

Integrated Recovery Program Livelihoods 'Cash Grant for Income Generation Activities'

Impact Monitoring & Lessons Identified Review



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March, 2013

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Executive Summary

From March 2011 to March 2013, the Pakistan Red Crescent Society (PRCS), supported by the International Federation of the Red Cross and Red Crescent (IFRC) distributed conditional cash grants to more than 4,415 families affected during the 2010 monsoon floods to support recovery of livelihoods. The 'Conditional Cash Grants for Income Generation Activities' program was one component in a multi-sector response, intended to align interventions in one approach known as the 'Integrated Recovery Program' (IRP).

The 2010 monsoon rains caused flooding unprecedented in nature that left a devastating impact on the livelihoods of families living in rural Pakistan. Damage to agriculture land caused significant disruption to the livelihoods of families who rely heavily on rural economies. The floods not only damaged agriculture lands, livestock, fisheries and forestry, key rural infrastructure was severely damaged or destroyed. Cash based programming was an intervention many actors deployed in response. This review aims to highlight the PRCS & IFRC experience of implementing conditional cash grants, and the appropriateness of this intervention to the context.

Cash based interventions tend to attract higher levels of scrutiny over traditional in-kind interventions. And no more so than at the outset of this intervention, with initial apprehensive to engage in this relatively new type of programming for the National Society. This review has established that the conditional cash grant was appropriate and relevant to the need of the beneficiaries, giving them choice, flexibility and ownership in the process. While challenges were evident with the cash modalities, other challenges were independent of the decision to use cash over in-kind inputs.

Key findings

The program has achieved the output of re-establishing livelihoods for affected families, with the replacement of productive assets allowing for income generation from small-enterprise businesses. Stakeholder perspective in the program has been favourable, with respondents overall satisfaction of the cash grants and implementation process at high levels.

The emphasis on the program being the establishment on beneficiary self-identified income generation activities through the proposal of small enterprise businesses encouraged a more organic approach for achieving sustainability. While this has been witnessed in the short-term, achieving sustainable economic security requires ongoing behavioural change and investment spanning over a longer period of time. It was deemed the cash grant amount was insufficient for the context. The absence of complimentary interventions such as community grants has limited the amount of cash being injected to stimulate and grow the local economy.

- Conditional cash grants were relevant to the need and appropriate to the context. With evidence of socio-economic impact at the household level, 94% of respondents indicated the intervention was relative to their livelihood needs and capacities. Affected families have been able to re-establish their livelihoods and replace productive assets. Cash has been preferred and deemed more appropriate than in-kind interventions, with 84% favouring cash. Stakeholders identified that cash gave choice and flexibility. Along with a sense empowerment and ownership in the process of re-establishing their income generation activities.
- The program has encouraged a diversification of income sources with beneficiaries empowered to establish more profitable businesses such as retail shops, donkey carts and tailoring businesses. These types of businesses have provided regular employment and income sources that has lessened reliance on having to seek additional income sources such as seasonal labour opportunities.
- Utilisation of the cash grant as per the business pledge agreement was high, with 94% of respondents utilising the full amount on their business. This corresponds to post-distribution monitoring to date, that shows 80% compliance with full investment of the cash on the business. Ownership of the business is evident; with respondents identifying that reinvesting in the business will enhance longer-term sustainability. A continued engagement in the business has been witnessed with 97% of respondents still sustaining their business as proposed, six months to one year after receiving the grant. A high portion considered their business is stable and income generated is enough to meet household needs.

- Timing of this recovery intervention was appropriate. Communities were beginning to stabilise following the emergency and early recovery stages, with basic household needs being met. This led to a high compliance rate with 80% of beneficiaries investing the full grant on their business. However reaching the program target has been a lengthy process, with beneficiaries waiting up to two years to receive cash assistance. This has impacted on long-term sustainability, as economic recovery has been delayed. To date 97% of respondents showed evidence that they were still sustaining their business as per the pledge agreement.
- The primary Cash Transfer Mechanism of the General Post Office (GPO) Money Order System has been impractical for the efficient delivery of the cash grants, and prevented the program from being implemented in a timely and cohesive manner. Design of this system did not show the expected outcome in interior regions of Pakistan. The expected 7 day turnaround was never achieved. On average KP experienced 40 days till distribution, Punjab 25 days, and Sindh 37 days. The GPO did not comply with the agreed conditions and the Memorandum of Understanding with the GPO was made in 'goodwill' and could not be made a legally binding document. This meant the RCRC had no real leverage to hold the GPO accountable for the poor service and extensive delays.
- Beneficiary purchasing power to replace productive assets was limited due to the low value of the cash grant amount. The amount was set by the National Disaster Management Authority (NDMA) during the relief phase. Therefore the time lapse before the recovery program started meant that the amount was not reflective of the market at the time of implementation. With both beneficiaries and staff observing high rates of inflation in the period immediately following the floods, impacted on goods as markets fluctuated due to supply and demand. An internal market commodity price tracking tool was implemented as part of this review and validated the findings. This influenced the type of business selected, and discouraged beneficiaries without means to propose a business that would have enabled more profitability and gain. Beneficiaries in the early phases were further disadvantaged by the two instalment distribution. The change in process to deliver in one full instalment displayed effective decision making.
- Enterprise Development Training (EDT) was partially relevant to the need of the beneficiaries. Low literacy levels reduced its effectiveness, as key messages were not understood, retained or implemented into the business. Staff observed that the external providers didn't have a grasp of the local context and therefore lessons were more generic. This coupled with a fast delivery, led beneficiaries struggling to keep up, let alone understanding the meaning. Respondents identified a need for vocational training, particularly in agronomy and animal husbandry.
- Gender inequality is evident in these communities, with low levels of female participation at just 15%. A narrow selection criteria and cultural constraints marginalising women are the main factors for these low levels of inclusion. As the program evolved, staff were encouraged by witnessing how women were empowered and equally contributing to the household economy. This resulted in a specific targeting of women in the later stages of the program, as staff (without realising it) applied a gender mainstreaming approach. This was achieved during community mobilisation, where staff sensitised the community to consider how the program and in particular IGA, could respond to the needs and capacities of both men and women.
- Injecting a number of cash grants at the community level has led to multiplier effects of stimulating local markets through the provision of increased goods and services. Along with new businesses being started, existing business benefited from increased custom and flow of cash in the local economy. Communities believe they have benefited as a whole from the program; if one family benefits, then it is seen as a benefit for the wider community.
- Targeting and beneficiary selection in general appears to have been a fair and transparent process. This is evidenced by the high utilisation rate of 80% overall as per the business pledge agreement, and the high number of respondents, 97% still engaged in their income generating activity.
- The management of the Village Committees (VC) was not fully transparent in all areas, with members abusing the power entrusted on them. While this caused minor issues in most target areas, it negatively influenced the possibilities to fully implement the program in Punjab. As VC members exercised favouritism and solicitation of bribes during the beneficiary selection process. Despite a

well-intentioned concept, varying levels of engagement by staff and volunteers, including information sharing on the role and responsibility entrusted onto them lead to this serious misconduct. This review established that respondents were not able to articulate the reason for their inclusion or exclusion in the program. This indicates that their participation in the selection process may have been minimal and information was not provided to them by the VC. A beneficiary communication and accountability process was setup in each community to facilitate a confidential feedback mechanism for community members to express suggestions and complaints. This mechanism to an extent exposed the misconduct, and the program's own monitoring and evaluation framework has been most effective in exposing this issue.

- Safety nets were not in place for the most vulnerable, those most at risk of utilising the cash grant to meet basic household need. The review has witnessed that non-beneficiary respondents are worse-off than beneficiaries. Initial livelihood assessments following the disaster recommended community cash grants, as a way to facilitate stimulating the local economy with increased cash and labour opportunities. These later became known as Micro Mitigation Projects, to be implemented by the disaster risk reduction unit. To date this intervention has not materialised to its full capacity and missed an opportunity to inject further cash into these communities.
- Most of the respondents considered their business was in a stable situation, and felt that income earned was enough to sustain their household needs. Ownership of the business was again evident with respondents identifying that their own efforts and attention applied to their business would determine its ongoing sustainability. Similarly some respondent linked re-investing savings into the business to enhance longer term sustainability. With a heavy reliance on livestock, many respondents raised concerns about the health of their livestock and keeping animals free from disease and/or death. Resilience to ongoing shocks and hazards, questions ongoing sustainability of these businesses.
- PRCS acceptance has been enhanced in the target areas. RCRC was seen as a trusted organisation that listened to, supported and respected local communities.

Lessons identified

The achievements witnessed in this program, has not come without a number of challenges faced by the field teams as the reality of the ground context dictated. While some of these are specific to the cash modality, it is important to note that the other challenges such as the beneficiary selection process or training component are independent of the decision to use cash over in-kind inputs. There is a perception that cash could have been a motivator for misconduct in the program. However as the vast experience of RCRC programming can testify, personal motivation influences beneficiary selection regardless of the type of assistance is being offered.

- Conditional cash grants were suitable for this context and were an effective mechanism for transferring large volumes of cash into the community. The beneficiaries and VC members have expressed that cash gave choice, flexibility and dignity – they clearly articulated that they had ownership over the process. The approach of beneficiary self-identifying a small-enterprise business that was applicable to their need and capacity is a more organic approach to investing in income generation activities, and for encouraging multiplier effects in the community.
- Guiding documents such as the 'Standard Operating Procedures' should have flexibility to evolve over time as the ground reality dictates. Experience from the field teams, should inform decision makers to change practices that are unworkable. It is noted that the lessons drawn from Thatta Pilot Project were too late to effectively impact on adjusting the program design.
- Market research should be conducted before setting the value of the cash grant, to ensure it is appropriate to the livelihood need and local context. The PRCS and IFRC should base its standards on the needs, which might deviate from Government minimum requirements. An insufficient cash amount threatens to undermine its efficiency for enhancing recovery and sustainable economic security.
- Trainings enhance capacity of the community, and strengthen compliance of the cash utilisation. Their efficiency would be enhanced, if they are practical and relevant to the context and need. Rural

communities practising traditional livelihoods could be better supported by vocational training, particularly in agronomy and animal husbandry. The baseline survey indicated that agriculture and livestock were the primary economic activity in the target areas, and therefore should have been the basis for designing trainings relevant to the need.

- As the sector evolves and actors increase their use of cash interventions, the modalities being used for transfer in Pakistan are also evolving. Experience from these actors indicates a lean towards the private sector in particular the selection of service providers e.g. banks for cash transfer. Private sector offers a professional, accountable and results-driven approach.
- High turnover of human resources was detrimental to the program, with staffing gaps, and loss of technical knowledge – adding to the delay in program implementation. This has impacted on the management of the program, with no dedicated focal point in the PRCS NHQ to support and guide the program forward. On IFRC part, a turnover of delegates also impacted on the management and continuity of the program. This was also compounded by the need to set-up HR capacity over three provinces. Two separate delegates, one for livelihoods and one for the cash modalities also created challenges for linking the two components in the planning and design of the program. The utilisation of volunteers as daily labour in undertaking program activity such as beneficiary verification and monitoring has not been done in the spirit of volunteerism.
- Multiple layers of management or a vertical structure has impacted on the timely delivery of the program. With centralised approach information sharing, reporting and transfer of operating costs has consistently been delayed. Requests from the field go through multiple layers of approval lines before reaching its intended audience for action, such as the cash transfer request.

Recommendations

PRCS should take encouragement from the turnaround that has been witnessed in their acceptance of this type of intervention and achievements in the program output. And IFRC in their commitment to supporting this intervention that was new to the Pakistan context. The impact at the household level, ownership displayed by the beneficiaries and indirect benefits for the community, is evidence this program was an appropriate and relevant intervention for the context. It is to their credit that based on this experience Management are now incorporating Livelihoods components in their Disaster Management strategy.

Challenges encountered have been trying, but should not discourage PRCS from engaging in this type of intervention in the future. In reality this program has served as a vital baseline of experience in a new thematic area. Key findings and lessons identified from this experience and indicated in this review can be used to inform framework's, policy and future programming.

With a global shift towards cash based programming, and donors increasing favouring this type of intervention, now is an appropriate time for PRCS to monopolise on their experience and streamline procedures.

- Establishing a framework for Livelihood programming that includes 'cash based programming' is a priority for the PRCS to develop as part of preparedness planning. This framework should incorporate experience gained and lessons identified from the IRP, and are complimented by the experience of other RCRC partners and INGOs involved in this type of programming. This framework should not be done in isolation, but be incorporated into a multi-sector integrated approach that harmonises interventions do reduce risk amongst communities.
- The full realm of cash based interventions should be researched as applicable to the Pakistan context, with recommendations developed into SOPs and guidelines that identify appropriate interventions for emergency (e.g. unconditional cash grants), early recovery (e.g. cash for work) and recovery phases (e.g. conditional cash grants for income generating activities or cash for training). This extends to the type of cash modalities used to facilitate the cash transfer. It is essential that SOPs and guidelines become 'living documents' that can be revised as the ground reality dictates. This includes ensuring monitoring and evaluation during the implementation such as mid-term-reviews are utilised to adjust programming challenges and flaws.

- Livelihoods programming has a key role to play in building community resilience, particularly in enhancing characteristics of resilience such as communities that are knowledgeable and healthy, and have access to economic opportunities. Programming should be approached in a bottom-up approach where the capabilities and needs are identified and expressed by the community. This approach and the use of tools such as baseline survey's, vulnerability and capacity assessments will become the key tools in the planning process. This will ensure that program activity is more relevant and appropriate to the need.
- Market analysis and sector engagement are additional tools that will inform program planning. Particularly in the use of cash based programming to define the most efficient cash modality and cash value. In larger scale responses, the use of the Emergency Market Mapping and Analysis (EMMA) tool can be utilised to analyse critical markets and define the most appropriate response. But only if done in a timely manner, as part of initial emergency phase assessments. Tracking market commodity prices of food and key livelihood productive assets should be conducted on a regular basis as part of preparedness planning. Locally the RCRC movement should engage with the sector, attend cluster meetings (in an observer capacity) and regularly share information with leading INGOS in the field of food security and livelihoods such as the Pakistan Emergency Food Security Alliance (PEFSA). These experienced actors are a good resource for understanding the Livelihoods context. Sector engagement will enhance the RCRC Movement's learning in this relatively new programming sector for the Pakistan context.
- The utilisation of village committees or community based organisations is a preferred method for engaging with communities. Capacity building of these groups should span the lifetime of the program. Checks and balances must be in place to ensure they are the true representative of the community. Information sharing and frequent engagement is a necessity, to ensure roles and responsibilities are understood. A confidential community feedback mechanism should be integrated into the program monitoring and evaluation framework.
- Gender mainstreaming should be at the forefront of program design and implementation, to ensure the marginalised groups are included in interventions. Specific training on gender mainstreaming should be provided to all staff involved in program design and implementation.
- Where possible, the voice of the field and ground reality should be central in the decision making process and authority given at lower levels to make operational decisions. Staff and volunteers at the field level are the face of the organisation, and critical to the efficient implementation of activity. Additionally the concept of the RCRC volunteers should be respected in its pure form, and not as a basis for supplying a labour force. Future programs must consider staffing needs, and adjust accordingly. Ongoing capacity building and delegation of responsibility will empower this vital human resource and ensure ongoing commitment to the RCRC Movement.

Acronyms & Abbreviations

BNF	Beneficiary
CTM	Cash Transfer Mechanism
EMMA	Emergency Market Mapping and Analysis
FGD	Focus Group Discussion
GPO	Pakistan General Post Office
HH	Household
IGA	Income Generation Activities
IFRC	International Committee of the Red Cross and Red Crescent Societies
KII	Key Informant Interview
MO	Postal Money Order System
NDMA	National Disaster Management Authority
PEFSA	Pakistan Emergency Food Security Alliance
PKR	Pakistani Rupee
PRCS	Pakistan Red Crescent Society
PNS	Participating National Society
RCRC	Red Cross Red Crescent Movement
SOP	Standard Operation Procedure
TPAT	Transitional Planning Assistance Team
VC	Village Committee

1.0 Introduction

The 2010 monsoon rains caused flooding unprecedented in nature that left a devastating impact on the livelihoods of families living in rural Pakistan. Flood waters affected Khyber Pakhtunkhwa (KP), Sindh, Baluchistan, Punjab, Gilgit Baltistan and Azad Jammu Kashmir (AJK) and claimed over 1,900 lives. Leaving more than 20 million people affected across Pakistan. The devastating floods caused damages of unprecedented scale to agriculture lands and the livelihoods of families who rely heavily on rural economies. The floods not only damaged agriculture crops, livestock, fisheries and forestry, they also destroyed key rural infrastructure such as wells, water channels, household storages, animal sheds, and various agriculture machinery and equipment.

In response the PRCS, with support from IFRC launched the 'Integrated Recovery Program' (IRP) that integrated recovery interventions in a number of sectors. A 'Vulnerability and Capacity Assessment' (VCA) was conducted to identify the greatest needs and gaps. Based on recommendations from PRCS provincial branches, 15 districts were initially identified as the most vulnerable based on the following selection criteria:

- Areas worst affected by flooding
- Accessibility in terms of security and logistics and where PRCS has acceptance
- Areas which received support from PRCS during the relief stage
- Early recovery needs not being met by other agencies

Outcomes of the VCA from a livelihood perspective that identified significant crop and land damage resulting in yield decreases, and degradation to soil fertility due to water saturation and increased salinity. The flow on effects included unemployment increases and loss of livestock and sale of assets. PRCS and IFRC identified 36 communities in six districts as priority areas to receive under the IRP an integrated package of support covering shelter, health, WASH and livelihood components, with a focus on disaster risk reduction. The IRP incorporates cash based programming, through a conditional cash grant component for shelter and livelihood interventions.

1.1 Livelihood Context

Pakistan is the sixth most populous country in the world, with an estimated population size of 180 million. A diverse country rich in culture, tradition and religion gained independence in 1947. The semi-industrialised nation sustains its economy on agriculture, natural commodities; service based industries, and draws from its large labour market base. Instability in the country has severely affected Pakistan's ability to monopolise on foreign investment, including potential for a lucrative tourism market. Since 2005, the country has been prone to consecutive natural and man-made disasters, placing significant burden on the country and impacting on development.

In 2012, the UNDP Human Development Index ranked Pakistan 146 out of 187 countries, with a life expectancy of 65.7 years. High rates of unemployment, rising inflation affecting food prices, insecurity, gender inequality and consecutive disasters has categorised the country as experiencing low levels of human development. A largely patriarchal society, gender inequality is at staggering levels as cultural constraints limit female mobility and access to education and formal labour markets.

The Transitional Planning Assistance Team (TPAT) livelihood assessment and baseline survey indicated, communities were particularly vulnerable in the period following the floods. With unprecedented damage to agricultural land, loss of livestock, destruction of rural infrastructure, and loss of labour opportunities – negative coping mechanisms were adopted. The sale of productive and non-productive assets, debt, changes in food intake, and migration all contributed to heightened levels of vulnerability for flood affected families. While agriculture as the main source of income and employment was heavily affected, so too were small enterprise businesses and shops – disrupting the flow of and access to goods and services.

Three distinctive topographical areas were identified with differing impacts experienced from the floods. In the highlands of KP, entire villages were washed away due to flash flooding. With community infrastructure such as roads and bridges destroyed – reducing access to services and markets. In the lowlands of KP, Punjab and Sindh, assets were washed away and silt deposits destroyed vast areas of land. For Sindh and Punjab, flood waters were slow to recede, leaving villages under water and populations displaced. As a consequence, these three provinces became the target areas relief and recovery interventions.

Recommendations from the TPAT assessment for recovery interventions included Cash Based Programming in the form of micro-enterprise support, which later became defined as ‘Conditional Cash Grants for Income Generation Activities’. Safety nets were included to ensure the most vulnerable benefited, with a recommendation to include community cash grants that would stimulate the local economy. These later became known as ‘Micro Mitigation Projects’ intended to restore and protect community infrastructure.

The table below summaries the impact of the floods against Livelihood assets.

<i>Asset</i>	<i>Impact</i>
Physical Assets	Damage to public infrastructure Homes lost and damaged Standing crops destroyed Seed stocks, livestock and aquaculture assets lost Productive assets for farming, fishing, small business and transport lost Household items lost Loss of communications due to broken roads and bridges Irrigation systems silted and broken
Natural Assets	Fields inundated Loss of topsoil Potential loss of fertility Reduced availability of potable water Loss of forest etc through landslides Potential changes to land and forest access
Social Assets	Community networks disrupted by migration Community safety nets for vulnerable disrupted Gender aspects of social networks disrupted Damage to market systems Disrupted Communication mechanisms
Human Assets	Loss of life, breadwinners Changes to labour migration patterns Changes to land tenure systems, bonded labour Disruption to extension services Health problems related to flooding and migration Psychosocial impacts and trauma
Financial Assets	Debt secured against lost, especially agricultural assets (for both men and women) Loss of jobs Damage to micro-credit systems Potential loss of savings held in kind and traditional, especially for women.

Figure 1: Sustainable Livelihoods Framework – impact of the floods
 Source: Recovery Framework for Pakistan Floods Operation

1.2 Purpose of the Review

As outlined in the ‘Terms of Reference’ this review aims to establish the immediate impact experienced at the household level and to identify any indirect benefits experienced for the wider community in the implementation area. In addition, impact monitoring is the final activity under the program logical framework. It is an opportunity to ‘showcase’ the program achievements, lessons identified from the implementation process and to document recommendations to inform future Livelihood programming for the PRCS. The review specifically aims to understand:

- the immediate impact at the household level
- identify indirect benefits for the wider community as a result of the cash grants

- understand beneficiaries perceived risk and resilience to mitigate the risks of future disasters
- increase institutional learning on cash based programming
- document the implementation modalities

1.3 Methodology

The review is a quantitative and qualitative assessment based on household interviews, focus group discussions, key informant interviews, a desk review of program documentation, and analysis of the program history and timeline. This internal review led by the IFRC Livelihoods Unit conducted household interviews with up to 146 randomly pre-selected beneficiaries and 47 non-beneficiaries, 193 out of a possible 200 as defined below. The household interviews were complimented by 27 focus group discussions consisting of beneficiaries, non-beneficiaries, village committee members and women-only groups.

PRCS & IFRC staff engaged in the IRP and Livelihoods program were interviewed on a confidential basis as key informants. Meetings were conducted with three INGOs involved in cash based programming in Pakistan, along with undertaking a desk review of sector publications. The IRP Baseline survey and data from the post-distribution monitoring database has been used in this review to make comparison to the findings.

		Original No of BNF	Final No of BNF	Sample Size (200) % of Final BNF	Total No of HH Interviews*	No of BNF	No of non-BNF
Sindh	Shikapur	1000	983	22%	44	33	11
	KSK	667	1384	31%	62	47	16
	<i>Sub Total</i>	<i>1667</i>	<i>2367</i>	<i>53%</i>	<i>107</i>	<i>80</i>	<i>27</i>
Punjab	Muzaffarghar	1250	448	10%	20	15	5
	Layyah	833	392	9%	18	13	4
	<i>Sub Total</i>	<i>2083</i>	<i>840</i>	<i>19%</i>	<i>38</i>	<i>28</i>	<i>9</i>
KP	Shangla	750	740	17%	33	25	8
	Kohistan	500	497	11%	22	17	6
	<i>Sub Total</i>	<i>1250</i>	<i>1237</i>	<i>28%</i>	<i>56</i>	<i>42</i>	<i>14</i>
Total		5000	4444		200	150	50

BNF = Beneficiaires

** Portitional weighting*

1.4 Limitations

The review team faced minor limitations in the collection of field data, predominately due to access issues. Conducted in the winter months, a number of villages in Kohistan district of KP originally included in the sample were cut off due to heavy snow-fall blocking access roads. The expatriate IFRC Livelihood Coordinator was not able to visit and observe target areas in KP due to the Government requirement of obtaining a 'no objection certificate', and also in Punjab due to the requirement of having an 'armed escort' which for the later contradicts RCRC modes of operation. Sindh has been the only province where the Livelihood Coordinator has had relative ease of access.

The district of Layyah in Punjab province was originally included, however the Management of IFRC and PRCS decided to exclude this district from all sector reviews. This was primarily decided in the interests of security, given the indefinite postponement of IRP activities in this district following irregularities and evidence of misconduct.

A random selection of beneficiaries was applied, however proved difficult to implement in the field due to availability of the beneficiary being present in the village, identifying the correct beneficiary and time constraints. With no pre-announcement, the community was not mobilised. If the beneficiary was not present, the next person on the list was sought and so forth. Non-beneficiary respondents were selected based on criteria of having had no support from the livelihood program.

With a small sample size and higher emphasis on collecting qualitative data, measuring quantitative data has shown contradictions. During field data collection, when asking respondents to express behaviours,

information came freely. However when asked to provide statistical information, e.g. income per month – this has been a more difficult process. Respondents rarely keep financial records, do not budget, record profit & loss, or measure in monetary values. With some households practicing bartering systems where goods and services are used as a medium of exchange over money. Therefore for the purposes of this review, qualitative information gathered through FGDs, KII and in the HH interviews has been given a higher weight in the analysis.

2.0 Overview of the Cash Grants for Income Generation Activity Program

The main objective of the 'Cash Grant for Income Generation Activities' program was to re-establish livelihoods of flood affected families to regain sustainable economic security. This intervention aimed to restore and protect the livelihood of rural people affected by this disaster, and to enable them to either rebuild or diversify income sources.

Cash-based programming is not new to the Pakistan context; however it is a relatively new approach in the programming of the PRCS. Experienced gained from the Thatta Pilot Project paved the way to design and test the cash modalities, develop standard operating procedures and build the necessary infrastructure to facilitate the scale-up of a wider implementation under the IRP.

It is noted in this review that processes reviewed and experienced gained the Thatta Pilot Project did not meet the reality of the full scale implementation in interior regions of Pakistan. This is mainly due to the geographic advantage Thatta has over the target communities being in more remote areas. Staff observe that Thatta being close to major commercial hubs, benefited from more resources and effective capacities. The Thatta lessons learned process came to late to have a real input into the design of this program. The major lesson observed, regarding the cash grant value was that Thatta assumed that NDMA set the cash grant at a flat rate of 20,000 PKR. However as indicated by other actors, this was the minimum standard, and the NDMA left the upper level at the discretion of the individual actors. This was acted on by other actors, undertaking market research to set the value on average between 26,000-30,000 PKR.

Output	Activities	Indicators
5,000 flood affected families re-establish their livelihoods and regain sustainable economic security through provision of cash grants.	<ul style="list-style-type: none"> • Selection of potential beneficiaries for livelihood program • Preparation of business plan and final beneficiary selection • Training beneficiaries on Entrepreneurship Development (EDT) at village level • Disbursement of cash grant through Post office • Monitoring of utilization of cash grant on livelihoods activities • Impact monitoring of income generation activities 	<ul style="list-style-type: none"> • 5,000 livelihood enhancing IGAs plans have been approved by the Village Committee. • 5,000 families received entrepreneurship development training. • 5,000 families received conditional cash grants for IGA. • 75 per cent of the targeted families used cash grants for income generating activities

Figure 2: Planned Logical Framework (target was revised to 4,414 in January 2013, due to indefinite postponement of activity in Layyah district, Punjab)

2.1 Targeting of Areas

Targeting was guided by the RCRC Code of Conduct in disaster relief, and the TPAT assessment that recommended recovery activities should be targeted in districts where the PRCS were supported by Movement partners during the relief phase. This pragmatic approach, allowed for the RCRC to build on acceptance generated in these communities and knowledge gained during the relief phase.

The IRP approach provided recovery programming for 39 revenue villages in six districts. Kohistan and Shangla districts in KP province, Layyah and Muzafargah in Punjab province, and Kamber Shahdad Kot and Shikarpur in Sindh province.

2.2 Implementation process and Cash Modalities

Under the IRP framework, program activity was implemented by the PRCS with technical and financial support provided by the IFRC. With cash-based programming being a relatively new intervention for the IFRC and PRCS in Pakistan, the framework and development of Standard Operating Procedures (SOP), guidelines and trainings were undertaken by a team of IFRC Livelihood experts in consultation with PRCS management and counterparts. At the provincial level, field teams implemented activities jointly.

The main activities of the program consisted of:

- Selection of potential beneficiaries
- Preparation of a business plan and final beneficiary selection

- Training beneficiaries on Entrepreneurship Development Training (EDT)
- Signing of a business pledge agreement
- Disbursement of cash grant through Post Office
- Monitoring of cash grant utilisation as per the business pledge agreement
- Impact monitoring of income generation activities

Identifying, planning and designing the cash modalities was primarily done at NHQ level and tested in the field through the Thatta Pilot Project. An analysis of different CTM was undertaken, primarily by utilising 'hand-to-hand' cash transfer in the pilot, but also by tracking the GPO system. Thatta allowed for community feedback on their preference for CTM, with the community identifying that their first choice was hand-to-hand payments, followed by the GPO Money Order system. IFRC undertook a market assessment and tendering process to identify the cash transfer provider, with the GPO emerging as the most cost efficient and timely with a 7 day turnaround. A MoU with the GPO was signed in June 2011. A MoU was preferred over a legally binding contract. As the process of entering such a contract would have required a long and protracted undertaking requiring approvals from multiple Government Ministries. Activity implementation started on the ground by late August with the beneficiary selection process commencing. EDT followed in November with the provision of a two-day training course designed to deliver basic business concepts and to understand concepts of poverty and how to overcome adversity. The first cash grants were distributed in December 2011, just on a year and a half following the outset of the disaster.

The joint-approach allowed for a more cohesive approach to capacity building with challenges encountered shared and resolved between the experiences of the teams. The review observed an adequate compliance to the SOP adopted to standardise and streamline administrative processes. As a 'living' guideline the SOP was adjusted over time, in cooperation with the PRCS as the realities of the field determined. Most notably with the decision to provide the full grant in a single instalment.

Initial apprehension about implementing a cash program was a key driving force behind the decision to utilise the GPO MO system. A traditional and Government owned institution – the IFRC identified this mechanism as a trusted source, considered to be transparent and less prone to fraud. Equally it was considered that the GPO had the best outreach in the target areas, with staff serving communities in rural areas. With PRCS hesitant to undertake a cash program, the GPO system sat more comfortably and IFRC took full responsibility for financial requirements of transferring cash directly to the GPO. As the program commenced implementation issues with the GPO system began to emerge, as it became evident district branches in interior regions lacked the capacity and resources to deliver large sums of cash.

Livelihood Program Timeline

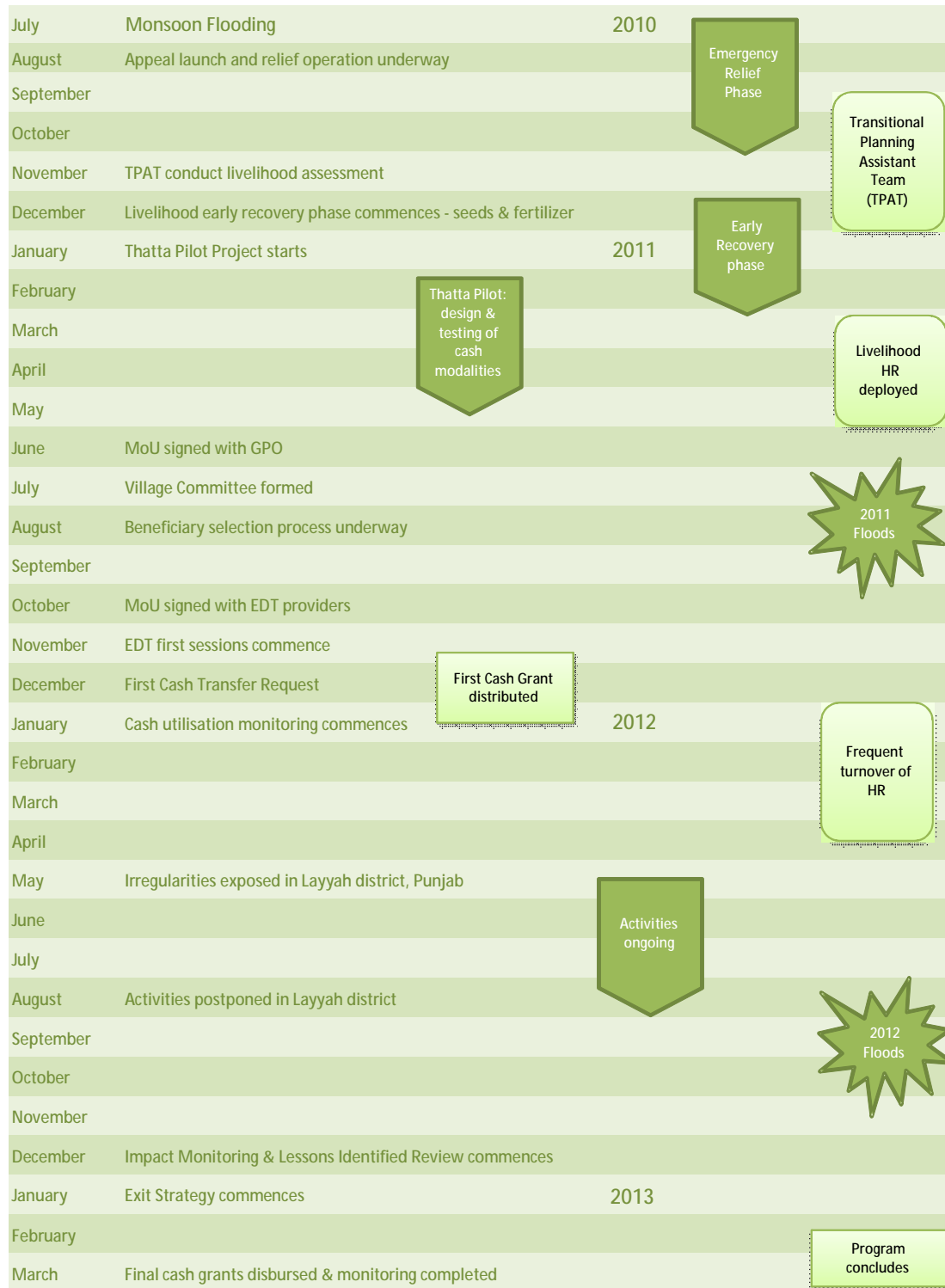


Figure 3: Timeline of Key Events

3.0 Findings

Beneficiaries tend to fall into two categories, those who re-established an existing income generation activity, predominately livestock, and those who choose to diversify their income sources by starting a new business venture. New ventures consisted of retail shops from grocery to mobile phone carriers, donkey carts, and tailoring. Traditional gender roles were evident in the selection of IGA, with women choosing to invest in livestock or embroidery work. The program has witnessed a diversification of IGA compared with baseline survey data, which indicated livelihoods were predominately reliant on agriculture and livestock. Beneficiaries who selected entrepreneur type IGAs are fully employed in their business and witnessed a shift away from reliance on seasonal daily labour opportunities.

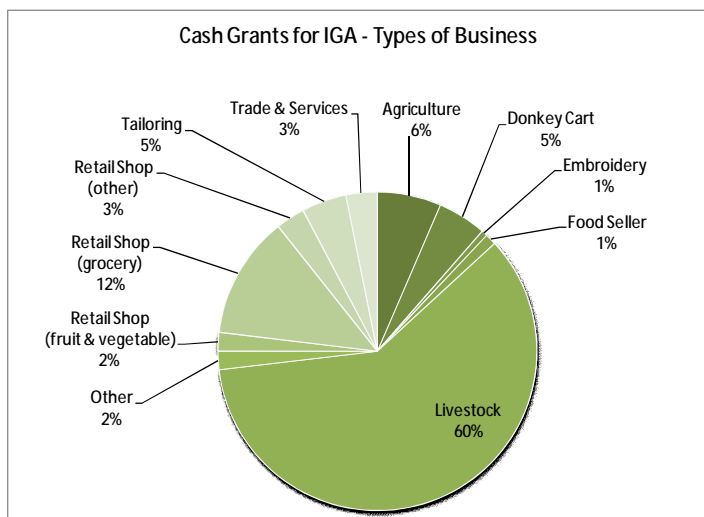


Figure 4: Types of IGA businesses

The high percentage of Livestock is indicative of this being the second main source of income for rural households after agriculture. It is also typical of the feudal system in Pakistan. Rural households, particularly in Sindh and Punjab tend to be landless, living as tenants and with limited access to education and basic rights. Livestock such as goats and cows can be easily kept and raised in the vicinity of the household. It could also be indicative of the cash grant amount and existing poverty in the target areas.

At 20,000 PKR purchasing power was limited. For example the market value of one pregnant female-goat is approximately 12,000-13,000 PKR, in comparison a donkey cart and donkey is valued at around 30,000-32,000 PKR. Selecting livestock and in the case of goats, reduced the need for a significant personal contribution. Selecting a more entrepreneur type business required a significant monetary contribution by the beneficiary and potential burden of accruing debt. Some respondents observed if the amount of the grant was higher, they would have purchased a cow or buffalo to maximise both income and food sources for the household.

The program had low levels of female participation at just 15%. This is indicative of the high levels of gender inequality and cultural constraints in rural Pakistan. Coupled with selection criteria that had emphasis on inclusion of female headed households, i.e. widows. This limited vulnerable families where a female member had the potential to be a contributor to household income. Culturally women do not live alone in rural Pakistan, so finding female headed households is a rarity. Gaining access to women and ensuring their active participation in the program has been a challenge for the field teams.

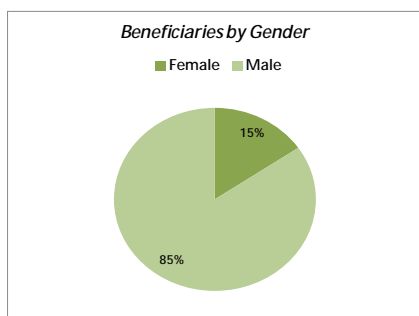


Figure 5: BNF by gender (excl. Sindh Phase 3)

KP saw the lowest levels of female inclusion at 4%, due to cultural constraints limiting access to women and their inclusion in program activity. In Kohistan district women were refused from participating in the EDT sessions, while in Shangla the schedule had to be reduced to one day to limit their 'exposure' time and a female facilitator required to conduct the training. It was apparent in KP that women were predominately nominated in place of their husbands, who had temporarily migrated for seasonal labour opportunities. Effectively their participation was in 'name' only.

Punjab witnessed high levels of female participation at 33% and there are a number of theories behind this. The selection criteria could have looked beyond female headed households, or it could be an indication of the irregularities witnessed, particularly in Layyah district. With high levels of gender inequality, marginalised women are generally disempowered and less likely to question or complain when there is interference from other parties.

Sindh has been an example of steadily increasing female participation, doubling the inclusion rate from 12% in Phase 1, to 36% in Phase 3. Encouraged by witnessing how women can actively contribute to the household economy, the field team applied a targeted approach to steadily increase female inclusion.

*"We have raised female participation in our program; females are now providing benefits to their households together with the males".
Sindh – KII*

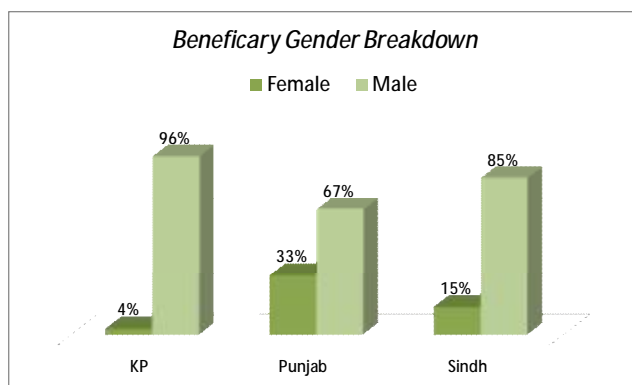


Figure 6: BNF gender breakdown by province

3.1 Impact at the household level

Measuring quantitative and qualitative data has seen varied results in terms of socio-economic impact at the household level. With a higher emphasis on behavioural questioning, qualitative data paints a more positive picture than pure analysis of statistical data. During household interviews obtaining income and expenditure figures proved difficult. Low literacy levels, an absence of book-keeping and budgeting saw respondents struggle to put a figure on their income and expenditure.

The results of this review indicate that beneficiaries have returned to a level of livelihood experienced pre-floods, with the cash grant predominately allowing beneficiaries to replace lost assets. For the majority of respondents both beneficiary and non-beneficiary, their livelihood appears to be no better or worse off than before the floods. For non-beneficiaries vulnerability appears to be worse than those who benefited from the program. Communities affected by the 2010 floods are still struggling to regain productivity from the land, with vast areas of once productive agricultural land affected by high soil salinity.

Consecutive seasonal flooding in 2011 and 2012 has further impacted in Sindh and Punjab, with 37% of beneficiary respondents indicating they were also affected by 2011 flooding. What is evident is that beneficiaries are better off than the period immediately following the floods. Comparing average monthly HH income to baseline data, there is a significant shift amongst the income brackets as indicated in the below graph.

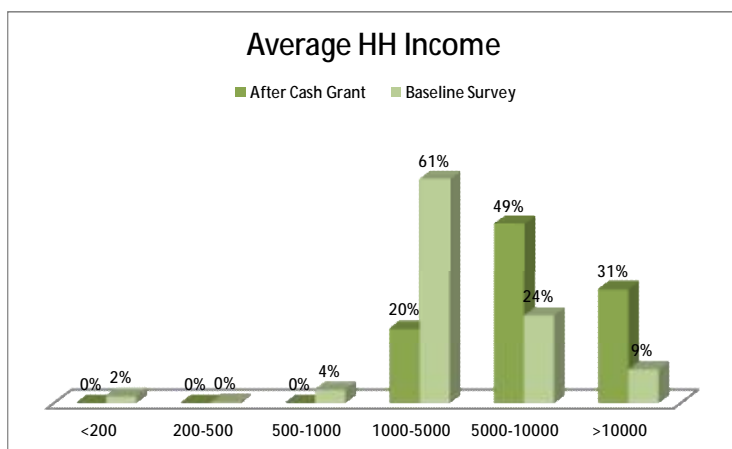


Figure 7: Respondents average income bracket versus baseline survey

All beneficiary respondents indicated their livelihoods were affected by the floods, and described coping mechanisms of daily labour, selling of assets, family remittances and a dependence on charity. Both beneficiary and non-beneficiary respondents indicated their monthly income has decreased, overall averaging a 7-8% decrease. Half of the beneficiaries interviewed are now earning less income per month than before the floods, of which 58% choose livestock as their IGA. This is evidenced in a reduction of income sources, with over 65% of beneficiary respondents sustaining one main source of income, and 35% having two or more income sources. Compared to baseline data where 50% of households had two or more sources of income. Multiple sources of income are typically a sign of vulnerability, indicating the household economy cannot be sustained on one source alone. In these rural communities more than one income source is a necessity to survive. This indicates that in the period following the floods, labour opportunities had reduced.

The main sources of income amongst beneficiary respondents were agriculture 46%, livestock 40%, industry 19% and daily labour 17%. In comparison non-beneficiary respondents measured even lower income levels (before and after the floods), with 74% supplementing household income from two or more sources. This indicates non-beneficiaries have higher vulnerability, than those participating in the program. The most vulnerable were excluded from the program, as they were considered at risk of utilising the cash grant on basic needs, rather than business inputs.

Punjab has been the only province where beneficiary respondents reported a significant increase in monthly income, nearly doubling at 47%. However in contrast non-beneficiaries have decreased income, by 27%. This could be indicative of the small sample size not being representative of the wider population, or validation of the irregularities witnessed in this province. The below table compares average monthly income before and after the floods for both beneficiaries and non-beneficiaries.

Average Monthly Income (PKR)		Beneficiary				Non-Beneficiary			
Province	District	Before Floods	After floods	Variance Amt	Variance %	Before Floods	After floods	Variance Amt	Variance %
KP	Kohistan	7,300	7,941	641	9%	6,750	6,750	-	0%
	Shangla	15,000	11,760	(3,240)	-22%	9,625	9,125	(500)	-5%
Punjab	Muzaffargarh	9,118	13,412	4,294	47%	7,333	5,333	(2,000)	-27%
Sindh	Kamber Shahdadkot	8,943	7,511	(1,432)	-16%	8,867	9,613	746	8%
	Shikarpur	7,235	6,092	(1,143)	-16%	7,923	5,962	(1,962)	-25%
Overall Total		9,355	8,637	(717)	-8%	8,348	7,730	(618)	-7%

Figure 8: Average monthly income before and after floods¹

Changes in household circumstances was measured through asking respondents to indicate if positive or negative changes had occurred since receiving the cash grant. Basic needs of food and housing witnessed over half of the respondents indicating a positive change. Market access followed a similar trend, which could indicate multiplier effects with the injection of cash at the local level and establishment of local business. Health, education and access to financial services saw less favourable change. Encouragingly over half of the respondents have witnessed positive change to family life, personal growth and community relations. And

¹ Average monthly income was calculated on respondent's total income per month. As mentioned in the data limitations this data is subjective due to respondents rarely keeping financial records, not budgeting, recording profit & loss, or measuring in monetary values.

significantly up to 76% saw a positive change in their business, indicating that the cash grant for IGA has been an appropriate intervention.

“Within the passage of time situation is getting change now, it is good now even before floods, we used to cook spinach before but now we are eating lentil.”
Muzaffargah, Punjab – BNF FGD

“I have also chosen livestock and purchased a cow which was young at that time but now she has a calf too. I purchased at 28,000 PKR and now its value is more than 50,000 PKR with the calf.”
Kohistan, KP – BNF FGD

In contrast in KP, nearly all indicators were given a “no change” response, which contradicts information provided throughout the HH Interview and during FGD. The only notable change observed in KP, was regarding the business with 82% indicating the IGA has been positive. The team leader during the field data collection observed that the respondents didn’t appreciate this line of questions, with some respondents not wanting to share information they considered confidential, or that they simply gave it no value. It could also be viewed as an action to send a message that vulnerability still exists and ongoing support is needed. The below table demonstrates changes in household circumstances by district.

Changes in HH circumstances		Food			Housing			Health Care			Education			Credit Access			Market		
Province	District	-	+	NC	-	+	NC	-	+	NC	-	+	NC	-	+	NC	-	+	NC
KP	Kohistan			100%		18%	82%		18%	82%			100%			100%			100%
	Shangla			100%			100%			100%			100%			100%		4%	96%
Punjab	Muzaffargarh	29%	41%	29%	12%	41%	47%	24%	35%	41%	18%	24%	59%	29%	24%	47%	35%	41%	24%
Sindh	Kamber Shahdadkot	2%	91%	6%	11%	89%		28%	64%	9%	17%	77%	6%	45%	32%	23%	23%	66%	11%
	Shikarpur	13%	87%		42%	55%	3%	53%	47%		68%	32%		55%	45%		26%	74%	
Overall		8%	58%	35%	16%	51%	33%	26%	40%	35%	26%	36%	38%	33%	25%	42%	19%	47%	35%

Changes in HH circumstances		Family life			Personal life			Community life			Business/IGA		
Province	District	-	+	NC	-	+	NC	-	+	NC	-	+	NC
KP	Kohistan			100%		18%	82%			100%	6%	82%	12%
	Shangla	4%	28%	68%		20%	80%		4%	96%	8%	68%	24%
Punjab	Muzaffargarh	12%	71%	18%	29%	41%	29%	12%	59%	29%	12%	65%	24%
Sindh	Kamber Shahdadkot	9%	83%	9%	6%	83%	11%	6%	77%	17%	4%	83%	13%
	Shikarpur	26%	71%	3%	26%	71%	3%	16%	76%	8%	26%	74%	
Overall		12%	59%	29%	13%	56%	31%	8%	53%	40%	12%	76%	13%

Figure 10: Changes in BNF household circumstances (positive, negative, or no change)

Up to 74% of beneficiary respondents utilised the cash-grant to re-start an existing business. Of those respondents who ventured into a new business, predominately they selected livestock, retail shops & donkey carts. The below graph shows the breakdown of IGA types for the beneficiary respondents.

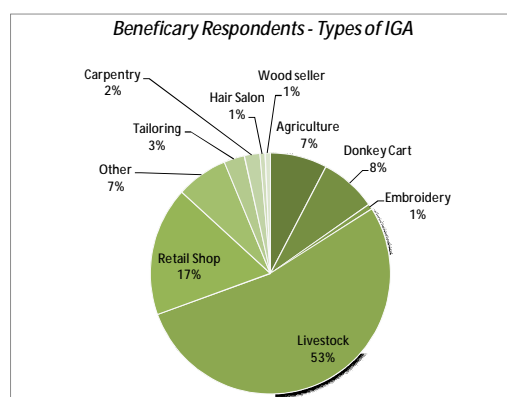


Figure 11: Types of IGA for respondents

Motivation of the beneficiary respondents was evident with up to 65% providing a personal contribution to the business. This contribution consisted mostly of cash, of which 89% provided on average between 5,000 to 10,000 PKR. This is notable, given personal motivation was one of the selection criteria’s during assessment and verification of the business plans. It demonstrates the levels of ownership beneficiaries took over their business.

Of the 69 respondents who received the grant in two instalments, 57% indicated 10,000 PKR was enough to purchase items and start their IGA. Of that number 50% had selected livestock, and 17% retail shops. While on the other hand 43% indicated the 10,000 PKR instalment wasn't enough to start the business. This supports the decision taken mid-implementation to adjust the cash modality from an instalment basis to a single transaction. This was an appropriate action that assisted the beneficiaries to fully start their IGA.

*"Trade could not be started with the first instalment."
Shikarpur, Sindh - BNF HH Interview*

Misconduct in the process was not evident during the household interviews with 93% stating no other party interfered with their entitlement. Of the 7% who indicated interference, they mentioned VC members or GPO staff taking a portion. In some cases respondents indicated that GPO staff took a 'commission fee' of up to 200-500 PKR per beneficiary. While VC members were more blatant, taking from 10% up to the entire grant from beneficiaries. During FGDs, respondents were more vocal regarding interference, with complaints coming from target areas not widely voiced as concerns during the implementation stage, such as KP province.

*"Village committee members selected beneficiaries according to their will. They included their relatives, and they took half of money from some people."
Shangla, KP – non-BNF FGD*

*"VC has selected us for cash grant and informed us about training and money orders arrival at GPO. But people were harmed also by the conflict within VC and some people could not get their money orders."
Shangla, KP – BNF FGD*

Utilisation of the cash grant as per the business pledge agreement was high with 94% of respondents utilising the full 20,000 PKR directly on the business. Results of post-distribution monitoring also indicate a high % of cash utilisation at 80% overall (excluding Sindh Phase 3). The below table of information from the post-distribution monitoring database, shows the breakdown of the total amount of grant that was invested into the business. Those who did not comply used the cash to meet basic needs of food, home amenities, or health treatment. Beneficiaries falling into the 'Nil' category typically had migrated from the village after receiving the cash grant – therefore it cannot be verified how the cash was used. Predominately beneficiaries who did not utilise the full amount choose agriculture and livestock.

*"I am spending money in business 17,000 PKR and 3,000 spent on home material."
Shikarpur Sindh, - BNF HH Interview*

PKR	Nil	1,000-4,999	5,000-9,999	10,000-14,999	15,000-17,499	17,500-19,999	20,000
KP	7%	0%	1%	4%	4%	12%	72%
Kohistan	3%	0%	3%	8%	7%	13%	67%
Shangla	10%	0%	0%	1%	2%	11%	76%
Punjab	7%	5%	8%	1%	2%	4%	74%
Layyah	15%	11%	16%	1%	0%	1%	56%
Muzaffargrh	0%	0%	0%	1%	3%	6%	89%
Sindh	4%	0%	0%	2%	2%	4%	89%
Kamber Shahdad Kot	6%	0%	0%	2%	1%	3%	88%
Shikarpur	1%	0%	1%	2%	2%	5%	89%
Overall	6%	1%	2%	2%	2%	6%	80%

Figure 12: Post-distribution cash utilisation – total amount invested in business for IGA (excl Sindh Phase 3)

Sindh province shows the highest compliance with full utilisation of the cash grant, at 89%. With KP province showing the least compliance, particularly in Kohistan district where a high majority of the beneficiaries on average utilising 20% of the cash on food. Staff considered that in Kohistan, the two instalment process was a necessity to ensure beneficiaries complied with the pledge agreement.

Post-monitoring clearly shows the irregularities experienced in Punjab, with just over half of beneficiaries in Layyah complying. What is staggering in the monitoring results is that up to 130 beneficiaries in Layyah expressed that a VC member took a portion of their grant. On average the VC member took amounts ranging from 5,000-12,000 PKR. It is also evident the turnaround in this province, with Muzafargah showing high compliance at 89%. Which is observed to have been a direct result of the re-verification process and tighter scrutiny of the process by the PRCS NHQ, along with PRCS & IFRC staff and volunteers actively engaged on the ground.

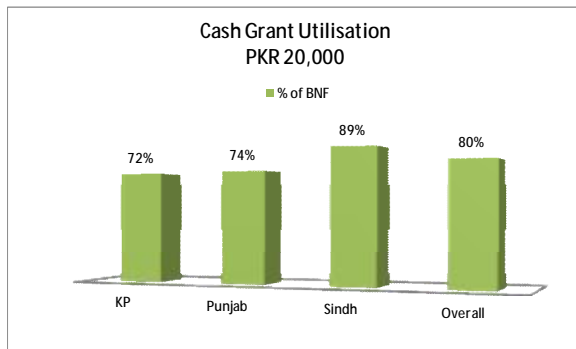


Figure 13: % of beneficiaries who utilised the full cash grant on their business

Over half of the respondents said the cash amount was not enough to start a business, at 59% overall. And in KP the majority of respondents at 90% said the amount was too low. These respondents indicated on average 60,000 PKR was required. An increase in commodity prices was one of the major factors in reasoning that the cash amount was inadequate. With a shortage of commodities at the local level in the period following the floods, prices soared.

Respondents who indicated the amount was enough to start the business, still indicated the amount should have been higher, on average 40,000 PKR. For those who purchased goats, the amount was sufficient, or for retail shops the amount was enough to replenish stock. Many who selected livestock indicated that if the amount was higher, they would have purchased a cow or buffalo.

*"Grant was sufficient for me because already I was in business but due to shortage of goods, customers were turned back. Now cash grant has enhanced my business."
Kamber Shahdad Kot, Sindh – BNF HH Interview*

*"Things are expensive in market and with the passage of time, prices are increasing. So, it's very difficult to start business in this amount."
Shangla, KP – BNF HH Interview*

Cash grants were deemed relevant, with 94% indicating the program was appropriate for their circumstances and 84% of respondents preferring cash over in-kind inputs. Overwhelmingly respondents appreciated that the program offered them the choice and flexibility to utilise the cash according to their needs, customs and beliefs. Trust was a major factor in beneficiary's preference to receive cash. They trusted their own purchasing knowledge and market links for selecting inputs relevant to the context. Up to 95% of respondents also indicated that the business selected was their first choice. Relevance, choice and flexibility – gave beneficiaries a sense empowerment and ownership of the business.

*"Because I purchased seeds according to my will and standard, keeping in view the land condition and climate, if I was provided with the seeds that may not be fruitful in the weather."
Shangla, KP – BNF HH Interview*

*"We are satisfied that we got things by our own will because we know very well which is better for us as they didn't know which breed is good or not."
Muzafargah, Punjab – BNF female FGD.*

*"Cash grant helped the people in a way that those cattle and shops which were destructed in floods some of them purchased one or two animals and it was really helpful for people with retail shops because they have reconstructed their shops with available material like stones etc. but they did not have capital to start their shop so with this 20000 PKR they got a big support to take initiative."
Kohistan, KP – BNF FGD*

*"Community behaviour is better, I am enjoying life."
KSK, Sindh – BNF HH Interview*

*"An NGO provided us with goats but they were purchased from Punjab Those goats could not survive in our area and started to become ill and most of them died."
Shangla, KP – BNF FGD*

3.2 Indirect Benefits

Communities in the target areas have shown indirect benefits from the program injecting cash into the local market. This has had a multiplier effect for local markets, with traders and service providers benefiting from households purchasing their business inputs locally. Most notably at the local level, the wider community is benefiting from the increase in basic goods and services being offered as a result of the program. An increase in the number of contributors in the community has also lessened the burden of unemployment and anti-social behaviours.

*“Cash Grant program is very good, so many unemployed people has received employment.”
Muzafargah, Punjab – non-BNF FGD*

*“During the un-employment, I was tense and wasted time worrying about my future. But now, I spend most of my time in the nursery and feel relaxed. Because of my initiative, some of my friends also started their businesses.”
Shangla, KP – BNF HH Interview*

*“Social networking is strong and good relation with relatives.”
Muzafargah, Punjab – BNF HH Interview*

Non-beneficiaries while considering themselves entitled to the grant, displayed no bitterness or jealousy against those who received grants. In these communities households are part of the wider family or tribe. If one family benefits, it is seen as a benefit for the extended-family. Non-beneficiaries and VCs talked about the indirect benefits afforded to them from the increase of goods and services at the local level, to better access to credit from family owned businesses.

*“We have here small shops, sewing work, donkey carts, and livestock as well, all those who were benefited in livelihoods are all our neighbours and relatives.”
KSK, Sindh – non-BNF FGD*

Capacity building has been another observation as a result of increased services at the local level, with skills transfer being observed. For example a non-beneficiary in Sindh observed a transfer of vocational skills, explaining how a female-beneficiary who started an embroidery business was teaching young women in the village how to sew. Culturally this is a skill required of a young woman as she prepares for marriage. A skill that is now being learned in the safety and familiarity of the village.

*“It gives a sense of honour to have these things available at our village.”
KSK, Sindh – VC FGD*

Staff involved in the implementation witnessed positive change in the communities and strengthening of local markets, as the availability of basic goods and services increase at the local level and skills transfer occurs. Staff observed beneficiaries sharing their EDT experience and skills learnt with non-beneficiaries, such as the example of women teaching other women in the village embroidery and sewing skills. A staff member in Sindh indicated that this skills transfer has empowered some non-beneficiaries to establish their own IGA. In KP, a staff member observed that following the injection of cash into the community and establishment of business – access to credit had increased for the wider community. As beneficiaries establish their business, they have opened lines of credit to enable non-beneficiaries to start their own IGA. Staff consider that the program is seen as a benefit for the whole community.

*“Satisfaction is high in most of the cases, because the non-beneficiaries are considering the program support on a community basis and not on an individual basis.”
Staff Member – KII*

Recommendations from the TPAT Livelihood Assessment identified additional complimentary interventions to ensure that safety nets existed for the wider community and those excluded such as the most vulnerable. Community Grants were identified, which were intended to provide labour opportunities for the most vulnerable on community lead rehabilitation projects, such as clearing of land and blocked irrigation channels. This later became defined under the IRP as Micro-Mitigation Projects (MMPs) intended to form part of the Village Disaster Risk Management plan to reduce vulnerability to disaster and increasing capacity in terms of enhanced safety for the community.

However a slow response, limited technical resources and no experienced staff such as an expert on community grants or cash-for-work interventions, along with the failure to mobilise the VCs – saw the MMPs

stagnate. Eventually the MMPs were handed over to Disaster Management unit, in the belief that the activity being administered by the VC's comes under DRR initiatives. The MMP concept is an example of an integrated approach that includes both Livelihood and DRR outcomes. A lack of technical expertise, cooperation between the units, and motivation by both PRCS and IFRC are major contributors for their failure. This experience has been a missed opportunity to rehabilitate community infrastructure whilst stimulating the local economy, and ultimately providing income for the household. To date fewer than 13 out of 42 MMPs will be achieved.

3.3 Sustainability & Resilience

For RCRC "building back better" is a central strategy for recovery planning in operations, integrated within disaster risk reduction strategies. In that frame, the output of this program was to assist flood affected families to re-establish their livelihoods and regain sustainable economic security. The question of sustainability, resilience and perceived risk was reviewed at both the household and community level.

A continued engagement in the chosen business field was found with 97% of respondents still sustaining their IGA as proposed under the business pledge agreement. This concurs with post-distribution monitoring of cash utilisation, which showed 80% of beneficiaries purchased inputs as per the pledge agreement. When asked if income from this business was sustainable, 76% replied yes. Most of these respondents considered their business was in a stable situation, and felt that income earned was enough to sustain their household needs.

Ownership of the business was again evident with respondents identifying that their own efforts and attention applied to their business would determine its ongoing sustainability. Similarly some respondent linked re-investing savings into the business to enhance longer term sustainability. With a heavy reliance on livestock, many respondents raised concerns about the health of their livestock and keeping animals free from disease and/or death.

*"Different kinds of livestock disease and also fear of livestock death"
Muzafargah, Punjab – BNF HH interview*

*"Re-invest my saving in existing business."
Shangla, KP – BNF HH Interview*

These results suggest that the second part of the program output, "sustainable economic security" is evident in the short-term. Achieving long-term sustainability however requires behaviour change spanning over a period of time. It is the reviewer's opinion that this output was not realistic to the context. The low amount of the cash grant and the absence of other community benefits such as the MMPs have limited the amount of cash being injected to stimulate and grow local economies. Sustainability was also questioned by some staff during the KII with many identifying that businesses are not resilient to future shocks and hazards. While others identify that it depends on the type of business, traditional (livestock) versus small-enterprise – with the later identified to provide more gains that can be reinvested into the business.

*"Expansion in this business is very little and it is not resilient cannot bear a shock of loss ... for example a person purchased two goats if a goat dies 50% of business is down. On the other hand if cash grant is equal to 50,000 PKR and a person gets five goats, if one dies then the remaining four will cover his damage."
Kohistan, KP – BNF FGD*

Behavioural change is evident in some of the responses, with beneficiaries expressing their intention to grow the business to promote longer-term sustainability. Many talked about doubling their assets and reinvesting in the business. This was also witnessed with those who choose livestock, despite the risk of animal disease – they still envisaged growing and re-investing in the business.

*"Business is in running condition. I purchased two goats from 20,000 PKR. A few days ago I sold two goat kids at 6,000. No problem of customers because buyer from different areas regularly came here. Now, I have four goats."
Shangla, KP – BNF FGD*

*"We are making savings for the future, we would reinvest it our business ...we would buy livestock."
Shikarpur, Sindh – women FGD*

At the household level risk mitigation strategies had a heavy focus on preparedness. When asked for examples of their risk mitigation plans, respondents described early warning systems, and evacuation plans. Few mentioned how they would protect their livelihood assets from shocks and hazards.

When asked what potential risks the community is facing, overwhelmingly the community in Punjab and Sindh described the lack of protection from flood waters reaching the village, and KP respondents commenting on heavy rain causing flooding and landslides. On a minor scale, some respondents mentioned lack of law and order in the village, with risk to loss of livelihood assets from petty crime.

Risk mitigation measures being taken as a community had mixed feedback in terms of communities having strategies in place. These ranged from having taken no action or no evident plan in place, to requesting assistance from the Government, NGOs and PRCS. While some expressed a more proactive and ownership approach with communities building flood protection infrastructure.

*"Requested PRCS, NGO and NDMA for the protection wall against flood but we did not receive any response"
KP beneficiary, HH Interview*

*"With the help of villagers we will build a barrier around the village"
Sindh beneficiary, HH Interview*

Dependency on donor support has been evident in the results, particularly in KP province where assistance is considered the norm, over taking a more proactive community lead self-resilience approach. Consecutive disasters, shocks and hazards have created a culture of donor dependency in Pakistan. The example of nearly all KP respondents recording 'no change' in changes to the HH circumstances since receiving the cash grant – could be perceived as a deliberate action to send a message that 'we are vulnerable and need outside support'.

3.4 Stakeholder Perspective

A review of the FGD results gives an insight into stakeholder perspective and experience of the program. A present, past and future approach was utilised in the FGD, along with specific questioning on the process. Feedback from the four unique community groups (beneficiary, non-beneficiary, women and VC groups) was categorised as either a positive, negative or neutral observation. Overall half of the stakeholders consider the program to be positive, and a fair portion of that retains to the IGA process and their current livelihood circumstances.

Present questioning allowed for respondents to reflect on their current circumstance, and had the aim of identifying the relevance of the cash grant on their livelihood today. The swing towards the positive and corresponding comments indicated businesses were going well amongst all groups, with the exception of the non-beneficiaries. For this group, the majority of comments were neutral observations.

Past questioning asked the respondents to reflect on the situation immediately following the floods and before the cash grant program was introduced. This gave a measure on how the program had impacted on their livelihoods. As expected there is a negative swing, as respondents observed the destruction to their village, forced migration and negative coping mechanisms adopted to meet basic needs. A trend seen across the four groups.

Future questioning allowed for respondents to describe their hopes and goals, as a way to indicate longer term sustainability. And to identify if beneficiaries plan to grow their business. This line of questioning had the least amount of responses and had a balanced response in terms of positive and neutral observations. The majority displayed ownership of their business, expressing they would reinvest savings to ensure sustainability. Others expressed a fear of risk from potential future shocks and hazards. While others put their trust and hopes in fate and Allah's will.

Cash Grant for IGA process this final line of questioning allowed respondents to describe their experience of the program. Overwhelming respondents have a favourable perception giving a positive observation. Negative responses were seen in the highest percentage for non-beneficiaries and also amongst the women's group. The results from the women's group a little distorted as this group had a mixture of beneficiaries and non non-beneficiaries. All results in this line of questioning allowed for validation of many of the findings from the HH interviews, with key themes of the low amount of the cash grant, challenges with the GPO, and requests for vocational training emerging in the discussion. Again the conditional cash grant was validated as an appropriate intervention, with much positivity and gratitude for this program. Validation of the support and guidance being given by the PRCS and IFRC was evident – the communities had trust in the RCRC.

The most favourable perception has been observed in Sindh, followed by Punjab and KP. This could either be indicative that the program had a smoother implementation in Sindh province. But it could also be due to the program (and other IRP activity) implementation was ongoing in Sindh at the time of the field data collection. Therefore memories are fresh in the minds of the respondents. And with PRCS still engaged at the community level – there is hope amongst the community that further assistance will be offered. This later comment has been observed in the FGD, and during field monitoring visits by the Delegate. With non-beneficiaries believing that there time to receive assistance will come.

*“We are expecting that we would also receive the grant, it would be good if all were supposed to receive the grant”
Shikapur, Sindh – non-BNF FGD*

The FGD findings are also complimented by the beneficiary satisfaction levels. On the conclusions of the household interviews, respondents rated a number of components from very high to low satisfaction levels. The respondents gave the overall program a Very High rating at 63%. With other measures on information provided, participation, EDT, the cash grant itself and the technical support all indicating that satisfaction was in the high category. As indicated in the table below.

BNF Satisfaction	Very High	High	Medium	Low
Overall	63%	28%	8%	1%
Information Provided	26%	57%	13%	3%
Participation	19%	56%	19%	5%
EDT	35%	42%	14%	9%
Cash Grant	33%	53%	13%	1%
Technical Support	21%	40%	21%	17%

Figure 16: Beneficiary satisfaction rating

3.0 Lessons Identified

3.1 Conditional cash grants

The output of this program was to assist families re-establish livelihoods and regain sustainable economic security. Therefore applying conditionality to the cash grant was intended to reduce the risk of households utilising the funds on activities that may not have benefited the household in the long term. It would also be fair to say that these conditions gave PRCS confidence to accept this type of intervention, knowing there were motivators in place to encourage compliance. To a large extent we have witnessed a high level of compliance in cash utilisation. Which validates that the conditionality has encouraged beneficiaries to invest in IGA. Stakeholder satisfaction has been high, with many identifying that cash was an appropriate intervention for the need and was preferred over in-kind support. Choice, flexibility and ownership being the key drivers for the high percentage of preference for cash interventions.

"Cash grant is the best way to support a community. In material supply or in-kind supply the end user cannot get full advantage. With cash in hand, he can decide what to buy and how much to buy, but in-kind supply he does not have such a position."
Kohistan, KP – VC FGD

With over half of the respondents indicating the grant was not enough to start a business; it raises questions over the amount of the grant. While it is an organic approach for encouraging the start-up of a business – most respondents observed that between 40,000 and 60,000 PKR was needed to achieve this outcome and longer term sustainability. The amount of 20,000 PKR was set by the NDMA, during the relief and early recovery stages – of which the Thatta Pilot Project implemented, tested and subsequently recommended. However NDMA set this as a minimum value, and left the upper ceiling open for organisations to decide. Other actors took advantage, setting the amount based on market research and the value of a one month food basket. Raising the amount on average to 26,000 PKR, with some providing grants up to 30,000 PKR. The Thatta Pilot Project identified that the amount of the grant was deemed to be insufficient by the beneficiaries.

"It was not enough for any kind of business. I purchased goat at 12,000 and borrowed 2,000 from other."
Kohistan, KP – BNF HH Interview

There are many factors why this amount was not changed mid implementation, once questions emerged over its value. Predominately this would have led to a major procedure overall and a new tendering process, that would have impacted on the timely delivery of the program. Lessons learned from the Thatta Pilot Project and the mid-term review, were late compared with the implementation process being well underway. While potential alternatives were reviewed, it was decided at that time it would cause significant challenges on the ground and potential for complaint amongst the communities, while improved services and efficiency were not guaranteed. Potentially it would have necessitated a 'top-up' for those beneficiaries who had already received their grant. Resulting in increased administrative processes and a need to renew pledge agreements to incorporate the top-up for utilisation on the business.

The low amount of the grant was also observed during the KII, with most staff acknowledging that 20,000 PKR had minimal impact for reducing vulnerability in the medium term. Consumer price index has steadily increased over the past two years, increasing costs of goods and services and further reducing household purchasing power. The low amount of the cash grant coupled with rising inflation rates reduced purchasing power and limited the scope of IGA opportunities. To have selected more profitable businesses, beneficiaries would have had to accrue debt – potentially exposing them to increased risk and vulnerability. Leading to an adverse affect on the program output of sustaining economic security.

"Actually I wanted to start a grocery shop but amount of cash grant was not enough so I started poultry shop. If I have 20,000 to 30,000 savings then I will start a grocery shop in this village. But with my current business I am not sure that in coming two years I will be in a position to start."
Kohistan KP Beneficiary, FGD

As part of the conditionality, beneficiaries needed to have successfully participated in an EDT session before progressing to the business pledge agreement and distribution of the first/full instalment. Respondents were favourable with 89% saying EDT was useful, and 3% indicated they are still utilising skills learnt. However when questioned on what actual skills they are utilising – many respondents were not able to give examples.

"They also trained us on this training that "save today and eat tomorrow" and they also asked us to keep the check and balance."

Muzafargah, Punjab – Beneficiary, FGD

The major outcome of EDT was that it encouraged beneficiaries to 'do the right thing' when it came to utilising the cash. Another benefit is that it opened the participants to the realm of possibilities beyond traditional income sources of livestock and agriculture.

"Without this training, I might have spent this money on other things which were not useful for me."

Shangla, KP – BNF HH Interview

"We have taken very benefit from this program due to EDT training, in our business there is profit. Our living has changed dramatically. Our villager is very much happy. This organization (PRCS) has helped very well."

KSK, Sindh – Women's FGD

"EDT was really beneficial for people because it was first training they got from external resources persons so they came to know how to work with NGO. Most of all, they know that there are many other options in the country not only livestock."

Kohistan, KP – VC FGD

EDT provided a well-rounded curriculum of basic business practice. However the fast paced delivery (two days) and being facilitated by external providers, meant that it didn't necessary relate to the local context. It is questionable about the relevance of the content for the majority of the beneficiaries. Particularly those who did not select entrepreneur type businesses, such as retail shops and donkey carts. A combination of EDT and vocational training e.g. related to livestock hygiene and health would have been relevant to promote sustainability.

"It would be better if agricultural trainings were included, that would give fruitful results in the best way."

Shikarpur, Sindh - VC FGD

Participants struggled to understand the EDT concepts and more importantly retain the lessons. Staff observed that the external providers didn't have a grasp of the local context and therefore lessons were more generic. This coupled with a fast delivery, lead beneficiaries struggling to keep up, let alone understanding the meaning. It was noticed during field monitoring that participants kept a record when receiving two instalments (to provide necessary evidence to comply with requirements to receive the second instalment) and stopped recording transactions once the full amount was received. During the KII one staff member observed that beneficiaries were only able to retain the stories given to illustrate a certain skill, but could not articulate the meaning or moral of the story. He questioned the relevance and felt the field teams were merely complying with a NHQ decision that had little consideration for the field reality. On a field visit by the Delegate to a village in KSK, Sindh – it was evident that each beneficiary record book had the same handwriting and style of entries. Suggesting that one person had updated each book. Perhaps due to illiteracy or to comply with requirements for receiving the second instalment. It is not clear who provided this service, or at what cost.

"EDT did not show any positive results to the community, as their level of understanding is limited. Only 10% of beneficiaries could understand the sessions."

Staff Member – KII

Low levels of literacy have been a factor in participants understanding or retention of skills. A lack of access to education has contributed to vulnerability in the target areas, therefore offering this type of training that requires keeping financial records, may not be the most appropriate according to the level of capacity and need. It could also be argued that the selection criteria of having prior knowledge and capacity in the chosen business, indicated a basic level of business acumen already existed amongst the participants.

"I learnt nothing just attended, I'm illiterate, words and meanings I could not understand or keep in my mind."

KSK, Sindh - BNF HH Interview

"EDT training was not that much useful, because people selected those businesses which they already knew that they can run and they have basic information of those businesses. So nothing new was told to them. But it could be more effective and beneficial if people were divided into different groups on the bases of their trades and the sessions were delivered about that specific business. For example if a person wants to keep a cow he should be told about the safe keeping of cow and about the diseases and cure."

Kohistan, KP – VC FGD

In terms of efficiency, applying conditionality required extra human, financial and logistic fleet resources throughout the process (compared with an un-conditional cash grant) – as more staff and volunteers were needed on the ground to follow activity. Particularly in community mobilisation during the selection stages and EDT trainings, and verification of two levels of selection criteria. Theoretically the process of the VC selecting the most vulnerable utilising tools such as well-being ranking, should have been faster and more efficient process, reducing the need for extensive resources. However as inclusion and exclusion errors became evident and issues arose regarding beneficiary selection the need to re-verify beneficiaries and business plans proved that the VC concept wasn't as effective as intended. An underperforming VC became a hindrance to the smooth implementation of this program. Putting burden on the human, financial and logistic resources of the organisation. The decision to change the two instalment process to one full instalment lessened the burden on resources. Reducing post-distribution monitoring of the cash utilisation to a one-off occurrence.

Financial and logistical resources utilised in this intervention are still considerably lower in comparison to what would have been required for resource intensive in-kind interventions. The review demonstrated that this conditional cash grant intervention was applicable for transferring larger volumes of cash as it enhanced compliance and empowered beneficiaries to start an IGA. Beneficiaries validated the use of this intervention, with 94% indicating the program was appropriate for their circumstances and 84% of respondents preferring cash over in-kind interventions. Empowerment, choice and flexibility being contributing factors behind this outcome.

In terms of effectiveness, the timing of the intervention was appropriate for re-establishing livelihoods and promoting longer-term recovery. As the TPAT livelihood assessment and baseline survey indicated, communities were particularly vulnerable in the period following the floods. The early recovery intervention of in-kind agricultural support was appropriate for stabilising the community, re-starting agricultural productivity and seasonal labour opportunities. Beneficiary respondents showed a high percentage of satisfaction with the time taken to receive their cash grant. Up to 75% said it was an appropriate time, given the relative stability in the community the cash was more likely to be utilised in the manner proposed. With beneficiaries themselves identifying that immediately following the floods, cash would have been used to meet basic household needs.

"If I get this amount right after the flood then this amount would have not been utilized in business. Instead used for food and other needs."
Shangla, KP – BNF HH Interview

"Its true that I have received that money after 2 years but at that time our conditions were stable and I spend all this cash on my business."
Shangla, KP – BNF HH Interview

While a high majority of respondents identified the timing of the intervention was adequate to the need, up to 25% felt the timing disadvantaged them. These respondents considered it delayed their opportunity to lift themselves out of this vulnerable period. Timing was a critical factor for these respondents. With many identifying that a business takes time to get established, with growth and profit not evident for a number of years. For others it would have reduced negative coping mechanisms, such as reduction in food intake and the need to rely on daily labour, or migration for labour opportunities. One respondent also indicated he could have capitalised on low prices after the floods, before inflation affected commodity prices.

"If I received this cash grant earlier, I would be in better position from now and will gain maximum profit."
Kohistan, KP – BNF HH Interview

3.2 Cash Transfer Mechanism

The major challenge of this program has been the selection of the GPO MO system as the Cash Transfer Mechanism (CTM) for both the Livelihoods and Shelter programs. As implementation activity commenced, this system proved to be impractical for the efficient delivery of the cash grants and has been dysfunctional at best. A heavy administrative process, a complex financial process between the GPO and banks and subsequent flow of money down from national to district level, coupled with limitations on the volume of cash and transactions that district branches could sustain. This caused numerous lengthily delays for our beneficiaries in receiving their cash entitlement. This CTM has been one of the key deterrents preventing an efficient and timely delivery of this program.

The delays experienced refer to the turnaround from submission of the MO requests by IFRC to the GPO HQ to the cash distribution at the field level. This turnaround has been at catastrophic levels, ranging from on average 25 to 40 days. For the shelter program, up to 80 days was witnessed in one scenario. The MoU with the GPO included a clause that special arrangement will be made for processing the MOs promptly, within 5-7 working days. In practice this turnaround was never achieved, as the below graph indicates. This complex system and lengthy delays raises questions on what is happening to the cash during this period. Is there benefit in having large volumes of cash sitting in accounts for days on end.

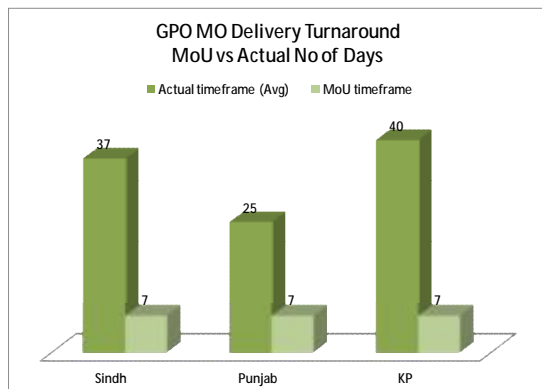


Figure 17: Number of days for MO turnaround by province

What also needs to be noted is that pre-cash transfer, a lengthily administration process occurs internally. As the field teams verify and finalise beneficiaries following the EDT, a 'Cash Transfer Request' document is prepared at the field level. This document then goes through the layers of approval lines, before it is submitted to IFRC for action. Each beneficiary MO is prepared, and cross-checked by IFRC Livelihood staff. It is then submitted to IFRC Finance department, with approval documentation and notification letters for PRCS NHQ. Additional administration procedures are performed by the Finance before the MO requests are officially submitted to the GPO HQ. This processing and approval takes on average 14 days. Add this to the GPO delivery time, and we are witnessing a long drawn out turnaround for delivering the cash grant. The result of which is that the beneficiaries did not know when they would receive their cash grant. They became disheartened and lost faith that RCRC would fulfil its promise. Adding further burden on the field teams as they repeatedly explain to communities the process is in hand.

Initial apprehension about implementing a cash program and perceived risk, was a key driving force behind the decision to utilise the GPO MO system. At the time of the program design, rumours abounded in the sector about an INGO losing significant amounts of money in their cash based program. PRCS were rightly concerned about upholding their image and integrity. The GPO is a Government owned institution that is commonly used throughout Pakistan, and considered to be a trusted, transparent and accountable system. Additionally the GPO was considered to have the best outreach in the target areas, with multiple branches and staff serving communities in rural areas.

Identifying, planning and designing the CTM was primarily done at NHQ level and tested in the field through the Thatta Pilot Project. Thatta with its relative close proximity to the commercial hub of Karachi, and Islamabad being the capital – presented a well functioning organisation, and a professional workforce. In reality this gave a false impression of the capacity of the GPO, and underestimated the levels of operating efficiency of the branches in interior rural areas. A Government organisation and a vertical/hierarchal structure exposed much inefficiency in the management and delivery of services. What became quickly evident in the field branches is that GPO Staff lacked capacity and willingness to perform their duties. As Government workers, staff are paid regardless of the level of work output delivered, or even if they turned up to work. Additionally many of these branches are understaffed, and struggle to meet the workload demand.

Outreach amongst the communities in reality turned out to be a flawed argument, as the amount of the cash grant posed security concerns for GPO staff and prevented delivery at the village level. Capacity in the GPO branches to store large amounts of cash was limited. And for security reasons the disbursement of money flow down from NHQ and at local level was conducted in instalments to reduce risk. It is apparent that few GPO in rural areas deliver general mail to the doorstep. With the majority delivering to a central business place in the nearest market, typically at UC level.

For the majority of our beneficiaries, they were required to present to their local GPO to receive their cash entitlement. While already a disadvantage for the beneficiary to travel out of the village, the GPO branches consistently delayed and/or cancelled the distribution at the last minute. For example they would announce to RCRC that a distribution would occur on a certain date. The PRCS duly mobilised the communities to ensure eligible beneficiaries presented. Beneficiaries would attend first thing in the morning, and wait for the GPO staff to start the distribution. This often only occurred till late in the afternoon, usually around 4:00-4:30pm. If all 25 beneficiaries were not processed by the post-office closure time, they would simply miss out and have to return the next day. While this occurred frequently, it was not uncommon for the distribution to not even commence. This posed several issues for the beneficiary, and challenges for the PRCS and IFRC.

Frequent communication was needed with the GPO and extensive diplomacy and cooperation required to resolve issues and encourage them to undertake distributions in a timely manner. Meetings were called between PRCS, IFRC and the GPO at all levels from district to national level. What became evident was that the RCRC was powerless to control these delays or to even influence the GPO. Given CTM is typically outsourced to a third party as a risk strategy – the organisation's management over the process becomes minimal. While an MoU was signed, this is not a legal document and is undertaken in 'goodwill'.

Respondents observed that the delivery should have occurred at the doorstep, and some did not trust the GPO. It is apparent from the review that on a few occasions GPO staff took a 'commission fee' during the distribution of the cash, taking up to 200-500 PKR per beneficiary. Beneficiaries while indicating that the GPO was a good way to receive their cash also indicated that it would have been preferred if PRCS delivered the cash, or if a PRCS staff or volunteer was present during the distributions. While the later necessitated additional resources – this should have been mandatory to ensure the system was kept transparent, and to problem solve issues as they presented.

The review identified that 78% of respondents considered the MO system was a good way to receive their cash grant. Given cash based programming is relatively new to the context, it is fair to comment that respondents are probably not aware of or have experience of alternative CTM. The positive responses for this system should be contrasted against the overall satisfaction of the program. Beneficiaries were simply appreciative to have received a cash grant. This was their prime objective and the time taken to deliver and method utilised were of less concern.

*"GPO is better; there was one person of Red Cross sitting at GPO. He never allowed anyone to take extra or wrong money."
Muzafargah, Punjab – BNF HH interview*

*"It was a good way because post master was a local person and he knows everyone, received cash without any difficulty."
Shangla, KP – BNF HH Interview*

For the 22% of respondents who didn't consider this to be a good system – they indicated issues of time delays, administration issues with the GPO and misconduct in the system. Some beneficiaries indicated utilising bank services would be preferred mechanism.

*"It was not a good way because it takes too much time and they want there own share."
Kohistan, KP – BNF HH Interview*

*"Because post office administration did not give the exact date for cash distribution so we had to visit post office many times."
Shangla, KP – BNF HH Interview*

In meetings with other actors, few had favourable impressions of the GPO MO system. With one actor describing it quite simply as "a nightmare". These actors experienced the same challenges with an uncooperative GPO and low capacity of staff encountered at the district level. The same issues of a government system and vertical management style were also cited as reasons for its inefficiency as a CTM. RCRC were one of the few actors who utilised the GPO MO system, with the majority of other actors favouring banks or voucher systems.

Field teams repeatedly raised the GPO issues with management through the various feedback mechanisms, such as provincial coordination meetings and monthly progress reports. These issues were presented as the primary reason for program delays in both Livelihood and Shelter programs. Solutions were given, from increasing communication and cooperation with the GPO at all levels, to offers of RCRC staff being present to

assist the GPO staff. With the delays impacting on both the Livelihood and Shelter program, a recommendation was made to review the CTM and seek alternative systems.

This recommendation was discussed, and options such as the banking system explored. Again the same concerns of necessitating a process change that could cause further delays and that the outreach and transparency were not guaranteed to improve were identified as valid reasons not to change the system. It is unclear if at this point, the experience of other actors was reviewed to inform this decision. It was decided that the time needed to research other options, modify SoPs, undertake a new MoU and test the new mechanism would be administratively detrimental to the ongoing implementation. It was decided to persevere with GPO and try approaches of mediation and gentle pressure on the GPO to fulfil their agreements. As the same issues were reported up and down the organisation layers, time lapsed. Making it practically too late to facilitate an alternative option. The decision to distribute the cash grant in one instalment eased somewhat the time delays for the Livelihood program.

In meetings with other actors and major INGOs – cash transfer via banks was favoured. Banks offered two types of CTM – static distribution and mobile distribution. Static saw beneficiaries present at their nearest bank, and mobile saw the bank travel to the community and setup a mobile distribution point. In both scenarios individual beneficiary accounts were not necessary, with the INGO holding an account. Beneficiary lists were produced in-line with bank formats that was then utilised for the distribution. The mobile bank proved to be more efficient and timely CTM, as it reached closer to the community and could facilitate up to 1,000 distributions in a day. Compared with the static bank, that experienced the same issues as the GPO. Beneficiaries were competing with day-to-day business and were not prioritised over regular bank customers. The mobile bank was dedicated to the facilitating the INGO on the chosen day of distribution. The bank took responsibility for all security over the process, including assessing the distribution point and liaising with local authorities. INGOs reported no security issues or risk involved in this process. Additionally they identified being private sector the banks had a professional approach, high capacity and were results-driven. With a professional reputation to withhold, the banks ensured they delivered as per the agreement. The process of design and setup was also smooth, with one INGO commenting that it took them only two weeks from a first liaison meeting with the bank, to implementing a distribution on the ground.

3.3 Acceptance of the Red Cross Red Crescent Movement

One of the most positive aspects of this program has been the acceptance of the PRCS amongst the target areas. The review has witnessed high appreciation for this intervention, and specifically the wider IRP program. Respondents in general considered the integrated approach, commenting on sector interventions from hygiene awareness to the shelter construction. Beneficiaries, non-beneficiaries and VC members praised the PRCS for assisting their communities in a time of great need.

*“... our lifestyle is improved than before, Hillal e Ahmar supported financially in terms of small grant to open small village shops, before we went for shopping in the city but now we buy things from these shops and it saves our time and distance”
Shikarpur, Sindh – women FGD*

*“Your intervention and training were good. There are many people who could not receive the grant but they do not have complaints against you (PRCS)”
Shikarpur, Sindh – non-BNF FGD*

Visibility has increased with over 90% of beneficiaries and non-beneficiary respondents being aware of PRCS, and over 80% able to identify where their nearest PRCS branch is located. Up to 10% indicated a family member is a PRCS volunteer. Although when asked to define PRCS, the respondents did not have a clear understanding of the RCRC. There was a mix of responses from helping poor people, to being a welfare organisation, to being an organisation who supplies businesses and shelters.

Respect and understanding was a dominant theme. There is a consensus in the responses that the PRCS listened to, supported and respected the communities throughout the implementation. Creating an impression that the PRCS is one with the community. Which is reflected in the responses about staff and volunteers being present throughout the activity stages. They took an active role in guiding and supporting the community throughout the process.

*“They gave us orientation and introduction of program also provided training, guidance, linkage with Post office.”
Muzafargah, Punjab – BNF HH Interview*

“Staff of the PRCS was good and helped us very much. They remind us like we are. We have improved our knowledge and trainings; we have learned a lot of things. To do help to each other in future.”
KSK, Sindh – VC FGD

“Behaviour was good with me, informed on what activity was occurring, process ok, and I have a good impression of the team”
KSK, Sindh – BNF HH Interview

Trust in the RCRC was also evident, as many respondents commented that transparency was enhanced if a staff or volunteer member were present. This is particularly evident during cash distribution – beneficiaries felt their presence lessened the risk of interference through third parties taking a portion of their grant. Although this increased resources – the experience of irregularities in Layyah meant that having more staff and volunteers presence at activity stages improved the effectiveness of the process and stakeholder perspective.

“... here was one person of Red Cross was sitting at GPO, he never allowed anyone to take extra or wrong money.”
Muzafargah, Punjab – BNF HH Interview

This trust and respect has lead beneficiaries to reflect that they would have preferred PRCS to select the beneficiaries. Believing that PRCS would have made a more fair and transparent representation of those applicable for selection.

“VC members selected beneficiaries according to their will. They included their relatives, and they took half of money from some people.”
Shangla, KP – non-BNF FGD

“This was a wrong method to select people through VC members, teams (sic. staff) should write the names. If team member could write the name they would write all poor people.”
Muzafargah, Punjab – women FGD

3.4 Inclusion and Exclusion Errors

Targeting and beneficiary selection in general appears to have been a fair and transparent process. This is evidenced by the high utilisation rate as per the business pledge agreement, and respondents still engaged in their business. The review has indicated some inclusion and exclusion errors were evident, which has impacted on the program implementation. While some errors relate to the selection criteria itself, others can be traced to the VC. Overwhelmingly for the beneficiary and non-beneficiary a sense of fate and Allah's will was the major reason considered for their inclusion or exclusion. Respondents were not able to give reason for why they were included or excluded, and many indicated that no feedback was given to them. Beneficiary active participation in the selection process is not evident, or that information was shared with them on the process.

“Allah knows all about why our names were not entertained.”
Shikarpur, Sindh – non-BNF FGD

A time lapse between the two selection criteria's being applied could be a reason why beneficiaries are unclear. While some beneficiaries could clearly describe the first selection process, with the VC undertaking the well-being ranking – others indicated that it was a surprise with a sudden announcement they would receive a cash grant. A beneficiary communication and accountability process was setup in each community to facilitate a confidential feedback mechanism for community members to express suggestions and complaints. This mechanism did not expose the misconduct occurring. Rather this program's own monitoring and evaluation framework implemented exposed this issue.

From a gender perspective, the selection criteria of 'female headed households' lead to high exclusion errors for female participation in the program. These excluded households were a female member had the potential to be a significant provider of income to the household economy. Cultural constraints and marginalisation of women was given as justification for the low female participation. As the program evolved in Sindh province, we witnessed a steady increase of female participation. Staff took the initiative in the final phase of the implementation. Encouraged by results of how women were contributing to the household economy after receiving the IGA.

Income analysis of the non-beneficiary respondents indicates higher vulnerability, than those who benefited from the cash grants. These non-beneficiaries are considered amongst the very-poor. High vulnerability, coupled with low capacity to establish a business, would have put the cash grant at risk of being utilised on basic needs, rather than inputs. Which justifies in this case the decision to exclude them. However it is unfortunate that safety nets for the most vulnerable and marginalised, such as the MMPs did not materialise to benefit the wider community. Or that the program design did not include unconditional cash grants for the most vulnerable.

It would appear that some of the VCs abused the power entrusted in them by exercising favouritism in the beneficiary selection process and the solicitation of bribes. Amounting to blatant dishonesty and corrupting of the system. Despite a well intentioned concept, the VC's were hastily formed and with varying levels of engagement and information sharing on the role and responsibility entrusted to them. It is unclear to what extent background checks were applied to establish if members were the true representatives. Or if a broad cross-section of the community was represented in each VC. This opened the door to allow the rich and powerful or politically motivated to dominate VC's. As indicated in the responses they used this power to select on the basis of family and political affiliations. The fact that respondents have not been able to articulate their inclusion or exclusion in the program indicates that their participation in the selection process was minimal.

The well-being ranking exercise if transparent should have prevented such issues. However as witnessed in Layyah district, this exercise was futile as VC members and staff were involved in misconduct. The impact of which resulted in the suspension of activities in this district. It also necessitated additional administration and human resources with an extensive process of beneficiary re-verification required. The review observed that this abuse of power was not confined to Layyah district, with allegations made in HH interviews and FGD predominately from Shangla, KP and Muzafargah, Punjab. While many of these allegations have come from non-beneficiaries; beneficiaries also indicated biases in selection and misconduct.

*"VC never helped us only said if we will provide 8,000 PKR then they will enter our name."
Muzafargah, Punjab – non-BNF HH Interview*

*"Actually VC members were wanting their share from the grant so they selected those from whom they can get their share easily."
Shangla, KP – non-BNF FGD*

*"VC people helped us but some of the members were not supportive with us so they took bribe."
Muzafargah, Punjab – BNF FGD*

*"VC has selected us for cash grant and informed us about training and money orders arrival at GPO. But people were harmed also by the conflict within VC and some people could not get their money order."
Shangla, KP – BNF FGD*

An example of political allegiances leading to inclusion errors was witnessed in Shangla district, KP. Where up to 18 beneficiaries from one union council were considered to be amongst the well-off wealth group in the community. This was exposed during post distribution monitoring of the cash utilisation, with these 18 beneficiaries notifying that they had provided personal monetary contributions to the business in excess of 100,000 PKR. Staff and volunteers undertaking the monitoring included comments on the forms such as; "beneficiary is well-off", or "already in a good business". In this case these beneficiaries had slipped through the verification process. Staff gave an explanation that the VC members were trying to exhort political favour from these 'beneficiaries'.

3.5 Human, financial and technical resources

Livelihood programming is a relatively new sector for the PRCS, and pre-2010 capacity did not exist within the national society. Previously cash-based programming had only been implemented in KP province, with an unconditional cash grant program funded by the Bill Gates Foundation. Under the IRP, the 'cash grant for IGA' program has required significant technical input from IFRC in overseeing the design and implementation. Specific counterparts for the IFRC livelihood delegates to be trained as part of capacity building were not appointed during the implementation.

High turnover of staff within both PRCS and IFRC has impacted adversely on the implementation of the program, resulting in a loss of knowledge, skills, staffing gaps and significant periods of having no human capacity on the ground to implement activities. This shortage of technical capacity has been evident at all

levels, from NHQ to the district level – leading to various levels of support and ownership of the program. This has been particularly witnessed at the start of the program, with hesitation to engage in this new type of programming.

Multiple layers of management or a vertical structure has also impacted on the timely delivery of the program. With a centralised, top-down approach information sharing, reporting and transfer of operating costs has been consistently delayed. Requests from the field go through multiple layers of approval lines before reaching its intended audience for action. An obvious example of this is the cash transfer request to generate MOs as documentation prepared at district field level, is required to go through multiple layers for approval (Hub, PHQ, NHQ PRCS, NHQ IFRC - before reaching the GPO). All of which slows the process down and in the meantime beneficiaries get disheartened and loose faith that the organisation will deliver the cash grants. This vertical structure has impact on decision making, where if delegated authority at a lower level (in a transparent system) would enable decisions to be made closer to the ground reality. It would appear to be a hangover from the military/hierarchical style of management which has a heavily influence in many organisations.

The example given above indicates the disconnect between the field reality and the decision making at NHQ level. Field teams are put in a difficult position. On the one hand they are the representatives of the RCRC amongst the community, but on the other hand they are unable to control the process or decisions made further up the chain of command.

At start-up of the program a specific training was delivered to PRCS and IFRC staff at the provincial level. This training incorporated cash based program concepts, cash modalities, and the familiarisation to the IRP cash grant program SOPs and implementation guidelines. Additionally staff and volunteers participated in four day training on livelihood and small-enterprise development conducted by the providers of the EDT training. However the frequency of staff turnover impacted on skill retention and created a need for repeated trainings. Which was simply not possible to keep up with the demand, and necessitated that new staff learned on the job. This turnover, coupled with the varying capacity of the VC's, and slow delivery of the transfer modality has witnessed a long drawn out delivery of a program that should have been completed in a much shorter timeframe.

The slow implementation and irregularities that have lead to increased workload challenged the staff involved in this program. As the program evolved, and more recently with the conclusion and beneficiary and community impact becoming more evident – there has been a shift in thinking. Individual staff members are able to witness their own professional growth and achievement. While management has viewed the program as a success, that has increased the visibility and importantly acceptance of PRCS at the community level. PRCS should be encouraged by this outcome and confident that field experience and lessons identified will lead to enhanced cash based programming in the future.

3.6 Other actors

The 2010 floods saw a proliferation of actors and donor funds pouring into Pakistan, with cash based programming being favoured by many actors. The Pakistan Emergency Food Security Alliance (PEFSA)² focused largely on cash transfers, along with vouchers for food and assets. PEFSA experience mirrors that of the RCRC experience, however with exception that their intervention occurred earlier to support the relief and early recovery stages. PEFSA identified that targeting was a complex and time consuming task. Observing that immediately following the disaster, community lead selection processes and to an extent universal targeting (blanket coverage) ensured faster delivery, minimised administration and logistical resources and costs, and avoided exclusion errors. As per the RCRC experience, once conflict emerged in the communities during the selection process – time and costs significantly increased as more human and technical resources needed to be deployed to monitor the process and for re-verification.

PEFSA acknowledged that conditional cash grants for larger cash transfers (over unconditional) reduced efficiency but were a more relevant approach for empowering beneficiaries and encouraging recovery through small-enterprise start-up. Identifying the most appropriate cash modality for the transfer and development of SOPs was observed as a challenging process given the need to enable a rapid response. A high turnover of human resources also presented challenges for these actors in particular with staffing gaps and retention of

² The alliance consists of six INGOs ACF, ACTED, CARE, IRC, Oxfam GB and Save the Children supported with euro 15 million funding from ECHO.

skills. PEFSA has recommended that SOPs and guidelines be developed and tested in-country prior to an emergency – a recommendation that would enhance preparedness.

Gender inclusion also posed challenges, with the targeting of women being mainly achieved through unconditional cash grants. This was seen to have an empowering effect, providing the women with opportunity to make decisions over household expenditures. Oxfam noted the challenges in reaching women, in a patriarchal society necessitated having to design innovative interventions to include female participation. Cash for Work interventions were common, with women only groups undertaking work to improve irrigation channels and more traditional activities such as quilt making.

Compliance of the cash utilisation was also high for other actors, with CARE observing that 60-70% of beneficiaries used the money as planned. Which is lower than RCRC cash utilisation rate at 80%. Oxfam also noted multiplier effects with cash being injected at the local market level. Beneficiaries with money to spend locally indirectly helped to rehabilitate markets affected following the floods. Particularly those businesses that had not been able to replenish stock due to a lack of funds.

An analysis of market performance was conducted following the floods with the EMMA toolkit implemented in Punjab, Sindh and KP provinces. Critical markets such as wheat, livestock and agricultural labour were analysed and damage to these critical markets verified the negative impacted on local markets and for rural producers and consumers. PEFSA noted that despite the EMMA results being a valuable market analysis, the delay in delivering the results reduced its effective input into the decision making and design process. Recommendation has been that ongoing monitoring of critical markets should be a component of preparedness strategies – ensuring at least that a baseline analysis is available in the event of future disasters.

However despite what PEFSA considered as challenges with the cash transfer modalities, design and implementation – their programs were still designed, implemented and completed in a significantly shorter timeframe than the RCRC program, and with a higher caseload.

5.0 Recommendations

PRCS should take encouragement from the turnaround that has been witnessed in their acceptance of this type of intervention and achievements in the program output. And IFRC in their commitment to supporting this intervention that was new to the Pakistan context. The impact at the household level, ownership displayed by the beneficiaries and indirect benefits for the community, is evidence this program was an appropriate and relevant intervention for the context. It is to their credit that based on this experience Management are now incorporating Livelihoods components in their Disaster Management strategy.

Challenges encountered have been trying, but should not discourage PRCS from engaging in this type of intervention in the future. In reality this program has served as a vital baseline of experience in a new thematic area. Key findings and lessons identified from this experience and indicated in this review can be used to inform framework's, policy and future programming.

With a global shift towards cash based programming, and donors increasing favouring this type of intervention, now is an appropriate time for PRCS to monopolise on their experience and streamline procedures.

- Establishing a framework for Livelihood programming that includes 'cash based programming' is a priority for the PRCS to develop as part of preparedness planning. This framework should incorporate experience gained and lessons identified from the IRP, and are complimented by the experience of other RCRC partners and INGOs involved in this type of programming. This framework should not be done in isolation, but be incorporated into a multi-sector integrated approach that harmonises interventions do reduce risk amongst communities.
- The full realm of cash based interventions should be researched as applicable to the Pakistan context, with recommendations developed into SOPs and guidelines that identify appropriate interventions for emergency (e.g. unconditional cash grants), early recovery (e.g. cash for work) and recovery phases (e.g. conditional cash grants for income generating activities or cash for training). This extends to the type of cash modalities used to facilitate the cash transfer. It is essential that SOPs and guidelines become 'living documents' that can be revised as the ground reality dictates. This includes ensuring monitoring and evaluation during the implementation such as mid-term-reviews are utilised to adjust programming challenges and flaws.
- Livelihoods programming has a key role to play in building community resilience, particularly in enhancing characteristics of resilience such as communities that are knowledgeable and healthy, and have access to economic opportunities. Programming should be approached in a bottom-up approach where the capabilities and needs are identified and expressed by the community. This approach and the use of tools such as baseline survey's, vulnerability and capacity assessments will become the key tools in the planning process. This will ensure that program activity is more relevant and appropriate to the need.
- Market analysis and sector engagement are additional tools that will inform program planning. Particularly in the use of cash based programming to define the most efficient cash modality and cash value. In larger scale responses, the use of the Emergency Market Mapping and Analysis (EMMA) tool can be utilised to analyse critical markets and define the most appropriate response. But only if done in a timely manner, as part of initial emergency phase assessments. Tracking market commodity prices of food and key livelihood productive assets should be conducted on a regular basis as part of preparedness planning. Locally the RCRC movement should engage with the sector, attend cluster meetings (in an observer capacity) and regularly share information with leading INGOS in the field of food security and livelihoods such as the Pakistan Emergency Food Security Alliance (PEFSA). These experienced actors are a good resource for understanding the Livelihoods context. Sector engagement will enhance the RCRC Movement's learning in this relatively new programming sector for the Pakistan context.
- The utilisation of village committees or community based organisations is a preferred method for engaging with communities. Capacity building of these groups should span the lifetime of the program. Checks and balances must be in place to ensure they are the true representative of the community. Information sharing and frequent engagement is a necessity, to ensure roles and

responsibilities are understood. A confidential community feedback mechanism should be integrated into the program monitoring and evaluation framework.

- Gender mainstreaming should be at the forefront of program design and implementation, to ensure the marginalised groups are included in interventions. Specific training on gender mainstreaming should be provided to all staff involved in program design and implementation.
- Where possible, the voice of the field and ground reality should be central in the decision making process and authority given at lower levels to make operational decisions. Staff and volunteers at the field level are the face of the organisation, and critical to the efficient implementation of activity. Additionally the concept of the RCRC volunteers should be respected in its pure form, and not as a basis for supplying a labour force. Future programs must consider staffing needs, and adjust accordingly. Ongoing capacity building and delegation of responsibility will empower this vital human resource and ensure ongoing commitment to the RCRC Movement.

Terms of Reference (ToR)

Integrated Recovery Program Livelihoods 'Cash Grant Program' for Income Generation Activities: Impact Monitoring & Lessons Learnt Review

1. Summary

1.1. Purpose

The impact monitoring and lessons learned review aims to establish the immediate impact experienced at the household level for beneficiaries of the Livelihoods 'Cash Grants for Income Generation Activities' program implemented under the PRCS/IFRC Integrated Recovery Program (IRP). This review also aims to identify any related indirect benefits experienced for the wider community from the program. While it is an opportunity to 'showcase' the program achievements, lessons identified from the implementation process will be documented as recommendations to inform future Livelihood programming for the PRCS in Pakistan.

1.2. Audience

This internal review is intended to provide a tool for PRCS/IFRC to evaluate Income Generation Activities (IGA) in the wider context of the 2010 Flood Recovery Operation. Lessons identified will be used to inform future programming, to define how 'Cash Based Programming' can be utilised in future programming. Findings could also be presented to 'Donors', other RCRC Movement partners, and CaLP³ to 'showcase' program achievements and beneficiary success stories, and for sharing experiences with other organisations.

1.3. Commissioners

IFRC Pakistan Delegation has commissioned a series of sector end of program assessments as a component of the IRP Evaluation Strategy. Funding for this internal review will fall under the IRP budget.

1.4. Reports

As an internal review, the IFRC Livelihood Delegate will design, manage, and implement this review in coordination with PRCS/IFRC management, livelihood teams, field representatives, PMER units and other participating staff and volunteers. The Delegate will directly report to the IFRC Program Coordinator, and will work in collaboration with the Deputy Program Coordinator and PMER Coordinator. The Livelihood Delegate is responsible for overseeing all aspects of the review, including data collection, analysis and reporting.

1.5. Duration & Timeframe

The review will be implemented over a period of approximately 10 weeks, concluding with the submission of a final report. The timeline is split into three stages commencing with; 1) preparation of ToR, questionnaire design and field testing, 2) field data collection and desk review, and 3) analysis and reporting. The review is expected to commence in December 2012, and conclude by mid-February 2013.

1.6 Location

The review will concentrate on the IRP operational areas of Khyber Pakhtunkhwa, Sindh, and Punjab provinces, with field data collection being undertaken in each of the six target districts.

2. Background

The 2010 monsoon floods in Khyber Pakhtunkhwa (KP), Sindh, Baluchistan, Punjab, Gilgit Baltistan and Azad Jammu Kashmir (AJK) claimed over 1,900 lives and affected more than 20 million people across Pakistan. The devastating floods caused damages of unprecedented scale to agriculture lands and the livelihoods of families who rely heavily on rural sectors. The floods not only damaged agriculture crops, livestock, fisheries and

³ CaLP - The Cash Learning Partnership aims to improve the quality of emergency cash transfer and voucher programming across the humanitarian sector. IFRC is a partner of the CaLP <http://www.cashlearning.org/>

forestry, they also destroyed key rural infrastructure such as wells, water channels, household storages, animal sheds, and various agriculture machinery and equipment.

The PRCS/IFRC has launched a livelihoods recovery intervention in combination with other recovery components such as health, water and sanitation, shelter and DRR. Vulnerability and Capacity Assessment (VCA) was conducted to identify the greatest needs and gaps. Based on recommendations from PRCS provincial branches, 15 districts were initially identified as the most vulnerable based on the following selection criteria:

- Areas worst affected by flooding
- Accessibility in terms of security and logistics and where PRCS has acceptance
- Areas which received support from PRCS during the relief stage
- Early recovery needs not being met by other agencies

Outcomes of the VCA from a livelihood perspective identified significant crop and land damage resulting in yield decreases, and degrading to soil fertility due to water saturation and increased salinity. The flow on effects included unemployment increases and loss/sale of livestock due to shortages in fodder. PRCS/IFRC finally identified 36 communities in six districts as priority areas to receive under the IRP an integrated package of support covering shelter, health, WASH and livelihood components, with a focus on disaster risk reduction. The IRP incorporates a conditional cash grant component for shelter and livelihood interventions.

2.1 Livelihoods recovery interventions

The Livelihoods recovery programming included components of agricultural input support and income generation activities facilitated through conditional cash grants. The agricultural input support started with winter vegetable seeds to 2,000 farmers in December 2010 to support household food production and nutrition along with income generation through the sale of the produce. This was followed by a large scale provision of seeds for the Kharif planting season in April 2011 with a combination with essential fertilizers. The objective of this support was to enable farming households to re-establish cultivation to strength their food security and contribute to strengthening their livelihood asset base. The Kharif season seed and fertilizer program supported 31,172 households in 13 districts in KP, Sindh and Punjab.

The main objective of the Income Generation Activities (IGA) cash grant program is to re-establish livelihoods of flood affected families to regain sustainable economic security. This type of intervention aims to save lives and avert hunger, protect rural livelihoods of people affected by disaster to enable those populations to rebuild their livelihoods. Cash-based programming is not new to the Pakistan context; however it is a relatively new approach under recovery programming for the PRCS. Experienced gained from the Thatta Pilot Project paved the way to adjust mechanisms, develop standard operating procedures and build the necessary infrastructure to facilitate the scale-up in implementation under the wider IRP. The logical framework for the program is outlined below.

Output	Activities	Indicators
5,000 flood affected families re-establish their livelihoods and regain sustainable economic security through provision of cash grants.	<ul style="list-style-type: none"> • Selection of potential beneficiaries for livelihood program • Preparation of business plan and final beneficiary selection • Training beneficiaries on Entrepreneurship Development (EDT) at village level • Disbursement of cash grant through Post office • Monitoring of utilization of cash grant on livelihoods activities • Impact monitoring of income generation activities 	<ul style="list-style-type: none"> • 5,000 livelihood enhancing IGAs plans have been approved by the Village Committee. • 5,000 families received entrepreneurship development training. • 5,000 families received conditional cash grants for IGA. • 75 per cent of the targeted families used cash grants for income generating activities

3.0 Review Purpose & Scope

3.1 Purpose

The impact monitoring and lessons learned review aims to establish the immediate impact of the cash grant program and to convert lessons identified into recommendations for future livelihood programming. The review aims to:

- Assess the immediate impact at the household level
- Identify indirect benefits for the wider community as a result of the cash grants

- Understand beneficiaries perceived risk and resilience to mitigate the risks of future disasters
- Increase institutional learning on cash based programming and livelihood interventions
- Document the 'Cash Grant Program' implementation methodology

3.2 Scope of the work

Impact monitoring will be conducted for IRP livelihood cash grant program only.

Title	Period	Districts	No of beneficiaries	Budget
PRCS/ IFRC, IRP for 2010 Pakistan flood recovery, livelihood cash grant program for income generation activities	Jan 2011 to Dec 2012	Kohistan, Shangla (KP) Layyah, Muzafargah (Punjab) KSK, Shikarpur (Sindh)	5000	CHF 4,825,834

4.0 Review Objectives and Criteria

4.1 Review Objectives

Implementation period: September 2011 to December 2012.

Program outcome	Targeted flood affected families regain their economic and food security through livelihoods recovery initiatives provided by PRCS.
Program output	5,000 flood affected families re-establish their livelihoods and regain sustainable economic security through provision of cash grants.

4.2 Impact Monitoring Criteria

IFRC evaluation framework will be used to guide this review, focusing on five key criteria's to measure immediate impact:

Criteria	Focus of Inquiry
Relevance	<ul style="list-style-type: none"> • <i>was the intervention relevant to the need</i> • <i>was this type of mechanism appropriate for the context</i>
Effectiveness	<ul style="list-style-type: none"> • <i>was the intervention implemented in a timely and cohesive manner</i> • <i>what was the stakeholder perspective of the process</i>
Efficiency	<ul style="list-style-type: none"> • <i>assess beneficiary/non-beneficiary perceived preference comparing this intervention with alternative in-kind assistance</i> • <i>were there alternative options that would have achieved the same efficiency</i>
Impact	<ul style="list-style-type: none"> • <i>to what extent has the intervention assisted beneficiaries to re-establish their livelihoods</i> • <i>did the program have any positive or negative impact on the wider community</i> • <i>were there any unintended results</i>
Sustainability	<ul style="list-style-type: none"> • <i>do beneficiaries have the capacity to continue in their business</i> • <i>has the business reaped benefits that has lead to economic opportunity</i> • <i>what factors could influence the ongoing success of the business</i>

5.0 Review Methodology

The following methodology will be used for data collection and analysis:

5.1 Desk Review

The desk review will examine program related data, including secondary data such as sector reports on cash based programming in the Pakistan context.

- Baseline survey
- Mid term review report
- Project proposal (log frame + budget + annexes)
- Monthly Management Tool (MMT)
- Weekly reports
- Cash grant monitoring report
- Thatta cash grant pilot project final report

- Case Studies
- Livelihoods Communications tools
- External 'cash based programming' sector reports

5.2 Information Management Tools

The PRCS/IFRC Livelihood & Shelter online database and excel sheets recording beneficiary pledge and monitoring data will be analysed to summarise data, identify trends and to compare against baseline data.

5.3 Household Interviews

Semi-structured household (HH) interviews will be conducted in all six districts and will include both beneficiaries and non-beneficiaries. The interview questionnaire will divide into three sections to collect data on; 1) HH characteristics, 2) HH economy, and 3) perceptions of the cash grant program. Livelihood questions from the baseline survey questionnaire will be incorporated into the interview for comparison over time. The sample size based on a 95% confidence level, 5% confidence interval and population of 5,000 HH is 357. Considering resource constraints and other data collection methodology, a smaller sample size has been determined as appropriate. Up to 200 HH (5% of the final beneficiary number) will be interviewed, of which up to 150 (75%) will be direct recipients of the cash grants. HH for interview will be identified by random selection, based on the sample size as defined below. An additional buffer of 10% (20HH) will be undertaken to counter non-respondents.