

DFAT MANAGEMENT RESPONSE

MID-TERM REVIEW OF THE MULTIYEAR PREPOSITIONING AGREEMENT WITH THE PHILIPPINE RED CROSS

Overview

The Department of Foreign Affairs and Trade (DFAT) arrangement with the Philippine Red Cross (PRC) entitled 'Responding to the Needs of the Most Vulnerable Population Affected by Disasters and Conflict Through Emergency Relief and Cash Assistance' is a multiyear prepositioning agreement (2020-2024) which supports families affected by humanitarian crises, including support to the COVID-19 pandemic response.

DFAT, in close coordination with PRC, commissioned an independent mid-term review (MTR) of the project in September 2022, covering the period of March 2020 to December 2022, to assess the achievements, progress, key challenges and opportunities towards the agreed goal and outcomes. The MTR consulted key stakeholders, including PRC chapters, local government units, families supported by the project, and other organisations working with PRC. The final report was completed in March 2023.

Summary of Management Response

The mid-term review identified various factors that contributed to the success of the project and provided valuable recommendations to help improve implementation until its completion in December 2024. DFAT noted that some of the criterion and other recommendations were beyond the scope of the project.

The management response focused on the twelve key recommendations for improving the Multiyear Prepositioning Arrangement – including recommendations for future prepositioning engagements with PRC. These twelve key recommendations consolidated all 33 recommendations discussed in the final report.

DFAT welcomes the findings and key recommendations of the mid-term review. DFAT agrees with six recommendations, partially agrees with five, and disagrees with one. More detailed responses to each recommendation are included in the tables below.

Key Recommendations for the Multiyear Agreement until 2024

RECOMMENDATION	RESPONSE	EXPLANATION	ACTION PLAN	TIMEFRAME
1. PRC to consider a review of the content of the Shelter Tool Kits (STK) and make it smaller with only the urgently needed tools. PRC to also study the effects of their new initiatives to distribute or lend tools at the community level.	Partially agree	DFAT partially agrees with the recommendation, noting that procurement for all STKs has been completed for the duration of the project. PRC will continue to use the existing STKs and the result of the review on its content could be applied in future agreements.	PRC is expected to continue to work in consultation with the Shelter Cluster team and consider the results of the post distribution monitoring in identifying/improving the contents of the STKs.	For future agreements
2. Increase the cash grant amount to PHP5,000, in line with other agencies. The target number of beneficiary families must be adjusted accordingly.	Partially agree	The current Philippine government guidelines on cash transfers for disaster response is 100 per cent of the regional daily minimum wage based on the activities to be undertaken and assessment of the implementing partner. DFAT is open to improve and adjust the prepositioned cash transfer value as long as this is aligned with the policies and guidelines set by the Philippine Government on emergency cash assistance.	Both DFAT and PRC agree the cash transfer mechanism and cash transfer value should be compliant with national policies set by the Philippine Government, in consultation with Philippines Cash Working Group. To date, the Philippines Cash Working Group (which includes PRC) is still liaising with the Department of Social Welfare and Development (DSWD) on the revised guidelines for emergency cash transfers.	Ongoing (depending on DSWD approval of the proposed new guidelines)
3. PRC to review its internal approval process to facilitate an earlier release of Cash for Relief (CfR) funds during emergencies, including area selection,	Agree	DFAT recognises the importance of following response protocols to ensure appropriate targeting and timely distribution.	PRC is encouraged to review their existing emergency protocol on cash transfers and improve internal procedures and coordination for deployment.	April to June 2023

RECOMMENDATION	RESPONSE	EXPLANATION	ACTION PLAN	TIMEFRAME
<p>beneficiary criteria, and capacity assessment of chapters to implement CfR. PRC should aim to deploy validation and beneficiary registration teams within a week after a disaster, where feasible, as specified in the agreement.</p>				
<p>4. PRC to address immediately the weak stock and inventory management, ensuring the inventory generates instantly the type of items, donors, and information on expiry dates. DFAT is recommended to accompany the roll out of the new inventory management system with the commissioning of a physical count of stored items.</p>	<p>Partially Agree</p>	<p>DFAT recognises the importance of improving and ensuring that stock and inventory management is accurate, updated, and validated.</p>	<p>PRC is committed to address this recommendation by training staff on stock inventory and management; and invest on a digital inventory management application/software.</p> <p>DFAT will work with PRC to ensure the roll out of the new inventory management system is properly implemented and accounts for DFAT stocks. DFAT will encourage the commissioning of an independent audit of the transfer of stocks, including DFAT's, into the new digital system.</p>	<p>April to June 2023</p>
<p>5. PRC and DFAT to establish a standard process to ensure due diligence in the delivery of relief support. PRC to develop a beneficiary selection checklist for the team leaders and members that helps them in the conduct of due diligence and document the procedures and</p>	<p>Partially Agree</p>	<p>DFAT relies on PRC to have established minimum standards of assessment that support their request for deployment, including target groups.</p>	<p>PRC is expected to strictly implement the existing minimum standards of assessment for targeting, delivery mechanism, and distribution activities; and ensure proper documentation of the procedure.</p>	<p>April to June 2023</p>

RECOMMENDATION	RESPONSE	EXPLANATION	ACTION PLAN	TIMEFRAME
<p>deviations from the process. PRC needs to ensure compliance with its internal protocols to facilitate DFAT support and help affected populations as soon as reasonably possible.</p>				
<p>6. DFAT and PRC to replenish and expand the prepositioned stocks from Cebu and Luzon to smaller warehouses, in particular Cagayan de Oro and possibly in Leyte, to allow for quicker responses.</p>	<p>Partially Agree</p>	<p>PRC is expected to ensure availability of prepositioned supplies across their warehouses in the Philippines for quick deployment as defined under the partnership with DFAT.</p>	<p>PRC commits to conduct proper inventory of items in all warehouses to monitor availability and shelf life, including replenishment of expired items and availability of stocks in strategic warehouses/locations.</p>	<p>April 2023 to December 2024</p>
<p>7. PRC to define and propose the target number of beneficiaries, disaggregated by sex, gender and disability both in their proposal (concept note) and project reporting. The existing data collection tools and methods need to be aligned with the DFAT reporting template. Quarterly and annual reports should include a summary and reflection on the implementation of DFAT support, including target vs actual number of beneficiaries with sex, age, and disability disaggregated data (SADDD), and an updated stock inventory and its location.</p>	<p>Agree</p>	<p>DFAT recognises the importance of having an evidence-based project documentation and reporting, including the disaggregated data by sex, gender and disability, and beneficiary targeting.</p> <p>DFAT agrees that the quarterly and annual reports must provide reflection and learning to inform adjustments in programming/operations. DFAT has provided a reporting template to implementing partners which include SADDD, outcome and analysis/learning.</p>	<p>PRC will continue to organise their system for data management, including needs assessment, and aligning project reporting with DFAT’s template.</p> <p>PRC has already used the DFAT reporting template in the submission of the 2022 Multiyear Prepositioning Arrangement (MYA) Annual Report.</p> <p>PRC is expected to strictly conduct post-distribution monitoring (PDM) a month after major disasters, including an after-action review.</p>	<p>April 2023 to December 2024</p>

RECOMMENDATION	RESPONSE	EXPLANATION	ACTION PLAN	TIMEFRAME
<p>8. The number of stocks supplied to Chapters should be better aligned with the number of target beneficiaries indicated in their requests, where stocks are available.</p>	<p>Agree</p>		<p>PRC commits to release the requested items based on the confirmed needs assessment vis-a-vis available DFAT stocks.</p>	<p>April 2023 to December 2024</p>
<p>9. PRC to explore framework agreements with new Financial Services Providers (FSPs) and transport services.</p>	<p>Agree</p>	<p>DFAT is committed to improving and increasing the timely and appropriate distribution of prepositioned cash and non-food items.</p>	<p>PRC is encouraged to explore opportunities to establish framework agreements with additional FSPs and transport services for the timely delivery of assistance.</p> <p>PRC has an existing agreement with PhilPost as a Financial Service Provider (FSP). PRC should explore opportunities with additional FSPs (i.e., GCash and PayMaya) in consultation with other members of the Cash Working Group (UN agencies and NGOs).</p>	<p>April to June 2023</p>

Key Recommendations Beyond 2024

RECOMMENDATION	RESPONSE	EXPLANATION	ACTION PLAN	TIMEFRAME
<p>10. DFAT to provide financial support to implement the PRC strategy to establish 17 additional logistical hubs throughout the Philippines.</p>	<p>Disagree</p>	<p>DFAT support to PRC is focused on prepositioning non-food items and cash; and is not amenable to funding infrastructure under its humanitarian portfolio.</p>	<p>DFAT to encourage PRC to consider investing on their warehouse and logistics capacities to improve delivery of relief services to disaster affected areas. This could include training, active coordination with the Philippine Government Logistics Cluster, and partnership with key stakeholders.</p>	
<p>11. The prepositioning of non-food items (NFIs) needs to be based on historical use and projected utilisation. PRC to expand list of suppliers that can provide NFIs with expiry dates (e.g., soaps) and schedule deliveries in tranches depending on current inventory and projected needs.</p>	<p>Agree</p>	<p>The current project includes an independent completion review at the end of the program which can identify lessons learned and further define the particulars of future agreements with PRC.</p>	<p>DFAT and PRC will adopt lessons learned from the multiyear prepositioning arrangement when considering future agreements.</p>	<p>Future partnership beyond 2024</p>
<p>12. Partnerships between DFAT and PRC to move from output based to the inclusion of outcomes that describe a change in gender equality and disability inclusion. Strategies that are practical within an early response activity should be explored with PRC and possibly drawing on experiences from other organizations and countries.</p>	<p>Agree</p>	<p>DFAT agrees to the inclusion of outcomes on gender equality and disability inclusion in project implementation.</p>	<p>DFAT will work with PRC to develop a strategy to include outcomes on gender equality and disability inclusion under the current multiyear prepositioning arrangement.</p>	<p>April to July 2024</p>