

# Supercharging social protection systems with anticipatory cash

LIVES

CHANGING

SAVING LIVES

Case study on Fiji's Anticipatory Action Framework

This paper provides a technical overview of the collaborative process through which the World Food Programme (WFP) and the Fijian Government set up innovative structures to provide cash assistance ahead of anticipated cyclones.

In November 2023, before the start of the annual cyclone season in the South Pacific, the United Nations and Fijian Government launched an innovative programme to protect at-risk populations from the impacts of approaching tropical storms. The Fiji Anticipatory Action (AA) Framework enables the national government and WFP (along with other UN partners) to provide vulnerable people with assistance before a cyclone hits—reducing storm-related costs and suffering while protecting hard-won development gains.

The Fiji AA Framework<sup>1</sup> broadly resembles other global AA initiatives—with pre-committed finance being released to implement a specific action plan based on pre-agreed forecast triggers (in this case, cash transfers to people combined with community early warning messages ahead of a tropical cyclone event). However, the Fiji AA Framework also represents a major milestone in the integration of AA and social protection. Through close collaboration with the Fijian Government and other relevant stakeholders, WFP has developed a firstof-its-kind system where 100 percent of WFP's anticipatory cash assistance will be channelled through the country's existing social protection infrastructure. By building on the country's disaster risk management capacities and leveraging the government's existing social protection infrastructure, the initiative promotes local ownership—firmly placing the Fijian Government and people in the driver's seat of proactive disaster mitigation.

Unlike other AA cash programmes, the system developed by WFP and their ministry counterparts in Fiji specifies conditions under which WFP guarantees the government's own anticipatory cash payouts. By enabling the Fijian Government to release contingency funds through the existing social protection infrastructure, timeframes for sending money to people are faster and administrative burdens are minimised. WFP then reimburses the government for these anticipatory payments based on the Memorandum of Understanding (MoU)<sup>2</sup>.

The AA Framework outlines triggers<sup>3</sup> that—once reached—mean the Fijian Government can immediately authorize its Department of Social Protection to transfer anticipatory cash assistance to up to 15,000 households (75,000 people) to support their various needs. These households can then decide how they prioritize their spending—to cover evacuation costs, protect homes and assets, or for the purchase of food and medicine. By targeting people already registered in existing social protection systems and working with existing government-contracted financial service providers (FSPs) that are capable of processing transactions swiftly, the government can send the most vulnerable people their cash within 24 hours of the trigger activation.

While the system developed in Fiji cannot be replicated everywhere, it can serve as a **blueprint for integrating anticipatory action into a country's social protection infrastructure**— especially in contexts with similar characteristics. This case study paper outlines the enabling contextual factors, key processes, and other considerations that went into setting up the Fiji AA Framework with a view to sharing lessons and potentially informing similar initiatives in other places.

<sup>1</sup> A copy of the officially endorsed framework document can be accessed here: <u>framework document</u>, in addition, to the <u>Press Release</u> that accompanied the official launch of the framework.

<sup>2</sup> UN-Fiji Government Joint Press Release provides more on the collaboration that resulted in the government's endorsement of the AA framework. The WFP Pacific Country office and Fiji Government signed an MoU to strengthen Fiji's department of social protection preparedness for anticipatory cash transfers ahead for tropical cyclones.

As agreed among stakeholders, there are two distinct forecast conditions that can lead to an activation. If a forecast produced by the Regional Specialized Meteorological Centre (RSMC) in Nadi either indicates that a Category 4 or 5 tropical cyclone is within 250 km of Fiji or if a Category 3, 4 or 5 cyclone is making landfall, a trigger is activated. To minimize the risk of a false activation, the Fiji framework employs a two-stage trigger system with a **readiness** and an **action** trigger. Based on the readiness trigger, implementing partners can take steps to ensure that they are operationally ready whereas the actual delivery of assistance only takes place once action trigger conditions have been reached. Further details on the process to determine which trigger has been met can be found in the <u>framework document</u> on pages 4-6.

### **Context**

# What enabled the integration of AA and social protection in Fiji?

Before diving into the specific factors that enabled the integration of anticipatory action and social protection, it is worth exploring why Fiji decided to build an AA system in the first place.

The small island state in the south Pacific Ocean is considered one of the world's most vulnerable nations to climate change and climate-related disasters. Fiji has a particularly high exposure to tropical cyclones, which usually occur during the November-April wet season and frequently result in loss of life, agriculture-based livelihoods, and economic damage. Climate change is expected to further increase the frequency and intensity of these shocks, requiring new approaches including anticipatory action—to manage cyclone risk more proactively. By linking meteorological forecasts to cash transfers and other activities that enable at-risk communities to protect their lives and assets from the predicted shock, AA provides a more dignified and cost-effective mode of assistance compared to a traditional response after the shock has already hit.

Recognising the potential benefits that AA could have, in March 2023 the Fijian Government, the UN, and other national and regional development partners initiated discussions to set up an AA framework for cyclones. After reaching consensus on a way forward, the UN Resident Coordinator for Fiji formally requested the UN Office for the Coordination of Humanitarian Affairs (OCHA) to support the setup of a collective anticipatory action system.

The request was swiftly approved by the Under-Secretary-General for Humanitarian Affairs, who even committed funds from the OCHA-managed Central Emergency Response Fund (CERF).

The interest of stakeholders from both government and UN partners alongside the commitment from CERF to provide activation funds created a unique enabling environment for the development of a collective AA framework. The initiative brought together the Fijian Government with UN OCHA, eight UN agencies (Food and Agriculture Organization [FAO], International Organization of Migration [IOM], United Nations Population Fund [UNFPA], United Nations International's Children's Fund [UNICEF], United Nations Disaster Risk Reduction [UNDRR], UN Women, WFP, and World Health Organization [WHO]) and the Red Cross and Red Crescent movement to proactively address needs across multiple sectors.4 While Fiji is not the first multi-stakeholder AA system, the extent to which it has achieved integration with existing disaster management and social protection structures marks a major milestone.

# Replicating features like the reimbursement scheme set up between WFP and the government has the potential to make AA financing even more localised and timely.

While such an integrated system may not be achievable everywhere WFP works, below we outline some contextual factors that—if available—can foster the setup of a similar system, which can be either embedded in a multistakeholder initiative or a direct cooperation between WFP and government counterparts.

**Resourceful and resilient people:** Fijians (and Pacific Islanders in general) are highly resilient people who are fully capable of managing their own preparedness and needs before, during, and after predictable shocks—if they have the

 $<sup>{\</sup>bf 4}\quad {\bf Detailed\,information\,on\,the\,multi-stakeholder\,initiative\,can\,be\,found\,in\,the\,\underline{framework\,document}.}$ 

warning and resources they need. This makes the AA Framework particularly relevant to the context of Fiji, as anticipatory cash is a peoplecentered approach that builds on this existing capacity of people and their communities to manage the impact of tropical cyclones.

Functional early warning systems: Given its historical exposure to tropical cyclones, Fiji has extensive experience and capacity using meteorological forecasts for the purposes of monitoring and forecasting storms. The forecast trigger used in the Fiji AA Framework was developed under the leadership of the Fiji Meteorological Service, whose Regional Specialised Meteorological Centre (RSMC) in Nadi is responsible for producing the forecasts that are then evaluated by stakeholders to ascertain whether trigger conditions for anticipatory action have been met.

Government capacity and leadership on disaster management: The National Disaster Management Act of 1998, supported by the National Disaster Management Office (NDMO), provides a comprehensive legal framework for disaster management—emphasizing prevention, preparedness, response, and recovery. Under this legislative umbrella, the Fijian Government has established a sophisticated humanitarian coordination structure that mirrors the global cluster system. Each cluster is led by relevant government departments or line ministries (at times, with co-leadership from international humanitarian organizations). The Fiji AA Framework builds on this structure with government departments and ministries closely involved in the design and delivery of anticipatory assistance.

#### Well-established social protection systems:

The government of Fiji, under the leadership of the Ministry for Women, Children and Social Protection, has implemented social protection programmes with monthly transfers to nearly 10 percent of the population for more than 12 years. This includes transfers in the immediate

aftermath of tropical cyclones, where the system already showed its utility and adaptability in the face of climate shocks. Fiji has well-developed, country-wide targeting and registration systems, identity management, and established payment and delivery mechanisms based on longstanding partnerships with FSPs capable of digitally transferring 90 percent of funds directly into recipients' bank accounts.

Available funds that can be reallocated **swiftly:** The setup of a payment scheme where the government pre-finances the distribution of cash to then be reimbursed by WFP was only possible due to a sufficient allocation of funds by the Ministry of Finance that can temporarily be reallocated. According to a UN Women report<sup>5</sup>, in the fiscal year 2020-21 alone, the Fijian Government allocated more than Fijian dollars 120 million (approx. US\$5.4 million) through its social assistance programs, demonstrating its robust capacity to allocate large sums from the national budget towards social protection programs. Given that the Department of Social Protection (DSP) processes monthly social protection payments to recipients across the country, the Fijian Government has sufficient contingency funds that can be repurposed without impacting ongoing projects.

In summary, the Fiji AA Framework, including its innovative scheme to fast-track anticipatory cash payments, provides an inspirational blueprint for countries that are not only seeking more effective ways to counter the impacts of recurrent climate shocks but also share similar contextual features.

<sup>5</sup> https://wrd.unwomen.org/sites/default/files/2023-02/Fiji\_Social\_Asssitance\_Policy.pdf

# Key processes for building an integrated AA system

To provide a more detailed overview of how the AA intervention was set up in Fiji, **this section outlines key processes and the three interconnected building blocks of:** 

- 1 Overall coordination
- 2 Programme design
- 3 Operational readiness

The three building blocks were developed in parallel, with stakeholder (especially government) buy-in essential throughout the process.

The overall objective was to support the national government's leadership to anticipate, prepare for, and mitigate the impact of sudden onset shocks by strengthening the adaptiveness of national social protection systems, preparedness, and rapid cash assistance delivery mechanisms. The AA framework will be activated as a pilot from which to learn, adjust and scale up.

## BUILDING BLOCK 1: OVERALL COORDINATION

Over eight months from March 2023, government ministries and UN agencies worked closely together to finalise the AA Framework—which was officially approved in November 2023. During this time, the existing disaster response and humanitarian coordination structure was leveraged to support the development of the framework, with each UN agency and government ministry choosing a dedicated focal point to (co-)lead on specific technical aspects and follow broader decision-making processes. Through weekly meetings facilitated by NDMO in coordination with OCHA and the Resident Coordinator's Office, focal points were able to

collectively ensure that framework components were aligned with both the existing national disaster management policies and respective agencies' operational mandates and legal requirements. Additional meetings to advance the various technical aspects were organized independently and on a needs basis by the respective cluster leads.

## BUILDING BLOCK 2: PROGRAMME DESIGN—THE AA FRAMEWORK

As the larger framework developed, WFP worked closely with government and other partners to ensure that anticipatory cash transfers could be sent through the country's existing social protection system. A key challenge was aligning cash transfer protocols with the timelines of the collectively designed forecast trigger system to ensure that funds reach at-risk communities before a cyclone makes landfall. Working together on a technical solution, WFP and the Fijian Government designed the anticipatory cash transfers to take place within 3 to 5 days prior to the impact of the forecasted cyclone, aligned with the lead times for the readiness and action triggers, respectively. The key programme elements are described in more detail below.

Targeting. When it comes to ensuring that anticipatory assistance reaches people in the locations where impacts will be most severe, tropical cyclones present a unique challenge. Whereas longer-range forecasts can indicate whether a cyclone is likely to make landfall, these predictions are less reliable as to where it will make landfall. In other words, the closer predictions are to landfall, the higher their geographical accuracy and the lower the

<sup>6</sup> Under the leadership of OCHA and the Resident Coordinator's Office, the following UN and Red Cross Red Crescent partners were involved in the framework development process: FAO, Fiji Red Cross, IFRC, IOM, UNFPA, UNICEF, UNDRR, UN Women and WHO. These stakeholders worked closely with the following ministries who operated under the strategic leadership of NDMO: Ministry of Finance, Ministry of Agriculture, Ministry of Health and Medical Services, Ministry of Women, Children and Social Protection, Ministry of Education, and Ministry of Rural and Maritime Development and Disaster Management.

likelihood that a cyclone will change its trajectory. As a result, anticipatory action programmes have to strike a balance between the maximum acceptable lead time for forecasts to be sufficiently accurate and the time required to send money and warnings to people.

A. Geographical targeting: In Fiji, where cyclones have historically hit different areas, the government and UN partners agreed on a dynamic approach to geographical targeting that aligns with the two-stage trigger system. While the government and WFP made the necessary arrangements to swiftly transfer cash through the social protection infrastructure in all four historically affected Divisions (western, northern, central, and eastern), the process of identifying specific districts would only start once the 5-day (120-hour) readiness trigger indicates that a cyclone will make landfall. This is to reduce the risk of providing anticipatory assistance to people outside of the area of impact. If the 5-day readiness trigger, which enables UN and government stakeholders to select target locations and prepare for delivery, is confirmed by a second 3-day (72-hour) action trigger, cash can be transferred within 24 hours, providing people in target locations with time and money to prepare themselves.

**B. Household targeting:** As current financing only provides enough to assist an estimated 15,000 households (75,000 people) per incident, WFP and the government agreed to additional vulnerability-based selection criteria to further narrow down who would receive anticipatory cash. Again, the government and WFP used existing digital social protection registries to develop a scenario-based approach based on government criteria. The digital registration list allows the DSP to filter people according to the following set of vulnerability criteria:

**Scenario 1:** If the number of individuals registered in the social protection system in anticipated locations during the activation trigger is less than 15,000, cash assistance will be

given to all registered individuals in the area—regardless of the social protection programme they are registered in.

**Scenario 2:** If the number of individuals registered in the social protection system in anticipated locations during the activation trigger is more than 15,000, the following vulnerability prioritization criteria will be applied:

- Priority 1: Disability Allowance Scheme recipients: People with disabilities have different functional challenges to meet their everyday needs, which are further amplified during shocks. These anticipatory cash transfers are designed to help respond to those needs and support people with disabilities prepare themselves for the cyclone.
- Priority 2: Family Assistance Scheme:
   Recipients are selected based on Proxy Means
   Testing targeting, which provides valuable
   household-level information. Cash transfer
   amounts are correlated with the number
   of children in a household, prioritising
   households with the highest number of
   children. This approach aims to address
   additional preparatory needs to mitigate
   the impact of anticipated disasters on these
   families.
- Priority 3: Care and Protection Allowance recipients: The programme is designed to provide cash transfers for the needs of underprivileged children (under the age of 18) through their legal guardians, who are mostly single parents, foster/guardian parents, deserted spouses, and prisoner dependents. The payout list includes information on the caretaker, who would also be responsible for meeting the additional needs and actions during the cyclone period. This approach aims to provide support to this vulnerable group for their additional needs.
- Priority 4: Social Pension Scheme recipients:
   The social pension scheme aims at responding to the basic needs of the elderly who do not

have income. This approach means people without income are able to meet their additional needs during the cyclone period.

**Registration of people.** The continuous collaboration allowed WFP, government, and FSPs to establish a common understanding of the processes required to transfer cash to registered social protection program recipients quickly. Given that the AA transfer system relies on existing social protection registries to provide cash top-ups for predicted cyclones, there was no need to register new participants.7 Nevertheless, to ensure accountable information management, partners collaborated on conducting data quality checks, agreed on identity management approaches (including ways to identify and remove potentially duplicate records from registries), measures to safeguard data protection, data security, and informed consent (also see Cash delivery readiness section on page 11).

#### Payment mechanisms and transfer value.

In case of activation, selected people would receive cash through the existing digital payment instruments of the social protection system (bank transfers, mobile money, and the post office)—all of which are capable of processing transfers at short notice. In the absence of an established Minimum Expenditure Basket (MEB) relevant to AA payments, the transfer value for anticipatory cash payments was set to align with regular social protection cash transfers and the national basic needs poverty line—or Fijian Dollars (FJD) 200 (US\$88) per household. This was determined through consultations between the Department of Social Protection, WFP, and the Fiji Cash Working Group chaired by the Permanent Secretary of the Ministry of Women, Children and Social Protection.

#### Funding arrangements and money flow.

Especially in sudden-onset scenarios (where assistance usually needs to reach at-risk communities within a matter of days),

pre-committed finance is required for the successful implementation of anticipatory action. In Fiji, CERF has pre-committed up to US\$2.4 million for the implementation of the multipartner AA framework. In case of activation, WFP will receive a pre-agreed share of these funds to be disbursed to the Fijian Government to cover the costs of anticipatory cash transfers through the social protection system. To ensure maximum efficiency and avoid delays related to each transfer of funds between parties (CERF → WFP → Fijian Government → households), the Fiji AA Framework relies on a reimbursement model.

In an activation scenario, the Department of Social Protection has the Ministry of Finance's approval to use internal contingency funds to immediately transfer resources according to the agreed targeting and disbursement **criteria** (see Anatomy of a trigger activation box for additional details). Using the allocated funds from CERF, WFP will then reimburse the government through a dedicated bank account, thus guaranteeing that funds for anticipatory action remain separate from other government funds. The reimbursement will be based on WFP/ Government of Fiji transfer reconciliation by the Department of Social Protection as stipulated in the Standard Operating Procedures (SOPs) for implementations and reporting. To ensure that the system is functional, the Department of Social Protection will maintain a minimum balance to cover the 15,000 households throughout the cyclone season. All these arrangements are outlined in detail and governed by the MoU between WFP and the Fijian Government.

**Risk communication through early warning messages.** Considering that anticipatory cash transfers represent a new mode of assistance in Fiji, a key challenge that partners had to solve was how to communicate the intended purpose of these irregular payouts to recipients in case of an activation. For this purpose, partners agreed to develop tailored early warning messages to

<sup>7</sup> Future iterations of the AA framework may consider how to register additional people to also expand the initiative horizontally. However, given the limited pre-agreed funding for a first implementation of the framework, partners collectively agree to exclusively rely on the existing social protection registries.

accompany the payouts. As with cash transfers through government FSPs, the intervention is implemented to the maximum extent possible through government-operated communication channels. If the relevant trigger threshold is crossed, the government sends SMS messages to the recipients of cash assistance to sensitise them to the impending cyclone and provide guidance on how to use the transferred funds to reduce its impacts. In addition to these targeted messages, the National Disaster Management Office, with

support from WFP and other UN partners, will disseminate pre-agreed and pre-tested<sup>8</sup> early warning messages to a broader audience through multiple channels—including TV, social media, radio, and local community gathering structures like churches, mosques, and temples. These messages are intended to reach an additional estimated 100,000 people, enabling them to make more informed decisions in the face of a cyclone.

8 Pretesting of the messages was done to check best channels to be used and understand which messages were most motivating for the recipients to take action before the tropical cyclone.

# Anatomy of a trigger activation

The process that allows the Fijian Government to release anticipatory cash swiftly is closely aligned with the AA Framework's two-stage forecast trigger system.

As soon as the readiness trigger predicts a cyclone to make landfall within five days, the government and its technical partners will start compiling a list of people who would receive payments based on the agreed geographical and vulnerability-based criteria (see Targeting section, on page 5). In parallel, the government will alert contracted FSPs to get ready to process payments in case a second forecast confirms the cyclone risk.

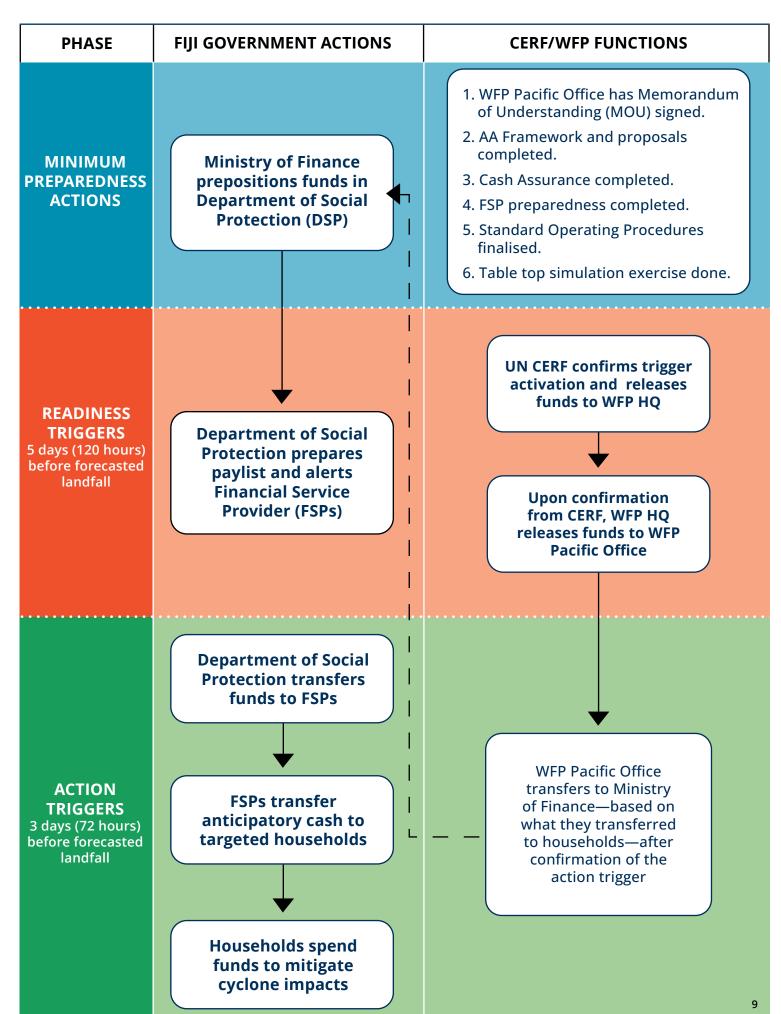
If the prediction is confirmed by a second activation trigger that predicts cyclone landfall within three days, the Department of Social Protection will share the previously prepared payment lists and release its contingency funds to financial service providers. The providers then immediately process payments digitally to ensure that at-risk households receive funds within 24 hours of the activation trigger being reached, thereby ensuring people have two days to use their money and prepare themselves and their families.

A clear advantage of aligning the payment process with the two-stage trigger system is the ability to reduce the risk of payouts in false-alarm scenarios (or scenarios where the initially predicted shock ultimately does not materialize). In cases where the readiness trigger is not confirmed by a subsequent activation trigger, stakeholders can "stand down" and continue to monitor the situation.

For the government's UN counterparts (CERF and WFP), the triggers have similar significance: as soon as the readiness trigger is reached, CERF releases funding to WFP to be able to transfer the funds to the Fijian Government swiftly. If the activation trigger is subsequently reached, WFP initiates the process of transferring funds to the government to reimburse the costs of their anticipatory cash transfer. In scenarios where only a readiness and no activation trigger are met, WFP holds on to the funds until the end of the cyclone season at which point it reimburses the unused action funds back to CERF. Funding is then available again during the next cyclone season.

A visual illustration of the arrangements can be found on page 9.

# Process flow for funds transfer actions—Fiji AA pilot



Measuring impact and strengthening accountability. To generate evidence from a potential implementation of the AA Framework, WFP has supported the government on designing effective Post Distribution Monitoring (PDM). The PDM is designed to understand the experience of people receiving anticipatory cash (including any concerns, complaints, or other feedback regarding the transfers) along with its results in terms of their ability to prepare for and manage the impact of the cyclone. The PDM will be conducted through the Fijian government's trained district-based staff, who will conduct rapid focus group discussions and household surveys not earlier than two to four weeks after the cash payments. Additional remote monitoring will be conducted, in the immediate aftermath of the impact, by the DSP in collaboration with WFP M&E teams. This involves the DSP directly calling sampled households and following up with FSPs to understand the rate of cash redemption before the tropical cyclone. Independent of these, recipients of cash also have access to the Department of Social Protection's existing grievances redress system (their CFM), which includes a toll-free line managed by dedicated complaints officers in addition to dedicated official numbers at district level that people can call at no charge when they have feedback. The PDM data and feedback from the Community Feedback Mechanism (CFM) system will be analysed to inform future iterations of the framework to ensure maximum efficiency and accountability.

BUILDING BLOCK 3: OPERATIONAL READINESS

Whereas building block 2 focused on defining how support will be provided once the Fiji AA Framework's trigger conditions are met, the third building block covers all the legal and administrative arrangements that are necessary to be operationally ready to implement. Through

continuous work across multiple functional areas and based on the trust developed over months of close collaboration, WFP and its Fijian Government counterparts worked to ensure that a potential implementation of anticipatory cash transfers is in line with both parties' legal and operational requirements.

The Memorandum of Understanding (MoU)—

a document developed by WFP, the Ministry of Women, Children and Social Protection, and the Ministry of Finance—provides a legal framework for the anticipatory cash reimbursement scheme that was set up between partners. The result of a continuous collaboration between government and WFP technical experts that started in August 20239, a final MoU was submitted for government signature that November. Upon approval in February 2024, the agreement enabled WFP to transfer a pre-agreed amount for the implementation of the AA Framework's cash component to the government, in line with WFP's corporate guidelines. This includes the necessary clauses to ensure WFP's compliance with corporate assurance and reconciliation standards.

For instance, following extensive consultations on this sensitive matter, the MoU lays out specific rules regarding the processing of personal data, specifying that WFP, as the entity providing technical support to the government, shall only access the necessary personal data for performing its obligations under the agreement. As specified in the MoU, in case of activation of the AA Framework, funds will be transferred in the equivalent Fijian dollar amount<sup>10</sup> to cover cash assistance to 15,000 targeted households.<sup>11</sup>

**Cash Assurance** was another focus area that defined a set of standards and measures in place to help WFP COs guarantee that cash operations are implemented in an effective and accountable manner, minimizing risks and identifying

<sup>9</sup> On the part of WFP, setting up the MoU required collaboration of expert colleagues across multiple functional areas, including Anticipatory Action (AA), Cash-Based Transfers (CBT), Legal, and Finance.

<sup>10</sup> Calculated at the prevailing UN rate for the time of transfer.

<sup>11</sup> This includes both the transfer value and transfer costs.

opportunities and areas of improvement. This also requires close attention whenever WFP sends cash through governments. The WFP Cash Assurance Framework was implemented, which defines a set of priority controls that require critical considerations during this process to avoid exposing WFP to significant risks in pursuit of that objective. In the case of Fiji, where the government uses its established social protection systems to transfer funds, WFP worked closely with the Ministry of Women, Children and Social Protection to ensure that WFP standards for cash operations were sufficiently met.<sup>12</sup> This crossfunctional exercise, which required transparency from both parties, presented an opportunity to understand potential risks, put in place mitigation measures, and identify entry points for systems strengthening for the future. Joint discussion and agreement on priority controls with the government should be held before the implementation.

Cash Delivery Readiness was another focus area of WFP support to the government. Based on its technical expertise, WPF supported assessing the adaptability and reliability of the government's internal cash delivery system based on its regular social protection transfers. Additionally, WFP conducted an analysis of various FSPs, evaluating their current contracts to gauge the feasibility of expanding their services to include anticipatory cash transfers on short notice. This initiative aimed to familiarize FSPs with anticipatory action (AA) concepts and implications, sparking discussions on their preparedness regarding time sensitivity and necessary adjustments such as business continuity processes, liquidity management, and approval procedures. WFP also played a role in enhancing the CFM, ensuring its effectiveness and acceptance within communities, thereby facilitating its use in case of an AA trigger. Finally, an AA activation

simulation was carried out to validate the CFM's functionality, garnering final approval from national and district-level officials.

The WFP Market Functionality Index (MFI)<sup>13</sup> assessment was used to understand the readiness of the markets for cash transfers. The last assessment was conducted between November 2022 and February 2023—coinciding with tropical cyclone season and still valid—found an average MFI score of 6.0 across central and eastern divisions of the Fiji Islands. This means that local markets in Fiji have a low risk for cash-based transfers<sup>14</sup> with particularly high scores in access and protection (10), availability (7.9), and supply chain resilience (6.4). It also took into consideration that there are existing monthly cash transfers whose participants are served by the same local markets.

**Detailed internal and external Standard** Operating Procedures (SOPs). Based on all analysis and the MoU, WFP developed its internal SOPs and the joint SOP between WFP and the Fijian Government, which defined functions and roles across the timeline from before any trigger is reached, between triggers, and then after triggers. Running a simulation exercise to test the functionality of the whole system prior to the actual hazard proved very valuable. The simulation exercise is designed to test functions from trigger communication, early warning messaging, geographical targeting, household targeting and prioritisation, pay list development, and instructions to the FSPs with the involvement of all relevant stakeholders. For the Fiji case, the last mile of the process—transfers into people's accounts—was deemed to be already working well, as evidenced by regular social cash transfers, with cash deposits within 24 hours of transfer instructions.

<sup>12</sup> The WFP Cash Assurance Framework includes guidance on how to maintain certain minimum standards regarding matters such as community feedback mechanisms, privacy and personal data, verification of transfers, and suitability of financial products and services, among others.

<sup>13</sup> The Market Functionality Index (MFI) is a quantitative measure designed by WFP to understand 1) how markets can help households achieve food security and meet their essential needs; 2) assess feasibility, risks, and impact of WFP's interventions; and 3) understand how local markets can be strengthened. The MFI benchmarks market functionality along the following nine dimensions: 1) Assortment of essential goods, 2) Availability, 3) Price, 4) Resilience of supply chains, 5) Competition, 6) Infrastructure, 7) Services, 8) Food quality, and 9) Access and protection.

 $<sup>14 \</sup>quad \text{MFI score 5.5 to 6.5 - Medium to low-risk functionality; assessed as low risk for Cash-Based Transfer (CBT) intervention.} \\$ 

### In conclusion

The WFP Pacific CO and Fijian Government now have the first AA framework that will reach people before a cyclone through a national social protection programme with pre-arranged funds from CERF. This has been possible due to all the elements that have been explained in this document. For any other country willing to embark on this journey, it is crucial to take into consideration and calculate the effort and dedication that goes into building such a system.

It is also important to take into consideration the government timelines and official approval processes to be completed before the seasonal onset of shocks. For example, the MoU development—that can be contextualized to country contexts—requires enough time for all parties to provide inputs before signing.

The Fiji AA Framework took a full year to build with dedicated funds and WFP staff and expertise engaging on a daily basis with the different key stakeholders from the relevant government ministries and UN agencies.

# Additional resources, links and contacts

If you think your government could better support people before a climate shock, get in touch with your CBT, Social Protection, and Anticipatory Action focal points in your Regional Bureau or HQ.

You can also send an email to: <a href="mailto:christoph.baade@wfp.org">christoph.baade@wfp.org</a> and <a href="mailto:christoph.baade@wfp.org">osborne.sibande@wfp.org</a> or <a href="mailto:climatechange@wfp.org">climatechange@wfp.org</a>.

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# **Acronyms**

AA Anticipatory Action
CBT Cash-Based Transfers

CERF Central Emergency Response Fund
CFM Community Feedback Mechanism

**CO** Country Office

DSP Department of Social ProtectionFAO Food and Agriculture Organisation

**FJD** Fijian Dollar

**FSP** Financial Services Provider

**HQ** Headquarters

**IOM** International Organisation of Migration

MEB Minimum Expenditure Basket

M&E Monitoring and Evaluation

MFI Market Functionaity Index

MONITORING AND ADMINISTRATION OF LINE Assessment

MO

MOU Memorandum of Understanding
MPCA Multipurpose Cash Assistance

**MWCSW** Minitry of Women, Children and Social Protection

NDMO National Disaster Management Office

**OCHA** Officer for Coordination of Humanitarian Affairs

**PDM** Post Distribution Monitoring

**RSMC** Regional Specialised Meteologocal Centre

**SOP** Standard Operating Procedure

**UN** United Nations

**UNDRR** United Nations Disaster Risk Reduction

**UNFPA** United Nations Population Fund

**UNICEF** United Nations International Children's Fund

US\$ United States DollarsWFP World Food ProgrammeWHO World Health Organisation

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