An Agenda for Cash

Part of CaLP’s ‘100 days of cash’ initiative
May 2016

The ‘Agenda for Cash’ provides a snapshot of what more than 40 organisations believe needs to change in relation to cash transfer programming at this precise moment in time. Implementers themselves have created it, through a collaborative process facilitated by CaLP to influence the Grand Bargain and other related World Humanitarian Summit (WHS) processes and, ultimately, serve as a framework for action and mutual accountability to complement other mechanisms being created as a follow up to the Summit.

Background and introduction

Donors and practitioners alike are increasingly recognising that cash transfer programming (CTP) offers considerable potential to transform humanitarian action. Giving aid directly in the form of cash is often a highly effective way to reduce suffering and empower those who receive it. The flexibility of CTP allows those receiving it to work out how best to meet their priority needs at any given time. Research has also shown that cash transfer programming can make humanitarian aid budgets go further.

Despite this growing recognition, CTP still makes up a small percentage of humanitarian aid. This is in part because it does not fit neatly into the existing sector-based humanitarian architecture. This not only creates challenges in delivery and coordination on the ground, it means there are relatively few fora in which all relevant stakeholders are able to come together to identify and resolve the barriers to better implementation of CTP across sectors.

The World Humanitarian Summit (WHS) taking place on the 23rd – 24th of May in Istanbul presents an unprecedented opportunity to have meaningful discussions about change.

The United Nations Secretary-General Ban Ki-moon called in his report for the World Humanitarian Summit for CTP to be the default method of support for affected populations where markets and operational contexts permit. CaLP embraced this call and decided to contribute to the solution by focusing on bottom up collaboration and the power of its network.
CaLP launched the ‘100 days of cash’ initiative to bring stakeholders together to facilitate innovative discussions on CTP, and to unpack and discuss what would actually need to change for the UN SG’s statement to become a reality. The initiative facilitated the focused engagement within CaLP’s network of more than 150 organisations and 5,000 individuals around the world to produce a snapshot of what needs to change in relation to CTP in this precise moment in time. The outcomes of all these discussions have been captured in this ‘Agenda for Cash’. From its inception it was envisioned as a live document that has evolved organically with the WHS process to provide the type of information needed at each stage.

The ‘Agenda for Cash’ is future-oriented, recognising that while the WHS is a key moment for committing to move this agenda forward, much will need to be agreed and achieved thereafter to actually deliver this change. At the time of writing of this final version (20th of May 2016), the information available on cash related commitments made by different stakeholders is not available. So, after the Summit, CaLP will revisit this final version of the Agenda for Cash to complement it with more specific details identifying the commitments that were made and note the remaining gaps, so it can contribute to post-summit accountability mechanisms.

Draft 0 of the Agenda for Cash was the result of contributions made by more than 40 humanitarian and development actors through a workshop and a survey where the main issues regarding CTP were chartered. The intention was for this early draft to influence WHS discussions for the Grand Bargain and other high level roundtables by contributing to the understanding of the problems affecting CTP.

Draft 1 of the Agenda for Cash provided a refined understanding of the problem with a variety of calls for action for development and humanitarian organisations, States, donors and the private sector. It included feedback collected through CaLP’s Membership Event in Washington DC in April 2016 and an online consultation with over 20 organisations worldwide including UN agencies, the International Red Cross and Red Crescent Movement, NGOs, donors, the private sector and Governments. Feedback from beneficiaries consulted by the International Committee of the Red Cross (ICRC) in Nigeria was also considered. This draft intended to complement the discussions on CTP in the ‘Humanitarian Finance’ and the ‘From Delivering Aid to Ending Need’ work streams of the WHS. It provided suggestions for ‘commitments that matter’ for the different actors trying to define their contribution through pledges at the WHS.

This final version of the ‘Agenda for Cash’, is focused on accountability post WHS and will be presented at the WHS through a side event hosted by CaLP, ODI and the Lebanon Cash Collaborative process followed to create it. It also showcases the power of the CTP network and the potential of stakeholders at different levels in different organisations, across different sectors, to collaborate to produce change.
Consortium. Its purpose is to serve as a framework for action and mutual accountability for CTP related commitments to complement other mechanisms being created as a follow up to the WHS.

At the time of writing of this version, such accountability mechanisms are being designed. One possibility is for the ‘Agenda for Cash’ to continue after the WHS to be a live document where practitioners and decision makers can keep track of the change that is needed and the commitments to achieve it. Another option is for CaLP to have a role in the wider post summit mechanisms, to use its impartiality to facilitate and accompany stakeholders to define a plan for action after the Summit. The suitability of these options will much depend on the mechanisms for accountability being designed for the WHS, which CaLP will seek to complement, not replace or duplicate.

For more information on the 100 days of cash initiative and the Agenda for Cash please visit: www.100daysofcash.org

1. Understanding feasibility and increasing the use of cash

Delivering cash at scale requires that the same rigour be used in response analysis when choosing between cash and commodities. Currently donors and implementing partners tend to assume commodities are the right modality, and expect extensive justification for the use of cash. Recognising the transformative potential of cash for people affected by crisis, we must all commit to a significant and system wide scale up of the use of it and to always consider cash when responding to needs. For cash to become a preferred choice, the initial assumption should be that cash can work, and that markets will support cash programming. For example, implementing agencies and donors should be able to use as a benchmark the value that beneficiaries can generate with 1 dollar to assess the suitability of other interventions. Implementing agencies and donors should standardise and agree on what constitutes sufficient feasibility and response analysis for each modality, and for CTP specifically, and the levels of information required for topics like market analysis (i.e. minimum requirements and a process for prioritising which market systems should be analysed) and value for money. This will also require investment in organisational capacity and skills to carry out that analysis.

The members of the 100 days of cash initiative call upon development and humanitarian actors to commit to:

- Significantly invest in institutional and local preparedness to scale up the use of cash transfer programming.
- Improve existing inter-agency standards and develop new ones as needed, to better define the core elements of cash feasibility, including the concept of markets and value for money.
- Systematize joint multi-sector assessment and response analysis across sectoral mandates, and humanitarian and development teams.
- Invest more in organizational capacity assessment for CTP implementation.
- Invest in adapting tools and advocacy for cash based assistance.
- Include market analysis as standard in all response analysis and in assessing overall program quality, regardless of the modality selected.
• Formalise the coordination of inter-agency multi-sectoral response analysis within the humanitarian architecture.

The members of the 100 days initiative calls upon States to commit to:
• Acknowledge CTP as an effective humanitarian tool and commit to using or facilitating use of cash wherever feasible and appropriate in humanitarian responses.
• Ensure that regulatory frameworks – including for disaster management and the financial sector – are in place and are conducive to efficient and effective CTP at scale.
• Allow the disbursement of cash transfers equally to refugees, IDPs and host communities when needed.
• Improve the investment climate in host countries to enable the expansion of digital financial services such that all people citizens have accessible payment mechanisms to use when needed.

The members of the 100 days of cash initiative calls upon donor Governments to commit to:
• Support cash, and digital cash transfers into transactional accounts, wherever feasible and appropriate in humanitarian responses.
• Invest in the development of standards to better define the core elements of cash feasibility, including the concept of ‘markets’.
• Challenge organisations delivering commodity based assistance to meet the same standards of quality of assessment (including market data) and outcome monitoring as required of CTP.
• Provide more agile funding that can be used for cash, commodities or a combination as appropriate, and apply the same level of due diligence and evidence requirements when evaluating cash and in-kind proposals.
• Reduce earmarking and make an institution-wide commitment to systematically consider multi-sector assistance.

The members of the 100 days of cash initiative call upon private sector actors to commit to:
• Coordinate investments in financial infrastructure preparedness and system interoperability for cash transfer programming.

2. Identifying and mitigating risk

Delivering cash at scale requires a better understanding of the true nature of risks associated with implementing any type of humanitarian assistance, for implementers, donors and beneficiaries and their communities. Risk tolerance and management should be proportionate to the scale of need, and should differentiate between general programmatic risks, those related to modality and those related to mechanisms. Often risks associated with cash can be addressed by selecting the right mechanism for distribution and being accountable to beneficiaries. We believe that increased transparency and an agreed degree of acceptance of risk with donors and host Governments will be a key step moving forward.
The members of the 100 days of cash initiative call upon development and humanitarian actors to commit to:

- Improve the identification, understanding and management of risks associated with implementing cash at scale for implementers, donors, local organisations, and also for beneficiaries and their communities - to ensure risk is not being transferred to actors who are not prepared to manage it.

The members of the 100 days of cash initiative calls upon donor governments to commit to:

- Improve transparency and clarity in relation to acceptable level of risk (from an audit point of view) in given contexts for scaling up cash so implementing agencies can manage their own risk better.
- Invest in communication and engagement strategies, in collaboration with humanitarian actors, to positively reframe and improve the understanding of CTP amongst all levels of Government and the general public.

3. Putting affected people at the centre

Delivering cash in a protection-sensitive manner requires consideration of meaningful access and inclusion (age, gender, diversity), participation, safety and dignity and accountability throughout the programme cycle. Affected populations should be key actors in operational decision-making. This includes meaningful participation throughout the programme cycle, ensuring that crisis-affected populations identify their own protection risks and benefits and self-protection mechanisms, and a commitment to multi-channel feedback mechanisms. It also means ensuring we develop and comply with best practice in terms of data protection.

The members of the 100 days of cash initiative call upon development and humanitarian actors to commit to:

- Develop inter-agency standards for data privacy and protection and apply them systematically.
- Apply existing inter-agency standards for the meaningful inclusion of affected populations in the entire programme cycle for cash-based interventions.
- Ensure that all cash (and other) programmes put the safety and protection of people in crisis first by understanding and mitigating security risks, prioritizing protection and providing appropriate technical guidance and support in all programmes.
- Develop and support tailored, targeted approaches that reach all those in need, including the most marginalised and vulnerable, such as older people and people with disabilities, who may also be those with least access to financial services.

The members of the 100 days of cash initiative calls upon donor Governments to commit to:

- Invest in and endorse inter-agency standards for data collection; and inter-agency standards for data privacy and protection.
- Establish funding frameworks that support and incentivise people-centred and cross-sectorial response analysis.
4. Focusing on localisation and preparedness

Delivering cash at scale requires operational agencies, donor Governments and the private sector to be ‘as local as possible and as international as necessary’. We need to build strong leadership and true local operational and fiduciary capacity with the ultimate aim of reducing UN and INGO footprint and focusing on complementarity. This means reinforcing existing national and local mechanisms by investing in preparedness to deliver cash at scale, including by creating shock-responsive social safety net systems and increasing the necessary skills and capacities to deliver cash in an emergency. At a local level, this means directly funding local organisations to lead and own the implementation of cash at scale.

The members of the 100 days of cash initiative call upon all development and humanitarian actors to commit to:

• Assess the quality, robustness and accessibility of local systems and to use existing infrastructure and systems as feasible and appropriate before building new ones (whether in preparedness or response).
• Strengthen the linkages between humanitarian cash transfer and social protection systems and practitioners, and defining roles and accountabilities when working through social safety nets in humanitarian contexts.
• Mainstream CTP in preparedness efforts, and funding multi-year preparedness approaches for national led response systems to implement cash at scale.
• Invest in building strong leadership and capacity to implement CTP by national and local NGOs by providing access to training, technology and resources.
• Feature CTP in UN agencies’ operational plans so cash approaches can be contextualised not centralised.

The members of the 100 days initiative calls upon States to commit to:

• Invest in increasing their capacity to utilize CTP in humanitarian response as part of national disaster preparedness efforts, including by creating a full time cash focal point to coordinate preparedness and response.
• Use existing social protection systems as a driver of speed and efficiency for emergency response when appropriate, enabling the integration of aid providers and linking CTP to existing welfare payment systems and beneficiary information prior to an emergency.

The members of the 100 days of cash initiative calls upon donor governments to commit to:

• Invest in organizational preparedness for UN agencies, NGOs, national actors and governments for coordinated CTP, including linkages with social protection where appropriate.
• Build on the agreements from the Grand Bargain, so funding assignations are based on the agencies’ local capacities to operate in a given area or sector.
• Invest in developing, maintaining and mainstreaming skilled and dedicated cash-proficient technical human resources to support on-going efforts.
5. Creating shared value relationships with the private sector

Delivering cash at scale requires shifting the partnership model between the humanitarian and private sector from transactional agreements to business plans that generate shared value. Where appropriate, the private sector, donors and implementers should explore and formalise new partnership models that would simplify engagement and enable us to create new products that address some critical challenges in CTP, including improving access to financial services and addressing critical risks. This requires investment in capacity building, involvement of local and global private sector in every step of preparedness, and clarification and formal definition of the shared value and boundaries of the private and humanitarian sectors in relation to needs, expectations, business model, experience and skills.

The members of the 100 days of cash initiative call upon development and humanitarian actors to commit to:

- Develop institutional and collective capacity for engaging in effective dialogue with the private sector.
- Explore and formalise new partnerships with private sector innovators.
- Coordinate the use of open and shared payment systems between humanitarian organizations.

The members of the 100 days initiative calls upon States to commit to:

- Invest in, incentivize, challenge, and support private sector investment in expansion of digital financial services in countries at high risk of crises, so payment services are available when disasters occur.

The members of the 100 days of cash initiative calls upon donor Governments to commit to:

- Invest in building capacity and strengthening the linkages between humanitarian actors and the private sector for cash transfer programming at scale.

The members of the 100 days of cash initiative call upon private sector actors to commit to:

- Partner with the humanitarian sector to develop and implement a code of conduct for the private sector engagement in CTP, particularly regarding data protection and rules of engagement for CTP, that is compatible with humanitarian principles.
- Increase investment in financial services infrastructure and appropriate payment services in countries at high risk of crisis to prepare for cash transfers in emergencies.
- Lead on the development of cash transfer mechanisms that facilitate pathways to financial inclusion wherever possible.
- Design, together with humanitarian actors, products and digital payment mechanisms that are tailored for the population and are conducive for client empowerment, protection, and choice.
6. Investing in collective impact and coordination

Delivering cash at scale requires effective and efficient coordination between all cash stakeholders to drive collective impact. Cash should be used as a catalyst for change in the system, to understand the negative incentives that block humanitarian actors from focusing on a common goal and leverage good practice and systems that work. The common goal of meeting all needs effectively in humanitarian response should transcend organisational mandates, business models and sector based coordination systems. It should build on comparative advantages in terms of effectiveness, geographic coverage, capacity to innovate and willingness to cooperate. The unique role and expertise of NGOs (local and international) and Red Cross/Red Crescent National Societies as implementers should be recognised and strengthened. There is an urgent need for stronger coordination and predictable leadership so cash can be delivered effectively at scale.

The members of the 100 days of cash initiative call upon development and humanitarian actors to commit to:

• Participate in a genuine multilateral effort that includes all key stakeholders to address some of the fundamental challenges to delivering cash safely and effectively, including identifying and testing different ways to scale up, support and effectively coordinate CTP in different contexts. Any such models should make best use of the comparative advantages of cash stakeholders (UN, NGO, Governments and private sector) while maintaining the ability to adapt to changing circumstances, market infrastructure, payment ecosystems, beneficiary preferences, behaviours and needs.
• Engage, advocate for and pilot the elements of a platform for inter-agency multi-sectoral cash coordination that is complementary to, yet independent of agency and sectoral mandates and founded on collective impact.
• Build information management and digital payment platforms (e.g. for identification) that enable interoperability, and access to digital financial services.
• Implement joint advocacy efforts to have one strong voice regarding coordination and leadership.

The members of the 100 days of cash initiative calls upon donor Governments to commit to:

• Ensure funding agreements have a clause to transfer the benefits achieved through the Grand Bargain - in terms of flexible and multiyear funding - to implementing NGOs (when funded by the UN) and to local partners (when funded by INGOs).
• Invest in NGO, RC/RC and UN agency capacity to ensure complementarity in the ability to deliver large-scale cash contracts.
• Agree minimum levels of required accountability and develop and pilot multi-sector outcome indicators in relation to cash transfer programming.
• Provide multi-year predictable funding for the definition, design and piloting of a plan for cash coordination based on collective impact.
• Fund the continuous development and piloting of innovative applications of CTP.