

## MODULE 2.ASSESSMENT, DESIGN & PLANNING



- In this module:
  - **2.1 Assessment overview, Finance and ICT**
    - A. Overview of assessments
    - B. FSPs, PSPs and the overlap between Finance and ICT
    - C. The ICT and Financial Assessment
  - 2.2 Market Assessment
  - 2.3 Cash Pipeline & Financial Flows
  - 2.4 Response Analysis
  - 2.5 Mechanism Selection

**SETTING THE SCENE:** This sub-module is to ensure everyone understands the general purpose of assessments. There is likely to be a range of experience amongst participants and who and engaged in assessments. It might be worth a show of hands to see who been involved to guage how in-depth you need to go or if it is just a refresher to get people on the same page. There is a session on market assessment later on so don't spend to much time answering those questions here, ask people to remember the questions and if they aren't answered in the market assessment session then they should ask the question again.

CaLP as an industry standard allocated finance assessment to finance and ICT assessment to ICT, so we are showing this breakdown because these activities need to be undertaken even if they are not necessarily carried out by Fin or ICT. For ICRC and IFRC finance may be able to provide information but are unlikely, at least currently to undertake the financial assessment. There is rarely an ICT person deployed so we need to see how those activities can be covered. IFRC has one global IT-Cash person, and Legal cover the data protection file. The point is the tasks and activities need to be covered somehow to ensure these things are not missed. Many program/cash people have a good understanding of the ICT/DP aspects.

## OVERVIEW OF ASSESSMENTS

Start with the end  
in mind...



The following session is a introduction to the next three.

Start with the end in mind – what are we trying to understand? What do we want to know? What questions to we want answers to? If we know what we are trying to achieve (the end goal or end position) then we can plan how we get there. If we don't think about that at the start then the information we gather (the questions we ask, the people/organizations we interview, the data we gather might not give us what we need to answer the questions fully or at all).

## MODALITY SELECTION

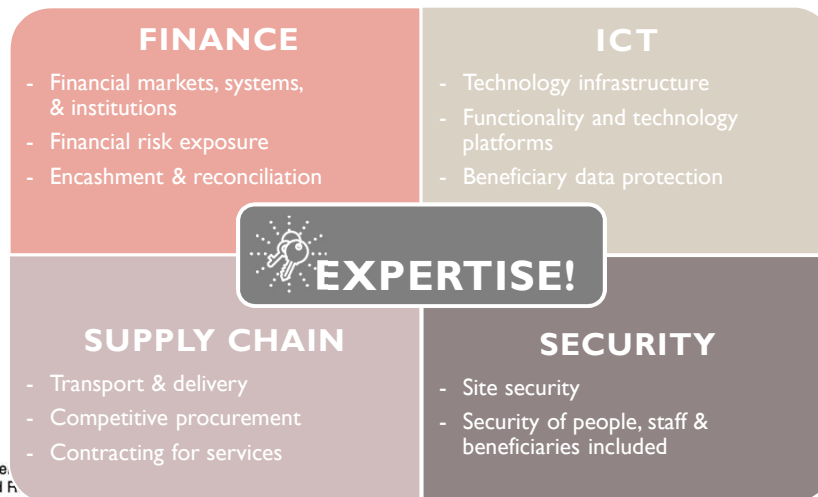
**Management approves the modality(s) best suited to achieve the organization's objectives(s)**

While programmes will be accountable for that recommendation, should management decide to go a different way, that accountability would shift.

For the ICRC this is linked to the PFR and annual budget although a budget revision (AoE) can be requested if things change.

For IFRC it's likely to be part of the Emergency Appeal or DREF.

## ACCOUNTABILITY FOR ASSESSMENTS



ICT is one area where another department has to take this one. For example in ICRC responsibility for looking at technological solutions sits with EcoSec. IFRC has a member of the cash team (with an ICT background) as the focal point as well as a global ICT person with a cash focus. Some regions have IFRC ICT people. Beneficiary data protection might also sit in a different department, in IFRC it sits with legal. The important thing to note is that these tasks will need to be undertaken so as part of the RACI exercise you should see who has the expertise within your delegation.

Our focus here is on relevant expertise. We can all play our part in contributing to this. We have complementary skillsets to those of program and together we should be able to conduct a much more thorough and comprehensive assessment meaning our decision making should be better. It's not an either/or or an instead of approach but an ALL TOGETHER mentality

## ASSESSMENT PERSPECTIVES

MACRO



MICRO



INCLUSION



INTERNAL



Is the operational environment (infrastructure, technology, and services) appropriate for the delivery of FSPs?

WE NEED TO LOOK AT ALL OF THESE

**MACRO:** Are we allowed to use technology for the delivery of aid? Govt regulations? Physical infrastructure? FSP services available? Other services available? Cellular infrastructure?

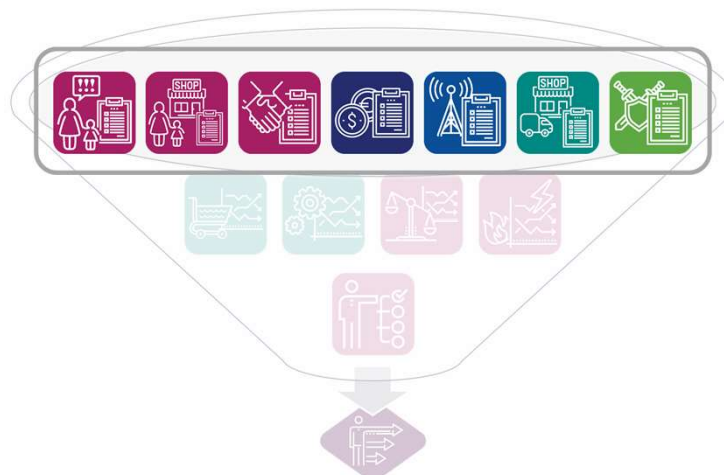
**MICRO:** what type of suppliers or services are there What specific services are there? Can we use them? Who are the suppliers? Are they reliable? Are they appropriate? Will they help us meet the needs? Are the cost effective? We are not procuring service providers at this stage. That will come later if the program design means we will be delivering cash or vouchers through third parties. This is a high level view of the availability and appropriateness of the vendors, traders and financial Service providers (FSPs).

**INCLUSION:** Access to markets. Documentation required to access electronic cash. What do you need to think about here? Can Bens? But can all bens? Child-headed households? Women? People living with disabilities? Elderly? If it was a voucher programme are we able to give an opportunity to all vendors? Or only big suppliers? **MAINLY ON PROGRAM SIDE BUT INFO LIKE DOCS REQUIRED/REGULATIONS SUPPORT**

## SERVICES MAY HAVE THIS INFO

INTERNAL: Do we have the human resources for this? Do we have the expert knowledge (Fin, SCM, ICT?) knowledge? Do we have field staff who are able to support vendors and ben's during the programme? Do we have the finance systems to support this programme? Do we have support of the senior management? Linked to preparedness – SOPS, framework, trained staff etc. SUPPORT SERVICES WILL LOOK AT THEIR CAPACITY AND MAKE SUGGESTIONS TO BE ABLE TO BE ABLE TO PROVIDE THIS (OR SCALE UP IF REQUIRED) AND PROGRAM WILL LOOK AT THEIR TEAM AN ACTIVITIES: CAPACITY NEEDS TO BE ON BOTH SIDES.

## UP NEXT: INDIVIDUAL ASSESSMENTS



## ACTIVITY: THE BLURRING LINES...

### Financial Service Providers

- Banks
- Financial service providers
- Microfinance institutions
- Post office
- Hawalas
- Remittance agents
- Mobile money services

### Payment Service Providers

- Mobile phone or mobile network operators (MNOs)
- RFID technology service provider
- Proprietary technology service providers
- Card issuer / provider

ANIMATION – get participants to discuss difference between FSP and PSP. DOES IT MATTER??? Often all considered to be FSPs. Big difference is the cash pipe. Primary/secondary and contracting.

There are traditional FSPs (banks, remittance etc.) that Finance is very familiar with and there we established FSPs but maybe finance have little experience of (mobile money, microfinance institutes) and then the non-tradition FinTech companies that provide a more technological solutions.

Some FSPs are highly regulated (banks) and some are less/not regulated or the regulation is only coming in now (mobile money)

Quick task – split the room in half – hand out the cut out and get them to stick on the wall – use a marker to add any additional ones they know.

Then use the slide to show the answers

Examples – mobile network operators (PSP) may have a bank (FSP) who provides the cash. It might be seamless and we contract the MNO and they manage the bank and

it acts as one supplier but we need to consider this in the contract that the contracted supplier will manage the sub-contracted supplier and any poor performance will be the responsibility of the directly contract supplier. Risk for supplier management and supplier performance with risks the implementation of the program.

## FINANCIAL MARKET ASSESSMENT



**Objective:** Assess financial market, infrastructure, players, and beneficiary access for viable program approaches

**R & A:**

**C:**

**I:**

ditto

## ICT ASSESSMENT



**Objective:** Assess technology market, infrastructure, players, and beneficiary access for viable program approaches

**R & A:**

**C:**

**I:**

This slide and the next are almost identical – that’s the point – they are very similar roles just with different perspectives.

Refer back to the RACI exercise and be vague on R&R – remove the answer

REMOVE THE RACI KEEP OBJECTIVE

## ICT AND FINANCIAL ASSESSMENT

### ACTIVITIES

- MACRO ICT and Financial environment and market assessment
- Initial identification of potential service providers
- MICRO assessment of modalities, delivery mechanisms & potential service providers
- Risk Identification

### PREPAREDNESS

- Baseline Assessment
- Baseline Risk Identification
- Identification of delivery mechanisms and service providers



Macro – big picture  
Micro – focus/detail

## MACRO FINANCIAL



- PURPOSE:** Determine if the country's financial sector...
- is capable of handling large amounts of cash transfers
  - functions well
  - has sufficient geographic coverage of reliable financial services
  - has acceptable level of risks
  - provides advantages over other types of program interventions
- OUTPUT:** A report reviewing the strength of the country's financial systems and infrastructure
- SUPPORTS:**
- Micro Financial Market Assessment
  - Risk Analysis

Ask if anybody already run a macro assessment or looked at macro financial environment

Combine with above slide?

## MACRO: TOPICS TO CONSIDER



Population Demographics

National Bank System

Competition

Regulation

Services & Cost

Infrastructure

Macro  
Financial  
Assessment

Don't go into these too much as the task will look at these assessments and get the participants to look at what questions should be asked.

## MACRO ICT



### PURPOSE:

Determine if the country's technology infrastructure...

- is capable of handling large amounts of cash transfers to beneficiaries
- functions well
- coverage and penetration is sufficient for the purpose of the program
- the acceptance and adoption of technology by the general population is adequate for program

### OUTPUT:

A report reviewing the strength of the country's technology services and infrastructure

### SUPPORTS:

- Micro ICT Assessment
- Risk Analysis

RELEVANT?

## MACRO: TOPICS TO CONSIDER



Population Demographics

National System &  
Regulation

Competition

Macro  
ICT  
Assessment

Innovation

Services & Cost

Infrastructure

Don't go into these too much as the task will look at these assessment and get the participants to look at what questions should be asked.

## PERSPECTIVES: FINANCE VS. ICT EXAMPLES OF QUESTIONS TO BE ANSWERED...

### Related to FINANCE



### Related to ICT

- Can the financial sector handle the cash flow requirements?
- Is the local currency stable?
- Are the potential service providers regulated? Are they financially secure?
- Will the funds be traceable?
- Are the potential technologies stable and reliable?
- Is there sufficient network coverage to support the required communications?
- Are the potential technologies secure? During storage? During transfer?

As we already discussed there might not be an ICT person to support in answering these question but the questions will need to be answered supported by the person/dept. with the knowledge and expertise.

Reiterated “related” to but not necessarily done by that dept ...

## MACRO: TOOLS & RESOURCES



### Emergency Telecommunications Cluster (ETC)

[www.etcluster.org](http://www.etcluster.org)

### The World Bank

*In particular, their indicators on infrastructure:*

<http://data.worldbank.org/indicator?tab=all> and

<https://globalfindex.worldbank.org/>

### CaLP Resources & Tools

<http://www.cashlearning.org/resources/library>

This is secondary data to help understand the situation and context. There is a lot of secondary data out there, so no need to start from scratch.

## PERSPECTIVES: PROGRAM VS. ICT EXAMPLES OF QUESTIONS TO BE ANSWERED...

### Related to PROGRAM



### Related to ICT

- Does the target population have cell phones or access to other technology?
- Does the target population currently have the mobile literacy to use a smart card system?
- Does the target population have access to the payment service outlets?
- How is the ICT regulatory environment?
- How extensive and reliable is the mobile network?
- Who are potential payment service providers and what is their coverage?
- Are the payment service technologies secure and stable?

These are the same type of questions just from different angles. Together they will help give us a complete picture

## PERSPECTIVES: PROGRAM VS. FINANCE EXAMPLES OF QUESTIONS TO BE ANSWERED...

### Related to PROGRAM



### Related to FINANCE

- Can the Country's financial sector handle cash transfer to beneficiaries in the target area?
- Does the target population have access to financial services? Do they currently use them?
- Is the target population numerate? Financially-literate?
- What is the regulatory environment related to the financial markets? Financial service providers?
- Who are potential financial service providers for cash transfer?
- What is the geographical coverage of the various service providers?

Note:

Ops: Nuts and bolts on how to make it happen

Program: more about program objectives

## MICRO



### PURPOSE:

- Identify cash modalities, delivery mechanisms and potential partners for implementing the Program
- Evaluate individual service providers
- Assess infrastructure and coverage in the specific geographic area of intervention
- Gauge interest in participation
- Identify possible risks

### OUTPUT:

A list of potential suppliers that meet initial qualifications

### SUPPORTS:

- Risk Analysis
- Operational Design Options Analysis
- Value-for-Money Analysis

Highlight that here there is no duplication of slides as they are identical in their purpose and output.

VfM or cost efficiency should be undertaken for each modality and compared against each other

## MICRO



### How to conduct a micro assessment?

- Use an Expression of Interest (EOI) or Request for Information (ROI)
  - > Coordinate with Supply Chain (procurement) and Program
- Interview prospective service providers

### Main topics of the assessment:

- Services offered and coverage
- Experience and capacity
- Cost
- Legal requirements and security

Additionally provide support of finance where required.

EOI/ROI is more formal and can take more time both to allow suppliers to respond but to go through all of the responses, there may be a lot if it is open, it can be more targeted if it is sent to only specific suppliers but you might then get a more limited data set. Some suppliers might not be able to respond formally e.g. Post Office in Bangladesh as a Government entity cannot respond to tenders.

Interviews through a mapping exercise might be quicker and might allow information to be gathered informally, however information is not binding.

## TASK 1: FINANCE / ICT MACRO ASSESSMENT

### ROLE PLAY

- Meet the Ministry of Finance and Technology
- The program team are considering using electronic cash or vouchers to provide assistance. You need to get some big picture information of the feasibility of this.
- You have 10 minutes to prepare your questions – please nominate two people to conduct the interview which should only take 5 minutes
- You then have another 5 minutes to type up the information on what you have discovered.

Need to build task sheet for facilitators.

20 mins for activity and 20 mins feedback – get one group to feedback and the other to add any difference they have.

This task can be cut down if you are running tight on time. Participants can prepare the questionnaire but not go into the role play to start the discussion and to try and prioritise the most important questions/topics

## GUIDANCE

- Think of the questions that need to be asked to complete this exercise
- Think about **how** you would speak to a key informant
- This is NOT a negotiation – just a fact finding mission.

## GROUPS

Group 1	Group 2	Group 3

## Key Takeaways

- The MACRO Assessment provides looks at the “big picture” to see evaluate feasibility
- The MICRO Assessment builds on the macro portion, drilling down into the specific geographic areas of implementation to assess delivery mechanisms, network coverage and potential service providers
- The Financial Assessment and ICT Assessment may overlap resulting in one assessment being conducted to address both areas



## SESSION EVALUATION

- Go to Sli.do for the first of 2 polls –
- I: ICT/Fin assessments