

Module 1. Introduction

1.1 Introduction- Course Objectives

By the end of the training, the participants should be:

- **Familiar** with **key CTP terminology**
- **Understand** the **rational for market analysis / market assessment** in CTP
- **Familiar** with **Market Assessment and Analysis process and tools**
- Be able to **contribute to response analysis** from a LOG/FAD perspective
- **Familiar** with and **able to apply the SOPs, CTP-related tools and templates**
- Be able to **explain** the **roles and responsibilities** of LOG/FAD in CTP
- Be able to **apply contracting procedures for cash and vouchers and be familiar with best practice.**

1.2 Cash and Support Services – A. Recap on CTP/CBI

- There is a commitment to significantly scale up CTP/CBI
- Different modalities and mechanisms require different operational support and/or structures, which therefore also impacts achievement of program objectives
- Support Services staff must understand the implications of mechanism choices on operational structures in order to effectively advise Program and Management on choices
- Each modality and mechanism has unique risks, which must be anticipated and planned for

1.2 Cash and Support Services – B. Scope of CTP/CBI

- Support Services' varies per organization (ICRC; IFRC; NS)
- Effective delivery of humanitarian aid now has a lot of tasks and responsibilities for Support Services that were not previously core
- For CTP, *how the program is delivered* contributes to the achievement of a program's objectives.

1. 3 PCM & RACI

- The Project Cycle phases will have generic and cash-specific activities
- The RACI clarifies who does what for each activity within the PCM
- Global RACI is still being finalized and will need to be contextualized at country/delegation level
- Data protection needs to be considered throughout the project cycle

Module 2. Assessment, Design & Planning

2.1 Assessment overview, Finance and ICT

- 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

2.2 Market Assessment

- The market system includes supply and demand the whole supply chain from producers to consumers and the factors that influence them
- The structure of the market and number of players can impact its stability
- The Macro Retail Market Assessment provides insight into market dynamics and attempts to track commodities to their sources/producers
- The Micro Retail Market Assessment enables the next step of looking at the capacities of individual entities

2.3 Cash Pipeline & Financial Flows

- The up-stream cash pipeline must be planned to ensure availability of funds when needed
- Physical cash and cash equivalents must be handled and managed with extreme care and in close coordination with Security
- The impact of exchange rates and inflation must be tracked and reported, as the small differences in currency movement can quickly add up to be a reconciliation problem

2.4 Response Analysis

- Response Option Analysis starting with a “long list” of all feasible modalities to meet program objectives
- Modality selection criteria and weighting will help to shortlist and select the most appropriate modalities
- Support services has a role to play in response option analysis and modality selection

2.5 Mechanism Selection

Module 3. Analysis and Monitoring

3.1 Cost Efficiency

- Operational choices have significant impact on the cost of implementation
- Costs may not be the driving factor in selecting a modality or mechanism, but it is impossible to make a decision without understanding the cost implications

3.2 Risk Analysis

- Always important to reflect on the following question: “What could go wrong?”
- Risk = **Threat** (what) x **Vulnerability** (likelihood) x **Consequence** (severity of impact)
- While Support Services may not lead the risk analysis, Support Services’ input is vital to comprehensively assessing risk exposure and planning contingencies.

3.3 Risk Mitigation

- All risk can be mitigated – its just a question of how.
- Organisations will have different levels of acceptable risk
- It is part of our job as trained cash practitioners to help change the opinion of cash as “risky”

3.4 Financial Control

- Everyone's responsible for financial controls
- Financial controls need to be adapted according to context and need and supported by appropriate and comprehensive policies and procedures
- Types of financial controls includes Detective vs. Preventative and Manual vs. Automated/system

3.5 Quality Control

- Quality means ensuring and verifying that basic safety requirements are met – includes:
 - Checking the quality of commodities
 - Checking the suppliers/vendors premises for visual ‘red flags’
- Important to always consider quality when doing CTP/CBI

3.6 Monitoring

- Monitoring is NOT an afterthought and starts with your assessments and set-up
- Monitoring doesn’t only mean going to the field to collect people’s opinions we can do some of it from our desks!
- All types of monitoring can allow us to adjust our programmes for the better – so support services monitoring is just as important as operations.
- Price monitoring is a good initial indicator of how the market system is functioning

Module 4. Set Up and implementation

4.1 Standard Operating Procedures

- Institution SOPs should be known and contextualization
- Project-level SOPs are tactical-level documents addressing specific steps designed for specific projects.
- Project-level SOPs should be established after the procurement process is complete and contracts are signed.
- Operations has essential input.
- SOPs may have room for some flexibility to account for security needs, but such flexibility should be limited to comply with organizational policy and compliance regulations.

4.2 Procurement

- **FSP / PSP Service Fees:**
 - Educate yourself, read the fine print, allow FSPs to inform you of other fees
- **Contract valuation:**
 - Follow the SoPs (cash and procurement)
 - Know the risk associated with your service providers
 - Limit risk exposure when using unregulated services
 - **Requirements:**
 - Be clear on what you are asking and how you will evaluate the supplier on these

4.3 Contracting FSPs and vendors

- Extra caution is required to ensure open and fair procurement practices
- Segregation of duties requires separation of responsibilities in the procurement process
 - Explained here as the 'client' vs. procurement
- Knowledge & technical expertise is required to create and manage service provider contracts.
- Understanding and adhering to good Procurement Principles helps achieve quality services

4.4 Encashment planning

- It is an ITERATIVE PROCESS
- It requires a COLLECTIVE TEAM EFFORT
- It is CRITICAL to successful CTP
- Organizational policies for CTP encashment, such as authorization levels and compliance requirements, differ from organization to organization

- Encashment steps vary with distribution mechanism but planning steps are the same and start with the mapping of the flow

4.5 Reconciliation and controls

- Specific controls for cash transfers exist in addition to the standard Logistics and Finance procedures - different level of controls pre and post distribution
- Importance of segregation of duties
- There are many causes behind discrepancies therefore don't jump to conclusion

4.6 Filing & Distribution Tracking

- Filing is essential
- There is no cash specific filing system stated, it should follow the general filing approach of your organization
- Logistics files can include reports, assessments, goods received note, invoices and service delivery notes, reconciliation information possibly