

# VIETNAM RED CROSS CASH-BASED INTERVENTIONS **Position Paper**



BritishRedCross



**HỘI CHỮ THẬP ĐỎ VIỆT NAM**  
Đổi mới tư duy - Tạo dựng vị thế - Bảo vệ sự sống



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## SECTION 1: Cash-Based Interventions – Globally and Locally

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The world is facing huge challenges brought about by disasters. According to the 2016 World Disasters Report of the International Federation of Red Cross and Red Crescent Societies, about 4.4 billion people are affected by disasters, which includes 1.3 million deaths and physical losses estimated at USD 1.900 billion. In 2013, as many as 100 million people were affected by disasters, of which 87% were residing in Asia. According to the 2016 World Disasters Report, disasters and extreme weather events caused economic losses from USD 150 to 200 billion annually, with fast developing urban areas and low/middle income countries being most affected.



Collecting beneficiaries information by Financial Service Provider in Quang Tri province in 2019.  
Credit: VNRC

Vietnam, with its long coastal line and complicated river systems, is one of the most disaster prone countries in the Asia – Pacific region, and it also ranks amongst the ten nations most affected by storms and floods. Every year Vietnam is hit by 10-15 storms and floods, severely affecting 50% of agricultural land and 70% of the population in disaster-affected areas. According to the National Committee for Natural Disaster Prevention and Control, in 2017 alone, Vietnam was stricken by 16 storms and 4 tropical depressions, the highest number ever recorded in one year. Disasters claimed the lives of 325 people, leaving 61 missing, more than 600 people injured, 8,000 houses collapsed and 350,000 houses partially damaged in 2017. In addition, transportation, irrigation, telecommunication and power were severely damaged.

According to a 2015 report of the High-Level Panel on Humanitarian Financing, Cash-Based Interventions are widely recognized as one of the most significant areas for innovation in humanitarian assistance, with a huge potential to meet humanitarian needs more efficiently and effectively than in-kind aid. Globally it has been recognised that cash assistance enables people affected by disasters to receive more appropriate and effective support. It allows for greater choice and dignity in the decisions faced by communities in crisis and literally puts the control on the hands of the affected population. Cash enables more people to be helped through more cost-effective delivery methods and supports local markets and economies, driving a quicker recovery of affected communities. The question is no longer 'why should we do cash?' but rather 'how can we do cash more effectively?'

In 2016, recommendations made by a High-Level Panel on Humanitarian Financing resulted in the Grand Bargain, aimed at increasing efficiency and effectiveness of humanitarian aid as well as addressing significant humanitarian financing gaps globally.

Two of the commitments made by humanitarian actors under this agreement were providing more funding to national responders and scaling up cash as a key modality in humanitarian response efforts.



*Cash distribution in Khanh Hoa province during Damrey typhoon in 2018. Credit: VNRC.*

In response to the Grand Bargain, the Red Cross Movement is committed to scale up cash based interventions and increase local capacities for swift delivery to those affected by disasters and crisis.

To date, the focus of Vietnam Red Cross Society (VNRC) has been on developing the systems and capacities to deliver cash independently. This will need to remain one of the core models for response, but VNRC, and the Red Cross Movement, also need to invest and strongly position itself to play a central role in coordinated multi-sectoral international responses, building partnerships with main humanitarian stakeholders in the country.

The past few years has seen a dramatic rise in the use of Cash-Based Interventions (CBI) by humanitarian actors in Vietnam. In 2017, following a review of the humanitarian coordination arrangements amongst non-government humanitarian actors in the country, a Cash Working Group was established to support better coordination on standards and practices with regard to cash programming in humanitarian response efforts. Further, in 2017, a review of cash programming implemented in response operations to support populations impacted by Typhoon Damrey confirmed that cash transfers enabled beneficiaries to meet their needs in a flexible way. The review demonstrated that beneficiaries overwhelmingly used the cash support provided to meet immediate needs including, food, shelter and health costs. Cash assistance was also recognized by local authorities as a useful way to stimulate local economies impacted by disaster.

Even with the increasing popularity of CBI in Vietnam and the growing evidence that CBI is an effective modality for meeting the humanitarian needs of disaster affected communities, there is still much scope for improving CBI approaches. The Vietnamese Cash Working Group has a work plan focused on standardizing and sharing best practices in response options analysis, standard operational procedures and calculation of transfer values as well as working towards the development of greater capacity in CBI across the humanitarian sector.



## SECTION 2:

# Vietnam Red Cross Society (VNRC) and Cash-Based Interventions

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The Law on Red Cross Activities in Vietnam defines emergency relief, humanitarian aid and participating in disaster preparedness to be two of the seven priority activities<sup>1</sup>. This Law serves as the legal basis for VNRC's implementation of disaster preparedness and response (including emergency relief).

The Central Committee of VNRC Headquarters has issued its Resolution on "Improving effectiveness of disaster preparedness and response of VNRC in new circumstances", with the intention of creating a substantial shift in the mindset, quality and effectiveness within the National Society towards disaster management and climate change adaptation, which aims to enhance timeliness, efficiency, transparency as well as visibility of VNRC.



**Pilot Cash distribution  
by Financial Services  
Providers 2019 in  
Quang Tri province.**  
*Credit: VNRC*

VNRC is no stranger to cash programming. As an auxiliary to the government, VNRC is one of the leading humanitarian organizations mandated to provide assistance to vulnerable households in the areas of health, social protection and disaster management. In this capacity, VNRC is recognized as the first agency to deliver emergency relief and support the long-term recovery of disaster affected populations in the areas of food, non-food items, water, hygiene and sanitation, livelihoods and shelter.

In 2009, with the support of the American Red Cross, VNRC started to increase the use of Cash as a response option to cover basic needs. About 8,582 beneficiaries in four Ketsana Typhoon-affected provinces were provided with cash assistance of a total value of VND 6,9 billion. Between 2011 and 2017, Cash Transfer Programming has become an increasingly popular tool for VNRC and its humanitarian partners.

In 2017 alone, 28,842 flood- and storm-affected households (equivalent to 102,826 people) were assisted across 3 emergency operations using a mixture of cash vouchers and cash in envelopes. Of these response operations, 7 focused on food security while 1 focused on house repair and 3 other operations had a mixed focus on food security and shelter repair/livelihoods<sup>2</sup>. 2017 was also the year marked by increased partnerships between VNRC and UNDP, FAO and IOM in responding to the needs of affected people through the provision of cash assistance.

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<sup>1</sup> Other priorities include: health and care; First Aid, Donation of blood, tissues, organs and body parts; Restoring family links as consequence of wars, disasters, shocks; Dissemination of humanitarian values;

<sup>2</sup> Further details in Annexes



*Pilot Cash distribution by Financial Services Providers in Quang Tri province in 2019. Credit: VNRC*

To date, VNRC has used cash transfers in relief, recovery and development projects to support beneficiaries in the areas of livelihood, shelter repair and reconstruction as well as the construction of latrines. Under these programmes, VNRC has gained experience delivering direct cash transfers to disaster affected victims. To support the delivery of cash, with IFRC's help, VNRC has also developed a range of policies and guidelines for CBI implementation, including:

- Guideline on implementing unconditional cash grant
- Guideline on implementing conditional cash grant for livelihood recovery
- Guideline on implementing conditional cash grant for reconstruction of typhoon-resistant houses
- Guideline on implementing conditional cash grant for latrine construction

## SECTION 3: VNRC's Cash Framework

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### 1. Our Vision

*“VNRC's cash-based interventions (CBI) are further developed and technology based to address humanitarian needs of disaster affected people in a more timely, flexible effective and transparent manner and it seeks to become the partner of choice in the country”.*

### 2. Our Goals

This Position Paper focuses on the following key areas:

#### 1. Expansion and enhancement of VNRC's technical capacity

To date, VNRC have a small number of chapters that have experience in delivering cash in emergencies and 17 CBI trainers. VNRC recognises that in order to significantly scale up its capacity to deliver cash to meet humanitarian needs, there must be more investment in human resources to develop the necessary

technical capacity. Through current initiatives supported by Red Cross partners, VNRC is in the process of training 60 more staff members in 22 Chapters on basic CBI. This activity is implemented in parallel with the establishment of a VNRC's Cash technical working group with a defined ToR, which guides the operation of this group.

Understanding the status of local markets before and after disasters is also essential for understanding whether cash is the most appropriate response modality in the aftermath of a disaster. If markets are too badly affected, cash may not be the best option and in other

circumstances, vouchers or a mixture of cash and relief items may be more appropriate. Consequently, understanding impacts on markets are essential for ensuring that cash transfers are set at an amount sufficient to cover immediate needs in a disaster. To date, 44 VNRC staff members have the experience to be able to conduct market assessments. VNRC will be training 50 more staff members in market assessments in 22 provinces. Some of these staff members will be trained to be trainers so that in the future further market assessment trainings can be implemented in more provinces. CBI will be introduced in various humanitarian interventions of VNRC, where relevant, with technical expertise of VNRC Headquarters and provincial Red Cross chapters.



Cash Training  
Programming  
in Kon Tum in 2019.  
Credit: VNRC



## **2. Improving Institutional Preparedness for CBI at scale**

Institutional preparedness activities will focus on 2 key areas under the current work plan. One area is ensuring that VNRC have the necessary programming and training tools available to expand their current capacity. To this end VNRC are currently in the process of adapting and translating training packages and tools from the Red Cross Red Crescent Cash in Emergencies Toolkit<sup>3</sup>. These training packages include basic and intermediate CBI training packages as well as Market Assessment Trainings.

Another essential element of increasing institutional preparedness will be mainstreaming cash into existing Contingency plans and adapting current CBI Guidelines to include strong guidance on Response Options Analysis and new delivery mechanisms (e.g. Through the use of financial service providers) to facilitate better decision making during response operations. To test these Guidelines and digital data management tools in beneficiary registration, 1-2 chapters will take part in simulation exercises, through which they will have the opportunity to test their capacity to deliver cash in an emergency.

## **3. Moving from paper-based to Electronic Cash Transfers**

Under the 2017 flood operation, VNRC, with the support of IFRC, piloted the use of a data management software (called Red Rose) in beneficiary registration, distribution and post distribution monitoring. This software allows VNRC to upload its beneficiary list into the platform and create unique personalised barcodes for each beneficiary, which minimises risks and speeds up reporting and reconciliation after each distribution. VNRC's experience in delivering cash to date has been through cash in envelopes. Using this approach VNRC has demonstrated capacity to deliver cash to approximately 20,000 beneficiaries in one operation. In the coming years, VNRC aims to significantly increase this capacity to be able to deliver cash to a much larger number of beneficiaries. Moving from paper based to electronic cash transfers will be pivotal to achieve this aim. Part of the challenge of achieving this to date has been the lack of coverage of suitable Financial Service Providers capable of delivering cash across the country, even in remote locations. In order to address this issue, one of the first steps will be to undertake a Financial Service Provider (FSP) Assessment. The outcomes of this assessment will inform VNRC to select the most suitable service provider to work with for cash delivery. Working through an FSP will enable VNRC to improve transparency, mitigate security risks on its staff as well as enhance the quality of programming through strengthened monitoring.

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<sup>3</sup> <http://rcmcash.org/toolkit/>

#### 4. Enhancing programme quality through Beneficiary Management and Feedback Mechanisms

Quick and accurate beneficiary targeting is high on VNRC's agenda. The National Society is able to put in place sound beneficiary targeting criteria and processes (including a weighting system), to ensure fair and transparent identification of beneficiaries. This tool, coupled with a community engagement approach which creates an open platform for beneficiary selection, has ensured VNRC's interventions reach the most vulnerable people in need of help. VNRC aims to establish a database of poor households in some selected disaster prone provinces, which will enable VNRC to quickly identify vulnerable households and compile beneficiary lists during emergency responses.

#### 5. Strengthening partnerships with Movement and non-Movement partners in the area of CBI

As an auxiliary to the Government of Vietnam, VNRC has a comparative advantage with geographical coverage at local level. This advantage, in addition to a wealth of experience in CBI, has made VNRC a partner of choice for the Red Cross and Red Crescent Movement as well as for other relevant humanitarian stakeholders in the country. In 2017, VNRC addressed the multi-sectoral needs of 28,842 beneficiaries through cash grants and vouchers with funding from the IFRC, UNDP, IOM, FAO and New Zealand Embassy. Developing partnerships with internal and external partners continues to be high on VNRC's agenda. In the near future, VNRC plans to expand its partnership with the private sector for data management and cash delivery to beneficiaries.

Given the growing importance of CBI in Vietnam, organizations active in Cash have convened an in-country Cash Working Group consisting of representatives from United Nation agencies, the Red Cross and Red Crescent Movement members and NGOs.

*Pilot Cash distribution by Financial Services Providers in Quang Tri province in 2019. Credit: VNRC*



## Outcomes, outputs and indicators

While VNRC has been successfully implementing CBI for nearly a decade, the VNRC recognizes the need for strengthening its cash response capacity, including its delivery mechanisms, tools and resources, from Headquarters down to the provincial chapter level. Currently VNRC's capacity development efforts on CBI are guided by a three-year framework, which provides the blue print for activities that will support VNRC to move towards the realization of its vision.

***Outcome 1: Capacity to implement Cash-Based interventions are enhanced through establishment and retention of CBI technical staff***

Outputs	Indicators
1.1. Cash working group is formed and perform effectively	<ul style="list-style-type: none"> <li>• One focal person at Headquarters level</li> <li>• No. of CBI focal persons at selected provincial chapters</li> <li>• VNRC Cash working group (CWG) established</li> <li>• Database on CWG members are maintained and shared</li> <li>• At least 2 CBI meetings amongst VNRC CWG are conducted annually</li> </ul>
1.2. VNRC capacity is reinforced	<ul style="list-style-type: none"> <li>• At least 50% CBI trained persons being capable as facilitators of CBI basic training</li> <li>• At least one rapid assessment on market is organized</li> <li>• At least one Cash related refresher training organized every two years</li> <li>• At least one people attending regional training per year</li> <li>• Roster of CBI master facilitators is reviewed annually</li> </ul>
1.3. CBI is more integrated in both emergency response, recovery and longer term programming (Shelter, Livelihood, WASH, social care).	<ul style="list-style-type: none"> <li>• No. of CBI focal persons are deployed on cash feasibility assessment and response analysis</li> <li>• No. of programs/projects are designed and planned jointly between concerned departments and CBI focal persons</li> </ul>

**Outcome 2: VNRC institutional Preparedness for Cash-Based Interventions are improved**

Outputs	Indicators
2.1. VNRC CBI is incorporated in contingency plan	<ul style="list-style-type: none"> <li>• VNRC contingency plans incorporate CBI in relief and recovery phases</li> <li>• Capacity building plan on CBI is in place</li> </ul>
2.2. VNRC CBI interventions are designed with technical personnel and specialists	<ul style="list-style-type: none"> <li>• No. of programs/projects with Cash inclusion are designed with technical CBI inputs</li> <li>• No. of technical expertise are deployed in CBI</li> </ul>

**Outcome 3: Effectiveness and efficiency of VNRC CBI are improved through electronic-based CBI**

Outputs	Indicators
3.1. Digital data management (through Red Rose) in different components are introduced	<ul style="list-style-type: none"> <li>• Data management software including beneficiary registration, distribution planning and tracking, feedback mechanism are translated into Vietnamese and registered for use</li> <li>• No. of cash focal persons and staff from relevant departments trained in digital data management</li> <li>• No. of disaster response team members and staff at local level trained on data collection using digital device</li> </ul>
3.2. Partnership between VNRC and financial service providers (FSP) are set up	<ul style="list-style-type: none"> <li>• Report on FSP assessment in place FSP selected</li> <li>• Agreements with selected FSP signed</li> <li>• VNRC cash payment through selected FSP through DREF operations piloted</li> <li>• VNRC delivery mechanism through FSP under CBIs rolled out</li> </ul>

**Outcome 4: The community participation and engagement in VNRC's CBIs focusing on gender and diversification**

Outputs	Indicators
4.1. VNRC's CBIs have participation and commitment of communities, especially focusing on gender diversify	<ul style="list-style-type: none"> <li>No. of CBIs are designed to promote communities' participation and commitment, prioritizing gender diversify</li> <li>Gender and diversity integrated in CBI are maintained in targeting process</li> </ul>

**Outcome 5: VNRC partnerships in CBI are strengthened and expanded internally and externally**

Outputs	Indicators
5.1. VNRC is actively engaged in coordination and cooperation at both national and branch levels	<ul style="list-style-type: none"> <li>VNRC's leadership role in Country CWG as chair or co-chair</li> <li>Regular attendance to CWG or other training or workshops at national and provincial level</li> <li>No. of CBI technical coordination meetings and workshops attended by VNRC</li> <li>Case studies, best practices and lesson learned on partnership developed</li> </ul>
5.2. VNRC becomes partner of choice in the country	<ul style="list-style-type: none"> <li>No. of agreements inclusive of CBI signed with (I) NGOs and UN agencies as implementing partner or technical collaboration</li> <li>No. of beneficiaries reached in CBI programs</li> <li>VNRC CBI facilitators conduct externally funded CBI training</li> </ul>
5.3. Lessons learned and case studies of VNRC CBI projects are properly documented for peer to peer learning among National Societies and beyond	<ul style="list-style-type: none"> <li>No. of best practices are documented and shared wider externally and internally</li> <li>No. of lesson-learned workshop organized and chaired by VNRC</li> </ul>



## What further support is required to realise VNRC's Vision?

As we have seen above, in the coming two years, VNRC will be investing considerable human and financial resources and making marked efforts to increase their technical and human resource capacity to be better positioned to deliver cash at scale. This is a priority for VNRC as an auxiliary to government and one of the primary responders to humanitarian needs in Vietnam. However, VNRC's leadership is also realistic and recognises that sustained capacity development requires sustained efforts with multiple partners, sometimes over multiple years. The reality at present is that current initiatives supported by Red Cross partners are limited in scope and size, and will only target 10 out of 63 provinces. Therefore, there is still much work to be done to expand current capacity building efforts further. VNRC's leadership is confident that with the right type of partnerships this kind of sustained capacity development is achievable. There are still many opportunities for humanitarian partners to work with VNRC on these efforts either through the Cash Working Group or through more direct partnerships.

*Using KoBoToolbox for Post Distribution Monitoring in Quang Tri in June 2019. Credit: VNRC*



## ANNEX:

**Annex 1: VNRC Cash-based interventions in 2017**

Project details				Geographical Location	Beneficiary	
Project title	Activity type/ Sector	Modality	Delivery mechanism	Province	No. of households	No of beneficiaries
Vietnam: Typhoon Doksuri operation	Food Security	Unconditional cash	Cash in envelope	Quang Binh and Quang Tri	879	1,749
Vietnam: Floods October 2017 operation	Food Security	Unconditional cash	Cash in envelope	Thanh Hoa, Hòa Binh and Yen Bai	3,445	11,436
Vietnam: Typhoon Damrey operation	Food Security	Agricultural inputs vouchers	Cash in envelope	Khanh Hoa, Phu Yen, Quang Nam, Quang Ngai	2,117	6,881
Typhoon Damrey response	Food Security	Unconditional cash	Cash in envelope	Thua Thien Hue and Khanh Hoa	6,218	23,470
		Agricultural inputs, livestock and fishing tool vouchers	Paper voucher	Thua Thien Hue and Khanh Hoa	1,250	4,573
Typhoon Damrey response	Food Security repair house	Cash for repair house	Cash in envelope	Phu Yen and Dak Lak	2,000	21,469
		Unconditional and house kits	Cash in envelope and in kind		4,200	
Typhoon Damrey response	Repair house	Conditional cash and voucher for repair house	Direct cash and paper voucher	Khanh Hoa	3,731	16,548
Typhoon Damrey response	Food Security	Unconditional cash	Direct cash	Binh Dinh	3,510	11,597
	Livelihood	Conditional cash	Direct cash		72	269
Typhoon Damrey response	Repair house	Conditional cash	Cash in envelope	Khanh Hoa	135	516
	Food Security	Unconditional cash	Cash in envelope	Quang Nam and Quang Ngai	1,285	4,318
				<b>Total</b>	<b>28,842</b>	<b>102,826</b>

# The Fundamental Principles of the International Red Cross and Red Crescent Movement

**Humanity** The International Red Cross and Red Crescent Movement, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

**Impartiality** It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

**Neutrality** In order to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

**Independence** The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.

**Voluntary service** It is a voluntary relief movement not prompted in any manner by desire for gain.

**Unity** There can be only one Red Cross or Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

**Universality** The International Red Cross and Red Crescent Movement, in which all societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.

## Contact information

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*Pilot Cash distribution by Financial Services Providers in Quang Tri province in 2019. Credit: VNRC*



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