

Step 4: Design and Set-Up of Cash EA

After having selected cash-based early action as the most feasible and appropriate, you will need to set it up to ensure the system is ready for activation at any time. This process starts with planning the intervention, defining ways of working, establishing mechanisms for internal and external coordination, as well as for communicating with target population and households. The set-up phase includes contracting service providers, defining means of targeting and registering people in a flexible manner, integrating data protection compliance and planning distributions (Cash and Voucher).

Key Considerations

- Contract the service providers / traders based on mapping selection criteria
- Setting Transfer Value [TOOL 8: Calculating the Transfer Value], [TOOL 8.1: Calculating the Transfer Value Template], [TOOL 8.2: Considerations when setting the Transfer Value]
- Define roles and responsibilities in alignment with existing SOPs and ensuring everyone understands their role, tasks and time frame [TOOL 9: Roles and Responsibilities]
- Design the targeting approach
- Design the registration, distribution and reconciliation plans [TOOL 10: Targeting, Registration, Distribution and Reconciliation Guidance], [TOOL 10.1: Distribution List Template], [TOOL 10.2: Distribution Plan Template]
- Develop a community engagement and accountability system with clear definition of roles and responsibilities [Tool 11: CEA Tool]
- Ensure that targeting and registration system is in place and complies with the data protection principles (consent, password protected database, data sharing agreements, etc.) [TOOL 12: CAV GRC Data Protection Principles]
- Check at local level that distribution and encashment plans are consistent with the service providers' location and capacity
Develop the reconciliation plan. [TOOL 13: FbF Third Party Reconciliation Template]

Exploring Social Protection Linkages to Forecast-Based Financing

Social protection is a broad term to describe national and sub-national programmes and policies that aim to tackle poverty, inequality and vulnerability by helping people manage short- and long-term risks. Many social protection programs are cash-based. For instance, social assistance or safety nets, a type of social protection approach, are often provided in the form of cash transfers and cash-for-work programmes, and delivered through different means such as direct cash, vouchers, digital payments, or mobile money. Unlike most humanitarian activities, social transfers are usually provided by governments as predictable, long-term support to households at risk of, or in poverty.

With increasing climate related risks, climate sensitive social protection approaches are becoming relevant as they can help protect people from the impacts of climate shocks and stressors. One climate sensitive social protection approach is flexible, scalable programs that quickly reach those affected by a shock. For instance, a program that delivers cash transfers after a shock can help vulnerable households avoid

negative coping-strategies.

By integrating a cash-based FbF approach with social protection systems, we can capitalize on synergies for taking early action; playing a critical role in reducing disaster impacts, building resilience and protecting development gains. Even when not fully integrated, using programs like social safety nets to implement early action carries the potential to piggyback, scale up and to align assistance prior to a disaster. Using them, could allow for flexible targeting, timely response and quick encashment (cash distributions).

For more, see the sub-chapter on Social Protection and FbF



Contracts with FSPs or vendors

Include clauses in the contract that cover timely delivery, data protection, financial reconciliation, reporting and ensuring people are treated with respect and dignity. Unsent money should be re and timeliness, data protection and financial reconciliation requirements and timeframe. Also, guarantee that the unspent funds will be returned to the NS account.



Cash in envelope implemented by the NS

On rare occasions, cash in hand/cash in envelope delivered directly by the NS might be the fastest way to deliver cash for an early action. When choosing this contact the Regional Cash Focal Point for further advice on planning and implementing direct cash distributions that are secure, accountable and have adequate risk mitigation and financial reconciliation mechanisms in place.



Cash for Work (CFW)

When choosing CFW, ensure that work conditions are culturally appropriate, consistent with the workers 'physical' capacity, and that wage rates reflect local legislation



Flexible but informed

Due to flexibility of activation, ensure all systems related to activation are checked and updated on an annual basis. In addition, compiling M&E learnings post activation, should be integrated as new considerations in your EAP logframe.

This video provides a quick overview in social protection and potential linkages.

Video: https://www.youtube.com/watch?v=dHl38bb_cjs#action=share
