introduction on cash and vouchers, different types, pros and cons
Section 3: Assessing the appropriateness of cash and voucher interventions
Section 4: Program design and implementation
Section 5: Disaster risk reduction and cash/voucher transfers in fragile and post-conflict environments
Section 6: Possible response options during emergency relief and early recovery phases (using cash and vouchers)
Section 7: Current humanitarian context within Pakistan and findings from assessments
Section 8: Stakeholder analysis: Humanitarian organizations with experience of cash and voucher transfers in Pakistan
Section 9: Case studies
Section 10: Interviews with banks and telecommunication companies
Section 11: Additional resources
SECTION 1

THE PAKISTAN FOOD SECURITY CLUSTER AND THE CASH WORKING GROUP
The FSC brings together over 300 humanitarian actors nationwide including international and local Non-Governmental Organizations (NGOs), NDMA, PDMA, FDMA and authorities at the district level, Ministry of National Food Security and Research, Clusters especially cross cutting such as Nutrition and Protection, Red Cross and Red Crescent Societies, United Nations (UN) agencies and philanthropists.

The FSC works to ensure coherent, coordinated and integrated humanitarian response driven by assessed food security and livelihood needs of crisis-affected population in Pakistan.

The Pakistan Food Security Cluster (FSC) was established in September 2011 upon merger of the previous Agriculture and Food Clusters to combine efforts, and coordinate response in the food security sector following the 2011 monsoon floods that affected nearly 5.4 million people in Sindh and Balochistan provinces. The Cluster is co-led by the Food and Agriculture Organization of the United Nations (FAO) and United Nations World Food Programme (WFP) and works in close collaboration with the National Disaster Management Authority of Pakistan (NDMA) and concerned Provincial Disaster Management Authorities (PDMA). In Khyber Pakhtunkhwa (KP) and the Federally Administered Tribal Areas (FATA), the FSC is assisting the in-camp and off-camp Internally Displaced Persons (IDPs) affected by the complex emergency in FATA and parts of KP in liaison with the FATA Disaster Management Authority (FDMA).

1.1 ABOUT THE PAKISTAN FOOD SECURITY CLUSTER

While the FSC provided a platform to discuss cash and voucher transfers, and organizations regularly shared progress of related interventions at Cluster meetings; it was suggested by majority of members within the FSC to form a sub-group that focuses solely on cash and voucher transfers, and works to harmonize and improve future programming of such interventions in the food security sector. Based on these recommendations, the Cash Working Group (CWG) was established in May 2012 at the national level in Islamabad while provincial CWGs are also active in Sindh and in KP/FATA. A CWG has not been established yet in Balochistan, but is a possibility in the near future.

1.2 ABOUT THE CASH WORKING GROUP (A SUB-GROUP OF FSC)

Expected outputs of the CWG

◆ Definition of minimum requirements in assessments and targeting criteria to ensure appropriateness of cash/voucher/in-kind interventions; with due diligence given to beneficiary preferences.

◆ Development of guidelines and best practices to achieve a harmonized standard of delivery.

◆ Gender consideration in cash programming with inclusion of the most vulnerable (men, women, members of the transgender community, children, elderly chronically sick and disabled).

◆ Identification of areas for collaboration and sharing of resources between organizations.

◆ Encouragement in consultation and engagement of local NGOs, government bodies and existing micro-finance institutions to draw on existing knowledge, practice and programming, and potentially strengthen linkages between humanitarian and government agencies.

◆ Information sharing (across partners and sectors) such as research documents, global best practices and surveys relevant to cash and voucher interventions, facilitating debate, and identifying areas for innovation and development in the food security sector.

◆ Monitoring of food prices and wage rates to ensure appropriateness of the transfers.
The CWG is co-led by Action Against Hunger (ACF) and WFP with strong coordination and support provided by FAO, especially in the development of these guidelines. Membership into CWG is open to all humanitarian partners including NGOs, Red Cross and Red Crescent Societies, government departments, UN agencies and donors within FSC; primarily organizations with previous experience in cash or voucher-based interventions, and those looking into implementing such interventions in the future.
SECTION 2

INTRODUCTION TO CASH AND VOUCHERS
2.1 INTRODUCTION TO CASH AND VOUCHERS

Cash and vouchers are means of transferring resources to an individual or household during a humanitarian crisis, in times of economic shock, or through social assistance programmes across a range of different sectors and are increasingly being seen by the humanitarian and donor community as a viable response option over commodity-based assistance. Cash and voucher transfers are usually a timely and cost-effective alternative to in-kind food and non-food items and are the preferred means of assistance where local markets are functioning with sufficient supplies of basic goods and services, but people lack financial means to purchase them. In a humanitarian crisis, distributing cash in a targeted manner can often meet people's immediate needs more quickly and appropriately than commodity-based assistance. Cash gives people choice and preserves their dignity. A well-planned and implemented cash or voucher intervention can help lift poor households out of chronic food insecurity and poverty as well as boost local economy and markets. In several countries, cash and vouchers are used in long-term social welfare programmes of the government.

The term 'food insecurity' does not always mean food is 'unavailable' but also limited or no 'access' to basic food items due to inadequate purchasing power of an individual or household. Provision of cash and vouchers to those that are food-insecure can facilitate their access to essential food and non-food items without having to sell livelihood assets and taking on debts.

Cash and voucher transfers can be used:

◆ As an alternative to in-kind food and non-food items during humanitarian and complex emergencies.

◆ To address negative coping mechanisms adopted by households during emergencies, to fulfill their basic needs. This may include selling of productive assets such as agricultural land, tools and livestock which are important sources of food and livelihoods for rural households, or borrowing money and living on credit. There is also a possibility of people selling the commodities they receive in-kind to raise cash for different purposes. With proper needs assessment and selection of appropriate response options, it is possible to prevent households from resorting to negative coping mechanisms.

◆ To rehabilitate household and community assets such as through Cash for Work programmes.

◆ In transition from emergency response to early recovery and then to long-term development and disaster preparedness.

◆ To provide social protection and safety nets to poor households and vulnerable groups of the society, and for tackling chronic poverty and food insecurity. Examples include unconditional cash grants given to support people living below national poverty lines and vulnerable segments of the society most often; widows, elderly, orphans, disabled and chronically sick persons, and conditional cash grants given to people in return of their labour in public work schemes such as construction of public buildings (schools, hospitals etc.) or transport infrastructure (roads, bridges, canals etc.).

◆ To invest in human capital and promote positive behavior change in nutrition, health and education such as conditional cash grants given with the requirement that families enroll children into schools or pregnant women avail pre and post-natal care at health centers.

In 1994, IASC agreed to following definition of “complex emergencies”: “a humanitarian crisis in a country, region, or society where there is a total or considerable breakdown of authority resulting from internal or external conflict which requires an international response that goes beyond the mandate or capacity of any single agency and/or the ongoing UN country programme.”
In Pakistan, the Benazir Income Support Programme (BISP), Employee's Old-Age Benefits, Workers' Welfare Fund, Workers' Participation Fund and Pakistan Bait Ul Maal are examples of social transfers from the Government of Pakistan. Cash distribution was a substantial component within the government's response to the 2005 earthquake in Pakistan-administered Kashmir. Cash compensations were provided to next to kin of the deceased, injured, owners of collapsed and damaged houses, and for restarting income-generating activities. A cash transfer program was also launched in 2009 for IDPs in the Malakand division (KP) and in 2010 for affectees of the Attabad lake crisis in Gilgit Baltistan (GB). In face of the 2010 floods (worst floods in the country's history), the Government of Pakistan announced a Citizen's Damage Compensation Programme (CDCP) under which emergency cash (PKR 40,000) was distributed amongst the affected households in two tranches. Cash grants were also distributed in Sindh following the 2011 floods.

In the 2010 flood response, humanitarian organizations distributed unconditional cash and vouchers to affected households during the relief phase while in the early recovery phase, cash and vouchers were transferred by applying a suitable conditionality such as cash grants to restart livelihood activities, Cash for Training (CFT), and Cash for Work (CFW) to rehabilitate damaged community and agriculture infrastructure. During the 2011 flood response, the distribution of unconditional cash was avoided by humanitarian organizations based on request of the government to assist affected families only through conditional cash transfers or commodities. Unconditional and conditional cash transfer interventions are also being implemented for in-camp and off-camps IDPs in Khyber agency (FATA) for asset protection and meeting their unmet needs.

As stated in the 2012 Future Disaster Response Plan (Early Recovery through Cash Transfers) of the Emergency Relief Cell Cabinet Division of Pakistan, the government departments previously responsible for distribution of cash involved Provincial and Regional governments, Cabinet division, Finance division and the National Database and Registration Authority (NADRA). In the short term, the same departments will continue to be responsible for cash transfers with addition of a Technical Committee that will lead the assessment and analysis process of all government cash transfer initiatives while in the medium-long term, plan may be revised and role of some government departments re-evaluated with possible alignment of all relevant departments under the umbrella of the Federal Ministry. The government will continue to form partnerships with international development organizations to support cash transfers and the contingency planning process. The Food Security Cluster will continue to coordinate directly with NDMA and concerned PDMAs on its response plans and activities.
### 2.2 TYPES OF CASH AND VOUCHER TRANSFERS

<table>
<thead>
<tr>
<th>Type</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Unconditional Cash Grants</strong></td>
<td>Cash provided without any pre-condition i.e. requirement of work or return. Unconditional cash is often provided for immediate relief in emergencies or to protect and recover livelihoods where local markets are functional but people lack income to purchase essential food and non-food items. It can also be used to support; vulnerable women, the elderly, disabled or chronically sick who are unable to undertake labour-intensive activities.</td>
</tr>
<tr>
<td><strong>Conditional Cash Grants</strong></td>
<td>Cash provided with some condition attached to it such as for restarting income-generating activities or attending trainings (sometimes referred to as Cash for Training). Conditional cash grants are usually given in installments to monitor they are being used for the desired purpose.</td>
</tr>
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</table>
| **Vouchers**                  | A voucher is a printed piece of paper, electronic card or token that can be exchanged for specific goods or services. Vouchers can be:  
  *Commodity vouchers:* Commodity vouchers are designed according to project requirements. A list of pre-defined food or non-food items with quantity of each commodity for instance 100kg of Wheat or 50kg of sunflower seeds etc. is printed on the voucher – or - a small booklet with a picture/specification of one commodity on each voucher.  
  *Cash vouchers:* Cash vouchers are used as a substitute of cash and can be exchanged at pre-selected shops for purchasing an item or a range of items (according to beneficiary preferences) within the total monetary value that is printed on the voucher. Vouchers can be redeemed at pre-selected shops or special fairs organized by the implementing organization. Some additional controls can also be added on vouchers such as the duration of its validity which may be limited to a particular ‘market day’, or specified number of days. |
| **Cash for Work**             | Cash for Work also referred to sometimes as Cash for Assets is a way of providing temporary income support by engaging communities in projects that build or rehabilitate household and community assets. The focus is on providing direct benefit (income support) to participants of CFW and indirect benefit (rehabilitated or improved infrastructure) to the community. Participants of CFW projects are paid entitlements, based on the number of man-days worked. CFW provides cash relief and flexibility to people as they decide how to spend according to their priority and needs. |
| **Social Protection and Safety Net Schemes** | Usually run by governments, social protection and safety net schemes are aimed to reduce chronic or shock-induced poverty. Social transfers can be unconditional such as cash grants for disabled people, special schemes to support farmers and agricultural workers, or conditional such as given to an individual or household in return of their labour in public work programmes or for actively fulfilling human development responsibilities (education, health, nutrition etc.). |

Unconditional support through cash and vouchers is more suitable in providing immediate relief in a humanitarian crisis when people are in a state of shock and distress as well as to assist vulnerable groups of the society. For example, cash maybe distributed during early stages of emergency so families can purchase basic food items if local markets are functioning. On the other hand, conditionality is more appropriate in recovery interventions as it generally takes longer to be applied such as restarting livelihood activities (with conditional cash grants) or rehabilitation of critical household or community infrastructure (with CFW). Conditional cash grants and CFW projects can yield sustainable results and build resilience of communities especially if projects are geared towards or integrated with Disaster Risk Reduction (DRR) activities.
**Conditional Cash Transfers in the Context of Social Protection**

**Brazil: Bolsa Família**

The Bolsa Família (family stipend) programme of the Brazilian government is by far one of the largest social transfer programmes in the developing world and has been widely acclaimed due to its impressive targeting accuracy and recently demonstrated impacts on reducing poverty and inequality within Brazil – despite various preconceptions. The programme is based on two main objectives:

a) Reducing poverty and inequality by monetary transfers to poor families.

b) Reducing future poverty and inequality through incentives for poor families that build human capital.

Families receive a monthly cash transfer with the commitment that their children attend school and are taken to health centers for vaccinations. Positive impacts of Bolsa Família on living standards of poor families in Brazil has attracted significant interest and adaption in several other countries including Indonesia, Mexico, Chile, South Africa, Morocco and Turkey.

### 2.3 ADVANTAGES OF CASH AND VOUCHER TRANSFERS

<table>
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<tr>
<th>Advantage</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Access Vs. Availability</strong></td>
<td>Markets might be functioning as normal with sufficient supply of basic food and non-food items, but an individual or household may be unable to afford the commodities. Cash and voucher transfers enable such households to purchase the needed items directly from local markets as well as help in retaining the link between consumers and markets.</td>
</tr>
<tr>
<td><strong>Greater choice and dignity for people</strong></td>
<td>Cash gives greater choice and flexibility to families as they decide its use according to their needs. In commodity-based assistance, items are usually pre-defined.</td>
</tr>
<tr>
<td><strong>Prevention of negative coping strategies</strong></td>
<td>Provision of cash can reduce negative coping strategies by households (selling productive assets to raise cash in emergencies). It is necessary to keep in mind what maybe a priority for one family in a time of crisis, may not necessarily be the priority for another.</td>
</tr>
<tr>
<td><strong>Support to local economy</strong></td>
<td>The injection of cash in local markets through cash or voucher-based interventions creates a multiplier-effect enabling different market actors such as traders, suppliers and transporters to benefit. Short-term employments through CFW programmes also provide temporary income support to daily wage laborers if they are un-employed as a consequence of a disaster.</td>
</tr>
<tr>
<td><strong>Less logistical constraints and faster delivery</strong></td>
<td>In disasters such as floods and earthquakes, the transportation of relief supplies can be delayed and at times impossible if roads and bridges have been completely destroyed. Stock piling of relief supplies in warehouses can also be challenging and time consuming. In such circumstances, cash or voucher interventions may be more appropriate depending on market functionality and intact supply chains as they require little or no logistical arrangements, allowing faster delivery of assistance.</td>
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<tr>
<td><strong>Less costly</strong></td>
<td>Programme logistical costs are significantly reduced due to little or no transporting and storing requirements, although administrative costs maybe on the higher side.</td>
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<tr>
<td><strong>Reduced security threats</strong></td>
<td>Due to its visibility, commodity-based assistance is often prone to risk of thefts or attack by mobs especially in volatile environments when they are in transit or at the distribution site. Cash and voucher interventions reduce chances of theft due to less time in transit. They are also less visible and can be easily hidden by beneficiaries.</td>
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</table>
2.4 CHALLENGES IN CASH AND VOUCHER TRANSFERS

- **Impact on local economy:** Sudden injection of cash into local economy may push up price of goods and cause temporary inflation especially if markets are unable to meet demand. However, previous experience of cash and voucher transfers in different countries show limited evidence about any possibility of inflationary impacts as the amount of money being transferred to households is usually too small to have a detrimental impact on markets. To prevent this, traders in the local markets can be taken into confidence and an agreement such as a Memorandum of Understanding (MoU) can be signed with them each one of them individually (in case of voucher interventions) or with the local trader union (in case of cash interventions).

- **Food consumption/nutrition:** If a transfer has particular food consumption or nutrition objectives, then the distribution of food may be more effective. For instance, food can be fortified to address micronutrient deficiencies.

- **Security concerns:** Cash carries risk of being stolen during transit or from beneficiaries especially in areas with high insecurity, violence and conflict. However, cash and vouchers are relatively easier to hide as compared to commodities.

- **Prone to corruption:** Cash itself is very much volatile and is prone to corruption. The risk can be minimized by proper beneficiary induction at the start and timely monitoring throughout the project.

- **Intra-household control of cash:** In some cases, men can dominate total spending of the cash. As women usually take care of domestic issues such as family meals and nutrition, cash transfers have the potential to improve gender relations within household and communities. Handing cash directly in the hands of women or allowing them to have their say in the spending can increase their decision making in household expenditure, self esteem and social status.

- **Anti-social use:** Cash and vouchers can sometimes be used for anti-social purposes such as to buy drugs or alcohol; a risk also associated with distribution of commodities which can be sold for non-essential items. Studies suggest households usually utilize additional income on food, for paying off debts, or to meet other priority needs.

Risks associated with cash and vouchers can be minimized and even avoided through proper risk analysis and contingency planning, good design and efficient management.
SECTION 3

ASSESSING THE APPROPRIATENESS OF CASH AND VOUCHER TRANSFERS
While the distribution of commodities continues to dominate humanitarian assistance, there is growing interest and research in cash and voucher transfers to support people affected by natural or man-made disasters and more thought is being placed in how organizations and donors can use cash and vouchers effectively, rather than whether or not cash and vouchers are a better choice. Commodity-based assistance is not always able to meet the unique needs of household sometimes leading recipients to sell them in markets for raising cash to cover other needs. When basic food and non-food items are available in local markets, cash and vouchers are perceived as the most-efficient way of delivering assistance, transferring choice in the hands of people and supporting local traders, suppliers and economy. However, before deciding on a cash or voucher intervention, it is necessary to carry out a contextual analysis of some pre-conditions to ensure the suitability and effectiveness of such interventions.

### 3.1 ASSESSING THE APPROPRIATENESS OF CASH AND VOUCHER TRANSFERS

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#### Necessary Pre-conditions

- Is there a market in the area, is it functional and are basic food and non-food items available at stable prices?
- Is the market close to beneficiaries?
- Can traders meet the demand?
- Are traders in local markets willing to participate in case of a voucher programme?
- Is there a reliable system through which payments can be made to the traders? (voucher programme).
- Is there political acceptance to cash and voucher transfers?
- What are the policies of the donors?
- Are there financial institutions such as banks operating in the area? (banks can be utilized to disburse cash to beneficiaries and to reimburse traders against their vouchers).
- How is the security situation in the area?
- Will the cash/voucher transfer be more cost-effective compared to commodity-based assistance?
- Does the organization have the required technical and implementing capacity?
- How will the project benefit most vulnerable groups of the society such as women, men, members of the transgender community, children, elderly, minorities, chronically sick and disabled?
- What would be the exit strategy?
SECTION 4

DESIGN AND IMPLEMENTATION
4.1 ASSESSMENT

4.1.1 NEEDS ASSESSMENT
In case of a humanitarian crisis, primary responsibility of search and rescue and providing assistance to the affected population lies with the host government. However, in situations where magnitude of the disaster is beyond its capacity to respond on its own, the government will request the humanitarian community to complement response through joint effort and resources. Often, needs assessment is also a collaborative effort of the two. As part of preparedness, and to harmonize approaches in assessment and response planning, the methodology and indicators should be mutually agreed in advance. Needs assessment is necessary to assess the impact of a crisis and planning appropriate response to meet basic-life saving and livelihoods needs of the affected population, disaggregated as a minimum, by sex and age.

Assessing the impact of a humanitarian crisis on household food security requires information on losses, coping strategies, income status, basic and livelihood needs in food, agriculture (crop, horticulture and fisheries) and livestock sectors. Information that includes sex and age-related data on who has lost what etc. Similarly, information on damages to critical household and community infrastructure (such as farm land, irrigation systems etc.) pave the way for planning rehabilitation and rebuilding activities.

Findings from the rapid and detailed assessments are shared with all stakeholders in the sector and response strategy of the FSC for relief and early recovery is developed based on assessment findings and in consultation with Cluster members and government counterparts. However, it is necessary to keep in mind that situation and needs evolve over time and therefore, monitoring should be an ongoing process to determine if additional or long-term assistance is required. Deciding on the most-suitable response option (cash, voucher or commodity) in a specific area requires thorough understanding of who is being targeted, what their basic and livelihood needs are, and an understanding of the market structure.

4.1.2 MARKET ASSESSMENT
As highlighted earlier, one of the most important pre-conditions to deciding on a cash or voucher-based intervention is dependent on the situation of local markets and requires an in-depth assessment to know if markets are functional, key basic items are available on reasonable prices, traders are willing to participate and can respond quickly to demand, beneficiaries can access the market, expense involved in accessing markets and how the cash or voucher intervention may impact the local economy. It is also necessary to assess the pipeline of resupply as food may be in the market but it might not be possible to replenish supply and therefore, the intervention may not be viable in medium to long term. Another consideration is to make sure the intervention does not end up supporting unfair trade practices by working with the big suppliers (might be more cost-efficient but detrimental to small traders). A market assessment can be done through visit to markets (market survey), and individual and focus group discussions with local traders and communities. It is also useful to consider who from the household goes to the market, who usually buys goods (men, women) and if some people are house-bound, what arrangements can be made to ensure that they have someone who will assist them in having access to the market and goods.
When assessing the market, an assessment of financial institutions and other service providers such as banks, post offices and telecommunication companies is useful in deciding the most suitable method of delivering assistance. (Different delivery mechanisms used in cash and voucher transfers are discussed further in section 4.10).

4.1.3 RISK ASSESSMENT

Risk assessment is a method of identifying potential threats that may hamper a project. Threats may be internal (within the organization) or external (security, corruption etc.). Threats associated with cash mainly include inflation, diversion of cash, security risks to staff and beneficiaries, theft, lack of coordination between government and humanitarian organizations, use of unfamiliar technology, and insufficient capacity of traders, financial institution or other service providers. It is important to bear in mind that risks associated with cash transfer may be different - and not necessarily lesser or greater than commodity-based assistance. By understanding the local context and possible risk factors, threats can be minimized through informed decision making and contingency planning.

4.2 SELECTING THE AREA OF INTERVENTION

Findings from needs assessment provide information on moderately and severely affected areas, estimates on population (men, women, girls, boys, ethnic groups, elderly, disabled and chronically sick persons) requiring assistance and their needs. Geographical targeting should take into consideration food security interventions of other organizations in the area and consultation with the local authorities. Through the FSC/CWG, humanitarian organizations are able to interact and exchange information on their projects through the 3Ws (Who, What, Where) database and discussions during cluster coordination meetings. When selecting the type and area of intervention, organizations may also decide to complement each other's response such as while one may distribute food baskets, the other can focus on the provision of cash or vouchers for livestock feed/fodder. However, priority should be given to areas and population where no assistance has reached, or where significant gaps remain.

4.3 SELECTING THE APPROPRIATE TRANSFER MODALITY

Selecting the most-appropriate transfer modality will depend on purpose of the intervention for example, during relief phase if purpose is to provide immediate food assistance, then the distribution of cash or a food voucher is an option. If purpose is to support livelihood activities as nature of the emergency gradually changes from relief to early recovery; organizations may implement rehabilitation projects through CFW, provide conditional cash grants for restarting livelihood activities, or Cash for Training (for example on food processing, livestock keeping and home-stead gardening). While choosing the type of intervention, it is necessary to keep in view the local context and suitability and how vulnerable groups of the society will benefit from the interventions for instance, CFW projects such as construction of irrigation channels usually involves labour-intensive activities which women might not be able to undertake. It is important to consider how the project will benefit women-headed households as well as other vulnerable segments of the society.

4.4 DETERMINING THE VALUE OF ASSISTANCE

Value of the cash or voucher is directly linked with the objective of the intervention as well as local context. For instance, if cash or a voucher is being provided for minimum food basket items, or to farmers for purchasing seeds and tools, then the value of assistance should be equal to the market price of the expected items to be purchased. Where local markets are at a distance, a provision for the travel cost can be made. Where assistance is planned to be provided over a period of time, fluctuation in market prices should be monitored to adjust the value of assistance (slightly reduced or increased to market price).
In CFW projects, the rate of daily entitlements for skilled and un-skilled workers is slightly lower than the local labour market rates. CFW offers temporary income support to the most vulnerable unable to find work in open markets and to those who have lost their jobs as a consequence of a disaster. CFW rates should not be higher than the labour market to avoid market distortions and neither too low or it will not be possible for beneficiaries to cover their needs. CFW payments are made on a fortnightly or monthly basis for an agreed number of man-days worked. The amount of entitlement and payment day should be discussed with CFW participants and mentioned in the Terms of Partnership (ToP) to avoid misunderstandings and discontinuation in work. Tools and other materials should be provided by the implementing organization and where possible, transportation for labour living at a distance.

4.5 TARGETING AND REGISTRATION OF BENEFICIARIES

Process of identifying beneficiaries should ensure assistance reaches all those in need. Beneficiaries can be identified through discussions with focus groups and community leaders and should ensure participation from men, women, members of the transgender community, children, elderly, persons with disabilities, those that are chronically sick and minorities to ensure their needs are also taken into consideration. Discussions should be held in local language. Where cultural restrictions don't permit men and women to participate together in interviews, separate sessions can be organized with women to understand their needs.

Usually, the registration of a beneficiary requires some form of legal identification such as Computerized National Identity Card (CNIC) to distinguish beneficiaries from non-beneficiaries. In some cases, beneficiaries may lack an identity card due to remoteness or vulnerability factors. As identified by NADRA, those lagging behind in registration for CNICs include women, persons living in Kacha areas (riverine/floodplains) and those living in remote rural areas and the illiterate. Refugees and stateless persons could be unable to register for their CNIC, but may also be in need of relief and recovery assistance. In 2010 and 2011 floods, some households had lost their CNICs along with other personal belongings. Not having an identity card should not exclude a deserving beneficiary from receiving assistance hence; beneficiaries may be included in the programme with a programme-specific beneficiary number to avoid exclusion errors.

4.6 ROLE AND CAPACITY OF TRADERS

The success of cash and voucher interventions greatly depend on the standard of quality and quantity of service provided by traders, if they will be able to meet the demand of goods by beneficiaries and whether or not they will be able to transport goods (if needed) into the region. Where markets are functioning, but traders require some financial assistance to restart businesses, the implementing organization may decide to support traders through grants, loans, in-kind assistance or credit.

In a voucher intervention, traders are pre-selected by the implementing organization on agreed terms and conditions including quality standards, price of goods, validity of the voucher, maintaining record of redeemed vouchers and monitoring by implementing organization's staff etc. Beneficiaries exchange their vouchers at the selected shops either to buy specific goods (commodity voucher) on a 'market day' or over a specified period of time, or to purchase items of their choice within a specific amount (cash voucher). Special monitoring measures should be adopted to verify that traders do not abuse their position of power (i.e. coercion, discrimination, etc.) and that shops involved in the cash or voucher programme offer their services during daylight hours. Traders can have the vouchers they receive from beneficiaries reimbursed directly from the implementing organization or from banks. The first payment to traders should be quick enough to build their confidence and trust. The beneficiaries and traders need to be oriented on the purpose of the intervention, process of voucher redemption and documentation. Initial market assessment will determine the capacity of traders and how a good planning and partnership with them can yield benefits to beneficiaries and the market system.

Protection Cluster: Beneficiary Selection and Targeting Guidelines (developed in 2011)
VOUCHERS - PROCESS FLOW

**ASSESSMENT**
- Needs assessment.
- Market assessment (information on availability of expected items to be purchased by beneficiaries through vouchers, price of the commodities, capacity of traders, distance between markets and beneficiaries etc.).

**TRADER SELECTION**
- Signing contracts/MoU with traders (traders should be willing to participate in the voucher programme).
- Orientation about the process of vouchers (traders should be adequately informed on the process of voucher redemption, market day/s, maintenance of commodity ledgers, making commodity price list visible at shops, unfair trade practices and collection of payment against vouchers etc.).

**BENEFICIARY SELECTION**
- Identification of beneficiaries (based on a proper selection criteria).
- Registration of beneficiaries.
- Sensitization of beneficiaries (beneficiaries should be informed about the selection criteria, purpose of providing vouchers i.e. to buy food, agriculture inputs etc., validity of vouchers, the market day/s and shops where vouchers can be exchanged etc.).

**VOUCHER PREPARATION**
- Designing of vouchers (clearly stating the total monetary value/range of commodities in case of a cash voucher, and the list of pre-defined commodities and quantity of each, in case of commodity voucher).
- Printing of vouchers.
- Verification of the printed vouchers.

**DISTRIBUTION**
- Distribution of vouchers to beneficiaries (select a distribution site that is safe and accessible to beneficiaries i.e at the village level, make separate distribution windows for men and women depending on the culture and special arrangements for the most vulnerable; elderly, disabled, chronically sick).

**UTILIZATION**
- Voucher redemption by beneficiaries at pre-selected shops/traders (staff of implementing organization should be present at the shops to ensure the process of voucher redemption is as per agreement with traders and that beneficiaries are not being taxed or abused in anyway).

**PAYMENT TO TRADERS**
- Reconciling the redeemed vouchers and ledger of commodities from each trader.
- Payment to traders (traders can be paid directly by the implementing organization or through banks).
4.7 ORIENTATION AND TRAINING OF STAFF
Cash and voucher transfers are relatively new and staff may have more hands-on experience in delivering commodity-based assistance. For successful implementation, staff (organization’s own or implementing partner’s) should be adequately introduced to the different cash and voucher modalities, their benefits and misconceptions as well as briefed on all technical components of the project including market assessment, identification and sensitization of beneficiaries, selection of delivery agents, monitoring and evaluation as well as security precautions to ensure personal and the safety of beneficiaries. Trainings should be focused not only on field staff but also Logistics, Finance and Administration departments to understand their relations with delivery agents. Technical backstopping should be provided by head offices where needed. Investing in continued capacity building of staff will strengthen expertise of the organization in cash/voucher-based interventions and improve quality of future response. A wealth of resource material on cash and voucher-based assistance in humanitarian context as well as social transfers and protection schemes by governments is widely available on the internet. Some of them are provided as additional resources with this document (on CD).

4.8 SENSITIZATION OF BENEFICIARIES
Before implementation, it is important to educate beneficiaries on the objective of the intervention, criteria of selection to minimize conflict between communities, and on their roles and responsibilities to create a sense of ownership. Beneficiaries should be involved throughout the project cycle from planning and implementation to monitoring and evaluation. Organizations have a responsibility to listen to the voice of beneficiaries and to allow them to share their knowledge on local conditions, and needs and ideas on what they think may be the most viable response option. Where possible, assistance should be combined with specialized trainings geared towards building capacity of the local community for instance, technical trainings in crop production, food and agro-processing, home-stead gardening and DRR activities at the household and community level.

4.9 COORDINATION WITH LOCAL AUTHORITIES
The FSC serves as a bridge between national/sub-national authorities and humanitarian organizations working in the sector, and promotes information sharing and dialogue between the two. At the field level, organizations are encouraged to strengthen links with local authorities (such as District Coordination Officers, Food, Agriculture and Livestock departments) and inform them about their intended intervention, assessment findings, beneficiary selection criteria, area of intervention, invite them to trainings/other events and field trips. Local authorities may also be able to facilitate and share their technical expertise as they may have a better understanding of the local context and needs in the area.

4.10 DELIVERY MECHANISM
The most traditional method of distributing assistance involves handing over cash and vouchers directly in the hands of beneficiaries. Increasingly, humanitarian organizations are applying new ways of transferring assistance by partnering with post offices, private and public banks, and telecommunication companies. Electronic payment systems that involve pre-paid debit cards, smart cards, mobile money transfers and electronic vouchers have proved to be reliable and efficient delivery mechanisms in cash transfer programming. In response to the 2010 floods in Pakistan, the Government of Pakistan partnered with United Bank Limited (UBL) to distribute unconditional cash grants under its Citizens’ Damage Compensation Programme through UBL’s Omni; a branchless banking system to deliver payments to recipients via visa debit cards (named as WATAN cards). UBL opened accounts and distributed cards to beneficiaries allowing them to shop at local stores by withdrawing cash from Automated Teller Machines (ATM) or from bank agents specially designated for the programme. UBL is also the Government’s implementing partner in the Benazir Income Support Programme. Humanitarian organizations in Pakistan have also partnered with Muslim Commercial Bank, Tameer Microfinance Bank, UBL, Standard Chartered Bank, Allied Bank and telecommunication companies such as Telenor and
Mobilink for the delivery of cash while the Pakistan General Post office has also been used in some cases where banking systems were unavailable. *(Please see section 10 for interviews that have been conducted with few banks and telecommunication companies in Pakistan especially for these guidelines).*

Advanced technology continues to play an integral part in improving delivery of humanitarian assistance through faster delivery, improved reconciliation and control of expenditure. However, use of any new delivery system should take into consideration if beneficiaries are familiar with it, their training needs, cultural and gender aspects, distance between beneficiary and the disbursement point, travel costs to beneficiaries, frequency of payments, cost-efficiency, and security risks. The choice of delivery mechanism must be based on assessment of options and consultation with beneficiaries.

### 4.11 BENEFICIARY COMPLAINT AND RESPONSE MECHANISM

Establishing a formal complaint and response mechanism provides beneficiaries a channel through which they can share positive and negative feedback on the standard of services delivered by humanitarian organizations. Feedback maybe related to goods and services provided by the organization, inclusion and exclusion errors, behavior of field staff or serious issues such as corruption and fraud. A formal complaint mechanism can help organizations strengthen their accountability towards communities and improve future response. Feedback can be made through written communication such as through complaint boxes and emails or verbally such as through meetings and phone calls to the concerned organization. Beneficiaries should be informed about the complaint mechanism, assured their identity will be kept confidential and that appropriate action will be taken for all justified complaints.

### 4.12 MONITORING

Monitoring is necessary to assess the intervention is going as planned, any changes that have taken place and whether or not any adjustments are required. Baseline data gathered during assessments is useful for comparison and assessing impact of the intervention. Baseline data normally includes information on households' income and livelihood status, debt status, food consumption and coping strategies while market baseline information provides information on availability of essential food and non-food items, their price in the market, and the capacity of traders and other service providers in the area. Assessment and monitoring data should be disaggregated by gender and age for proper analysis and forward planning.

<table>
<thead>
<tr>
<th>What to Monitor?</th>
<th>Monitoring Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Implementation Process</strong></td>
<td>List of registered beneficiaries, attendance sheets (CFW), distribution monitoring, post distribution monitoring, interviews with beneficiary households, interviews with non-beneficiary households, focus group discussions, beneficiaries' feedback received through complaint mechanism (positive and negative), cost-effectiveness analysis, mapping of other humanitarian organizations and interventions in the area.</td>
</tr>
<tr>
<td>◆ Did all beneficiaries receive the assistance?</td>
<td></td>
</tr>
<tr>
<td>◆ Was beneficiary targeting efficient?</td>
<td></td>
</tr>
<tr>
<td>◆ Did the beneficiaries receive assistance in a timely manner?</td>
<td></td>
</tr>
<tr>
<td>◆ Did beneficiaries receive the correct value of assistance?</td>
<td></td>
</tr>
<tr>
<td>◆ Did beneficiaries find cash/voucher more useful as compared to commodity assistance?</td>
<td></td>
</tr>
<tr>
<td>◆ Are there any security risks?</td>
<td></td>
</tr>
<tr>
<td>◆ Are beneficiaries being taxed in any way?</td>
<td></td>
</tr>
<tr>
<td>◆ Was cash/voucher transfer more cost-effective as compared to commodity assistance?</td>
<td></td>
</tr>
<tr>
<td>◆ How did cash coordinate with other interventions taking place in the area?</td>
<td></td>
</tr>
</tbody>
</table>
GUIDELINES FOR CASH AND VOUCHER INTERVENTIONS

**Market Impact Monitoring**
- How are beneficiaries using the cash/voucher?
- Are the preferred basic food and non-food items available in the market?
- What is the impact of the intervention on price of food or non-food items?
- What is the impact on the local labour market? (CFW)

**Household Impact Monitoring**
- Was the cash/voucher spent for the intended purpose? (E.g. to purchase basic food items, to purchase livestock inputs, agriculture inputs etc.).
- What was the impact of the intervention on households' coping strategies?
- What was the impact on households' food consumption?
- What was the impact on households' debt status?
- What was the impact on households' livelihood status?
- What was the impact on vulnerable groups of the society?

**Initial market assessment, weekly market surveys, monthly post distribution monitoring, interviews with households, interviews with non-beneficiary households, focus group discussions, interviews with traders.**

**Monthly and quarterly post distribution monitoring, interviews with beneficiary households, focus group discussions, beneficiaries' feedback received through complaint mechanism (positive and negative).**

4.13 EVALUATION

Project evaluation involves analyzing the achievements and areas for improvement from experience of an intervention. It is a major part of an organization's learning process as conclusions drawn from evaluation provide basis for future decisions. What needs to be evaluated depends on the project objective, type of intervention (cash, voucher, CFW etc.). At the same time, donors of the project may also have some specific requirements related to the evaluation process. An evaluation of a cash or voucher intervention generally involves but is not limited to analyzing the following questions:

- What number of beneficiaries received assistance (against the planned target)?
- Was the process of beneficiary targeting efficient?
- How did the intervention benefit vulnerable groups of the society?
- Did beneficiaries spend the cash/voucher according to the objective of the intervention?
- How did the intervention strengthen coping mechanisms of the assisted households?
- What was the affect of the intervention on the local market? (such as no disruption in the market system, helped traders restart their businesses etc.)
- Did any security incidents take place in the field?
- Did the intervention help in improving intra-household relations?
- Was the intervention cost-effective as compared to commodity assistance?
- Did beneficiaries report any complaints (such as behavior of staff, abuse of power by village leaders, harassment etc.)
- CFW: Was the intervention able to rehabilitate/build the intended infrastructure?
- CFW: What was the level of engagement? (such as participation of men, participation of women, work hours).
- CFW: How did the intervention affect the local labour market? (such as labour rates, employment in the area etc.).
SECTION 5

DISASTER RISK REDUCTION AND CASH/VOUCHER TRANSFERS
IN FRAGILE AND POST-CONFLICT ENVIRONMENTS
Pakistan is vulnerable to hazards including droughts, earthquakes, floods, glacial lake outbursts, river erosion and internal population displacements due to conflicts. The 2005 Kashmir earthquake, the floods of 2010 and the ongoing IDP crisis in KP/FATA have incurred huge losses to the country's economy and substantial consequences upon food, agriculture and livestock sectors, in particular negatively impacting food security and livelihoods of the poor small-holder farming communities living in rural areas. Natural disasters often undermine household food security by damaging food stocks, destroying agriculture and other critical community infrastructure, livelihoods, and production capacity.

In addition to providing immediate relief in emergencies, cash and voucher transfers can be used to mitigate impact of future crisis on vulnerable communities by investing in projects that build their resilience to recurring floods, droughts and conflict. Some specific activities of disaster preparedness through Cash for Work and Food for Work (FFW) in the food security sector include, but are not limited to:

- Construction of household and community-based grain and seed storage facilities;
- Construction of protection walls (to protect agriculture land);
- Water-resistant seed and fodder stocking facilities;
- Raised seed beds, dams, wind breaks, fire breaks;
- Proofing of storage facilities and livestock shelters;
- Erosion control structures, routine clearing of drainage systems and canals;
- Safe rescue places/platforms and strategic animal fodder reserves;
- Rehabilitation of damaged irrigation channels (for efficient water management).
- Rehabilitation of damaged and degraded lands and Farmer-Managed Water Courses (FMWC);
- Rehabilitation of damaged orchards;
- Rehabilitation of fish ponds.

While conditional cash grants and vouchers can be used for:

- Purchase of drought/saline/flood-resistant crops and quick/growing crops;
- Livestock restocking; poultry, sheep, goats along with animal feed and fodder packages;
- Restarting income generating activities such as farming, food processing for sale in markets;
- Training sessions for men and women farmers on household food security and nutrition, post-harvest management (storage, food drying, food processing), crop and livestock management, vegetable gardening and income generation etc.

DRR activities should be integrated into food security projects as much as possible for instance; distribution of livestock inputs (in-kind) can be coupled with CFW activities for building livestock communal shelters. Conditional cash grants for purchasing agricultural inputs can be complimented with the provision of water resistant-metal containers for preserving grains and seeds. DRR activities can be both household and community-based and above two are only examples out of a vast variety of DRR activities that can be undertaken in the sector.
5.2 CASH/VOUCHER TRANSFERS IN FRAGILE AND POST-CONFLICT ENVIRONMENTS

Forced displacement is a tragedy for those who experience it whether it happens due to natural, or man-disasters. Along with losing home and place of origin, people lose their identity and livelihoods. Cash and vouchers have been used in some very fragile situations to meet immediate needs of displaced persons, restarting livelihood activities and facilitating the return process as situation stabilizes and markets re-open. Pakistan (2005 Kashmir earthquake, 2010 floods and 2011 floods), Somalia (food crisis and conflict), Afghanistan (chronic instability and conflict) and Indonesia (tsunami) are few examples. There are often concerns of insecure delivery, corruption, difficulties in targeting, absence of banking facilities and cash going into the hands of armed groups. However, all kind of interventions can be challenging in an unstable environment; whether cash or commodity. Where situation permits (functional markets and financial institutions) and with proper planning, the provision of cash and vouchers is increasingly being considered in fragile environments as an alternative to food aid to make a more effective contribution to poverty reduction and livelihood development of those affected by displacements.
SECTION 6

POSSIBLE RESPONSE OPTIONS DURING RELIEF AND EARLY RECOVERY PHASES

Photo credit: FAO
6.1 POSSIBLE RESPONSE OPTIONS DURING RELIEF AND EARLY RECOVERY PHASES

This table provides examples of possible response options in relief and early recovery phases using cash and voucher modalities. However, decision on the type of assistance (cash, voucher or commodity) may vary on a case to case basis. No assumptions should be made about this table restricting the use of cash or vouchers to specific stages of emergencies.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Immediate Relief</th>
<th>Why</th>
<th>Early Recovery</th>
<th>Why</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food</strong></td>
<td>Unconditional cash</td>
<td>For purchasing food items (beneficiary’s choice) from functioning local markets.</td>
<td>Cash for Work</td>
<td>For rehabilitating or building household and community assets that contribute to food security. Households purchase food items of choice from CFW payments that they receive in return of their labour.</td>
</tr>
<tr>
<td></td>
<td>Food vouchers</td>
<td>For purchasing specific food items from pre-selected traders.</td>
<td>Conditional cash grants</td>
<td>For restarting livelihood activities such as opening grocery shops, and attending awareness sessions on food processing (dairy products, dehydrated fruits and vegetables, traditional pickles, jams, marmalades, beverages, traditional confectionery, sweetmeat, vermicelli and spices etc.)</td>
</tr>
<tr>
<td></td>
<td>Cash vouchers</td>
<td>For purchasing food items (beneficiary’s choice) from pre-selected traders within total value of the voucher.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Livestock</strong></td>
<td>Unconditional cash</td>
<td>For purchasing animal feed (beneficiary’s choice) for surviving livestock from functioning local markets.</td>
<td>Conditional cash grants</td>
<td>For livestock restocking, and awareness sessions related to livestock management.</td>
</tr>
<tr>
<td></td>
<td>Conditional cash grants</td>
<td>For availing veterinary services.</td>
<td>Cash for Work</td>
<td>For rehabilitating or building durable livestock shelters (individual or communal) and water sources.</td>
</tr>
</tbody>
</table>
|             | Commodity vouchers | • For purchasing specific feed for surviving livestock from pre-selected traders.  
• For purchasing specific materials for building temporary livestock shelters. |
<p>|             | Cash vouchers    | • For purchasing animal feed (beneficiary’s choice) for surviving livestock from pre-selected shops within total value of the voucher. |                                |                                                                                                 |</p>
<table>
<thead>
<tr>
<th>Sector</th>
<th>Immediate Relief</th>
<th>Why</th>
<th>Early Recovery</th>
<th>Why</th>
</tr>
</thead>
</table>
| Agriculture | Cash for Work | For clearing and desilting of agriculture land.  
- Clearing rubble from villages to facilitate return. | Cash for Work | For rebuilding/rehabilitating damaged household and community assets that contribute to agriculture-productive activities. Households purchase agriculture inputs or other essential items from CFW payments that they receive in return of their labour. |
|         | Conditional cash grants | For trainings on new farming techniques to men and women farmers, and home-stead gardening for women. |
SECTION 7
CURRENT HUMANITARIAN CONTEXT WITHIN PAKISTAN AND FINDINGS FROM ASSESSMENTS
7.1 2012 MONSOON FLOODS

Background

Flash floods and hill torrents triggered by heavy monsoon rains in September 2012, claimed over 400 lives and caused further widespread damage to livelihoods and infrastructure, particularly in Balochistan, Sindh and Punjab provinces. Many of the affected districts, particularly in Balochistan and Sindh, are still struggling to recover from the floods of 2010 and 2011. At the request of the Government of Pakistan, the NDMA and PDMA collaborated with humanitarian partners to pilot the Multi-sector Initial Rapid Assessment (MIRA) in five of the most-affected districts: Jaffarabad and Naseerabad (in Balochistan); Rajanpur (in Punjab); and Jacobabad and Kashmore (in Sindh). According to MIRA findings, flooding in 2012 affected some 2.02 million people and destroyed about 80% of standing crops (including cotton, rice, sorghum, pulses and vegetables) and 73% to 96% of fodder stocks. Many markets were badly affected and left with very limited supply. The loss of cash crops not only creates immediate food gaps but also undermines affected population's ability to cultivate staple (wheat) during Rabi season commencing in the month of November. With such widespread loss to food stocks, livestock and standing crops, flood victims are finding it increasingly difficult to meet their basic needs. According to MIRA findings, 91% of the affected population reduced number of meals as a coping strategy – severely undermining their health and nutritional status, particularly for children under 14 who constitute 36-39% of the affected population. Similarly, loss of fodder stocks and standing fodder crops will exert additional pressure on resource-poor flood victims who are likely to adopt negative coping strategies such as distress selling or slaughtering of productive livestock.

7.1.1 FINDINGS FROM THE DETAILED FOOD SECURITY ASSESSMENT (2012 FLOODS)

As the primary focus of MIRA was to identify immediate humanitarian needs and could not provide indication about recovery and long term needs of the population, detailed cluster-specific sectoral assessments were proposed as the second assessment within the MIRA methodology. In addition, MIRA was based upon the interviews of key informants in rural community, and therefore it could not shed light on household related issues of the disaster. To overcome this, the Detailed Food Security Assessment (DFSA) was proposed based upon household interviews. At the time of MIRA, most of the area was inundated and consequently some areas were not assessed due to accessibility problems. These areas were covered in the DFSA which makes the assessment more comprehensive. Moreover, districts Dera Ghazi Khan and Shikarpur which were not covered in MIRA were then included in the DFSA.

Highlights

- About 42.6% of the households were found to have acceptable food consumption, 29% had poor food consumption and 30% were in borderline range.

- Around 60% of households were farmers (small, medium and large holders) before the flooding. At the time of the survey, only 13% said they are farming for their income, which signals a 43% reduction. There is an estimated 28% decrease in wheat cultivation: due to the lack of inputs, irrigation damages and loss of seed stocks, which represents a significant food and income source.

- As a result of the floods, 53% are relying on day labour as a source of income.
GUIDELINES FOR CASH AND VOUCHER INTERVENTIONS

- About 52% own land and 38% are sharecroppers, due to heavy seed stock losses in the flooding, farmers need seed and fertilizer support with repair to irrigation.

- Livestock ownership, particularly of large ruminants has dropped by 40%, small ruminants by 45% and poultry by 56%, which is devastating to household food security and livelihoods.

- Food assistance was the main assistance in the early days of the emergency: over 80% of households reported receiving assistance.

- As per their top three needs, 70% of the households reported food as their most immediate need, followed by cash grants (63%), building materials (43%), and health services (41%). In agricultural needs, seeds (87%) and fertilizers (81%) are the top priorities whereas in livestock needs, fodder (64%) and livestock restocking (55%) are priorities. Similarly, the loss of fodder stocks and standing fodder crops will exert additional pressures on resource-poor flood victims who are likely to adopt negative coping strategies such as distress selling or slaughtering of productive livestock.

Demographics of the households surveyed under DFSA

<table>
<thead>
<tr>
<th>Sex disaggregation by HHs</th>
<th>Sindh</th>
<th>Balochistan</th>
<th>Punjab</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male-headed households</td>
<td>81.8%</td>
<td>87.9%</td>
<td>84.9%</td>
<td>84.4%</td>
</tr>
<tr>
<td>Female-headed households</td>
<td>18.2%</td>
<td>12.1%</td>
<td>15.1%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Age of head of household (Average)</td>
<td>42%</td>
<td>44%</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td>Education of male-headed HHs (Average year of schooling)</td>
<td>2.90%</td>
<td>3.82%</td>
<td>3.16%</td>
<td>3.20%</td>
</tr>
<tr>
<td>Education of female-headed HHs (Average year of schooling)</td>
<td>.77%</td>
<td>.90%</td>
<td>.23%</td>
<td>.69%</td>
</tr>
<tr>
<td>Number of pregnant and lactating women (Average per HH)</td>
<td>.47%</td>
<td>.43%</td>
<td>.44%</td>
<td>.38%</td>
</tr>
<tr>
<td>Number of disabled persons (Average per HH)</td>
<td>.09%</td>
<td>.03%</td>
<td>.09%</td>
<td>.07%</td>
</tr>
</tbody>
</table>

About 90% of DFSA respondents were head of households, the remaining were spouses or children of the head of household. The ratio of female-headed households in sample was 15%.

Market analysis under the DFSA

A place where three or more shops were available before disaster was considered as a market. The market checklist consisted of observation of enumerator teams, an interview with a key informant and at least two interviews with shopkeepers. The field work under DFSA started on 6 December 2012 and was completed on 14 December 2012.
Market accessibility
As shown in Figure 1, one third of the surveyed households can access their markets easily, the remaining have some constraints but have access. Only 3% of the households reported that they have no access to their nearest markets. Destruction of access roads (76% of households) and high transportation costs (62% of households) are the major constraints while accessing markets. Despite these two major problems, the security issues like personal enmity (20%), non-functionality of markets (14%) and the damages to market infrastructure (13%) were also reported by the households, see Figure 2.

Overall, 93% of the markets were deemed as functional across all sampled districts, with only Jaffarabad district rated as 75% functional. If three or less shops were available in the village then these were not covered by the market survey, see Figure 3.
However, as Figure 4 shows, the average distance of the closest market is quite far: in 20% of the cases, the distance of markets is more than 10 kilometers. Most of the markets (75%) are open daily and the remaining are open on a weekly basis. Very few of them are irregular markets. In almost all cases, there are some livestock mandis (markets) near the village or the main market, where livestock is sold and purchased. While in 60% of the markets, women and children also purchase goods along with men.

For all of the markets, shopkeepers generally purchase food items from local farmers, as all of the shopkeepers said they purchased locally. 100% of shopkeepers stated they purchase food items and 96% purchase fodder from farmers. Also, in most of the markets, financial services like banks, ATM machines, mobile banking and post offices are available but in half of them, females generally do not avail the services.

According to the perceptions of shopkeepers, the demand and supply of both food items and agriculture inputs were affected by the disaster. Effects of flood are higher on demand and supply of food items than on agriculture items. More than 80% of the shopkeepers felt that the supply of food items was affected because local stocks were destroyed; infrastructure was affected, financial constraints and due to less vendors in markets, see Figure 6.
For decrease in demand of goods, loss of income was perceived as the most important factor followed by displacement and inflation, see Figure 7.

![Figure 6. Effect on supply of goods (percentage)](image)

![Figure 7. Effect on demand of goods (percentage)](image)

Considering the fact that markets are mostly functional in all affected areas, there is a need to provide as much assistance (i.e. food and non-food items) through local markets.

**Impact on market prices**

The DFSA also collected pre and post-flood price of various food and non-food items. In general, the prices have been increasing in Pakistan as can be seen from the Consumer Price Index (CPI) which increased by 7.9% on a year-on-year basis in December 2012\(^3\). The findings from the DFSA suggest that floods have caused significant increase in price of most food and non-food items except that of poultry.

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\(^3\)Pakistan Bureau of Statistics
The flood disrupted supply of almost all food commodities and caused the demand to increase sharply. As a result, significant fluctuations were observed in the prices of essential food commodities. Generally, the perishable items recorded sharp increase in prices while the increase in other food prices was also significant. Compared to the pre-flood level, the prices of tomato, onion, eggs and potatoes went up by 24, 20.5, 18.6 and 14.3% respectively. Among the cereals, prices of wheat and rice increased by 10 and 6.2% respectively. Dhal, which is an important source of protein also showed significant increase with 12.8% for channa and 8.5% for moong beans. Beef and milk prices also increased by more than 5% while that of sugar, beans, vegetable oil and chicken were relatively modest at less than 5%. Mutton was the only commodity for which price decrease (6.25%) was registered compared to the pre-flood level.
Similarly compared to pre-flood situation, prices of non-food items were also found significantly higher. The highest increase was noticed in the price of live sheep which went up by 33.2% after the floods, while that of live goat also increased by 27.6%. Other significant price increases include live cattle (19%), animal feed (14.4%), vegetable seeds (14.11%), and wheat seeds (10.86%). A significant decrease in livestock ownership was reported by the respondents during survey which could be due to distress selling just after the disaster and livestock mortality. Now more than three months after the disaster, when farmers were willing to restock their animals, a significant hike in prices was observed. This shows the critical need of immediate livestock restocking to ensure their household food security. The price of fertilizer registered nominal increase (DAP 5.3% and urea 1.8%), while that of fodder seeds and fodder increased by 10 and 8.3% respectively.

It can be concluded from the above analysis, that overall, the floods have impacted significantly on the price of food and non-food commodities thus, adversely affecting household food security. It should also be noted that there were also variations among districts with Naseerabad showing highest increase in prices while Jacobabad prices remained relatively stable.

Conclusions
Based on DFSA findings, markets are functional and therefore humanitarian response through cash and vouchers is a possible option to provide food, livestock, agriculture and livelihood assistance in the 2012 flood-affected areas. Traders also provided feedback that cash and voucher transfers will help them restart their businesses and have a positive effect on the demand and supply. It should be noted almost 60% of women avail services of the financial institutions. It would be necessary to think how the remaining 40% women will be assisted in a cash or voucher intervention for example, cover the remaining 40% with direct distribution of cash while the 60% receive cash through financial institutions. Delivery of cash through branchless banking (mobile banking) should also consider if population living in the area of proposed intervention and especially women have access to mobile phones or not.

7.2 LIVELIHOOD RECOVERY APPRAISAL OF HOUSEHOLDS AFFECTED BY FLOODING IN 2010 AND 2011 IN SINDH AND BALOCHISTAN

Background
Agriculture is critical to Pakistan's economy, accounting for over 21% of its Gross Domestic Product (GDP) and 45% of the country's total labour force. Almost 60% of Pakistan's population resides in rural areas and depends on agriculture for their livelihoods.

Over the three consecutive years (2010, 2011 and 2012), seasonal flooding has devastated Pakistan's agriculture sector – the country's second largest sector – contributing to increased food insecurity and vulnerability, and reducing resilience among the affected communities. The following sections provide an overview of the incidences of flooding in 2010 and 2011, and the resulting impact on infrastructure, lives and livelihoods.

2010 Floods
The monsoon rains of 2010 caused the worst flooding in Pakistan in 80 years, resulting in one of the most devastating natural disasters in living memory. From July to September 2010, torrential monsoon rains created flash and riverine flooding along the entire Indus River, ultimately damaging an area in excess of 100,000 square kilometers – almost one fifth of the country's total land mass. The flood waters destroyed 1.6 million homes and, of a population of 168 million, more than 20 million people in 78 districts were affected and nearly 2,000 were killed.
In wake of the floods, the Government of Pakistan, the Asian Development Bank and the World Bank conducted a thorough Damage and Needs Assessment (DNA). The resulting findings estimated flood-related damages at PKR 855 billion (USD 10.2 billion), equivalent to 6% of the national GDP. The largest losses by value occurred in the agriculture and housing sectors (accounting for 50 and 15% of the overall value of losses, respectively).

Damage to the crop and livestock sectors was estimated at PKR 429 billion (USD 5.1 billion). The major agricultural losses were caused by full or partial damage of 2.4 million hectares of cropped land and the death of 1.5 million livestock. Livestock losses were significant in areas that experienced flash flooding and amounted to 11% of the total agriculture sector damages. Damage to the agriculture sector across provinces was greatest in Sindh (almost half of all damages), followed by Punjab (36%), Khyber Pakhtunkhwa and then Balochistan.

2011 Floods
Six months after the end of the devastating 2010 monsoon season, February 2011 marked the transition from emergency relief to early recovery efforts, with a continued emphasis on supporting the agricultural and livelihood needs of the most affected and vulnerable populations.

A few months later, with the devastating effects of the 2010 floods still readily apparent, the 2011 monsoon season started with a normal rain pattern. However, what began as an ordinary monsoon season became torrential rains in early August, triggering severe flooding in various regions of the country, notably in the Sindh and Balochistan provinces where over 70 percent of the population depend on agriculture for their livelihood.

On 10 August 2011, floods started to affect the south-eastern areas of Sindh. Heavy rains quickly spread to the northern regions of the province, as well as in some parts of Balochistan. From 14 September 2011, another sustained heavy downpour affected areas across Sindh. In the most affected areas, including areas flooded in 2010, more rain fell in one month than in an entire average monsoon season. Continued rains caused major breaches in the agricultural and saline water canals, exacerbating the flood impact in various districts, notably Badin, Mirpurkhas and Tharparkar. Over 8.2 million people were affected, more than 1.5 million homes damaged or destroyed and over 400 people killed in Sindh province alone. The results from a Joint Rapid Needs Assessment conducted in Sindh on 11 and 12 September 2011 – led by the NDMA, WFP, OCHA and pertinent Cluster partners including FAO – suggested that an average of 67% of food stocks and 73% of crops in affected districts had been destroyed or damaged, and more than 36% of livestock had perished or been sold, as farming families resorted to the detrimental coping strategy of distress sales as previously witnessed in 2010. Across all affected districts, available food stocks were reported as sufficient to last an average of 25 days – much less in some districts.

Furthermore, the PDMA and the Department of Agriculture Extension in Sindh estimated that 0.88 million hectares of standing crops of cotton, rice, sugar cane, sorghum, vegetables and pulses had been destroyed. It is estimated that some 5 million surviving livestock were directly affected, with nearly 90,000 recorded deaths. Stocks of animal feed and fodder were destroyed and large expanses of land, including grazing and pasture, were left submerged by standing water, leaving surviving livestock stranded to face debilitating parasite infestation and diseases, in addition to feed shortages.

Although the Government responded quickly to the disaster, the number of people affected continued to increase. On 7 September 2011, the Government of Pakistan requested assistance from the international community.
According to the Results

- Cash distribution has highest coverage in all areas after general food distribution. Out of the households affected by 2011 flood, 30% received cash assistance mainly through government interventions. Similarly from 2010 flood affected cohort, 55% reported that they received cash.

- When households were asked to rate the received assistance, cash interventions got highest ranking. 85-90% of the households ranked cash interventions in a superior category.

- When asked about their immediate needs, cash was on their top priority. 36% of the households from Sindh and 46% from Balochistan asked for cash support.

- The livelihood asset trajectory case study analysis clearly showed continued failure of financial capital to recover from the floods.
7.3 COMPLEX EMERGENCY IN KP AND FATA

Since late 2008, protracted fighting across Pakistan's Khyber Pakhtunkhwa province and the Federally Administered Tribal Areas has led to large-scale internal population displacements, severely and abruptly compromising food security of affected groups and resulting in considerable destruction to livelihood assets, livestock and productive capacity. As observed by both the Internally Displaced Person Vulnerability Assessment and Mapping (IVAP) and Inter-Agency Rapid Assessment (IARA), majority of the displaced are economically-marginalized, i.e. 70% living below the national poverty line. The limited income generating opportunities and meager incomes earned from daily wage labour are insufficient to cover essential food and other expenditures; suggesting that the absence of assistance may further deteriorate food security levels. At present, relief interventions are being coordinated under the Humanitarian Operational Plan (HOP) whilst early recovery is being dealt under the FATA Early Recovery Assistance Framework (ERAF).

With the notification of FATA agencies (South Waziristan, Orakzai, Bajaur, Mohmand, Kurram, and Khyber) for security forces operations, a total of 374,819 families (out of which 297,936 families have been verified by NADRA), have fled to take refuge in different hosting districts of KP and FATA as of December 2012. De-notifying certain geographical regions within 5 FATA agencies (South Waziristan, Orakzai, Mohmand, Bajaur and Kurram) safe for voluntary returns, some 156,221 families returned back to their place of origin until December 2012, additionally 65,336 families are expected to return in the first half of the year 2013. The security situation remains volatile in FATA regions as fresh displacements of 4,392 families are projected in the year 2013.

In the coming weeks, the FSC is planning to conduct a DSFA or some other form of survey to assess the situation of IDPs in KP and FATA that will be able to highlight critical information related to the status of financial institutions and markets in the region. There are however few local banks functioning in FATA agencies such as National Bank of Pakistan and Habib Bank Limited. In most cases, the banks have one branch at agency level. It is also important to consider that although some markets and financial institutions might be functional, they might not be very accessible to people especially in the most volatile areas, due to distances or feelings of insecurity due to conflict, especially in the case of women-headed households. Areas where supply of food and non-food items is available and security situation allows, but where markets are at a lot of distance, an option could be for organizations to coordinate with local traders to move their shops closer to IDP camps so they are able to utilize cash grants or organize voucher fairs for purchasing food, livestock and agriculture inputs. Similarly, services of the post office can be utilized for the transfer of cash. In areas where situation is gradually stabilizing and people are moving back to their place of origin, cash and voucher assistance can be useful for restarting livelihood activities. Any intervention of cash and vouchers in FATA should be based on thorough assessments of markets and available delivery options, coordination with local authorities, safety aspects for both beneficiaries and field staff, and whether or not the cash/voucher can be utilized by beneficiaries for the intended purpose.

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LRA also showed that flood affected community is highly indebted. Level of debt is much higher and 4-6 times more than their monthly income. 75% of them contracted new debts after flood. They were borrowing money mainly for food. This high level of indebtedness also confirms their need of cash.

Note: Please see additional resources (CD) for the complete LRA report.
SECTION 8
STAKEHOLDER ANALYSIS
8.1 STAKEHOLDER ANALYSIS

<table>
<thead>
<tr>
<th>Organization and Focal Person for Cash Programming</th>
<th>Areas Where Cash/Voucher Interventions Have Been Implemented</th>
<th>Cash/Voucher Modalities Used</th>
<th>Emergencies in Which Cash/Voucher Transfers Have Been Used</th>
<th>Delivery Mechanisms Used</th>
<th>Lessons learned/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action Against Hunger (ACF)</td>
<td>Province: Sindh Districts: Tando Muhammad Khan and Badin Districts: Khyber Pakhtunkhwa Districts: Timergara, Peshawar, Nowshera and Kohat</td>
<td>CFW: For rehabilitation of irrigation channels and farm to market roads. Conditional cash grants: For livestock shelter and feed. Commodity vouchers: 1) For purchasing fresh food from pre-selected traders. 2) For purchasing small livestock at fair organized by ACF, while feed and temporary shelter was provided complimentary.</td>
<td>2005 earthquake in Pak-administered Kashmir, 2010 floods, complex emergency in KP/FATA and 2011 floods</td>
<td>Private banks (Tameer Microfinance Bank Limited and Habib Bank Limited)</td>
<td>Lessons learned (Mobile banking): 1) ACF has experience of cash transfer with mobile banking in Pakistan. 2) Mobile banking is a very effective method of distributing cash at outlets that are easily accessible to communities. 3) It reduces the burden of documentation on project staff. 4) Several layers of beneficiary verification reduce the margin of errors in documentation. 5) Easy to monitor and manage communities. 6) Large number of beneficiaries can be entertained in less time. 7) A cost effective method.</td>
</tr>
<tr>
<td>United Nations World Food Programme (WFP)</td>
<td>Province: Sindh Districts: Sanghar, Umerkot, Badin and Mirpurkhas Province: Khyber Pakhtunkhwa Districts: Nowshera, Charsadda, Peshawar and Swat</td>
<td>CFW: For rehabilitation of community physical infrastructure such as irrigation channels, protection walls, katcha roads, construction of checkdams and kitchen gardening. Most of the CFW projects are integrated with trainings such as on DRR, livestock management, kitchen gardening and vocational trainings.</td>
<td>2011 floods and complex emergency in KP/FATA</td>
<td>Private bank (United Bank Limited)</td>
<td>Lessons learned (UBL OMNI): 1) WFP has experience of transferring cash with branchless banking system (UBL OMNI) in Pakistan. 2) UBL OMNI is found to be an efficient delivery mechanism as cash can be delivered to intended beneficiaries through a smooth, verifiable and quick process. 3) Partnering with the bank has made the process of documentation more reliable. 4) Financial and security risks in the disbursement of cash are reduced by engaging the bank which has a reliable network at the field level.</td>
</tr>
</tbody>
</table>
## Lessons learned/
Recommendations

**Organizations and Focal Person for Cash Programming**

<table>
<thead>
<tr>
<th>Areas Where Cash/Voucher Interventions Have Been Implemented</th>
<th>Cash/Voucher Modalities Used</th>
<th>Emergencies in Which Cash/Voucher Transfers Have Been Used</th>
<th>Delivery Mechanisms Used</th>
<th>Lessons learned/Recommendations</th>
</tr>
</thead>
</table>
1) It is necessary to conduct a detailed market assessment to check availability and resupply of food and other essential items in markets before implementing a cash intervention.
2) In case of branchless banking systems, there should be an assessment of the Point of Sale (POS) i.e. the cash disbursement points.
3) POS should be located close to beneficiaries.
4) There should be internet connectivity at the POS.
5) Beneficiaries may not be able to read the PIN code on the Kash card (literacy constraints). OMNI agents and Cooperating Partner's staff can facilitate beneficiaries in reading and punching the PIN code.
6) Bio metric system can be introduced for transparency. |

**Lessons learned:**

1) Information on proposed area of intervention was shared with District authorities. Such coordination helps in avoiding duplication of activities and builds on relations between NGOs and government authorities.
2) Involvement of community in the decision making process led to ownership and minimized conflict within the...
<table>
<thead>
<tr>
<th>Organization and Focal Person for Cash Programming</th>
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<th>Delivery Mechanisms Used</th>
<th>Lessons learned/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Integrated Development Association (NIDA) Mr. Z. Babar Programme and MEAL Manager Email: <a href="mailto:pm@nidapakistan.org">pm@nidapakistan.org</a></td>
<td>Province: Khyber Pakhtunkhwa Districts: Shangla and Kohistan</td>
<td>Cash for Work</td>
<td>2010 floods</td>
<td>Direct cash distribution</td>
<td>communities. 3) There was some integration of food security projects with other sectors such as nutrition, health and NFI's which was useful to meet immediate needs of affected families. 4) Thorough analysis of ground realities, market situation, communication networks and listening to requirements of communities helped in selection of appropriate transfer modalities.</td>
</tr>
<tr>
<td>Pakistan Red Crescent Society (PRCS) and International Federation of Red Cross and Red Crescent Societies (IFRC) Ms. Ann Marie McCabe Livelihoods Delegate (IFRC) Email: <a href="mailto:annmarie.mccabe@ifrc.org">annmarie.mccabe@ifrc.org</a></td>
<td>Province: Sindh Districts: Shikarpur and Qambar Shahdad Kot Province: Punjab Districts: Muzaffargarh and Layyah Province: Khyber Pakhtunkhwa Districts: Shangla and Kohistan</td>
<td>Conditional cash grants: For income generation/restarting livelihood activities.</td>
<td>2010 floods (Recovery phase)</td>
<td>Pakistan Post Office</td>
<td>Programme Monitoring and Evaluation is currently in progress. Final evaluation report is due in second part of 2013.</td>
</tr>
</tbody>
</table>
### Lessons learned/Recommendations

Having applied cash and voucher transfers in 2010 and 2012 flood response, CWW has observed that cash and vouchers are a quick and flexible response option in humanitarian assistance. Vouchers are found to be the most flexible transfer modality that engages affected persons more actively and supports local traders. Implementation of voucher and cash-based programming requires a start-up period for quality design and development of formats/monitoring tools. Once this initial investment is made, voucher programmes are efficient and cost-effective systems for disseminating inputs, providing a high degree of choice to beneficiaries, helping them in restoring livelihoods and benefiting local economies. When accessing markets is a constraint to households such as due to distance and transportation costs, voucher fairs can be considered by the implementing organization. Implementing partners; if selected based on their experience in the sector can bring an extra programmatic strength to the process. CWW will further strengthen local partners' capacity to manage the operations through trainings in programmatic elements such as voucher mechanisms, monitoring and evaluation, and ensuring that their finance and procurement systems meet CWW's internal audit and donors' requirements. Furthermore, the core to CWW's commodity voucher modality is adopting a participatory approach that involves affected persons in a systematic and engaged manner throughout the implementation process.

### Table: Humanitarian organizations with experience of cash and voucher transfers in Pakistan

<table>
<thead>
<tr>
<th>Organization and Focal Person for Cash Programming</th>
<th>Areas Where Cash/Voucher Interventions Have Been Implemented</th>
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<th>Lessons learned/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concern Worldwide (CWW) Mr. Khanzada Cash Programming Coordinator Email: <a href="mailto:khan.zada@concern.net">khan.zada@concern.net</a></td>
<td>Province: Sindh Districts: Dadu, Sanghar and Mirpurkhas Province: Balochistan Districts: Jaffarabad</td>
<td>Conditional cash grants: For enterprise development. Cash for work: For rehabilitation of irrigation channels. Commodity vouchers: 1) For purchasing goats, livestock shelter and feed at livestock fair organized by CWW. 2) For purchasing local and quality agriculture packages from pre-selected traders.</td>
<td>2010 floods and 2012 floods</td>
<td>Private banks (Muslim Commercial Bank Limited, Habib Bank Limited and Allied Bank Limited)</td>
<td>Lessons learned:</td>
</tr>
<tr>
<td></td>
<td>Province: Punjab Districts: Muzaffargarh</td>
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<td></td>
<td>Province: Azad Jammu Kashmir Districts: Bagh and Muzaffarabad</td>
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<td></td>
<td>Province: Khyber Pakhtunkhwa Districts: Charsadda and Siran Valley</td>
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<td>Province: Sindh Districts: Dadu, Sanghar and Mirpurkhas Province: Balochistan Districts: Jaffarabad</td>
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<td>Province: Punjab Districts: Muzaffargarh</td>
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<td>Province: Azad Jammu Kashmir Districts: Bagh and Muzaffarabad</td>
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<td>Province: Khyber Pakhtunkhwa Districts: Charsadda and Siran Valley</td>
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### Pakistan Food Security Cluster

#### Humanitarian organizations with experience of cash and voucher transfers in Pakistan

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<tr>
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</thead>
</table>
| Food and Agriculture Organization of the United Nations (FAO) | Province: Khyber Pakhtunkhwa Districts: Peshawar, Charsadda, Nowshera, Chitral, Tank, Dera Ismail Khan, Swat, Shangla, Kohistan, Malakand, Upper Dir and Lower Dir Province: Punjab Districts: Bhakkar, Rahim Yar Khan, D G Khan, Rajanpur, Multan and Muzaffargarh Province: Balochistan Districts: Jafferabad, Naseerabad, Sibi and Killa Saifullah | CFW: For de-silting of critical farm irrigation infrastructure and rehabilitation of on-farm watercourses. | 2010 floods | Direct payments to CFW participants through FAO's Implementing Partners. | Lessons learned: 1. Working closely with government line departments (On-Farm Water Management), local administration and the community, FAO and Implementing Partners were able to implement envisaged project activities within the stipulated time-frame to support the agrarian communities when they were in dire need of water for crops.  
2. The full involvement of Water User Associations (WUA) in all aspects of the rehabilitation work is key for successful implementation, ownership and sustainability of irrigation interventions.  
Recommendations: CFW activities contributed to the re-establishment of the target beneficiary households’ livelihoods and food security. However, more efforts and financial support is required to support agriculture and livestock activities in order to reach and address needs of the affected households and restore normalcy. |
<table>
<thead>
<tr>
<th>Organization and Focal Person for Cash Programming</th>
<th>Areas Where Cash/Voucher Interventions Have Been Implemented</th>
<th>Cash/Voucher Modalities Used</th>
<th>Emergencies in Which Cash/Voucher Transfers Have Been Used</th>
<th>Delivery Mechanisms Used</th>
<th>Lessons learned/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Julia Jandl Country Technical Advisor Email: <a href="mailto:Julia.JANDL@acted.org">Julia.JANDL@acted.org</a></td>
<td>Province: Sindh Districts: Kashmore, Jacobabad, Umerkot, Sanghar and Mirpurkhas Province: Punjab Districts: Dera Ghazi Khan and Mianwali</td>
<td></td>
<td></td>
<td></td>
<td>2. Errors in the OMNI database during cash disbursement might result in some beneficiaries not receiving the cash. 3. A poor telecommunications network can adversely affect cash distribution and delay the process. 4. Redemption of cheques can be time-consuming for beneficiaries. 5) Cash redemption can result in overcrowding in public and private places which can pose security risks. 6. Cash redemption can cause serious increase in bank’s workload. <strong>Recommendations:</strong> 1. CFW payments should be released immediately after completion of the agreed activity to avoid frustration amongst beneficiaries. 2. The transfer of cash should be safe and transparent that can be monitored easily. 3. Ensure preparedness measures to respond with cash by undertaking a baseline market assessment in the aftermath of the crisis and also indentify the most appropriate delivery mechanism prior to the crisis. 4. Some banks are located far from beneficiaries and are not easily accessible. The distance and transport costs for beneficiaries should be taken into consideration prior to deciding on the delivery mechanism.</td>
</tr>
</tbody>
</table>
### Humanitarian organizations with experience of cash and voucher transfers in Pakistan

<table>
<thead>
<tr>
<th>Organization and Focal Person for Cash Programming</th>
<th>Areas Where Cash/Voucher Interventions Have Been Implemented</th>
<th>Cash/Voucher Modalities Used</th>
<th>Emergencies in Which Cash/Voucher Transfers Have Been Used</th>
<th>Delivery Mechanisms Used</th>
<th>Lessons learned/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oxfam GB</strong>&lt;br&gt;Ms. Saima Nazish PEFSA Coordinator&lt;br&gt;Email: <a href="mailto:snazish@oxfam.org.uk">snazish@oxfam.org.uk</a></td>
<td>Province: Sindh&lt;br&gt;Districts: Jacobabad, Sukkur, Qamber Shahdadkot, Dadu, Jamshoro, Thatta, Tando Allahyar, Sanghar and Kashmore&lt;br&gt;Province: Khyber Pakhtunkhwa&lt;br&gt;Districts: Nowshera, Charasadda, Swat, Shangla, DI Khan, Kohat, Mansehra, Battagram and Buner&lt;br&gt;Province: Azad Jammu Kashmir&lt;br&gt;Districts: Bagh</td>
<td>CFW: For rehabilitation of irrigation channels and cleaning drainage systems. Commodity vouchers: For purchasing livestock from pre-selected traders. Cash voucher: For purchasing food items from pre-selected traders. Conditional cash grants: 1) For de-silting of agricultural lands. 2) For home-based businesses (including poultry keeping). 3) To increase nutrition awareness.</td>
<td>2005 earthquake, 2009 IDPs response, 2010 floods, 2011 floods and 2012 floods</td>
<td>Direct cash distribution in 2005, Private banks (Tameer Microfinance Bank Limited, Muslim Commercial Bank Limited and Habib Bank Limited)</td>
<td>Lessons learned: 1) Oxfam GB has experience of cash transfer through mobile banking (Tameer Microfinance bank), debit cards, cheques and online payments through central accounts from different branches. 2) Mobile banking experience is very good, apart from the high cost. Tameer bank's services are excellent. 3) A pilot project was implemented using debit cards but it was not a very good experience. Due to online transaction issues, the payments were not smooth. 4) The central bank account idea has really reduced the response preparation time. Despite of where the programme is being implemented, the account is accessible. In addition, using MCB for vouchers programme in Pakistan Emergency Food Security Alliance (PEFSA) is another successful venture of Oxfam.</td>
</tr>
<tr>
<td><strong>International Rescue Committee (IRC)</strong>&lt;br&gt;Mr. Muhammad Attiq Livelihoods Coordinator Email: <a href="mailto:muhammadattiq@pakistan.theirc.org">muhammadattiq@pakistan.theirc.org</a></td>
<td>Province: Sindh&lt;br&gt;Districts: Umerkot, Mirpurkhas and Shikarpur</td>
<td>Conditional cash grants: For purchasing food with conditionality that beneficiaries attend training on nutrition. Cash voucher: For purchasing food from pre-selected traders. CFW: For rehabilitation of farm to market roads and irrigation channels. Cash was paid with the objective that beneficiaries purchase food.</td>
<td>2011 floods and 2012 floods</td>
<td>Private banks (Allied Bank Limited, United Bank Limited and Tameer Microfinance Bank Limited)</td>
<td>Lessons learned: The payment through mobile vans (bank on wheels) can deliver assistance faster and efficiently.</td>
</tr>
<tr>
<td>Organization and Focal Person for Cash Programming</td>
<td>Areas Where Cash/Voucher Interventions Have Been Implemented</td>
<td>Cash/Voucher Modalities Used</td>
<td>Emergencies in Which Cash/Voucher Transfers Have Been Used</td>
<td>Delivery Mechanisms Used</td>
<td>Lessons learned/Recommendations</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
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<td>------------------------------------------------------------</td>
<td>--------------------------</td>
<td>---------------------------------</td>
</tr>
</tbody>
</table>
| CARE International  
Mr. Amjad Ali  
Emergency Coordinator  
Email: amjad.ali@care.org  
Private bank (Tameer Microfinance Bank Limited)  
Care International  
Mr. Amjad Ali  
Emergency Coordinator  
Email: amjad.ali@care.org  
Private bank (Tameer Microfinance Bank Limited)  
Pakistan Food Security Cluster  
Conditional cash grants:  
1) To restart livelihood activities such as kitchen gardening, enterprise development, bee keeping, poultry keeping and livestock restocking.  
2) To purchase agriculture inputs.  
3) To raise nutrition awareness. CFW: For rehabilitation of agriculture and DRR infrastructure such as irrigation channels, water courses and desilting of agriculture land. | Conditional cash grants:  
1) To restart livelihood activities such as kitchen gardening, enterprise development, bee keeping, poultry keeping and livestock restocking.  
2) To purchase agriculture inputs.  
3) To raise nutrition awareness. CFW: For rehabilitation of agriculture and DRR infrastructure such as irrigation channels, water courses and desilting of agriculture land. | 2010 floods, 2011 floods and 2012 floods | Private bank (Tameer Microfinance Bank Limited) | Lessons learned:  
1) Cash transfer is more efficient than commodity-based assistance as it facilitates beneficiaries in purchasing goods and services from their nearest markets, stimulates local economy and reduces logistics costs involved in movement of commodities.  
2) Cash transfer through Tameer bank has been quick and efficient and improved transparency and monitoring of the project.  
Province: Khyber Pakhtunkhwa  
Districts: Swat, Nowshera and Charsadda  
Province: Sindh  
Districts: Mirpurkhas, Dadu, Qambar Shadadkot and Umerkot.  
Province: Punjab  
Districts: Muzafargarh and Rajanpur. | |

**Note:**  
1) NDMA Pakistan does not fall in the category of stakeholders who have provided cash support during or post-disaster situations. NDMA provides relief support with items such as tents, nets, blankets and food packs.  
2) Information in above table is as of January 2013.
SECTION 9
CASE STUDIES

Photo credit: WFP/Amjad Jamal
9.1 CASE STUDIES

VOUCHERS FOR LIVESTOCK RESTOCKING

Concern Worldwide, together with local NGO partners; Roots Work Foundation (RWF), Research and Development Foundation (RDF) and Indus Resource Centre (IRC), adopted a cash voucher modality for livestock restocking to provide early recovery support to 2,500 beneficiaries in Dadu, Jamshoro and Mirpurkhas districts of Sindh province. These families were affected by the 2011 monsoon floods and were mainly dependent on livestock for livelihoods.

Through participatory approaches involving the community, Concern and its partners developed the beneficiary selection criteria. It was mutually decided to have women as majority of the beneficiaries considering their significant role in Pakistan's rural setup and especially in the livestock sector. Fodder cutting, watering and feeding of animals, animal shed cleaning, milking and processing of animal products are often undertaken by women in rural areas.

The selected beneficiaries were provided cash vouchers worth PKR 10,000 for purchasing goats. Vendors were identified through an assessment process and entered into a contractual agreement with Concern for distribution of goats at livestock fair especially organized for the project. The date and site of location was decided based on the safety and accessibility of beneficiaries. Beneficiaries were informed in advanced about the process of redeeming vouchers, date and location of the fair. At the fair, a Livestock Specialist was present to verify goats being sold by vendors were healthy and free of infection and diseases. Beneficiaries were allowed to look at goats of different vendors and purchase the ones they found the most suitable. Once purchased by beneficiaries, the goats were checked by a Veterinarian present at the site who provided vaccination services after which beneficiaries were able to take them home. This intervention gave beneficiaries the choice to select goats according to their own preferences in terms of breed, type and price using vouchers. The advantage of livestock fairs is that they provide choice to buyers, encourage participation of traders in affected areas, and maintain the link between buyers and sellers.
CASH GRANTS FOR INCOME GENERATION ACTIVITIES

Under the theme of 'Humanitarian assistance for people affected by the 2010 floods in Pakistan', the Pakistan Red Crescent Society (PRCS) and International Federation of Red Cross and Red Crescent Societies (IFRC) launched a livelihoods project covering six districts in Khyber Pakhtunkhwa, Punjab and Sindh with the main objective being re-establishment of livelihoods for 5,000 families through provision of cash grants for income generation activities. Potential beneficiaries were proposed by village committees, based on initial flood-affected criteria. The cash grant methodology was introduced and those interested were invited to present a small-business enterprise proposal. A second criterion, to assess the “feasibility of the proposal”, was applied to determine final beneficiary selection.

As a pre-requisite to receiving the cash grant, beneficiaries participated in Entrepreneurship Development Trainings (EDT) intended to build their capacity in small-business enterprise and introduce small-business concepts and tools. Over 20 different types of income generation activities were chosen by the beneficiaries, with over 80% utilizing cash grants in three main sectors of animal husbandry, retail grocery shops and agriculture followed by tailoring and donkey carts. During monitoring visits, beneficiaries described a sense of ownership in the process, particularly through preparing their own business plan. Beneficiaries were positive about the EDT component, observing they have been able to apply some of the tools learnt such as record-keeping and marketing.

The Pakistan General Post Office was identified as a partner for the delivery of cash. Selection of the general post office as the service provider in cash programming (sending cash grants to beneficiaries through postal money orders) proved to be a cause for delay. Although it had seemed to be the most suitable option with the largest outreach to beneficiaries and with branches extending to virtually all districts and villages in Pakistan, the services rendered by the post office – particularly in Sindh - were below the agreed standard delivery criteria. While the distribution of cash grants still faces delays related to delivery and processing of money orders, a frequent liaison with the post office management has helped overcome this challenge.
CASH FOR WORK IN PAKISTAN: LINKING RELIEF TO EARLY RECOVERY

One of the most significant responses of the Food and Agriculture Organization of the United Nations during the 2010 floods - early recovery phase was the rehabilitation of irrigation channels through Cash for Work (funded by United States Agency for International Development - USAID) for flood-affected households in KP, Punjab and Balochistan provinces. The CFW intervention had two main objectives:

- Create immediate economic access through the injection of cash.
- Ensure availability of irrigation water (critical for food production) by rehabilitating damaged community-managed irrigation schemes.

The CFW participants under this project were selected based on the following criteria:

- Belong from the locality.
- Priority given to the poorest households (landless tenants, daily wage labourers and those most affected by the flooding).
- Where possible, inclusion of female labour in project activities.

The de-silting and rehabilitation of irrigation channels was carried out in close collaboration with the provincial and district-level On-Farm Water Management departments (OFWM) that worked with FAO Irrigation Engineers on formulation of the CFW schemes (design, cost estimation and survey). Payments for the irrigation schemes were based on the number of man-days worked and were slightly below the rates of skilled and unskilled labour in the local labour market. FAO followed a similar approach in its European Union Food Facility project (EUFF) which was also implemented in collaboration with the OFWM departments. The experience and lessons learned from the EUFF project were taken into consideration during design of the Cash for Work project in 2010 flood-affected areas.

At the end of the CFW intervention, 1,065 irrigation schemes were restored benefitting a total of 69,931 households with direct access to this critical agriculture infrastructure to restart livelihood activities.

The project established collaboration with other ongoing agriculture and food security projects, implemented by FAO as well as the Government of Pakistan and member organizations of the previous Agriculture Cluster at the selected and target locations. FAO's technical divisions at headquarters, as well as the established country and area offices also facilitated the project through technical backstopping.
WFP CASH TRANSFER VIA UBL OMNI

**Background:**
The monsoon spell of 2010 caused the most devastating floods in Pakistan seen over 80 years. The flooding, which began with the arrival of the annual monsoons, eventually affected about one-fifth of the country. Six weeks after the floods began, rivers continued to devour villages and farmland in southern Sindh, Punjab, Balochistan and some parts of KP province. Entire villages were washed away leaving behind deaths, casualties and over 20 million people affected. There were loss of crops and seeds for the next planting season and on top of all, the loss of a daily income. Moreover, the floods inundated crop-producing areas giving a vigorous blow to the agricultural-based economy. This was multiplied due to floods in 2011 and again in 2012.

WFP started relief activities immediately. After completing the emergency phase, WFP launched Cash for Work project in the early recovery phase for rehabilitation of livelihoods and infrastructure in the affected districts of Sindh (Mirpurkhas, Sanghar, Badin, Umerkot and Tando Mohammad Khan) and KPK (Swat) along with capacity building of the communities to cope with possible future disasters by designing the Food for Work and Cash for Work interventions with specific DRR-based activities benefitting the local community.

Improving humanitarian response is a responsibility shared by all stakeholders. Effective partnership and coordination mechanisms are key to achieving this objective. WFP lays great emphasis on building strong partnerships for well coordinated and effective response in emergencies as well as early recovery and rehabilitation phases. WFP has been implementing cash-based interventions in various districts of KP, Sindh, and Punjab provinces by engaging services of FSPs. WFP strongly believes in developing strong partnerships and strengthening local organizations. Services of NGOs (International/local) and local banks are availed in this regard.

**Cash disbursement process:**
United Bank Limited (UBL) customized their pre-existing product called “OMNI” for WFP cash disbursements. Every month (at the end of each work cycle), the Cooperating Partner provides WFP with the full list of beneficiaries for Kash programme. List includes information regarding each registered beneficiary (Full name, CNIC number, Kash card number, Tehsil, and Union Council etc.). WFP shares this list with UBL a week before cash distribution. The Cooperating Partner orients and sensitizes beneficiaries on the process of cash disbursement, including on the purpose of the programme, range of days within which cash can be withdrawn and the locations (POS: where cash is disbursed).

---

1. Financial Service Provider
2. POS: Point of Sale
At the selected locations, beneficiaries present their Kash card and CNIC to UBL agent in order to receive cash grant. The POS agent inserts beneficiaries' Kash Card number and CNIC number in the central and dynamic database of UBL – linked to UBL’s main server. Each beneficiary enters their Personal Identification Number (PIN code) personally in the system after which the POS agent supervises the transaction. Once the payment is authorized by UBL system, beneficiary receives the assigned cash amount. Cooperating Partner and/or WFP field staff is present at POS to monitor the process. At the end of each disbursement cycle, the disbursement list is shared by UBL and can also be accessed via UBL web portal. The remaining beneficiaries are either paid by extending the disbursement cycle or clubbing them in the next beneficiary payment list.

**WFP’s responsibilities:**
WFP ensures timely transfer of funds to UBL and provides the bank with the list of beneficiaries approximately a week before card distribution. WFP transfers funds on a monthly basis to the UBL’s designated account for cash disbursements to targeted households, over the agreed duration of contract. Service charges on actual disbursements agreed with UBL are paid upon receiving the payment invoice.

**Bank’s responsibilities:**
Suitable POS are identified by UBL (at least one POS to cater to at least 500 beneficiaries). An updated list of POS is shared by UBL with WFP. Each POS is assigned a unique POS ID and reference. Kash cards and PIN codes are printed on WFP's request by UBL and provided to the project beneficiaries before cash disbursements. The Kash card has a unique number embossed on it which serves as a secondary key for sorting in database whereas the CNIC number serves as the primary key. Bank is responsible for timely distribution of cash to the assigned beneficiaries in the scheduled timeframe. UBL nominates one of their staff as “Relationship Manager” for WFP projects at the UBL Head Office and at least one person at the field level. A dedicated call line is provided by UBL exclusively for WFP beneficiaries to register queries and complaints.

UBL has provided a login and password of the account where WFP funds are parked for beneficiary disbursements. Reports can be viewed online or extracted to Excel (as required) from that web portal. Final quantitative report consolidating the information for the entire reporting period of the “Kash Programme” is provided by UBL at the termination of contract.

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POS: Local traders identified by UBL or WFP (as required) and engaged by UBL for cash disbursements. Each nominated POS has access to the central database of UBL for disbursements.
WFP can also suggest POS, but UBL will assess and finalize POS keeping WFP's project in consideration.
OMNI Agent responsibilities:
OMNI agents are identified by UBL and the agreement is between bank and the OMNI agents. WFP only has agreement with the bank. It is the bank’s responsibility to engage and manage OMNI agents. During disbursements, OMNI agents and UBL designated field agent/s have a shared responsibility. They need to ensure sufficient cash availability during cash disbursement cycles. POS agent should ensure the following:

- Availability of sufficient cash during disbursements.
- Internet connectivity to access UBL database for payment processing.
- Treat the beneficiary with respect, giving priority to female beneficiaries so that they do not have to wait in crowd, ensure proper sitting area and drinking water for beneficiaries (in case of large crowds).
- Follow the beneficiary payment protocols; checking the CNIC, Kash card and WFP payment token. Ensure that beneficiary enters PIN code him/herself or the Cooperating Partner representative guides them to do so.
- Supervise the transaction once it is shown in UBL database.
- Hand over total payment and make sure beneficiaries count the cash before he/she leaves the POS in order to maintain transparency.
- Enter records in register (manually) and take signature/thumb impression of beneficiaries after payment.
- Retain the CNIC copy for record.

Cooperating Partner’s responsibilities:
The Cooperating Partner has the following responsibilities:

- Conduct the initial assessment.
- Identify and register beneficiaries according to WFP’s pre-set beneficiary selection criteria.
- Identify activities in coordination and agreement with WFP’s staff and beneficiaries.
- Manage activities and maintain records for reference at the time of beneficiary payments.
- Make payment lists of beneficiaries engaged in CFW.
- Send the list to WFP Provincial office for validation and finalizing.
- Monitor the POS during the disbursement process and keep an eye open for any misappropriation.
- Manage crowd at the POS.
- Submit project reports to WFP.
VOUCHERS FOR SEEDS

“If CWS-P/A had not helped, I would have not been able to cultivate my land and would have to rely on the high interest rate loans from vendors with strict conditions. Beauty of the scheme was that we were free to purchase seeds of our choice during the market day” said Nazmeena. Nazmeena is a sixty-five year old woman from Jogar Garhi (a Village in Swat Valley, Khyber Pakhtunkhwa) and supports her family due to her husband’s illness.

For families like Nazmeena's that are heavily dependent on farming for food and income, loss of livelihoods due to natural or man-made disasters is devastating. Under the food security initiative of Church World Service-Pakistan/Afghanistan, Nazmeena was selected as one of the beneficiaries to receive a cash voucher for purchasing agricultural inputs on a ‘specific’ market day. Nazmeena was able to cultivate her land with maize, tomatoes, fresh beans, and cucumbers for home consumption. The excess vegetables were sold by her grandson in the market. Nazmeena's future plan also includes opening a small shop next to her house for her son so he could earn sustainable income.

Between 2010 and 2012, CWS-P/A has assisted 10,750 beneficiaries in Badin and Khairpur districts (in Sindh) and Swat district (in KP) with voucher schemes. More specifically, these cash voucher booklets amounted to either 10,000 or 15,000 PKR with denominations of 1,000, 500, 100, and 50 PKR. The total value of cash voucher was agreed with the community based on land-holding size and cultivation needs (seeds, fertilizers and tools).

Each voucher booklet distributed by CWS-P/A has a unique number and contains a cover page that displays the name and CNIC number of the beneficiary, date of redemption, and issuer's signature. Additionally, the vendor fills out a personal code and products purchased on leaflets within the booklet. The vendor facilitates beneficiaries as they present their CNICs and booklet that contain CWS-P/A’s stamp on each leaflet. A specimen of the issuer's signature is also shared with the vendors. The voucher booklet loses its validity if it is not redeemed on the specific date. Under exceptional circumstances, a beneficiary is allowed to nominate a family member (above the age of eighteen) to redeem the voucher on the market day. The vendor must also ensure that stock of goods are adequately kept in advance of the market day and maintain full business hours as per the agreement. The agreement also includes assisting CWS-P/A in
the installation of a complaint box, following health and safety procedures, and ensuring proper arrangements amongst others. In addition, the vendor must present all received vouchers and an invoice of sold items to a CWS-P/A staff member at the end of the market day for reimbursement.

The community members usually receive their voucher booklets in the presence of the village management committee. They are also informed about the market day along with other details. These details include the market rates of agricultural inputs, venue, and shop names. Because each beneficiary has unique and specific needs, the voucher scheme is preferred by the communities and is also a better utilization of resources than a traditional one-size fits all approach to distribution of commodities. To further assist communities in the recovery process and to offer income earning opportunities to non-farmers, CWS-P/A often integrates a Cash for Work component into its food security initiatives, where infrastructure such as farm to market roads and irrigation systems are rehabilitated.
SECTION 10

INTERVIEWS WITH BANKS AND TELECOMMUNICATION COMPANIES
10.1 INTERVIEWS WITH BANKS AND TELECOMMUNICATION COMPANIES

Interviews were conducted with a few banks including Muslim Commercial Bank Limited, Standard Chartered Bank (Pakistan) Limited, Tameer Microfinance Bank Limited, United Bank Limited and telecommunication companies including Telenor and Zong. Purpose of the interviews was to know their capacity in terms of branches in the country, payment instruments they can offer for transfer of cash and previous experience in cash transfer programming. The questionnaire provides an idea on some important aspects to consider and discuss with financial institutions prior to selecting the most appropriate delivery mechanism.

10.1.1 Muslim Commercial Bank Limited (MCB)

1. Where is MCB’s head office located?
   
   City: Islamabad

2. Where are MCB branches located in the country?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Province</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sindh</td>
<td>265</td>
</tr>
<tr>
<td>2.</td>
<td>Balochistan</td>
<td>40</td>
</tr>
<tr>
<td>3.</td>
<td>Khyber Pakhtunkhwa</td>
<td>115</td>
</tr>
<tr>
<td>4.</td>
<td>Federally Administered Tribal Areas</td>
<td>0</td>
</tr>
<tr>
<td>5.</td>
<td>Gilgit Baltistan</td>
<td>0</td>
</tr>
<tr>
<td>6.</td>
<td>Punjab</td>
<td>735</td>
</tr>
<tr>
<td></td>
<td>Total branches</td>
<td>1,181</td>
</tr>
</tbody>
</table>

Note:
1) MCB has nearly 1,200 branches throughout Pakistan, even in some very remote areas.
2) Status of branches as of January 2013.

3. Are branches easily accessible and safe to access, particularly for vulnerable groups?
   
   Yes

4. Do you have previous experience of working with humanitarian organizations or Government in cash transfer programming?

   Yes - If yes, please give details below:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the NGO/UN Agency/Government Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Oxfam GB</td>
</tr>
<tr>
<td>2.</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>3.</td>
<td>Canteen Stores Department</td>
</tr>
<tr>
<td>4.</td>
<td>Utility Store Corporation</td>
</tr>
</tbody>
</table>
5. What are the possible payment instruments and products your bank can offer for cash transfer?

<table>
<thead>
<tr>
<th>Check all that apply:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash cheques</td>
</tr>
<tr>
<td>Bank Accounts (for crossed cheques)</td>
</tr>
<tr>
<td>Prepaid debit cards</td>
</tr>
<tr>
<td>Self-generated vouchers/payment slips</td>
</tr>
<tr>
<td>Mobile branches (branchless banking)</td>
</tr>
<tr>
<td>Centralized (online) disbursement systems</td>
</tr>
<tr>
<td>Other, please specify: ____________</td>
</tr>
</tbody>
</table>

6. What type of identification is usually required from beneficiaries at the time of payment?

| Computerized National Identity Card (CNIC) |
| If CNIC is unavailable, what other forms of identification can be used? |
| Please specify: Passport, driving license or employment letter from employer. |

7. Where can cheques or other payment instruments be possibly distributed in a cash transfer programme?

| At village/community level (depending on terms and conditions agreed between MCB and the partnering organization.) |
| Outside the branch/pay point |
| Inside the bank/pay point premises. |
| Online |
| Other mode (mail through post, mobile messages, etc). |
| Please specify: ____________ |

8. Where does the bank intend to make payments?

| Within branch premises |
| Outside branch (depending on terms and conditions agreed between MCB and the partnering organization.) |
| Community/mobile payment centers. |
9. What is the average time for setting up entire cash transfer system through your bank?

Notes:
Setup includes opening bank accounts, adding signatories, ordering first batch of payment instruments, time spent on collecting and providing information necessary for using banks etc.

| i) Minimum Time: | 3 days |
| ii) Average time: | 7 days |
| iii) Maximum time: | 15 days |

10. Reliability and Breakdowns

External factors, for e.g.:
- Breakdown in communications network (unable to transmit mobile messages).
- Bank might have liquidity issues at remote locations.
- Banks run out of payment instruments at remote location (for e.g. unable to give cheque books).
- Cheques lost or un-presented by beneficiaries.

Internal factors, for e.g.
- Signatories to bank accounts are not on location to sign cheques.
- Insufficient balance in bank accounts.

List actions and solutions for every foreseeable problem, for e.g. when the bank runs out of cheque books – then possible actions might include: delaying payments, grouping subsequent installments to make one payment, alternative payment options etc.

External factors:
1. Political instability/strikes Solution/action: Switch to alternate location.
2. Earthquake/flood Solution/action: Switch to alternate location.
3. Availability of cash in far flung areas Solution/action: Arrange cash from nearby branch.

Internal factors:
1. Signatories to bank accounts are not on location to sign cheques.
   Solution/action: Maximum facilitation on relationship basis.
2. Insufficient balance in bank accounts
   Solution/action: Maximum facilitation on relationship basis.

11. Please provide name and contact details of the Focal Person for cash transfer programming at MCB that interested organizations can call for further information.

Name: Mr. Muhammad Usman Butt
Title: Relationship Manager
Tel: (Office):+92-51-8444410 | (Mobile): +92-300-9757520
Email: usmanbutt@mcb.com.pk
MCB website: www.mcb.com.pk/
### 10.1.2 Standard Chartered Bank (Pakistan) Limited

1. **Where is SCB’s head office located?**
   - City: Islamabad

2. **Where are SCB branches located in the country?**

<table>
<thead>
<tr>
<th>Province</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sindh</td>
<td>41</td>
</tr>
<tr>
<td>2. Balochistan</td>
<td>1</td>
</tr>
<tr>
<td>3. Khyber Pakhtunkhwa</td>
<td>7</td>
</tr>
<tr>
<td>4. Federally Administered Tribal Areas</td>
<td>0</td>
</tr>
<tr>
<td>5. Gilgit Baltistan</td>
<td>0</td>
</tr>
<tr>
<td>6. Punjab</td>
<td>73</td>
</tr>
<tr>
<td>7. Azad Jammu and Kashmir</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total branches</strong></td>
<td><strong>123</strong></td>
</tr>
</tbody>
</table>

**Note:**
1) Status of branches as of January 2013.
2) SCB has provided a list of its branches (available on CD with this document). However, SCB has partner arrangements with telecommunication companies and microfinance banks which can be utilized for transfer of cash.

3. **Are branches generally easily accessible and safe to access, particularly for vulnerable groups?**
   - [ ] No  [x] Yes

4. **Do you have previous experience of working with humanitarian organizations or Government in cash transfer programming?**
   - [ ] No  [x] Yes - If yes, please give details below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the NGO/UN Agency/Government Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>International Organization for Migration</td>
</tr>
<tr>
<td>2.</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>3.</td>
<td>World Food Programme</td>
</tr>
<tr>
<td>4.</td>
<td>Save the Children</td>
</tr>
<tr>
<td>5.</td>
<td>Diakonie Katastrophenhilfe</td>
</tr>
</tbody>
</table>
5. **What possible payment instruments and products can your bank offer for cash transfer?**

Check all that apply:
- [ ] Cash cheques  
- [ ] Order cheques  
- [ ] Bank Accounts (for crossed cheques)  
- [ ] Normal debit cards  
- [ ] Prepaid debit cards  
- [ ] Bank drafts  
- [ ] Self-generated vouchers/payment slips  
- [ ] Mobile ATM service vans  
- [ ] Mobile branches (branchless banking)  
- [ ] Mobile phone payments  
- [ ] Centralized (online) disbursement systems  
- [ ] Other, please specify: Prepaid debit cards, mobile branches and mobile phone payments are provided with partner network arrangement.

6. **What type of identification is usually required from beneficiaries at the time of payment?**

- [ ] Computerized National Identity Card (CNIC)

If CNIC is unavailable, what other forms of identification can be used?

Comment from SCB: CNIC is must for cash payments as per State Bank of Pakistan. For any other form of identification, prior approval from the State Bank is required.

7. **Where can cheques or other payment instruments be possibly distributed in a cash transfer programme?**

Notes:
If possible, cheques or other payment instruments should be distributed outside the bank or branch – this aids troubleshooting any problems on the spot and ensures all beneficiaries receive their entitlements quickly and helps avoid problems such as un-presented cheques and beneficiaries facing problems when cashing cheques after a few days.

- [ ] At village/community level
- [ ] Outside the branch/pay point
- [ ] Inside the bank/pay point premises.
- [ ] Online
- [ ] Other mode (mail through post, mobile messages, etc).

Please specify: Through mail and mobile messages.

8. **Where does the bank intend to make payments?**

- [ ] Within branch premises
- [ ] Outside branch
- [ ] Community/mobile payment centers
9. **What is the average time for setting up entire cash transfer system through your bank?**

**Notes:**
Setup includes opening bank accounts, adding signatories, ordering first batch of payment instruments, time spent on collecting and providing information necessary for using

| i) Minimum Time: | 3 weeks |
| ii) Average time: | 3-4 weeks |
| iii) Maximum time: | 4-5 weeks (depending upon scope of the project) |

10. **Reliability and Breakdowns**

   **External factors, for e.g.:**
   - Breakdown in communications network (unable to transmit mobile messages)
   - Bank might have liquidity issues at remote locations
   - Banks run out of payment instruments at remote location (for e.g. unable to give cheque books)
   - Cheques lost or un-presented by beneficiaries.

   **Internal factors, for e.g.:**
   - Signatories to bank accounts are not on location to sign cheques.
   - Insufficient balance in bank accounts.

   List actions and solutions for every foreseeable problem, for e.g. when the bank runs out of cheque books – then possible actions might include: delaying payments, grouping subsequent installments to make one payment, alternative payment options etc.

   **External factors:**
   1. **Communication breakdown** Solution/action: The Bank has backup servers in place for all communication servers as well as main banking servers. In case of any system outage or downtime, backup systems become operative. However, in case of mobile messages, the bank completely relies on the network service provider and their backup systems.
   2. **Liquidity issues** Solution/action: For every project, locations are identified before the start of the project and cash availability is ensured for those locations however in case of any unanticipated shortage of funds, funds can be instantaneously transferred through book transfer, Inter-Bank Electronic Funds Transfer (IBEFT) or Real-Time Gross Settlement (RTGS).
   3. **Shortage of cheque books** Solution/action: Through Straight2Bank (online system), cheques are automatically printed at the bank’s end and sufficient stationary is available to cater to the client’s needs however in case of manual cheques, urgent cheque books can be issued from the branches.

   **Internal factors:**
   1. **Signatory unavailability** Solution/action: Online payments
   2. **Insufficient balance** Solution/action: Immediate cash transfer through online banking or transfer instruction on fax/email.

11. **Please provide name and contact details of the focal person for cash transfer programming in your bank that organizations can call for further information.**

    | Name: Mr. Nabeel Baig / Mr. Sardar Esphandyar Khan |
    | Title: Associate / Director |
    | Tel: (Office): +92-51-8432326 or +92-51-8432324 |
    | Email: nabeel.baig@sc.com | sardar.esphandyar-khan@sc.com |
    | SCB website: www.standardchartered.com.pk/ |
### 10.1.3 Tameer Microfinance Bank Limited (TMFB)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Province</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sindh</td>
<td>32</td>
</tr>
<tr>
<td>2.</td>
<td>Balochistan</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Khyber Pakhtunkhwa</td>
<td>1</td>
</tr>
<tr>
<td>4.</td>
<td>Federally Administered Tribal Areas</td>
<td>0</td>
</tr>
<tr>
<td>5.</td>
<td>Gilgit Baltistan</td>
<td>0</td>
</tr>
<tr>
<td>6.</td>
<td>Punjab</td>
<td>46</td>
</tr>
<tr>
<td>7.</td>
<td>Azad Jammu and Kashmir</td>
<td>In process</td>
</tr>
<tr>
<td></td>
<td><strong>Total branches</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

**Note:**
1) Status of branches as of January 2013.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the NGO/UN Agency/Government Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CARE</td>
</tr>
<tr>
<td>2.</td>
<td>Action Against Hunger</td>
</tr>
<tr>
<td>3.</td>
<td>OXFAM GB</td>
</tr>
<tr>
<td>4.</td>
<td>International Rescue Committee</td>
</tr>
<tr>
<td>5.</td>
<td>Strengthening Participatory Organization</td>
</tr>
<tr>
<td>6.</td>
<td>Pakistan Government (Benazir Income Support Programme)</td>
</tr>
</tbody>
</table>
5. What possible payment instruments and products can your bank offer for cash transfer?

<table>
<thead>
<tr>
<th>Check all that apply;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash cheques</td>
</tr>
<tr>
<td>Bank Accounts (for crossed cheques)</td>
</tr>
<tr>
<td>Prepaid debit cards</td>
</tr>
<tr>
<td>Self-generated vouchers/payment slips</td>
</tr>
<tr>
<td>Mobile branches (branchless banking)</td>
</tr>
<tr>
<td>Centralized (online) disbursement systems</td>
</tr>
<tr>
<td>Other, please specify: Direct cash distribution through mobile cash vans.</td>
</tr>
</tbody>
</table>

Additional comment by Tameer bank: Bank drafts issued by NGOs are payable at any station through our mobile service vans.

6. What type of identification is usually required from beneficiaries at the time of payment?

- Computerized National Identity Card (CNIC)
- If CNIC is unavailable, what other forms of identification can be used: A unique identification number.

7. Where can cheques or other payment instruments be possibly distributed in a cash transfer programme?

- At village/community level
- Outside the branch/pay point
- Inside the bank/pay point premises.
- Online
- Other mode (mail through post, mobile messages, etc).

Please specify: Through nominal beneficiary role.

Notes:
If possible, cheques or other payment instruments should be distributed outside the bank or branch – this aids troubleshooting any problems on the spot and ensures all beneficiaries receive their entitlements quickly and helps avoid problems such as un-presented cheques and beneficiaries facing problems when cashing cheques after a few days.

8. Where does the bank intend to make payments?

- Within branch premises
- Outside branch
- Community/mobile payment centers
- Other, Please specify: Depending upon our customer's (partnering organization) needs.
### 9. What is the average time for setting up entire cash transfer system through your bank?

**Notes:**
Setup includes opening bank accounts, adding signatories, ordering first batch of payment instruments, time spent on collecting and providing information necessary for using banks etc.

<table>
<thead>
<tr>
<th>Time Type</th>
<th>Average Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Time</td>
<td>3 days</td>
</tr>
<tr>
<td>Average time</td>
<td>4 days</td>
</tr>
<tr>
<td>Maximum time</td>
<td>6 days</td>
</tr>
</tbody>
</table>

### 10. Reliability and Breakdowns

**External factors, for e.g.:**
- Breakdown in communications network (unable to transmit mobile messages)
- Bank might have liquidity issues at remote locations
- Banks run out of payment instruments at remote location (for e.g. unable to give cheque books)
- Cheques lost or un-presented by beneficiaries.

**Internal factors, for e.g.:**
- Signatories to bank accounts are not on location to sign cheques.
- Insufficient balance in bank accounts.

List actions and solutions for every foreseeable problem, for e.g. when the bank runs out of cheque books – then possible actions might include: delaying payments, grouping subsequent instalments to make one payment, alternative payment options etc.

**External factors:**
1. **Communication breakdown** Solution/action: Cash distribution through dedicated mobile cash vans.
2. **Liquidity issue** Solution/action: We arrange cash from our own branches.
3. **Loss of cheques** Solution/action: Stop leaf option available.

**Internal factors:**
Nil

### 11. Please provide name and contact details of the focal person for cash transfer programming in your bank that organizations can call for further information.

**Name:** Mr. Sajjad Ahmed  
**Title:** Head-Verification & Bank On Wheels  
**Tel:** (Office): +92-345-2594141  
**Email:** sajjad.ahmed@tameerbank.com  
**Tameer bank website:** www.tameerbank.com/
### 10.1.4 United Bank Limited

#### 1. Where is your head office located?
City: Karachi

#### 2. Where are the branches located in the country?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Province</th>
<th>Omni Presence in No. of Districts</th>
<th>Available Omni Agents</th>
<th>UBL Online Branch Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>AJK</td>
<td>9</td>
<td>281</td>
<td>44</td>
</tr>
<tr>
<td>2.</td>
<td>Gilgit Baltistan</td>
<td>6</td>
<td>41</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>Islamabad</td>
<td>2</td>
<td>101</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>Sindh</td>
<td>40</td>
<td>1,196</td>
<td>183</td>
</tr>
<tr>
<td>5.</td>
<td>Punjab</td>
<td>36</td>
<td>7,157</td>
<td>557</td>
</tr>
<tr>
<td>6.</td>
<td>KP</td>
<td>24</td>
<td>1,657</td>
<td>135</td>
</tr>
<tr>
<td>7.</td>
<td>FATA</td>
<td>9</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>8.</td>
<td>Balochistan</td>
<td>21</td>
<td>237</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>147</td>
<td>10,681</td>
<td>964</td>
</tr>
</tbody>
</table>

**Note:**
1) UBL has over 1,200 branches nationwide with retail network of 10,000 + branchless agents in over 650 cities of Pakistan and 450 ATMs.
2) Status of branches as of January 2013.

#### 3. Are branches generally easily accessible and safe to access, particularly for vulnerable groups?
- [ ] No
- [x] Yes

#### 4. Do you have previous experience working with humanitarian organizations or Government in cash transfer programming?

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the NGO/UN Agency/Government Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Government of Pakistan (BISP, Watan card, Pakistan card and cash support for IDP's in Swat and Attabad - GB).</td>
</tr>
<tr>
<td>2.</td>
<td>World Food Programme</td>
</tr>
<tr>
<td>3.</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>4.</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>5.</td>
<td>Microfinance disbursement and collection (Khushali, Kashf and Shore banks)</td>
</tr>
</tbody>
</table>
### 5. What possible payment instruments and products can your bank offer for cash transfer?

<table>
<thead>
<tr>
<th>Check all that apply:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash cheques</td>
</tr>
<tr>
<td>Order cheques</td>
</tr>
<tr>
<td>Bank Accounts (for crossed cheques)</td>
</tr>
<tr>
<td>Normal debit cards</td>
</tr>
<tr>
<td>Prepaid debit cards</td>
</tr>
<tr>
<td>Bank drafts</td>
</tr>
<tr>
<td>Self-generated vouchers/payment slips</td>
</tr>
<tr>
<td>Mobile ATM service vans</td>
</tr>
<tr>
<td>Mobile branches (branchless banking)</td>
</tr>
<tr>
<td>Mobile phone payments</td>
</tr>
<tr>
<td>Centralized (online) disbursement systems</td>
</tr>
<tr>
<td>Other, please specify:</td>
</tr>
<tr>
<td>• Pioneer in issuing “No name ATM Cards” from our retail outlets.</td>
</tr>
<tr>
<td>• P2P transfers.</td>
</tr>
</tbody>
</table>

### 6. What type of identification is usually required from beneficiaries at the time of payment

- Computerized National Identity Card (CNIC)
- If CNIC is unavailable, what other forms of identification can be used:

  Payment is not made without CNIC for transparency’s sake.

### 7. Where can cheques or other payment instruments be possibly distributed in a cash transfer programme?

- At village/community level
- Outside the branch/pay point
- Inside the bank/pay point premises.
- Online
- Other mode (mail through post, mobile messages, etc).

Notes: If possible, cheques or other payment instruments should be distributed outside the bank or branch – this aids troubleshooting any problems on the spot and ensures all beneficiaries receive their entitlements quickly and helps avoid problems such as un-presented cheques and beneficiaries facing problems when cashing cheques after a few days.

Please specify: As per requirement by the customer/partner organization.

### 8. Where does the bank intend to make payments?

- Within branch premises
- Outside branch
- Community/mobile payment centers
- Other, Please specify: Specified retail outlets.
9. **What is the average time for setting up entire cash transfer system through your bank?**

**Notes:**
Setup includes opening bank accounts, adding signatories, ordering first batch of payment instruments, time spent on collecting and providing information necessary for using banks etc.

| i) Minimum Time: | 2 working days |
| ii) Average time: | 3 working days |
| iii) Maximum time: | 5 working days |

10. **Reliability and Breakdowns**

**External factors,** for e.g.:
- Breakdown in communications network (unable to transmit mobile messages)
- Bank might have liquidity issues at remote locations
- Banks run out of payment instruments at remote location (for e.g. unable to give cheque books)
- Cheques lost or un-presented by beneficiaries.

**Internal factors,** for e.g.
- Signatories to bank accounts are not on location to sign cheques.
- Insufficient balance in bank accounts.

List actions and solutions for every foreseeable problem, for e.g. when the bank runs out of cheque books – then possible actions might include:
- delaying payments, grouping subsequent instalments to make one payment, alternative payment options etc.

**External factors:**
1. **Communication network (mobile)** Solution/action: UBL Omni (branchless banking) is telco agnostic and can operate on all mobile networks. We are available both on web and mobile.
2. **Liquidity issue** Solution/action: UBL has Liquidity Support Programme to address this issue via mega agents.

**Internal factors:**
1. **Availability of signatories** Solution/action: UBL has back up in branches along with facility of online banking.
2. **Insufficient balance** Solution/action: Through branchless banking, real time transactions are conducted and we work on prefunded models in BB.

11. **Please provide name and contact details of the focal person for cash transfer programming in your bank that organizations can call for further information.**

**Name:** Mr. Khurram Rezvi  
**Title:** Executive Vice President/Head Products and Technology  
**Tel (Office):** +92-21-990332953  
**Email:** Khurram.rezvi@ubl.com.pk  
or  
**Name:** Ms. Saima Nazir  
**Title:** Manager Special Projects-North  
**Tel (Office):** +92-51-90332826  
**Email:** saima.nazir@ubl.com.pk  
**UBL website:** www.ubl.com.pk/
### 10.1.5 Telenor Pakistan

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Care International</td>
</tr>
<tr>
<td>2.</td>
<td>Pakistan Government (Benazir Income Support Programme)</td>
</tr>
<tr>
<td>3.</td>
<td>Pakistan Government (Employees' Old Age Benefits)</td>
</tr>
<tr>
<td>4.</td>
<td>Small and Medium Enterprise Development Authority</td>
</tr>
</tbody>
</table>

1. **Where is your head office located?**
   - City: Islamabad

2. **Where is your branchless banking/Telenor Easypaisa outlets located in the country?**
   - City-wise data on outlets is available on Telenor's Easypaisa website (http://www.easypaisa.com.pk/)

3. **Are Easypaisa outlets generally easily accessible and safe to access, particularly for vulnerable groups?**
   - ✗ No  ✅ Yes

4. **Do you have previous experience working with humanitarian organizations or Government in cash transfer programming**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Care International</td>
</tr>
<tr>
<td>2.</td>
<td>Pakistan Government (Benazir Income Support Programme)</td>
</tr>
<tr>
<td>3.</td>
<td>Pakistan Government (Employees' Old Age Benefits)</td>
</tr>
<tr>
<td>4.</td>
<td>Small and Medium Enterprise Development Authority</td>
</tr>
</tbody>
</table>

5. **What possible payment instruments other than Easypaisa can Telenor offer for transfer of Cash/Vouchers?**
   - Only Easypaisa through: (a) Easypaisa mobile account (b) CNIC

6. **What is the average time for setting up entire cash transfer system through Telenor – considering all services for preparation to implementation of the cash transfer needed from Telenor?**
   - It depends on the exact requirement (and types of solution) and cannot be committed in advance but as per experience estimates are below:
     - Minimum Time: 1 week
     - Average time: 3 weeks
     - Maximum time: 5 weeks

   **Note:** These are timelines from past experiences, however timelines depend on exact requirements.

7. **Contingency planning for possible breakdowns**
   - List actions and solutions for every foreseeable problem, for e.g. when the bank runs out of cheque books – then possible actions might include: delaying payments, grouping subsequent instalments to make one payment, alternative payment options etc.
   - **Note:** For all expected scenarios we have pre-defined action plans however, for unavoidable circumstances like closure of networks, law and order situation, strikes etc, our hands are tied as of other organizations.

   **External factors:**
   1. Area/city closed due to strike/Solution/action: Location of all Easypaisa retailers can be accessed through website or our help line. (+92-city code-111 345 700) can guide the other nearest available retailer in the surroundings.
## Internal factors:

1. **Easy paisa retailer closed**  
   Solution/action: Easy paisa can quickly setup a new retailer as we have a pool of over 150K GSM retailers which can be converted to Easy paisa retailers.

2. **Cash not available at retailers**  
   Solution/action: We have a complete team available on ground called Sales and Distribution (SnD) which on short notice can resolve all on-ground issues; In addition there are parent franchises which are monitoring/supporting these retailers for all such issues.

### 8. Please provide name and contact details of the focal person for easy paisa/branchless banking in Telenor that organizations can call for further information

Name: Mr. Sharjeel Abdullah Khan  
Tel. (Mobile): +92-345-2001180  
Email: sharjeel.abdullah@telenor.com.pk  
### 10.1.6 Zong

1. **Where is your head office located?**
   - City: Islamabad

2. **Where are your branchless banking/Timepey outlets located in the country?**
   - | S. No. | Province                         | Branches |
     |-------|----------------------------------|----------|
     | 1.    | Sindh                            | 296      |
     | 2.    | Balochistan                      | 154      |
     | 3.    | Khyber Pakhtunkhwa               | 526      |
     | 4.    | Federally Administered Tribal Areas | 0        |
     | 5.    | Gilgit Baltistan                 | 0        |
     | 6.    | Punjab                           | 1,161    |
   - **Total branches**: 2,331

   **Note:**
   1) Status of branches as of January 2013.

3. **Are Timepey outlets generally easily accessible and safe to access, particularly for vulnerable groups?**
   - No □ Yes ☑

4. **Do you have previous experience working with humanitarian organizations or Government in cash transfer programming?**
   - **Note:**
   Zong has cash transfer products available, but in context of humanitarian assistance it has not been implemented yet with any humanitarian organization.

5. **What possible payment instruments other than Timepey can Zong offer for transfer of Cash/Vouchers?**
   - Only Timepey through: (a) Timepey Account (b) CNIC

6. **What is the average time for setting up entire cash transfer system through Zong – considering all services for preparation to implementation of the cash transfer needed from Zong?**
   - Through Timepey account: *If the transactions are going to made using Timepey accounts for beneficiaries then the maximum time required is 7 working days for account opening.*
   - Through CNIC: *If the transactions are going to made using CNIC for the beneficiary, it requires no time and can be made available at any time.*
   - Customized requirement: *Customization can be made available for which the time required will depend on the customer’s requirement.*
7. **Contingency planning for possible breakdowns**

External factors, for e.g.;
- Breakdown in communications network (unable to transmit mobile messages)
- Unavailability or closure of easy paisa outlets due to unforeseen circumstances

List actions and solutions for every foreseeable problem, for e.g. when the bank runs out of cheque books – then possible actions might include: delaying payments, grouping subsequent instalments to make one payment, alternative payment options etc.

**External factors:**

1. **Closure of retail outlets**
   Solution/action: Company operated outlets (Customer service centres, Franchises and Askari Bank Limited branches) will remain open other than public holidays.

**Internal factors:**

1. **Network Issues**
   Solution/action: In case of any network issues, we have a comprehensive redundancy plan i.e. in case of data communication failure, the traffic will automatically be routed to the backup link which will have no effect on the transaction and will ensure that data communication is not effected in case of any network issues.

8. **Please provide name and contact details of the focal person for easy paisa/branchless banking in Zong that organizations can call for further information**

Name: Mr. Waseeq Israr Qureshi
Title: Mobile Financial Services Executive
Tel: (Mobile): +92-314-7776699
Email: waseeq.israr@zong.com.pk
Zong website: www.zong.com.pk
SECTION 11

ADDITIONAL RESOURCES
11.1 LIST OF ADDITIONAL RESOURCES

The compact disc available with these guidelines includes some useful resources as follows:

- New Technologies in Cash Transfer Programming and Humanitarian Assistance - A study by Concern Worldwide, Oxford Policy Management (OPM) and the Partnership for Research in International Affairs and Development (PRIAD)
- The Use of Cash and Vouchers in Humanitarian Crises (DG ECHO)
- Guidelines for Cash Transfer Programming (Red Cross and Red Crescent Societies)
- Cash Transfer Programming in Emergencies (OXFAM GB)
- Cash and Vouchers Manual (WFP)
- Implementing Cash-Based interventions – A Guideline for Aid Workers (ACF)
- The Use of Cash Transfers in Livestock Emergencies and their Incorporation into Livestock Emergency Guidelines and Standards (FAO)
- Livestock Emergency Guidelines and Standards (LEGS)
- Beneficiary Selection and Targeting Inter-Sectoral Guidelines for Pakistan
- Emergency Market Mapping & Analysis (EMMA) - Pakistan Flood Response (2010 floods)
- Detailed Livelihood Assessment in 28 Flood-Affected Districts of Pakistan (2010 floods)
- Detailed Food Security Assessment (2012 floods)
- Livelihood Recovery Appraisal of Households Affected by Flooding in 2010 and 2011 in Sindh and Balochistan
- Muslim Commercial Bank Limited (List of branches as of January 2013)
- Standard Chartered Bank Pakistan Limited (List of branches as of January 2013)
- Tameer Microfinance Bank Limited (List of branches as of January 2013)
- United Bank Limited (List of branches and OMNI outlets as of January 2013)
- Zong (List of agents as of January 2013)

The following websites also provide useful information on cash/voucher transfer programming:

- The Cash Learning Partnership
  www.cashlearning.org
  www.spherehandbook.org
- Emergency Market Mapping and Analysis Toolkit (EMMA)
  Emma-toolkit.org