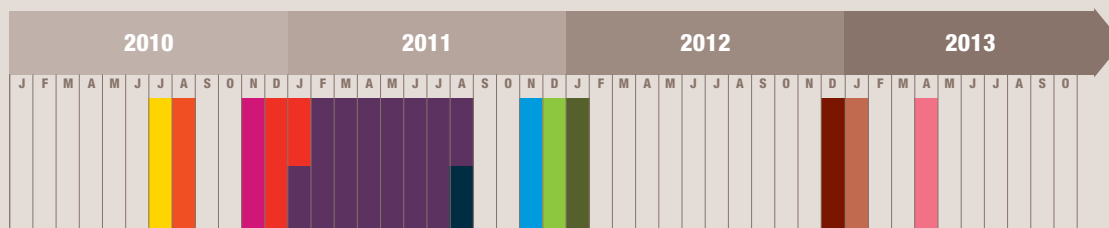


## Cash transfer programme fact sheet

# Pakistan Red Crescent Society

## Flash flood recovery programme 2010–2013

### Humanitarian context



- July 2010 ■ Flash and river floods
- August 2010 ■ Launch of relief operation
- November 2010 ■ Livelihood assessment
- December 2010 – January 2011 ■ Vulnerability and Capacity Assessment (VCA)
- January 2011 – August 2011 ■ Recovery programme planning and on-going programming
- August 2011 ■ Start beneficiary selection
- November 2011 ■ Start enterprise development trainings
- December 2011 ■ First cash disbursements
- January 2012 ■ Grant monitoring begins
- December 2012 ■ Impact monitoring begins
- January 2013 ■ Exit strategy begins
- April 2013 ■ Final cash disbursements



Humanitarian Aid  
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## Project details

<b>National Society</b>	Pakistan Red Crescent Society
<b>Appeal code</b>	MDRPK006
<b>Objective(s)</b>	Support the livelihoods recovery of 5,000 flood affected households to regain sustainable economic security
<b>Duration</b>	July 2010 – July 2013
<b>Location</b>	Provinces of Khyber Pakhtunkhwa, Punjab and Sindh
<b>Cost</b>	1,600,000 Swiss francs (CHF) (160,000,000 Pakistani rupee (PKR)) <sup>1</sup>
<b>Main sectors</b>	Livelihoods support through an integrated recovery programme
<b>Number of households</b>	5,000 households planned 4,443 households reached
<b>Selection criteria</b>	<ul style="list-style-type: none"> <li>• Flood affected</li> <li>• Socially and economically disadvantaged</li> <li>• Female-headed households</li> <li>• Households with no other assistance</li> <li>• Households with persons living with a disability</li> </ul>
<b>Main activities</b>	<ul style="list-style-type: none"> <li>• Beneficiary selection</li> <li>• Support business proposal preparation</li> <li>• Feasibility analysis to select the business proposals with most chance of success in the local market</li> <li>• Provide entrepreneurship training</li> <li>• Grant distribution</li> <li>• Monitoring of grant utilization</li> <li>• Programme evaluation</li> </ul>
<b>Key outcome(s)</b>	4,443 flood affected households regain their economic and food security through livelihoods recovery initiatives
<b>Number of staff involved</b>	Total: 34 (International Federation of Red Cross and Red Crescent Societies (IFRC): 8, Pakistan Red Crescent Society: Staff 10, volunteers 16)
<b>Other Red Cross Red Crescent Movement involvement</b>	<ul style="list-style-type: none"> <li>• Technical and funding support: IFRC and British Red Cross</li> </ul>
<b>Assessment information used</b>	<ul style="list-style-type: none"> <li>• VCA conducted by Pakistan Red Crescent Society</li> <li>• Livelihoods assessment by Transitional Planning and Assessment Team (TPAT) (IFRC early recovery surge team)</li> </ul>

1. Average exchange rate over the project period: CHF 1 = PKR 100 ([www.oanda.com](http://www.oanda.com))

## Project description

### Context and programme choice

Heavy rains starting from 21 July 2010 triggered both flash and river floods in several parts of Pakistan, claiming over 1,900 lives and causing widespread population displacement. The provinces of Khyber Pakhtunkhwa, Punjab and Sindh were among the worst affected areas. The devastating floods caused damage of unprecedented scale to agricultural lands and the livelihoods of families who rely heavily on rural economies.

During the three-year operation, the Pakistan Red Crescent Society, IFRC and other Participating National Societies made great efforts to provide food, shelter and access to clean water and sanitation to the affected population. As part of these efforts, the Pakistan Red Crescent Society implemented a cash transfer programme intended to support the livelihoods of vulnerable flood affected households in the provinces Khyber Pakhtunkhwa, Punjab and Sindh.

### Assessment and programme design

In November 2010, the TPAT conducted a livelihoods assessment and baseline survey that indicated communities were particularly vulnerable following the floods. The damage to agricultural land, loss of livestock, destruction of rural infrastructure and loss of labour opportunities caused flood affected households to adopt negative coping mechanisms. The sale of productive and non-productive assets, getting into debt, changes in food intake and migration all contributed to increasing levels of vulnerability. Agriculture, the main source of income and employment, was heavily affected, as were small enterprises, businesses and shops disrupting the flow of and access to goods and services.

Between December 2010 and January 2011, the Pakistan Red Crescent Society conducted a VCA. The information gathered from the VCA and TPAT assessments was used to develop an integrated recovery programme for 39 flood affected villages.



Dost Ali works in his poultry farm that he started using the cash grant that he received from the Pakistan Red Crescent Society.

The cash transfer programme to support income generation activities was one of the components of the integrated recovery programme.

The Pakistan Red Crescent Society with the support of IFRC led the development of cash transfer programming standard operating procedures and guidelines that were used to guide the implementation of the programme. Learning from this implementation was fed back into further revisions and versions of the documentation to ensure they were updated based on field practice.

Initial apprehension about implementing a cash transfer programme was a key driving force behind the decision to utilize the General Post Office (GPO) money order system rather than use direct cash in envelopes. Being a traditional and government owned institution, this mechanism was judged as a trusted source, considered to be transparent and had lower risk of fraud. Moreover, the GPO had the best outreach in the rural target areas.

The amount of the cash grant was set according to the recommendations of the National Disaster Management Authority.

The authority suggested a minimum amount of PKR 20,000 (CHF 200) for initial assistance in re-establishing small enterprises or businesses.

## Household selection

For household selection, the Pakistan Red Crescent Society relied on village committees. The committees were instructed to identify potential programme households fitting at least one of a series of vulnerability criteria (see project details above).

## Programme implementation

The household selection process started in August 2011 when the Pakistan Red Crescent Society began the feasibility analysis of the small business enterprise proposals. In November 2011, the selected households were assisted with an Entrepreneurship Development Training, a two-day training course designed to deliver basic business concepts. This training was a prerequisite to receiving the cash grant which was distributed as of beginning December 2011.

Initially, households received their cash grant in two instalments of PKR 10,000 (CHF 100). During the course of the programme,

## Cash-based programming facts

<b>Total transfer amount per household</b>	PKR 20,000 (CHF 200)
<b>Number of payments</b>	<ul style="list-style-type: none"> <li>Initially two instalments of PKR 10,000</li> <li>Adjusted to one instalment of PKR 20,000</li> </ul>
<b>Modality</b>	Conditional cash grant
<b>Payment mechanism</b>	Cash transfer through third party (money orders collected through GPO)
<b>Method of setting value of cash transfer</b>	Value of cash grant in line with the National Disaster Management Authority
<b>Partners/service providers</b>	GPO
<b>Service provision charges</b>	<ul style="list-style-type: none"> <li>PKR 50 (CHF 0.50) service fee for PKR 10,000 transfer</li> <li>PKR 75 (CHF 0.75) service fee for PKR 20,000 transfer</li> </ul>



it was judged that the transfer in two instalments was too costly and, logistically, problematic. Consequently, it was decided that households would receive the full cash grant of PKR 20,000 (CHF 200) in a single instalment.

As the programme was being implemented, issues with the GPO's money order system were identified. The district branches in interior regions lacked the capacity and resources to deliver the cash transfers which led to delays in the implementation of activities. Despite the delays, the Pakistan Red Crescent Society and IFRC managed to distribute conditional cash grants to 4,443 families as planned.

### Programme outcome

An impact survey of 191 households was carried out in March 2013. The study revealed that 94 per cent of households uti-

lized their full cash grants solely on their businesses as agreed and stated in their business pledge. Seventy-six per cent of the households experienced a positive change in income as a result of the cash grants received.

The results of the survey also indicated that most households have been able to re-establish their pre-floods livelihoods with the cash grant allowing them to replace lost assets.

Motivation was evident with up to 65 per cent of households providing a personal contribution to the business. In 89 per cent of these cases the personal contribution was between PKR 5,000 and 10,000 (CHF 50 to 100) demonstrating a high level of ownership over their business.

*Muhammad Sumer and his family are one of many who received cash grants in Thatta District.*

## Reflecting on our learning...

The key learning points from this programme for the National Society can be summarized as follows:

1. It is important to assess whether the financial institution responsible for transferring the cash to the beneficiaries has the capacity to process the amounts of cash required to implement the programme. Failure to do so may result in programme delays. Alternative financial institutions that could be used to transfer cash to the beneficiaries should be assessed and considered in case the chosen financial institution is unable to deliver.
2. A methodology allowing the systematic analysis of the capacity of financial institutions to process the required amounts of cash is needed.
3. It is important to continually check and monitor the value of the cash grant both against the project objectives and also in the changing local economy to ensure that any changes to the grant value can be made in good time.

*Cash transfer programming is a new approach for Pakistan Red Crescent Society. Responding with cash directly to end users can reduce delays and enable them to use the money according to their own priorities.*

*Khalid Mehmood,  
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