

# Chilean Red Cross

## Cash transfer preparedness pilot



Chilean Red Cross staff and volunteers complete face-to-face training in cash transfer programming.

### Introduction

The International Federation of Red Cross and Red Crescent Societies (IFRC), with funding from the European Commission Humanitarian Aid Office and Danish Red Cross, started a project to pilot an intensive capacity building approach for cash transfer programming in four National Societies<sup>1</sup> through a preparedness lens. The IFRC worked with the four pilot countries between May 2012 and December 2013 to enable the National Societies to use cash transfer programming to address relief needs at scale, implementing it more rapidly and targeting a larger number of households. The Chilean Red Cross was one of the four National Societies chosen for the pilot.

Acknowledging that trainings alone were not building sufficient confidence and expertise to design and implement cash programming, it was recognized that investments in preparedness and cash transfer programming capacity building required more focused resources and consistent technical support. For the four pilot countries, the project started with a preparedness workshop and/or training where the main challenges and opportunities to scaling up cash transfer programming during relief operations were explored. All four National Societies identified five key areas of preparedness: standard operating procedures (SOPs), systems and guidelines; human resource capacity development;

1. Chilean Red Cross, Senegalese Red Cross Society, Philippine Red Cross and Viet Nam Red Cross Society.

contingency planning and preparedness; operational tools and action; as well as communication and coordination. The outcomes of these workshops then formed the basis of individual work plans for each National Society highlighting their priorities. The IFRC then provided global and intermittent country level technical support as well as a start up budget of CHF 28,000 to support the Chilean Red Cross in completing the activities outlined in their work plan.

Since there was no significant disaster within the project timeframe, the Chilean Red Cross practiced a cash transfer programming response through a partial disaster relief and emergency fund (DREF) simulation exercise. The National Society displayed notable advances in cash transfer programming preparedness (Table 1).

**Table 1. The Chilean Red Cross' cash transfer programming preparedness pilot achievements**

Area of preparedness	Achievements
<b>SOPs, systems and guidelines</b>	<ul style="list-style-type: none"> <li>• Drafted cash transfer programming SOPs and currently awaiting approval</li> <li>• Cash transfer programming is being incorporated into the National Society's National Emergency Response Plan</li> <li>• Developed standard financial reporting, monitoring and sign-off processes for timely payments</li> </ul>
<b>Human resource capacity development</b>	<ul style="list-style-type: none"> <li>• 41 staff and volunteers trained through face-to-face training and/or online cash transfer programming e-learning course, as well as on-the-job training</li> <li>• Mapped the existing capacity at headquarters and two regional branches to support cash transfer programming in emergencies</li> <li>• Participated in the National Society cash transfer programming learning workshop in Geneva (May 2013) and the IFRC/CalP global learning event on cash transfer programming preparedness in Kuala Lumpur (July 2013)</li> <li>• National Society attended cash transfer programming training of trainers</li> </ul>
<b>Contingency planning and preparedness</b>	<ul style="list-style-type: none"> <li>• Identified seven banks as potential partners at the national level</li> <li>• Identified traders and supermarkets as potential partners at the branch level</li> <li>• Developed preparedness plans for two regional branches, which are currently being agreed upon</li> </ul>
<b>Operational tools and action</b>	<ul style="list-style-type: none"> <li>• Developed cash transfer programming toolkit</li> </ul>
<b>Communication and coordination</b>	<ul style="list-style-type: none"> <li>• Pre-agreements were made between headquarter and branch providers</li> <li>• Developed two videos on cash transfer programming in Spanish and posted these on the National Society website and IFRC YouTube page</li> <li>• Coverage of National Society cash transfer programming activities in local media</li> <li>• Developed a cash transfer programming dedicated section within the National Society website</li> </ul>
<b>Learning-by-doing</b>	<ul style="list-style-type: none"> <li>• Conducted a simulation DREF cash transfer programming exercise</li> </ul>



As part of the Chilean Red Cross advocacy efforts, an informational video on cash transfer programming was developed in Spanish highlighting the local context.

Through this pilot, the National Society trained a critical mass of their staff and volunteers in cash transfer programming and a toolkit including templates and tools was developed based on the experience gained during the DREF simulation exercise. The toolkit included risk analysis tool; baseline and secondary data matrix; traders questionnaire; market system mapping; cash transfer programming response options analysis tool (cash transfer programming modality ranking); as well as cash transfer mechanisms evaluation and selection tool.

Using these tools, the National Society has undertaken market assessments and explored agreements with traders and banks as alternative cash transfer delivery mechanisms. Seven banks have been identified as potential partners based on their capacity to deliver, presence nationwide and social responsibility policies. Traders and supermarkets at branch level have also been identified as potential partners in implementing cash transfer programming using vouchers.

The Chilean Red Cross has been proactive in communicating and advocating for cash transfer programming both internally and externally. The National Society took the

initiative to develop an informational video in Spanish explaining how and why they do cash transfer programming based on the local context. This video has been posted on the IFRC YouTube cash channel and the National Society website which now has a sub-section dedicated to cash transfer programming. Furthermore, the Chilean Red Cross is also using this online platform to promote the IFRC e-learning course on cash transfer programming in Spanish providing greater opportunities for branches and volunteers to learn about cash transfer. The cash transfer programming focal point has also contributed to capacity building in the region through trainings in Peru, El Salvador and Paraguay. To further raise awareness, the Chilean Red Cross reached the public through interviews which were aired on local channels.

## Outcome

The Chilean Red Cross has successfully completed the cash transfer programming preparedness pilot. While the National Society did not have the opportunity to test its preparedness measures through a practical exercise other than a DREF simulation, they are better placed to respond using the trained staff and tools it now has at its disposal.



Activities during the training helped solidify participants' understanding on cash transfer programming.

## Lessons learned

- Knowledge sharing and dissemination was achieved due to the National Society's proactive initiatives in communication such as developing videos in Spanish capturing the local context; creating online cash transfer programming resources on the National Society website; and obtaining local media coverage.
- Governing Board members of the Chilean Red Cross received awareness raising training and remain advocates for cash transfer programming making it a more sustainable option as a means of intervention in future relief programmes.



Further information can be obtained from:

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