

Discussion Note: Improving the Coordination of Cash Transfer Programmes

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This discussion note summarises current debates and initiatives around the issue of improving the coordination of cash transfer programming in humanitarian response. It is based on the best available literature and analysis. It concludes by identifying potential ways forward, supported by practical suggestions for progress.

Background

Cash transfer programming (CTP) in humanitarian crises is an increasingly important modality of humanitarian assistance and consequently, so is the need for effective cash coordination. Effective coordination of cash transfer programming before, during and after a crisis lies at the core of our ability to deliver cash at scale. It enables effective decision making across the different actors involved in key areas including: situation analysis, response analysis, design, implementation, monitoring, links with social protection systems and across government departments.

The Grand Bargain¹ makes explicit commitments to improve the coordination of cash programming, and this is reflected in CaLP's Global Framework for Action² and strategy. Cash programming is intrinsically linked to other priorities for improving humanitarian action, including other Grand Bargain commitments such as ensuring improved engagement with local actors, transparency and improved efficiency.

Currently, there is no clearly designated, single body responsible for coordinating cash transfer programmes at the global and/or regional level. Instead, various forums exist that are either dedicated to, or relevant to, cash coordination. The humanitarian systems' failure to predictably define which organisation is doing what, where, how much are they giving, and in what form, affects its ability to efficiently and effectively assist people in need.

The current situation

The current OCHA inter-cluster coordination functions, *'were designed to enable clusters to work together to advance the delivery of assistance to affected people effectively and efficiently by encouraging synergies between sectors, ensuring roles and responsibilities were clearly defined, closing potential gaps and eliminating duplication'*³. The UNHCR inter-sector coordination mechanism has the same objective within a refugee emergency context where, based on the Refugee Coordination Model⁴ (RCM), UNHCR collaborates with partners to co-coordinate sector responses *'to support efficient and effective coordination and delivery of a response'*⁵

¹ <http://www.agendaforhumanity.org/initiatives/3861>

² <http://www.cashlearning.org/downloads/calp-framework-web.pdf>

³ <https://www.scribd.com/document/336603381/2016-OCHA-Functional-Review>

⁴ <https://cms.emergency.unhcr.org/documents/11982/41645/Refugee+Coordination+Model/8fcb164-582b-4e26-9c91-c766478358d7>

⁵ <https://emergency.unhcr.org/entry/60865/sector-coordination-in-refugee-emergencies>

However, in many cases the system has *'failed to address core issues of leadership, strategic planning and joint decision-making'*⁶ and *'cash coordination is regarded as fragmented and ad hoc, leading to delays, gaps and duplications of coordination mechanisms and delivery thus creating tensions between aid agencies'*⁷. The results of this are powerfully described in the recent set of case studies of cash transfer programming published by the ODI⁸.

The need to formalise cash coordination is broadly recognised, but discussions on how this should be achieved have become stuck for a number of reasons. The core challenges lie in the fact that cash cuts across existing sectors, clusters and organisational mandates. Cash coordination does not fit cleanly into existing coordination arrangements, which themselves are often stretched. There is a natural tension between coordinating and operational bodies. Cash coordination requires credible relationships with a wide range of actors (including government, private sector, donor and operating agencies), and adequate staffing to facilitate appropriate strategic and technical discussions. All of this is exacerbated by the rapid growth in cash programming, meaning that substantial programmes and resource flows are impacted, often within the high pressure environment of rapid response.

Recent initiatives

A number of key activities have been initiated to address this in the last 18 months:

The **IASC Strategic Note on Cash Transfers in Humanitarian Contexts** (2016)⁹ recommended that for cash coordination, strong leadership and guidance are required to clarify: the rules of the game, the architecture and the roles and responsibilities for cash scale up and entry points for common programming through existing coordination mechanisms. It was agreed at the IASC Principals meeting in June 2016 that existing coordination mechanisms should be leveraged, taking into account the specificity of each context.¹⁰

The **2016 OCHA Functional Review**¹¹ states that coordination is accepted as an essential function at the heart of the complex humanitarian ecosystem and that 'coordination ..will become all the more essential as that ecosystem seeks to integrate diverse players'. The Global Cluster Coordinator's meeting in March 2017 requested an in-depth mapping of the cash working groups¹² globally in order to understand their functionality, ways of working and their position in the current coordination architecture.

The **ODI case studies**¹³ published in late 2016 and early 2017 highlight challenges with coordination in specific contexts and point to a lack of clear, global guidance on where cash transfers fit in humanitarian coordination. The case studies make three clear recommendations: that cash working groups should have dedicated and predictable resources, that the agency or entity in charge of humanitarian coordination in a particular context should play a role in the coordination of cash transfers unless it lacks the technical capacity to do so, and that cash transfers to meet basic needs

⁶ <https://www.odi.org/publications/10694-planning-future-humanitarian-system-fit-purpose>

⁷ <http://www.cashlearning.org/downloads/cash-coordination2017---draft-1.pdf>

⁸ <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11419.pdf>

⁹ https://interagencystandingcommittee.org/system/files/strategic_note_cash_transfers_in_humanitarian_contexts_june_2016.pdf

¹⁰ https://interagencystandingcommittee.org/system/files/iasc_principals_7-8_june_2016_summary_record_20160816_1_0.pdf

¹¹ <https://www.scribd.com/document/336603381/2016-OCHA-Functional-Review>

¹² <https://samepage.io/app/#!/d8f78cfafe86f5f6dd005949f753dd6b793df141/page-368766731633602162-advocacy-coordinator>

¹³ <https://www.odi.org/publications/10715-politics-cash-case-study-humanitarian-cash-transfers-ukraine>

should have a budget line in humanitarian response plans, when they are an appropriate intervention.

UNHCR's cash policy¹⁴ states that they will '*deliver Cash Based Interventions (CBIs) through common and joined-up approaches with UN and NGO partners that are coherent, avoid duplication and can leverage national protection, social and safety nets in every feasible way*'. It goes on to say, '*UNHCR will proactively seek opportunities to mainstream cash into existing refugee coordination arrangements and will work within established and agreed inter-agency coordination mechanisms to address the needs of IDPs and other affected populations*'. This has been expanded on in their recent guidance on **Basic Needs**¹⁵ which states that the approach '*is particularly suited to Multi-Purpose cash grants which can be more cost effective and timely than in-kind assistance ...enabling households to ...prioritise their expenditures*'.

The **Global Public Policy Institute (GPPi)** is currently finalising a paper on Cash Coordination in Humanitarian Contexts, commissioned by CaLP. It has been developed through a wide consultative process based on a comprehensive review of available evidence, 44 key informant interviews and feedback from practitioners across all levels of the humanitarian sector. The full report will be available in June 2017. Its analysis is reflected in this discussion note. The report concludes that there is strong consensus on five key principles:

1. Cash coordination involves both technical and strategic functions.
2. Cash coordination requires dedicated and predictable resources.
3. Cash coordination needs to be inter-sectoral.
4. Cash coordination should be linked to the overall coordination architecture.
5. Host governments should have a strong role in cash coordination (where possible).

In addition the report identifies clear demand for three important deliverables:

- Tools and guidance for coordination,
- Mechanisms for learning and support for coordination,
- Advocacy with donors and implementing organisations to improve coordination.

CaLP's draft position

Building on this analysis, CaLP's draft position on coordinating cash transfer programming is:

- The arrangements for coordinating cash transfer programming should be predictable, accountable, and also flexible, so that they are appropriate for the context and complement existing arrangements where possible.
- Strategic and technical cash coordination should be carried out by staff who are appropriately qualified and supported, and managed in accordance with specific pre-determined roles and responsibilities.
- Cash coordination needs to be appropriately and predictably resourced, and triggered by pre-established activation mechanisms at the global and national level.
- Cash coordination should be located within existing coordination mechanisms at the inter-cluster or inter-sector level and should not seek to create additional structures nor establish itself as a separate Cluster.

¹⁴ <http://www.unhcr.org/581363414.pdf>

¹⁵ <http://www.unhcr.org/protection/operations/590aefc77/basic-needs-approach-refugee-response.html>

- In parallel, cash capacity should be mainstreamed within Clusters and each sector should take responsibility for identifying how cash can be most appropriately used to achieve programme objectives and to utilise opportunities for common approaches.
- Cash coordination should be respectful and empowering of local Governments, populations and mechanisms.

Potential next steps

The next steps to significantly improve the quality of coordination of cash transfer programming in humanitarian response are likely to include:

1. **Clarifying management arrangements** among key actors to enable the rapid deployment and effective support of approximately three full time positions to coordinate cash programming in any major response. This would involve: assessing appropriate approaches to coordination (building on existing capacities), securing funding, deploying appropriately capable staff (for strategic and technical coordination), supporting and managing them, learning lessons and continual improvement. A number of existing actors are addressing aspects of this, including donors, OCHA, UNHCR, CashCap and CaLP. Further progress is needed to clarify responsibilities and ensure capacities at both management and operational levels. This will provide the engine for strong, well informed, appropriate and predictable coordination teams. It is arguably the single most important step for driving progress in the quality and scale of cash programming in specific humanitarian responses.
2. **Clusters should further embed cash programming** within their own ways of working so as to inform and advise on the feasibility of cash and markets in preparation and response, and incorporate CTP in information management systems.
3. **Training and guidance** is needed for host governments, Resident and Humanitarian Coordinators¹⁶ and donors on the appropriate use of cash and effective coordination in the context.
4. **Structured capacity building opportunities** are required to build expertise in strategic and technical coordination and to address the gap between demand and supply of qualified and experienced personnel.
5. **Up to date guidance** and tools are needed for coordinators and other key actors, along with mechanisms to capture experience and improve guidance appropriately.
6. Further work to consider if and when **Multi-Purpose Cash Grants** should be included as a separate line item in Humanitarian Response Plans, how this can be tracked and reported upon and how it links to ongoing work on the Basic Needs Approach.

CaLP's current priorities

CaLP works closely with a number of key actors in this area, including Cash Working Groups (at national level), OCHA, CashCAP, donors and operational agencies. 'Coordination' is one of CaLP's four strategic priorities. CaLP is committed to supporting effective coordination at national level and engaging constructively in policy debates at the global level.

At the global level:

¹⁶ OCHA have already commenced this process through their Active Learning Events (ALE) initiative

- CaLP is positioned to provide leadership on the technical content of coordination, supported by its **Technical Advisory Group**
- CaLP is planning to update its existing '**coordination toolkit**', in collaboration with others.
- CaLP is working with a number of Clusters to strengthen cash programming through support to **capacity building and evidence gathering**.
- CaLP's website (and its forthcoming **knowledge hub**) provide a platform for information sharing in support of coordination and presenting current evidence about effective cash transfer programmes in different sectors and contexts.

At the regional level:

- CaLP is positioned to provide regional support to national technical coordination through its **regional presence**. CaLP is committed to scaling up this technical capacity through additional regional resourcing
- CaLP is building capacity in technical coordination through its **Building Individual Expertise Programme (BIEP)** currently running in West Africa, which provides a structured package of training, mentoring and placements. The learning from this will be developed further and scaled up.

Notes from the Coordination session at the Members Day 29th June 2017

- Predictable and appropriate cash coordination is required, especially in a sudden onset emergency but the challenge is who will fund this?
- NGOs often find themselves double-hatting and facilitating cash coordination as well as cash working groups
- The challenge is to 'Get OCHA there on time' to provide guidance and coordination. OCHA often arrive too late when ad hoc solutions have already been put in place.
- Do we understand fully what we need to coordinate about? What's the substance?
- We need to develop some SOPs for coordination
- The Cash Working Groups are not IASC mandated which creates challenges for supporting coordination effectively
- A mapping exercise is underway (commissioned by GCC) to understand what CWGs do
- One challenge that is getting stronger is how to use MPGs across all sectors rather than each cluster having its own discussion about the use of MPG

Important points raised by members:

1. The Government is key as cash scales up
2. We recognise a need for technical and strategic coordination but where is the operational coordination in all of this?
3. Coordination is management and does not signify control of resources
4. The system is not perfect and cash won't fix this, nor should it be expected to.
5. Cash coordination (technical and operational) would benefit from specific profiles being recruited including:

- a. Financial management
 - b. Market specialists
 - c. Programme knowledge
 - d. Specific training in needs assessment and response analysis
6. We haven't explored the potential for links to the Logs Cluster sufficiently – this could provide a good fit for cash coordination
 7. Invest in capacity at OCHA level and at Cluster level to understand cash

CaLP is the global partnership for cash transfer programming in humanitarian assistance. We are a catalyst for accelerating change and we bring organisations together to address the most pressing collective issues for cash. Established for more than 10 years, CaLP currently has 50 members who, collectively, deliver the vast majority of cash transfer programming in humanitarian assistance worldwide. <http://www.cashlearning.org>