

RC/RC Movement Cash Peer Working Group
Ottawa, Canada; October 6-7 2016

Participants attended:

1. American RC – Wendy Brightman
2. British RC – Finbarr Sweeney
3. Canadian RC – Ange Sawh
4. Canadian RC – Edith da Costa
5. Canadian RC – Maria Chedrese
6. Danish RC – Lisbet Elvekjaer
7. ICRC – Jules Amoti
8. IFRC Secretariat – Cristina Estrada
9. CPWG Coordinator – Clara Setiawan
10. Netherlands RC – Wilma Ter Heege
11. Philippines RC – Resty Lou Tamalayan
12. Swiss/Austrian/German RC – Anne-Katherine Moore
13. Swiss/Austrian/German RC – Wolfgang Klug

Guest participants

1. Canadian RC – JP Taschereau



Patricia Nhauro purchasing food items using her mobile money transfer

Zimbabwe Red Cross (2016)

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1. General CPWG

This CPWG meeting took place in Ottawa, Canada and hosted by the Canadian Red Cross. It was evident that momentum is increasing for cash within the Movement that is observed by the CPWG globally and within each respective member National Societies that was further reinforced by the Movement's commitment response at the World Humanitarian Summit and the Grand Bargain. It has come to a point where we need to follow-through with our commitments now and invest in scaling up cash or risk lagging behind. This highlights the importance of the Movement cash strategy document and the upcoming IFRC cash review.

A recurring theme emerging in the discussions is the use of innovation in the humanitarian sector, particularly in cash as it is also seen as an 'innovative response'. However, we must be wary to not be swept away by the hype of innovation and instead capitalise on innovative solutions to address the problems we've identified.

Membership of the CPWG was also reviewed and was agreed that new National Societies will be invited based on to better represent the regions based on CTP experience (using the IFRC cash statistics) and on the criterion set in the CPWG TOR.

Next CPWG

The next CPWG meeting is scheduled for the week of February 27, 2017 in Geneva, Switzerland hosted by the ICRC. It is also planned that a one-day learning event will be attached at the end of this meeting to engage key senior management and partners by showcasing the progress to date and the ways forward to continue increasing our institutional capacity in CTP. Outcomes of the IFRC cash review and presentation of the Movement cash strategy would be expected at this event.

Summary of the CPWG progress

The following members were welcomed to their first CPWG meeting:

- American Red Cross – **Wendy Brightman**
- Austrian Red Cross – **Wolfgang Klug**
- Canadian Red Cross – **Edith da Costa**
- Philippines Red Cross – **Resty Lou Tamalayan**

Updates and progress since the last CPWG meeting in May 2016:

- RAM face-to-face training developed
 - Piloted in Damascus, Syria (August)
- Market analysis guidance (MAG) translated into FR, SP, AR
- PECT training conducted
 - American Red Cross – Bangkok, Thailand (May)
 - Danish Red Cross – Tisvildeleje, Denmark (September)
- Online CTP moodle courses conducted (EN, FR, SP)
- New CiE toolkit website launched (www.rcmcash.org)
- CTP preparedness (updated table in annex)
 - British RC put in place a CTP delegate in West Africa to cover 3 NS in the Sahel region
 - American RC piloted MasterCard Send (beta-version of a new humanitarian service) in Indonesia and developed a 2-year cash plan with Myanmar RC
 - ICRC present in Nigeria and Philippines

- Danish RC will also begin CTP preparedness work in Malawi in addition to Pakistan and Mali
- Netherlands RC have a recently approved response preparedness proposal which would include CTP preparedness with Zambia RC, Mali RC, Lebanon RC
- Swiss RC is looking into doing CTP preparedness in Kyrgyzstan
- Philippines RC will be directly deploying support in the region to Timor Leste
- [WHS & Grand Bargain outcome](#)
 - Movement pledged to “scale up the use of cash transfer programmes where appropriate, by developing a predictable cash response model that can guarantee global, regional and national capacity to deliver cash transfer programming where it is needed most”.
- Regional payment mechanism tender (pre-paid cards) in the Americas region is underway

Planned CTP trainings 2017

Planned CTP trainings in 2017 were discussed though are all to be confirmed. Below is a summary table of *planned* trainings. Organisers are reminded and encouraged to open a portion of their seats to other Movement members whenever possible.

	Q1	Q2	Q3	Q4	Time undetermined
Level 2	Finnish RC: x1	Canadian RC: x1		American RC: x1 (for ERUs – likely closed) Finnish RC: x1	British RC: x1
PECT		ICRC: x1		ICRC: x1	British RC: x1 Canadian RC: x1
		American RC: x1 (EN) x1 (SP – in LAC)			
	Austrian/Swiss/German RC: x1				
RAM					ICRC: delegation level

Greece operation summary



It is recognised that the Greece operation was and remains a challenging context for cash. In a context where systems and infrastructures should all be functioning, **the Greece operation has exposed our weaknesses and shortfalls in our systems to scale up cash.** However, with a long-term CTP delegate and a FSP agreement in place, the first pilot distribution is planned for October 2016 with plans for expansion into camps in the North after the system is tested. An after-action review is planned to unpack this further which will likely warrant its own session at the next CPWG meeting.

In the meantime, preliminary learnings were shared:

	Challenge	Learnings
Tools and templates	<ul style="list-style-type: none"> IFRC procurement tools and templates are not built for financial service providers (FSPs) which caused delays having to develop while procuring 	<ul style="list-style-type: none"> Modify/develop appropriate templates/tools for the toolkit: <ul style="list-style-type: none"> ○ Scope of work ○ Requirements template ○ Supplier response template ○ Supplier pricing template ○ Supplier evaluation and comparative bid analysis (CBA) form
Human resources	<ul style="list-style-type: none"> CTP delegates are not familiar with the procurement process causing delayed tender launch CTP delegates were not briefed at Geneva prior to deployment 	<ul style="list-style-type: none"> A brief procurement element is now included in PECT An online FSP procurement course for delegates Briefings at Geneva should be prioritised even if it means a 1-2 day delay to arriving in country
Functionality requirements	<ul style="list-style-type: none"> Lack of flexibility in the tender/procurement process that doesn't allow for any adaptation of the requirements without restarting the process There are a range of product, functionality and services which makes it challenging to write the requirements and evaluate/compare bids 	<ul style="list-style-type: none"> Continue discussions with logistics and FSPs to refine the procurement process for FSPs
Procurement decision making and information management	<ul style="list-style-type: none"> IFRC cash based programming SOPs are not well known causing unnecessary debates and documentation requests on points already previously agreed 	<ul style="list-style-type: none"> Some points of the IFRC cash based programming SOPs need to be detailed Sensitisation of the IFRC cash based programming SOPs need to be done across functions and regions
Supplier evaluation	<ul style="list-style-type: none"> No standardised way to evaluate "non-traditional suppliers" (e.g. not banks) 	<ul style="list-style-type: none"> Tap into ELAN (Electronic Cash Transfer Learning Action Network) on Continue discussions with finance and FSPs to determine an adequate way of assessing supplier and solution suitability

2. IFRC updates

IFRC structure

The IFRC has recently gone through an organisational restructure which has **left the CTP team in tact with four positions under the Response & Recovery unit**. The new structure attempts to make the Secretariat more streamlined with the idea that Geneva would be more visionary and for the regions to become the implementers. **Although no formal announcements have been made regarding the relief file, it is not forgotten and it can be assumed that this file will sit within the Response & Recovery unit**. Moving forward, the Response & Recovery unit believe that there should no longer be independent processes between cash and relief to create one multimodal approach. Any further developments will be shared with the CPWG.

The new organigram of the Disaster Crisis Prevention, Response and Recovery (DCPRR) Department is available on [FedNet](#).

IFRC cash review

As part of IFRC's pledge to scale up CTP, a review has been commissioned by the Under Secretary General (USG) of Programmes & Services Division to objectively devise a business plan to ensure that the IFRC is fit for purpose to meet its commitment to significantly scale up CTP. **The purpose of this review is not to evidence whether or not to use cash, but rather how quickly such programming can be brought to scale**. The review will meet the following objectives:

- 1) Define measurable ambition for the IFRC in CTP along with global commitments that can be agreed and communicated to key stakeholders within and outside of the Movement.
- 2) Take stock of where the IFRC is currently in terms of enabling systems, tools, resources and coordination/communication highlighting foundations to be built upon and main blockages to transformational change.
- 3) Define a business plan with a key roadmap for how the ambition can be reached over the next 4-5 years.

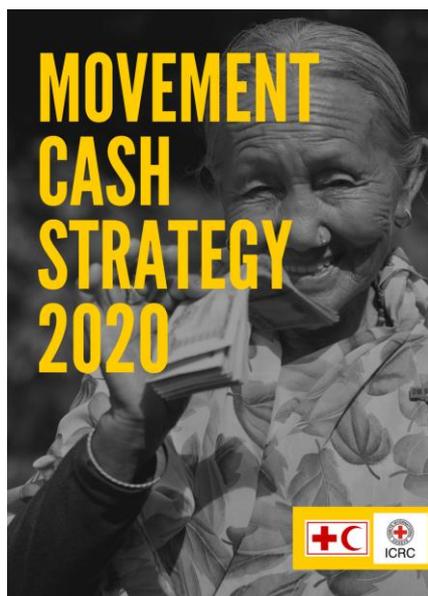
Thanks to the support of Swiss RC and British RC and input from the CPWG, the TOR for the review has been drafted. IFRC would like to take an approach like a real-time evaluation for this review combining views from headquarters and the field (operational examples include Greece; Panama (before/after having a CTP delegate, regional payment systems and CTP users in DREFs); Haiyan and Nepal).

IFRC will consolidate comments and finalise for approval from the USG. Ideally, we'd like to have this review happen as soon as possible, but will need to balance with securing the right profiles to conduct a robust review that will give practical recommendations that is both strategic and operational. Strong candidates have been identified, but their availability needs to be confirmed.

ACTION POINTS:

- IFRC Geneva will consolidate comments and finalise the TOR for approval from the USG
- CPWG to put forward strong candidates to do this review so that we can approach them for availability

Movement cash strategy



It was agreed that although the IFRC cash review will help finalise the Movement strategy, it needs to be done in parallel to inform the ambition and direction of the IFRC cash review. A subgroup has been tasked to draft this and preliminary brainstorming has been done. However, the reality is that no dedicated person can be tasked to write and articulate the strategy paper further due to everyone's workload.

Therefore, with the support of British RC, a consultant will be contracted to draft the strategy. This person will take into consideration the first draft of the Movement Strategy, the British RC draft strategy paper and input/direction from the strategy subgroup. A candidate has been identified and a TOR for this work is being drafted. As of October 20, a consultant has been secured to undertake this work to be completed by the end of the year.

The Movement Strategy will be shared with the CPWG for feedback and the advocacy subgroup will recommence again after finalisation.

ACTION POINTS:

- Strategy subgroup to support consultant in finalising the strategy paper
- IFRC Geneva to ensure the strategy paper is fed into the cash review for consideration

3. Market assessments

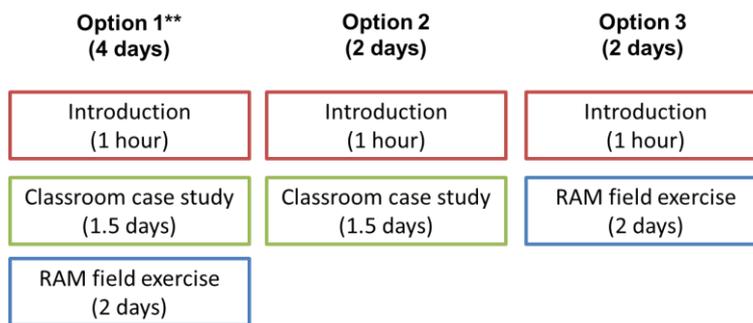
RAM face-to-face training and pilot



Complementary to the existing online courses ([Market assessments: Introduction](#) and [Market assessments: RAM](#)), the RAM face-to-face training was developed to grow people who can:

- *lead* rapid market assessments in different humanitarian contexts
- *plan, implement and analyse* market assessments utilising the Movement RAM tool
- *discuss* best practice in including market assessments as part of the response option analysis within the Movement

The **training materials are made up of three modules** (introduction to markets, classroom based case study and field exercise) **which would take 4 days in total in its entirety**. Although the full training (Option 1) is highly recommended, the training is modular so that it could be adjusted to suit the context. Option 2 (e.g. in the context of ERU refreshers) and 3 (e.g. in the context of a live operation) could be considered if time is restricted and depending whether there are viable market places to conduct a field exercise or not.



With Movement support, the training materials was developed and piloted for the first time in Damascus, Syria on August 29 – September 2. Twenty-seven participants made up of Syrian Arab Red Crescent (SARC) Disaster Management and Livelihoods Programme Coordinators from both branches and SARC headquarters; ICRC EcoSec field officers; IFRC delegates; and British RC programme manager attended the training.

Overall, the training went well and feedback from the participants have been very positive.¹ Feedback from the participants and the facilitators have been collated and incorporated into the revised materials. The materials are currently available in English and Arabic with plans to translate the materials into French and Spanish by the end of 2016.

ACTION POINTS:

- Continue roll-out of RAM trainings to requesting NS for the time being
- Re-initiate discussion with relief/logs ERU groups on how to grow this competency

4. Forecast-based financing

Although not a new concept in the Movement, [forecast-based financing](#) (FbF) formalises the processes and methodologies to prepare, deliver and respond in a more effective and efficient manner based on national and international hydro-meteorological forecasts. **By defining threshold danger levels, predefined early actions can be automatically triggered so that actions can be taken before the impact of the disaster and can strengthen resilience, both for institutions and communities.**

HOW DO WE GET FROM THIS...



TO THIS...



¹ See "Report of pilot training on RAM" for details

Depending on the lead time to the imminent crisis, the early actions could range from community awareness and installation of brigades for early warning; strengthening and protecting homes at risk of collapse; distribution of temporary housing; to early evacuation.

Typically, humanitarian agencies respond to a disaster after the event has already happened and when many of the losses have already been incurred. In the context of cash, post-event cash can help recipients buy back some of their assets and avoid some of the most negative coping strategies. However, as part of FbF, there is opportunity for us to distribute pre-disaster grants as an early action, for example, to transport valuable assets out of the flooding situation, avoiding the loss of these items altogether for a small transport fee. Other potential uses could be to make temporary fortifications to their homes and salvage a portion of their crops.

An FbF pilot in Bangladesh suggests that **every dollar invested in the programme would save three dollars in losses for the vulnerable population**. Preliminary learnings also include the need to proactively couple pre-disaster grants with awareness raising to highlight what preventative actions can be done with the funds that would help reduce the risk from the imminent disaster instead of spending it on immediate needs. Regardless, it is arguable that any early actions are never entirely wasted even at times of imperfect forecasts because the final losses incurred by the affected population will still be reduced over time. Further explorations of cash applications with FbF is worthwhile especially in the context of slow-onset disasters where there are longer lead times and better accuracy of predictions from the Climate Centre.

Within the CPWG, several members are involved in this initiative. Led by the Red Cross Red Crescent Climate Centre established by the Netherlands RC and the IFRC provides expert guidance on climate forecasts. **FbF initiatives are also being implemented in similar countries where CTP preparedness activities are taking place**. Philippines RC was selected as one of the FbF countries and Mali RC, where Danish RC are doing CTP preparedness work, was also selected as one of the FbF countries. Where there is overlap, there is real potential to collaborate as cash as an early action in FbF is not possible without CTP preparedness and the objectives of CTP preparedness is to be able to implement cash rapidly which could be pre-disaster (where appropriate) or post-disaster.

ACTION POINTS:

- IFRC Geneva to connect with the Red Cross Red Crescent Climate Centre to cross map FbF and CTP preparedness activities
- Any CPWG members involved with FbF to share learnings

5. Innovations/trends

This session stemmed out of the fact that there has been a large increase in interest and activity around innovation in the humanitarian sector. CPWG members at times find themselves overwhelmed with requests from senior management who have been directly approached by private sectors on new products and services offered. Some of the identified innovation and trends include:

- database management systems (DBMS)
- financial inclusion
- forecast-based financing
- single platform
- tapping into existing social safety net systems

- peer-to-peer cash
- Blockchain technology
- electronic currency (e.g. Bitcoin)
- aggregators or systems to allow interoperability between providers

It was agreed that it is impossible to be actively involved in all topics, but the CPWG needs to remain abreast of all the developments in all topics to justify our engagement or intentional uninvolved in a particular topic. It became clear that some are more worthwhile to follow than others.

A key shift in the approach to innovation agreed within the CPWG is **to ensure that we first identify the problem for which we seek innovative solutions for – not the other way around**. This is to ensure that we are not solely driven by the hype of innovation and that these innovations are providing improved solutions that are actually needed.

By framing the approach this way, one of the key issue that needs to be solved is the repeated issue on the lack of a database management system (DBMS). It should be clarified that although the issue is seen within the beneficiary registration process, tools like ODK offers a viable solution for the data collection component and the problem lies in the fact that there doesn't exist a DBMS. There have been attempts to develop our own solution as well as exploring other "off-the-shelf" solutions (e.g. LMMS, Scope, Magpi). One of the solutions include [Segovia](#) who has approached several CPWG members individually in the past year. There is clear interest to try out this solution and collaborate with the intention to eventually negotiate collectively or establish a partnership as the Movement if the solution is proven viable.

For this reason, **it's been agreed that a new subgroup on DBMS is to be created to tackle this issue in scaling up CTP**. This will be comprised of the original group who had taken the initial call with Segovia (British RC, American RC, IFRC, ICRC, Canadian RC). This group will be tasked to explore Segovia as a solution with the potential of using this in the Greece operation and provide an update of comparative solutions.

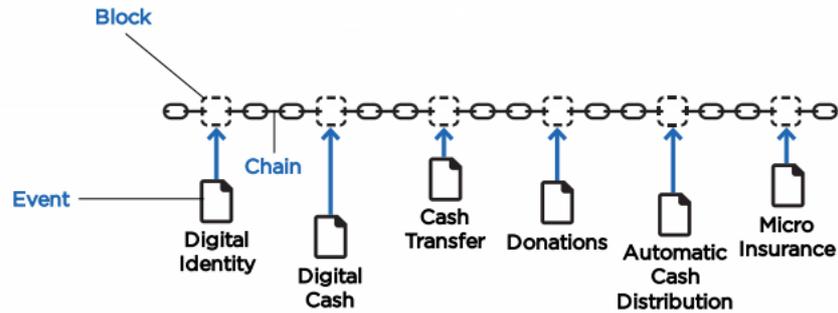
Furthermore, **we recognise that some CPWG members have "innovation" personnel (e.g. American RC, IFRC Geneva, IFRC Americas) who we should encourage to coordinate their activities** so that they are not duplicating efforts and that the Movement has more of a collective analysis on all the different innovative initiatives.

ACTION POINTS:

- A new 'database management system' (DBMS) subgroup to be created and invite identified leaders (e.g. Spanish RC) into the DBMS subgroup
- IFRC Geneva to follow-up with WB on tasking American RC's innovation team to research some potential solutions
- IFRC Geneva to connect their innovations team here with other innovation personnel to collectively look at solutions

Blockchain technology

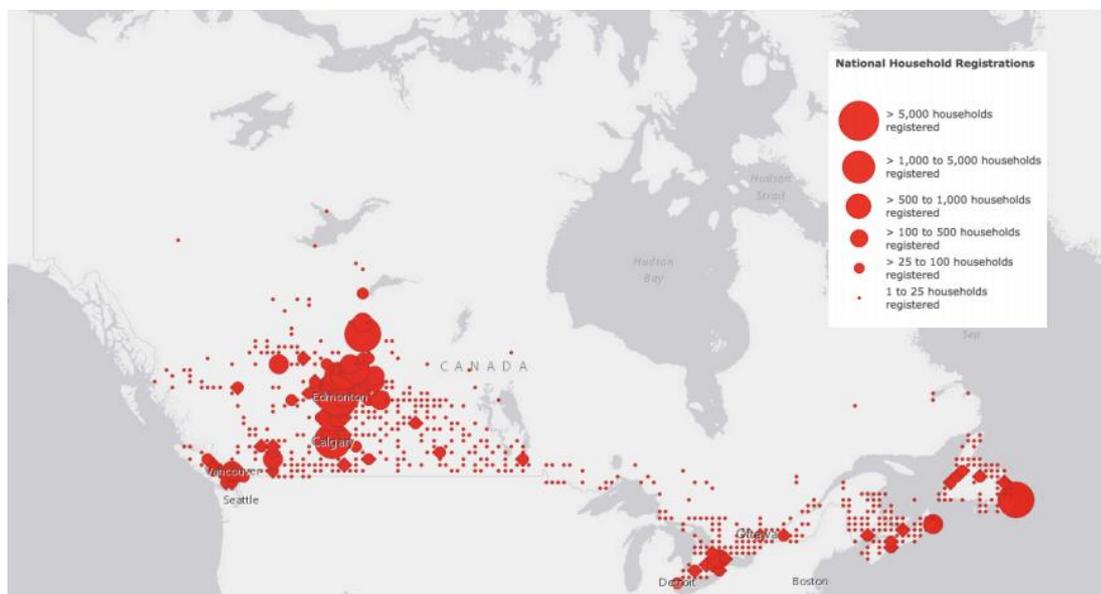
A presentation was given on blockchain technology by [AID:Tech](#). **A blockchain is a technology that allows people who don't know each other to trust a shared record of events** which could be the creation of a digital identity or a cash transfer. By distributing the shared ledger (a recorded event) in a network who use their computers to validate transactions, the technology removes the need for a third party to intermediate and provides a more secure system for transactions.



Though it offers a more secure system, it does not offer solutions to the typical bottlenecks of CTP around beneficiary targeting/selection, DBMS and having agreements with financial service providers. Blockchain doesn't seem to offer the solution needed to scale up unconditional cash, but could be a potential solution to explore in the context of FbF (where pre-registrations and pre-agreements can be done in peacetime) and when exploring voucher-type solutions.

6. Canadian Red Cross – Alberta wildfire response

In early May, a wildfire tore through Fort McMurray, Alberta and its surrounding areas forcing more than 80,000 people to evacuate through smoke and fire to reach safety. In the largest wildfire evacuation in the province's history, many residents were left with almost nothing. Due to the nature of the oil and gas industry in Fort McMurray, a large portion of the population were transient workers which meant they were not registered within the provincial or regional municipality (resulting in challenges for authentication), as well as a country-wide dispersing of evacuees (resulting in challenges for outreach).



With rapidly growing needs and unprecedented mobilisation of public support, the Canadian RC announced, a week after the evacuations, of their Electronic Fund Transfer (EFT) programme where \$50 million in emergency assistance would be distributed primarily through electronic transfers to meet immediate needs. **Within 48 hours of this announcement, close to \$40 million was distributed to 39,000 households affected by the wildfire.**

By utilising the EFT system, money can be transferred directly into the recipient's bank account with only their email address. This delivery mechanism assumes that the recipient has a bank account and is familiar with online banking. Other delivery mechanisms (e.g. bank checks, post office) were also used to accommodate those without email or online banking. Some of the unique enabling factors of this success include:

- adaptive leadership and innovation who were risk tolerant
- risk management in place
- right people, experience, skills and competencies existing within Canadian RC
- new approach to digital based assistance which involves the creation of remote components (e.g. online self-registration portal, remote communication via tele-casework)

The cash response seen in this operation is the kind of scale and rapidity, we as the Movement would like to replicate globally. Lessons learned from this EFT operation is captured and highlighted:

- **increased reliance on accurate and clean data:** coming back again to the need for a database management system.
- **restricted authentication mechanisms:** due to existing privacy laws and the remote nature of digital based assistance
- **a new profile of surge capacity:** to deal with the large number of individual cases
- **importance of mitigating controls for fraud prevention:** particularly when physical interaction is minimised

Annex 1. CPWG preparedness mapping as of 01/11/2016 (preparedness activities underway indicated by *)

Country	American Red Cross	British Red Cross	Danish Red Cross	ICRC	IFRC	Netherlands Red Cross	Swiss Red Cross
Africa							
CAR						x	
Guinea			x				
Kenya		x					
Malawi			x*				
Mali			x*			x	
Nigeria				x*			
Rwanda	x*						
Senegal		x					
South Sudan							
Tanzania	x						
Zambia						x	
Zimbabwe	x	x					
West Africa		x					
Americas							
Columbia	x						
El Salvador	x						
Honduras	x						
Peru	x*						
Asia Pacific							
Bangladesh	x	x			x		
Fiji ("Pacific")					x		
Indonesia	x*				x		
Kyrgyzstan							x
Myanmar	x*		x				
Nepal	x	x	x		x		
Pakistan		x	x*		x		
Philippines		x		x*	x*		
Viet Nam					x		
Europe & Central Asia							
Armenia			x				
Belarus							
Georgia			x				
Greece							
Ukraine							
MENA							
Gaza strip				x			
Jordan							
Lebanon		x				x	
Palestine						x	