

27th October 2021 Cash Hub Webinar Summary Points

Topic: Working with Financial Service Providers

Speaker	Summary Takeaways
<p>Chang Hun Choe, Disaster Risk Reduction and Resilience Approaches and Tools Coordinator, Global, IFRC</p>	<ul style="list-style-type: none"> ▪ CVA assistance has become one of the more efficient and effective ways of delivering humanitarian aid. However more needs to be done in considering the use of CVA in longer-term programming, like community resilience programmes. ▪ To support National Societies (NS) in community resilience programming, IFRC has developed the Framework for Community Resilience and the Road Map for Community Resilience. ▪ The roadmap is a process manual to guide NS in how to support community resilience. ▪ The roadmap outlines the steps, roles and responsibilities for communities and NS in this resilience journey. ▪ Community Resilience must be led by the communities themselves. The Red Cross Red Crescent (RCRC) role in this process is to support this, through accompanying, enabling and connecting communities. ▪ Stage 1 – Engage and Connect refers to engagement on community resilience for both NS and communities. ▪ Stage 2 – Understanding Risk and Resilience, is about making an assessment of the risk and resilience of the communities and developing a plan of action. ▪ Stage 3 – Taking action for resilience – implementing the plan of action. ▪ Stage 4 – Learning. ▪ Considering the lessons learned and experience gained from community resilience programmes and reflecting on cash, we must consider some of the key successes and challenges: <ul style="list-style-type: none"> - First of all, cash assistance must not increase community dependence on the external cash support, but cash group transfers should enhance their ownership and leadership of building resilience. - As the roadmap says, the RC role is to accompany, enable and connect communities in their community resilience efforts. Therefore, it is not advisable for the RC to manage or procure items for the implementation of community plans. It is more advisable for communities to manage the funds themselves to implement their action plans. If needed, of course, RC branches can support with financial training to allow them to manage their own funds. - We should explore various ways and means of making the funds revolve and grow. The cash won't be expanded and support communities to sustain their resilience by making best of use of it. Otherwise, the cash assistance will become meaningless. ▪ Two examples I wanted to share related to Group Cash Transfers for Community Resilience:

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	<ul style="list-style-type: none"> - Community micro-loan projects in Georgia in 1999, IFRC and Georgian RC gave small loans to internally displaced people (IDP), ranging from several hundred USD to 1000 USD to people selected by community committees based on their past experience and skills in establishing and running a small business. They used the loans to setup their businesses, and then paid back the funds, this was then awarded again by the community committees to others. This is an example of a revolving fund. - In Korea, as part of an integrated community based disaster risk reduction (DRR) programme, the RC money was used to support the income generating activities of communities. Some of the income generated from setting up of greenhouses and the selling of vegetables was then used by the community committee to fund their planned community activities.
<p>Maja Tønning, Regional CVA Coordinator, Africa Region, IFRC</p>	<ul style="list-style-type: none"> ▪ Group Cash Transfer (GCT) approach can be used in longer-term resilience programming but can also be used in sudden onset crisis which might be the topic of a future Webinar. ▪ The Group Cash Transfer guidance and tools recently developed does plug in well with IFRC road map for community resilience there is a lot of overlap in the guidance and tools. RCRC Movement contributed to the new guidance, and there is a lot of experience in using group cash transfers. ▪ GCT is a way to further the dignity and agency of affected populations, in the approach communities themselves are part of assessing their own needs and planning activities, and managing the funds themselves to implement their plans. ▪ Taking this approach communities contribute a lot, they contribute their thinking, labour, materials, their own cash into realising these projects. ▪ Group Cash Transfer approach is not something we are substituting for the other activities we do. It can be implemented alongside other actions including household level cash support. ▪ NS do not need to be officially “Cash Ready” to implement Group Cash Transfers as an approach. It is about facilitating communities to lead group cash transfers on their own behalf. ▪ The toolkit facilitates all steps of the approach referred to in the chapters of the guidance. The guide is built around the project cycle. The tools should be contextualised. ▪ The current GCT guidance and tools are issued, but will still develop and there is a WG under CaLP supporting this. So if you do use this guidance and have recommendations and feedback do reach out to the Cash Hub who can channel your feedback to the right people.
<p>Habib Ahmed, former V2R Kurigram Project Manager, Bangladesh Red Crescent Abonindro Karmaker,</p>	<ul style="list-style-type: none"> ▪ The Vulnerability to Resilience (V2R) programme undertaken in the north of Bangladesh in Kurigram utilised Group Cash Transfers. ▪ V2R Kurigram programme started in April 2015, in 30 communities that are often affected by floods.

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<p>Technical Officer DRR, British Red Cross.</p>	<ul style="list-style-type: none"> ▪ The Community Disaster Management Committees (CDMCs) were established under the V2R with the support of Bangladesh Red Crescent (BDRCS), each community had a CDMC. ▪ The CDMC led the implementation of activities and the planning for those activities. ▪ The CDMCs were composed of 16 representatives from the community – 2 from each microgroup. The community was supported to form microgroups for other BDRCS supported activities. ▪ The CDMC as representatives of the community used their purchasing power to identify producers and purchase latrine rings and slabs for each of the 7000 households/beneficiaries. The purpose was to help raised latrines to be built so that the communities could access a latrine even in times of flood. ▪ The CDMC was also involved in mobilising the community, ensuring participation of the community to identify their problem, proposing and planning the intervention, deciding the process for implementation, and then implementing and monitoring it. The CDMC also maintains the community level infrastructure. ▪ CDMC treasurer training takes place as part of the BDRCS support, this includes book-keeping, but also financial monitoring. ▪ BDRCS also supports with monitoring support to the treasurer. ▪ In the case of CVA there is a need to ensure the right person is getting the right support at the right time. Four types of monitoring takes place. The CDMC monitors funds and implementation. BDRCS monitors the CDMC through regular visits. ▪ BDRCS also supports the CDMC to organise regular elections every 2 years for the roles of the committee, this is undertaken in the presence of a BDRCS branch representative. BDRCS also supports the CDMC with any guidelines needed for implementation of works if necessary. ▪ The impact of the project included: <ul style="list-style-type: none"> - Reducing the impact of the annual floods, since the community organised to raise their houses with plinths, raised their latrines and stores. - The local government (called the Union) disaster managements committee is also connected with the CDMC and give services to the CDMC both in preparedness and response. - CDMC now raised their own funds, both from government and others. So each year they organise livestock vaccination campaigns, health campaign in winter for the community. - CDMC and community identify risks and plans how to deal with risks. - CDMC also provides point of contact for collaboration with government departments and NGOs and others. This easy entry point helps attract resources, and helps the CDMC reach out for support. ▪ Key Challenges and Lessons included:
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	<ul style="list-style-type: none"> - The lack of livelihood development activities in the V2R Kurigram project was a major issue, and very important to ensure community resilience was sustained. - Community contracting is very important for community ownership. - The BDRCS local unit office is very important in taking responsibility for monitoring.
<p>Martha Imamut, Project Officer – Response and Migration, Uganda Red Cross</p>	<p>Link to the recording – since this was not able to be delivered live in the Webinar.</p> <ul style="list-style-type: none"> ▪ The VSLA is one part of all the projects we do that contribute to community resilience. ▪ Uganda RC supports the community to build their community resilience and capacity to deal with shocks such as floods, food insecurity, landslides and diseases. ▪ We support the community to better understand their risks and what sustainable initiatives they can undertake to reduce the impact of these events. For example communities might be supported by Uganda RC to explore the issue of flooding and dig drainage, construct stronger shelter because of poorly constructed, we also encourage communities to consider other sources of income. For example, due to food insecurity, crops may be destroyed so we support them to diversify their income. With landslides we encourage communities to understand the risk and where appropriate to relocate. ▪ The VSLA groups are established at community level, we do this in refugee settlements and host communities. ▪ There are 20 to 30 members in the group, and they borrow money and return the money. With the initial capital coming from Uganda RCS. ▪ Uganda RC helps to establish the group, and trains them in project management and income generating activities. We support them in establishing a constitutions and elections to the key roles such as chair, vice chair, treasurer, secretary. We also discuss with people how to save and where to save, and how to setup a bank account. ▪ Once the VSLA group is established and the bank account is setup we transfer up to 1,400 USD. We then support the groups with technical advice and monitoring. ▪ The VSLA group bank account needs 3 signatures from the VSLA group for withdrawals. ▪ Members of the VSLA use the cash to strengthen their livelihoods. They either do activities as a group, such as setting up and as a group they work out what to do sometimes together and sometimes as individuals. This may include agricultural businesses, such as farming, poultry, piggery, cattle rearing. ▪ The internal dynamics for the VSLA are important: <ul style="list-style-type: none"> - Groups need to find a small amount of funds themselves to open the bank account, like 100,000 Ugandan Shillings (approx. 30 USD) before the Uganda RC will make the transfer. This helps to show commitment from their side.

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	<ul style="list-style-type: none"> - The training is really important, particularly the roles and responsibilities within the VSLA, and also how to operate the bank account. - There is also a Cash box (Safe with locks requiring 2 keys) for money that comes into the VSLA before it can be deposited in the bank. - Leadership of the VSLA can sometimes be a challenge, we need people who can motivate the group, we need a strong and committed leader. Record keeping is also key. ▪ In terms of Institutional Risk management when Uganda RC is transferring funds to VSLA: <ul style="list-style-type: none"> - We as Uganda RC ensure we have the senior community leaders from the beginning involved to be aware and help establish the VSLA. This helps to avoid problems in future, since people generally listen to their leaders. - The constitution and bi-laws established help to support members to do the right thing. For example, there might be guarantors on larger loans. You have to be able to attend meetings, this shows who still part of the VSLA and allows Uganda RC monitor. - Having more than one signatory on the account is important, this means the money can not be taken by one person. - The districts that the projects are in have branch management, so once the official project ends the Uganda RC branch can follow-up. ▪ VSLA Groups can sometimes last over 5 years but mostly they run for 3 years for example. ▪ A key impact is the improvement livelihoods in the communities with a VSLA. The VSLA groups once they grow in funds, like after a year or so the group can start to loan out to other community members who are not part of the VSLA and this can have a big impact.
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Prepared by David Dalgado based on what was said in the Webinar and what was shared in preparation.