



## Cash Coordination Learning Event

May 5-6, 2015

Geneva, Switzerland

### WORKSHOP REPORT

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#### 1. 2015 LEARNING EVENT OBJECTIVES

- To review progress since last event held in 2012;
- To learn from examples: lessons learned, good practices, possible standards for predictable and accountable cash coordination;
- To identify ongoing forums/platforms where work on cash coordination is taking place; link actors;
- To strengthen common vision around coordination of cash in emergencies, particularly multipurpose cash assistance: How do we move forward? Where do we stand today? Where do we want to go? How are we going to get there?
- To explore the role of private sector actors in humanitarian cash programming

#### 2. PARTICIPANTS

- 80 participants representing humanitarian donors, UN agencies, NGOs, private sector, research/academic community.

(See Annex 1 for the full list of participating organisations)



#### 3. OVERVIEW OF LESSONS SINCE 2012 LEARNING EVENT

A CaLP and IFRC led Cash Coordination Learning Event was held in 2012 to consider the challenges posed and opportunities offered by cash transfer programming (CTP) to humanitarian coordination. Humanitarian actors expressed a wide range of expectations on coordination of cash transfer programming, ranging from technical, to more strategic coordination requirements.

## 2012 Learning Event Highlights

- **Key expectations** of the humanitarian community (larger/smaller NGOs, UN agencies, donors and host governments): to identify gaps and avoid duplication, i.e. have an overview of the aid response and understand not only who does what where, but to what extent needs have been met.
- **Conclusions:** (i) Cash coordination needs clearly defined and predictable allocation of leadership responsibilities; (ii) Strengthening the capacity of the humanitarian system to coordinate cash transfers is a priority.

## 4. OVERVIEW OF CURRENT CASH COORDINATION MECHANISMS IN THE FIELD

Cash coordination mechanisms are now a common feature in emergencies around the world. In the past year alone, new cash working groups have been set up in Iraq, Ukraine and most recently in Nepal.

### Cash Working Groups (CWGs): Key Observations

- Coordinated by different agencies/organisations depending on context;
- Have no predictable leadership for cash coordination; are ad hoc in nature;
- Have different mandates, roles and responsibilities, depending on emergency context;
- Have varying levels of interaction with existing humanitarian coordination structures (e.g. in the Middle East, CWGs are incorporated within Basic Needs sector; in East Africa, CWGs are closely linked with Food Security; between regions, CWGs not connected with each other, thus, there is limited opportunity for cross-learning and support);
- Encounter issues of sustainability, given ad hoc nature, no dedicated staff, no allocated funding;
- Receive funding in a multitude of ways (dedicated funding vs. no funding, always multi-agency but with different mix of UN, NGO, including NGO consortiums, rotating responsibilities for management, etc.).

Below is an overview of cash coordination groups per region.

(See Annex 2 for Ppt. presentation with complete regional mapping of cash coordination groups)

### Middle East and Eastern Europe

- **No. of groups.** 8 working groups in: Lebanon, Iraq, Jordan, Syria, Turkey, Egypt, Yemen, and Ukraine; plus a regional working group. Majority are responding to the Syrian crisis, with Jordan, Turkey, and Lebanon groups now sitting within “Basic Needs” working group.
- **Funding.** UNHCR, ECHO
- **Leadership.** Varies, with different agencies involved in cash coordination, depending on the emergency context and coordination model being used: UNHCR in Lebanon, OCHA in Ukraine, INGOs (Save the Children in Lebanon and Turkey, Danish Refugee Council in Iraq).



### West Africa

- **No. of groups.** 8 working groups in the ff. countries: Mali, Niger, Mauritania, Burkina Faso, Chad, Nigeria, Liberia and Sierra Leone.<sup>1</sup>

<sup>1</sup> Not all working groups remain active. Nigeria's no longer active; not clear if Sierra Leone's is still active.

- **Funding.** Most groups not funded, except for regional level WG chaired by CaLP (hosted by OCHA). Mauritania funded by ECHO; Mali, received some ad hoc funding at one point.
- **Leadership.** Varies, e.g. Burkina Faso chaired by WFP; Mauritania, through inter-agency coordination mechanism. Countries with large presence of INGOs: Chad, led by Catholic Relief Services (CRS); Niger and Mali, both led by Oxfam (with UNICEF & Cadre Commun)

### East Africa

- **No. of groups.** 4 working groups in the ff. countries: Somalia, Ethiopia, South Sudan, and Democratic Republic of Congo; plus a regional working group based in Kenya.
- **Funding.** Varies: Kenya by CaLP; Somalia, partially funded through the Food Security and Agriculture Cluster (FSAC); and South Sudan jointly funded through FSAC and FAO.
- **Leadership.** Working groups with food security and agriculture focus; have stronger linkages with FSAC. East Africa working group led by CaLP (hosted by NRC and IFRC); Somalia's led by Adeso, along with FSAC; Ethiopia's and South Sudan's both chaired by Oxfam; and DRC group, which also began within FSAC led by WFP, is now chaired alternately (rotational arrangement) by UNICEF and two INGO partners.

### Asia

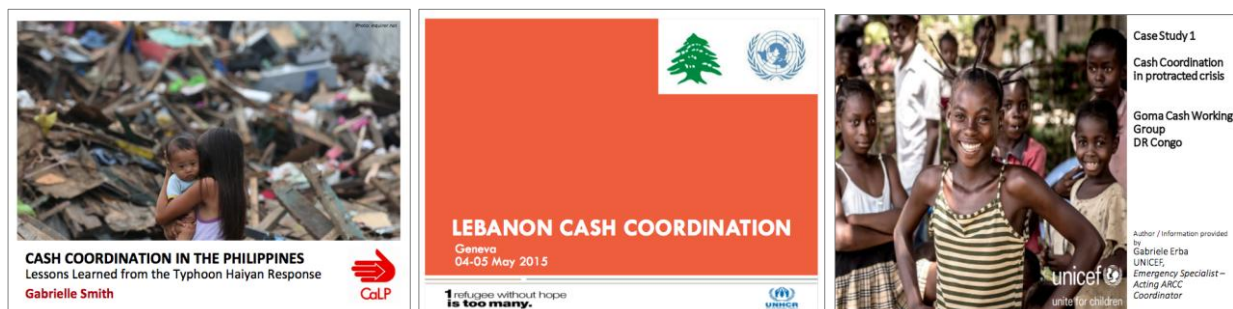
- **No. of groups.** 6 country-level working groups established in: Afghanistan, Bangladesh, Myanmar (inactive), Pakistan, Philippines, and Nepal; plus a regional working group based in Thailand.
- **Funding.** Overall, Asia has had some level of predictable funding. In the case of Myanmar, lack of funding and support limited the capacity of the group to continue.
- **Leadership.** Pakistan's led by the Pakistan Emergency Food Security Alliance (PEFSA); Afghanistan's co-chaired by WFP and NRC. The Philippines CWG has established predictable leadership, with OCHA as de facto Chair of national and sub-national cash coordination groups during emergency response, in charge of representing the group at the ICCG and HCT as needed. During preparedness, it adopts rotational chairmanship amongst Steering Committee member organisations per quarter. The regional cash working group is led by CaLP (hosted by Oxfam).

This session demonstrated that the increasing use of cash transfer programming requires a shared recognition of the need for more predictable coordination, which would ensure integration of CWGs into existing structures. What can be done to ensure that existing CWGs are supported in this effort?

## 5. EXAMPLES OF CASH COORDINATION MODELS IN RECENT EMERGENCIES

Three case studies in different types of crises were presented to identify good practices and key challenges.

- Typhoon Haiyan, Philippines; **sudden onset**; OCHA-led
- Syrian refugee crisis, Lebanon; **refugee context**; UNHCR-led
- Democratic Republic of Congo (DRC) protracted conflict; **complex emergency**; led by UNICEF and two NGOs on a rotational basis.



The Philippines case study is part of a broader project looking at how to improve the coordination of cash transfer programming, given its increasing use in recent emergencies. The research in the Philippines and ongoing research in Lebanon, managed by CaLP and UNHCR respectively, are part of an interagency project supported by ECHO's Enhanced Response Capacity Funding.

Below are some key points raised during plenary discussion.

(See [Annex 3](#) for a summary of each case study and a link to the Ppt. presentations)

### Plenary Discussion

- Cash as a modality of assistance does not fit neatly within the cluster system, leading to the creation of cash coordination groups that sit outside the formal humanitarian architecture. How could cash adapt to fit into the current system? Or should the existing system adapt to reflect increasing use of cash?
- With the increasing uptake of CTP by humanitarian stakeholders, it is clear that there is a need to have a more predictable leadership around this modality, particularly multi-purpose cash assistance, which cuts across clusters/sectors and thus presents new coordination challenges.
- In cases when it becomes a challenge to coordinate and streamline a large number of cash programmes (as seen in Lebanon), particularly with different sector objectives, and could lead to overlooking ways to deliver a more effective and efficient cash-based assistance to affected people, **who is responsible for ensuring coordination happens?**
- There is a consensus around cash being a more appropriate form of assistance in many contexts and from the point of view of the people needing assistance. Still, there are challenges deciding when cash is an appropriate means to meeting the multiple needs of affected populations. Shared response analysis and strategy development requires a collaborative and concerted effort. **Who is responsible for facilitating this decision-making and rationalisation process? At what point is the decision made to move from a sector-specific approach to a multipurpose cash based response? Who makes this decision?**
- Local stakeholders are key actors in any humanitarian response. **Cash-transfer programming provides an opportunity to engage government and private sector in more concrete ways**, as seen in the Philippines. Particularly in middle-income countries, and in contexts where there is a strong social safety net, they should be engaged more in cash coordination and delivery, given that they could be instrumental in launching a speedy multipurpose cash-based response at scale, as well as in transition and preparedness processes.
- It's important to know the initial needs, vulnerabilities and capacities of beneficiaries, but it is equally important to monitor their spending patterns. It could be **particularly challenging for multipurpose cash assistance to monitor how much is spent on food, how much on shelter, or on services**. In any given context, but particularly in a complex, protracted conflict as seen in the DRC, the needs and status of affected people constantly shift as the response progresses. On the other hand, **"who are we" to monitor expenditures if the market/services are capable of meeting demand?**

## 6. DISCUSSANTS PANEL: COORDINATION OF MULTIPURPOSE CASH ASSISTANCE

*Panelists:* OCHA, WFP, UNHCR, ECHO, Danish Refugee Council (DRC), ICRC

The panel discussion looked at the implications of multipurpose cash assistance on the way the humanitarian system as a whole operates.

*“The question is not how do we make cash fit into the system; it’s how do we ensure that the needs of the people we are assisting are being met in the most efficient manner and how are we collectively determining if in-kind, or vouchers, or cash is appropriate at any given moment of the response?”*

Loretta Hieber Girardet  
Chief, Inter-Cluster Coordination Section  
Programme Support Branch, UNOCHA

Some panelists felt that there is a system and leadership in place, and cautioned that parallel systems are being created without being linked with the existing architecture. It was also emphasized that cash is not always appropriate; thus, systems catering for in-kind distribution remain relevant; that multipurpose cash assistance is just one amongst other tools in the humanitarian toolbox that allows for flexibility in responding to different contexts.

On the other hand, other panelists view multipurpose cash assistance as a game-changer and as such is providing an opportunity to examine the current sector-based architecture, which has perpetuated clustered mindsets and ways of operating.

If multipurpose cash assistance is a preferred modality in a given context, based on a robust needs assessment and response analysis, how can it be delivered effectively and efficiently by a system that disaggregates needs and assistance by sectors?

Following are some key points/questions raised by panelists and the plenary around the coordination of multipurpose cash assistance.

## Plenary Discussion<sup>2</sup>: Highlights

### ***Decision-maker/arbitrator/coordination mechanism***

- There is a system in place; and the decision-maker/arbitrator is the Humanitarian Coordinator and the Humanitarian Country Team, in support of the host government. There are identified gaps and they need to be addressed.
- Multi-/cross-sector cash coordination needs to take place at the Inter-Cluster Coordination Group (ICCG) level. The ICCG takes the lead in coordinating rapid needs and market assessments. This is an endeavor that could be better coordinated by all humanitarian agencies involved.

*“Five years from now, humanitarian assistance may well be 50 percent in cash, and 50 percent in-kind.*

Tahir Nour  
Chief,  
Market Access Programmes  
WFP

### ***Parallel universe***

- As it stands, cash is coordinated by various actors in different contexts and through different mechanisms; and they communicate and operate in a parallel universe outside of the formal humanitarian system. The challenge is in bringing these two worlds together for the benefit of the people living in crisis.

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<sup>2</sup> The bullet points and corresponding headings under this section are a sum-up of the various opinions/observations/ statements expressed by participants individually. They are captured in this document because they enriched the learning event. They **do not** represent a group’s or organisation’s position, nor do they reflect a collective conclusion by workshop participants.

### ***Maintaining flexibility***

- Five years from now, humanitarian assistance may well be 50 percent in cash, and 50 percent in-kind. This change is already happening. However, this should not entail an overhaul of the system, or losing the capabilities and skills learned over the years. It's not always going to be cash; the context will still dictate what's appropriate. Thus the humanitarian community must remain flexible in the use of modalities appropriate to the context and needs on the ground: it could be a combination of modalities, or sequential programming.
- Only four years ago, dialogue around cash included more discussions of accompanying risks. Now, the pendulum has swung quite quickly that cash is not only touted as the best modality, but specifically multipurpose cash. This evolution takes time, given that assessing the real impact would take time. One participant observed, more consideration of other possibilities is needed; for example, studies in behavioral economics and the "scarcity mindset", when poor people, who lack something, are not always the best people to decide what's best for them.

*"Too much  
coordination kills  
coordination."*

Agnès Dhur  
Head, Economic  
Security Unit  
ICRC

### ***Data sharing/co-mingling or pooling of funds***

- Cash is forcing individual agencies to strengthen their internal systems, including data protection. What are the implications of multipurpose cash assistance within the UN system—co-mingling of funds? What does this mean? And how does it work? Does this require data sharing arrangements at the global level?

### ***Strategic and technical coordination***

- At the country level, there are a number of cash coordination mechanisms already in place. There is a need to distinguish strategic coordination from technical and determine leadership and deliverables of each.
- Meetings on strategic and technical coordination must be held separately.
- Why is there no impetus for a joint market assessment? Why are agencies still going to the same shops, conducting assessments separately, one for food, one for hygiene kits, etc.?
- Why are there so many variations in the vulnerability criteria used for humanitarian response?

### ***Efficiency gains and accountability***

- Multipurpose cash assistance is a game changer. According to a DFID study on Value for Money (Ethiopia, Lebanon and the Philippines) it offers the biggest efficiency gains.
- It breaks down the current silo system and mindset and the supply-driven ways of operating because it puts the decision-making where it belongs: in the hands of affected people, who know how they can meet their household needs better than anyone. As such, in contexts where cash is appropriate, multipurpose cash assistance promotes accountability to affected people.
- There is also the issue of accountability of donors to their governments and constituents in how public funds meet the actual needs of crisis-affected communities in the most practical and transparent way.

### ***Focus on response analysis***

- Ensure system-wide operations take multipurpose cash into consideration when determining the best response to meet the affected population's needs. This requires a robust, (potentially) independent response analysis, looking at the best options: in kind, voucher, cash, or a combination.

- Multi-purpose cash raises issues of prioritization within households and a specific focus on economic deficit; there is a need for a better understanding, planning, budgeting towards meeting priorities at household level.

#### ***Sector-based mechanism and mindset***

- As multipurpose cash assistance becomes more mainstreamed, the current sector-based cluster system is at risk of becoming irrelevant. The whole system is not fit for purpose; and adding a technical group to the system does not really solve the problem as seen in Lebanon, where technical task forces were established to make way for the one-card/one-platform approach. There was heavy donor support for this to happen and a great deal of goodwill to deliver, but this challenged the system's well-entrenched sector-based thinking and alignment with agency mandates.
- The system is organized by sector because it is easier for agencies to deliver assistance, but the affected population receiving cash does not think in terms of sectors.
- The starting point is to agree on what the objective of the assistance is. All sector objectives are legitimate; the tension is in protecting mandates. There needs to be a structure to facilitate discussions around a common objective, how mandates fit within this goal, and what the tradeoffs are for individual agencies.
- When the cluster system was established 10 years ago, it was never intended to be formulaically rolled out in every context, yet that seems to be what's happened in too many contexts. As it stands, when there's an emergency, clusters get activated without discussions on the criteria for activation and deactivation. More analysis and context specific coordination structures need to be considered.
- There are adaptations happening in recent responses where coordination is anchored on strategic objectives in the humanitarian response plan, as opposed to being pegged on cluster plans. This paves the way for a better transition to local actors, such as local authorities, the private sector, local communities. Ultimately, humanitarian actors come together to achieve objectives; and cluster by cluster may not always be the best way to respond.

#### ***Applying lessons learnt; engaging local stakeholders and strengthen preparedness***

- Local/national systems and actors are often best placed to deliver assistance and at scale, particularly cash, where there may already be existing infrastructures, e.g. social safety nets, remittance agencies.
- Relationships/agreements with local/national actors should be built pre-emergency.
- To be able to roll out an efficient, successful multipurpose cash response would require political will, strong partnerships, backed up by capacity building initiatives across the board.
- In some cases, 50 percent of humanitarian response plans is on early recovery programming. Where does cash fit in the humanitarian-development nexus? There is a need to better define what emergency CTP is, and when should humanitarians engage development actors to work in a more complementary way.

## **7. IDENTIFYING SPECIFIC CHALLENGES, RECOMMENDING NEXT STEPS (GROUP WORK)**

Participants broke into groups to discuss specific issues around the three topics below and to come up with recommendations on ways forward.



## 7.1 Group I Topic: How to ensure predictable and accountable coordination<sup>3</sup> of cash programming within the existing coordination architecture?

### Group I Presentation to Plenary

- **Discussion points and Challenges:** Ad hoc working groups are organically established and bring added value but by nature has limitations: unpredictable leadership, disengagement with decision-makers HC/HCT have implications on their sustainability, their contribution to response analysis and preparedness. As such how can they be accountable and their actions regarded as effective? There is recognition that working groups will have varying contexts and challenges and levels of engagement with the existing country/field-level humanitarian architecture and there can't be a formulaic structure. However, for accountability, should there be one agency assigned the coordination role for multipurpose cash grants? And where does such a discussion take place; at what level?
- **Proposed Next Steps:** Distinguish strategic from technical. Consider elevating the decision of predictability in strategic coordination to a higher/global level. Technical coordination happens at the field level, but how these discussions and information feed into the critical decisions by HC/HCT in response planning may require a more predictable higher level, inter-agency agreement.

### Plenary feedback to Group I:

- What does taking to a higher/global level entail? If this means elevating the predictability gap to the IASC when the blockage often occurs at the field level, then this may not necessarily resolve context-specific issues.

## 7.2 Group II Topic: Preparedness

### Sub-group A: Ensuring (agency-specific) better preparedness for cash programming

#### Sub-group A Presentation to Plenary

##### Discussion points /challenges:

- What are the political drivers that would encourage organizations to commit to capacity building? And what could donors do to incentivize organizations to do so?
- There are different levels of uptake between headquarters and country offices. For some, it's a top-down direction, where the HQs take leadership in institutionalizing cash programming during preparedness. For other agencies, cash capacity building and integration into operations happens more at country-level, across relevant departments, without global necessarily driving the process.
- When providing in-kind assistance, humanitarian actors make decisions with very limited information, and this does not raise much concern. With cash, there are many more steps and requirements, including doing a market analysis. How come market assessments are not required when implementing the traditional in-kind intervention? Could the same practice be applied to cash?

##### Proposed Next Steps:

- Advocate for funding cash preparedness. IFRC benefited from funding from ECHO that allowed for a package of support for capacity building and preparedness. The lack of funding for preparedness initiatives is what's holding back many agencies.
- Establish Minimum Standards for cash preparedness. This does not necessarily require a lot of resources and investments and could be a quick win. An inter-agency group could come together to

<sup>3</sup> Coordination of unconditional or multi-purpose cash grants (technical and operational aspects), and around preparedness

identify 5-6 minimum steps to be done pre-crisis, agreed upon across agencies and in consultations with government and other key stakeholders.

- Identify common processes, which may be time-consuming to harmonize during response and therefore should be worked upon during preparedness by an inter-agency sub-working group; for example: a common set of SOPs for certain cash modalities, or defining cash transfer values and having some basic guidance on this.

***Sub-group B: Engaging with national governments; preparedness, coherence with national safety nets, and capacity building***

**Sub-group B Presentation to Plenary**

***Discussion points /challenges:***

- There is value in engaging social safety nets in implementing emergency CTP, especially in scalability, as well as in promoting the principle of social protection.
- Such engagement, however, is highly context-specific and would require a deeper contextual analysis, stakeholder mapping and relationship building—all of which need investments in time, capacity building and commitment to preparedness.
- In MIC countries where social safety nets are well established, humanitarian actors partnering with government need to recognize that it is not just about capacity building of government in emergency cash transfer programming, but it's more a collaborative work where humanitarian actors may also learn and adapt social safety net aspects into the humanitarian process.
- There are a number of governments with social safety nets now in the process of digitizing their infrastructure, including their targeting systems; now is a good time to engage and build relations and pre-agreements on data sharing and protection.

***Proposed Next steps:***

- Initiate continued dialogue between drivers of humanitarian and development actions (donors, UN, NGOs, governments, community representatives) through a global cash working group. Some specific recommendations:
  - hold a learning event, bringing together governments with experience in using their social safety net infrastructure for emergency response, humanitarian and social protection experts, other governments considering adapting their social safety net platform as a vehicle for delivering emergency cash assistance.
  - engage the World Bank and development actors at both global and country level to establish operational linkage of relief and resilience building efforts.
  - build on cash preparedness interventions supported by ECHO, DFID and other donors and continue capacity building efforts across humanitarian and social safety net continuum.
  - keep discussions and learning ongoing through research, webinars, online discussion forums.

**Plenary feedback to Group II:**

- Cash expertise is limited and already stretched as it is.
- There needs to be an organization-wide capacity building effort if the idea is to have a shock-responsive system through social safety nets. Actors implementing social safety net cash programmes have to learn about humanitarian coordination and vice-versa. If there's shortage in humanitarian cash expertise—particularly in terms of preparedness initiatives around government social safety nets—consider dipping into the pool of social protection expertise.
- Donors pushing for more defined linkages between humanitarian and development assistance must also help create an enabling environment, particularly during preparedness when meaningful engagements could be established.

### 7.3 Group III Topic: Multipurpose Cash Grants

Group III focused on six areas in the coordination/harmonization of multipurpose cash programming: needs assessment, targeting, transfer value, delivery, monitoring and evaluation, and accountability to affected population (AAP). Some key challenges and next steps were identified, but under some areas, it became difficult to propose ways forward with the coordination mechanism for multipurpose cash yet to be agreed upon.

#### Group III Presentation to Plenary

##### *Discussion points /challenges/proposed next steps:*

- **Needs Assessment**. Multi-sector needs assessments need to be more harmonized and coordinated. Depending on timeline and the moment of coordination, challenges are very different and are context-specific. Time pressure is the one big challenge, particularly in sudden-onset, when assessments need to be quick, light/basic. Multi-sector needs assessment gets more challenging coming up to early recovery planning. A multisector assessment could be done, but will not be sufficient; every single agency would need more information related to sectorial mandates.
- **Targeting**. Main challenge: no common understanding of targeting criteria, which varies per agency mandate and objective of intervention. Next step: establish common objective first before coming up with common criteria. Agencies could then build from common criteria to tailor to their institutional requirements.
- **Transfer value**. This again brings up the same challenges in that humanitarian actors are not homogeneous. Not only do mandates and concomitantly intervention objectives vary, but also the size of actors, their capacities and resources—all of which combined make coordination and harmonization around multipurpose cash transfer value a considerable challenge.
- **Delivery**. Challenges and solutions would depend on many variables: context of crisis and areas affected, capacity of partners on the ground, their accessibility and the different services they can offer. Next step: Identify and assess during preparedness phase viable partners and establish clear, basic SOPs that allow for flexibility and also ensure partnerships do not lead to monopoly of one service provider.
- **M&E**. Challenge: no monitoring tool yet for multipurpose and how does it get integrated into existing inter-agency M&E system? Requires coordination and advocacy with other sectors, e.g. shelter, WASH, education. Next step: Consider coming up with common process indicators rather than impact indicators. Build capacities during preparedness, incorporating lessons learned in recent emergencies.
- **AAP**. Challenge: Need to agree collectively how AAP is integrated into multipurpose cash programming; how does coordination around feedback/complaints mechanisms and proper communication channels look like?
- Big questions raised in the group when touching on technical aspects of coordinating multi-purpose cash programming:
  - Is harmonization about having the same tools, or is it about agreeing on a minimum package?
  - Coordination vs. harmonization – How do people understand and distinguish between the two? Is there a common understanding amongst humanitarian actors?
  - Proponents of multi-purpose cash programming must recognize that coordination around it may look deceptively simple, but actually entails what could be long-drawn out processes that require strong collaboration and consensus amongst agencies around technical aspects.

### Plenary feedback to Group III

- It's not that hard to coordinate and harmonize around multi-purpose cash. There are already lessons learned in different contexts, Lebanon, Philippines, which show that agencies do apply the learning and are motivated to get together to collaborate during preparedness.
- There are lessons learnt that are being applied but there is a need to work collectively at the global level, but where would collective efforts be channeled to?
- There is no shortage in experience and evidence that harmonization is possible, but for it to happen on a more consistent basis, a predictable mechanism for strategic cash coordination is a prerequisite.

## 8. CASH COORDINATION: DONORS' CURRENT POSITION AND VISION

*Donor Panel:* DFID, CANADA, USAID-FFP<sup>4</sup>, ECHO, SDC



Donor representatives opened the session stating their government's position and vision with regards to humanitarian cash programming.

### DFID

- Does not view cash as a panacea, but there is good evidence already that cash works better than in-kind in most situations and it is chronically under-used; continues to invest in research to fill evidence gaps that remain.
- Considers multipurpose cash grants as a response tool that addresses beneficiary needs more effectively and efficiently in many contexts; is committed to promoting it through policy and programme development, and better collaboration with like-minded donors.
- Looking into supporting initiatives that tap national leadership and community participation, including social safety net infrastructures with cash components. This is in line with DFID's view that national strategies have to have a local impact and community involvement with local stakeholders being first responders and stakeholders in resilience building. Cash is an empowering modality for building on the resilience agenda.
- Wants to see humanitarian response to be less sector-focused and more with a basic needs and livelihoods approach, to put people at the centre of the response.
- Envisions better and savvier engagement between humanitarian actors and the private sector, recognizing the need to disaggregate the various pieces of the private sector. This involves engaging the broader international private sector, as well as national private sector actors, such as local

<sup>4</sup> Office of Food for Peace is one of nine offices under USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance. FFP provides emergency food assistance to those affected by conflict and natural disasters and provides development food assistance to address the underlying causes of hunger.

traders, who are economic multipliers. It is within this space that innovations towards an effective/efficient scale up could happen.

- Keen on supporting preparedness; this is such a big story for cash as it allows for fast, scaled-up responses. Within the humanitarian donors there is already dialogue around how to better support cash preparedness, but the discussions need to include a broader group, such as the BRICs.

## CANADA

- Sees cash-based interventions as an important aid modality.
- Welcomes the organic growth of cash-based interventions from the ground-up and counting on operational partners to understand the challenges and potentials of cash programming and multipurpose cash better.
- Considers this turning point in humanitarian aid as an opportunity for donors to engage in dialogue towards a more top-level approach in support of pilot interventions incorporating this broader arsenal of response tools: cash, vouchers, in-kind.

## USAID-FFP

- Has been using a combination of modalities, including cash, for some time.
- Measures effectiveness not by modality, but by how aid meets critical needs.
- Supports programmes that incorporate feedback received from partners on the ground.
- Funding and reporting remains segmented by sector objectives (food, shelter, WASH); accountability to Congress means demonstrating how programmes meet such objectives.
- Keen to explore use of multipurpose cash as developed and proposed by implementing partners; recognizes challenges given that assistance remains sector-specific.
- Concerned with M&E of multipurpose cash and its impact on beneficiaries and markets. How can multi-sector assistance be monitored? It needs to be clear how it meets critical needs.

## ECHO

- Has been providing cash-based assistance for the last 20 years, although not at scale. The lesson it draws from the Syrian crisis response is that it's possible to scale-up cash-based assistance even in a complex emergency.
- Regards cash-based programming as a more efficient way of responding; and multipurpose cash as a modality that could meet basic needs better, but does not see cash-based assistance applying to every context. Gives different modalities equal consideration in deciding which one or combination best meets humanitarian needs.
- Takes the starting point, however, of acknowledging that the traditional in-kind aid may not necessarily be suitable to meeting beneficiaries' basic needs.
- Identifies the following obstacles to the use of multipurpose cash grants: (i) reluctance to change and technology, perhaps due to perceived risks in terms of protection, misuse of funds, etc. There is a need for more advocacy with local authorities and to present more evidence to refute this; (ii) shrinking budgets, which is also an opportunity to use budget in a more efficient way; and cash programming offers this; (iii) Empirical evidence of the impact of each modality not quite adequate, with no disaggregated data that can be used to analyse whether cash or voucher or in-kind is better; and (iv) inadequate dialogue with others still resistant to cash within the community.

## SDC

- Distinguishes between its different roles: as implementer and as donor.
- Because funds are usually unearmarked, SDC relies on partners to make the right decisions as to the appropriate modality, whether cash, vouchers or in-kind; does want to see more cash programming by partners.
- As implementing agency, among the first actors to introduce cash into programming as one of its modalities; views cash as one amongst its tools

- As donor, started supporting UN partners through standby partner mechanism, providing secondments to promote the use of cash as a response modality.
- Considers visibility to be important in raising awareness and assurances to contributors to humanitarian response. In-kind still more visual than cash; wants benefits/essence of cash transfers to be better communicated.
- Identifies the following obstacles: (i) lack of capacity to mainstream cash may be true to a certain extent, but becoming less acceptable given that many agencies have successfully integrated cash into their systems; (ii) lack of predictable coordination, lack of institutionalization of established CWGs still needs to be addressed; (iii) harmonization and coordination around multipurpose cash grants remains a major challenge because of sectoral mandates; to have agreed procedures (i.e. on targeting, platform management, M&E, etc.) between humanitarian actors beforehand could facilitate the use of multipurpose cash assistance. Expects humanitarian actors to increase collaboration on this.

### [ECHO Presentation: 10 Common Principles for Multipurpose Cash-based Assistance to Respond to Humanitarian Needs](#)

ECHO shared how the Principles came about, the process it went through to institutionalize them, and its further advocacy plans for a broader and high-level endorsement. Below are the highlights of the presentation. ([See Annex 4: ECHO Ppt. presentation](#))

- Building on a set of existing policy instruments (food assistance policy since 2010, thematic policy guidance on cash and vouchers), ECHO's support to WFP and CaLP, lessons learnt from its largest humanitarian cash transfer operation in Lebanon for Syrian refugees, it was decided that ECHO should have a **topline principle statement on multipurpose cash-based assistance**. After extensive consultations, the 10 Principles were developed and **endorsed by all Member States at the working group level**.
- Principles **provide strategic framework, but not a panacea**; open to innovations given that a combination/hybrid is often the best solution. Innovation could offer a solution to the challenge of scaling-up multipurpose cash assistance.
- **Next steps: seek political endorsement from Ministers of Member States**, advocating for what cash means to beneficiaries: choice and dignity; plus use of cash boost markets and local economy; will use food assistance convention and other forums to promote principles moving forward; contribute to DFID's high level panel, and World Humanitarian Summit.
- **Strengthen coordination**: New coordination structure not necessary but current coordination system needs to function well to integrate cash; to ensure cash programming upholds protection and gender principles; evidence shows that cash does this, but there is a need to gather more evidence on this. There is a need higher accountability but not just for cash for everything.

### [Panel feedback to ECHO 10 Principles Presentation](#)

#### **DFID**

- Signed up to the Principles; useful for "duty bearers", coordination bodies of humanitarian cash programming. There is a need for high political-level decision makers on whether cash is feasible in any given context so they can be held accountable. The Principles uphold a good response and ensures that cash is considered and can feed into that good response.

#### **CANADA**

- In line with more high-level strategic level advocacy needed to take multipurpose cash assistance forward; gives the broad framework that can be the basis for initiating good practices around emergency cash programming from the ground up. The challenge now is to ensure context-specific

market analysis, to capture the roles of many different local players, the role of small and medium enterprises; how humanitarian cash-based interventions could be linked to early recovery—this is where it has the greatest potential to have impact.

### USAID-OFDA

- ECHO 10 Principles in line with efficiency-effectiveness approach.
- Analysis of own programming, when shifting to more cash and vouchers and less use of in-kind, found that on average, 20 to 35% was saved when cash and vouchers used over in-kind; that much more of aid is actually going to beneficiaries—evidence that using cash in humanitarian response is effective and efficient;
- Concerned that there's no adequate market analysis to support multipurpose cash assistance in humanitarian response.
- Own programme has early warning systems that does monitoring in crisis-prone countries every six months and makes projections on the use of markets, what happens if a crisis occurs six months from now? What is going to be the best response: in-kind, vouchers, cash? This way, when a crisis comes, there is an existing baseline and a better idea on what the most appropriate response is. Preparedness activities such as this really help know things ahead of time.
- Possible point of divergence: ECHO Principles' starting point is "*Why not cash?*" USAID's is "*What's best for this response?*" There seems to be a bias for cash.
- Monitoring is important for all modalities, but with cash, the common perception is that it's especially more susceptible to diversion (e.g. to insurgent groups like ISIS) because it's fungible; this perception exists and needs to be acknowledged; need for more empirical evidence that this is not the case.

### SDC

- The Principles are useful in clarifying some of the expectations from implementing agencies; serve as guiding principle on how cash programming should be developed; operational agencies could also use the Principles to reflect on their process.
- But the strategic coordination of multipurpose cash assistance still needs to be addressed and this forum is intended to have a collective agreement on how to ensure there is more predictability.
- The idea of institutionalizing the Cash Working Group, as done in the Philippines, is something that needs to be considered. OCHA needs to be more involved where it has a mandate to coordinate—this would facilitate the linking of CWGs to the current architecture.
- Vis-a-vis multi-purpose cash, it would be good to see WFP and UNHCR and other actors develop a joint approach at HQ level with clear roles and responsibilities and SOPs.
- Is donor community prepared to finance multipurpose cash assistance? Such an intervention requires larger cash transfer values per household per month. This requires donor coordination. Smaller donors such as the SDC might be intimidated by the large amounts required for CTP at scale.
- While it is positive that cash coordination mechanisms have grown organically, led in many cases by NGOs, this is an opportune time to be proactive. There is now an agreement in principle amongst this group that more predictability and linkage with current architecture are needed to better coordinate humanitarian CTP. What can be moved now by this group? If the status quo persists, it would be a missed opportunity.

### Plenary questions/comments

- Programme documents not yet equipped to justify which modality has best value for money; no tools yet that can be used to demonstrate value for money between cash and in-kind. Recommendation: donors to sit with operational agencies to work on a tool to demonstrate value for money;
- Are donors planning to fund preparedness activities?

- To which degree are donors raising the issue of cash being difficult to apply in hostile environments, where stakeholders are quite risk-averse due to counter-terrorism legislation?
- What can be done to bridge the humanitarian and development divide? When humanitarian funding starts diminishing, is there funding on the development side that can be tapped to support both humanitarian and development outcomes?

*“On average, we saved up to 20 to 35 percent when we used cash and vouchers over in-kind; we found that much more of our aid is actually going to beneficiaries. We used this analysis to explain to the US Congress why we’re pursuing more flexibility in our funding streams: that with more flexible tools, we can reach more people, or we can be present in more countries, or in more crises when we have more flexible tools.”*

Danielle Mutone-Smith  
Policy Leader, Food for Peace Office  
USAID

### **Panel feedback: Highlights**

#### **Tools to demonstrate value for money of cash**

- **DFID:** incorporating a cash marker in proposal selection criteria; understands that within 3 days into a response, operational agencies cannot go in-depth yet. Exploring the role of ‘hybrids’ (cash and in-kind) in early stages of a response.
- **USAID:** ongoing refinement of process; distinguishes between protracted and sudden onset; built-in a comment period within application process where both sides are free to clarify points.
- **ECHO:** tools to reach the right modality exist, e.g. ECHO Decision Tree in ECHO C&V guidelines; tool doesn’t compare value for money of different modalities, but allows use for the right response modality decision creatively in a timely fashion. Ultimately, it’s in the hands of the agencies to put together a proposal demonstrating that they are able to determine the best modality in any given context.

#### **Funding preparedness**

- **USAID:** Humanitarian resources are quite scarce. It is only increasing due to rising number of crises around the world. Donors all want to fund preparedness, but there are not enough resources as it is to respond to ongoing crisis and new emergencies.
- **ECHO:** Development actors must do more joint programming across disaster preparedness and risk reduction to address chronic poverty; the answer doesn’t always lie in humanitarian, there are resource constraints; there is value in working with the private sector, keeping abreast with technology to help scale up response;

#### **Counter-terrorism legislation affecting cash uptake in difficult environments**

- **DFID:** There is evidence that all modalities of assistance, including food, have equal, but different, risk of diversion. There is a need to: (i) better articulate and cite the evidence more; (ii) strengthen risk analysis tools to reflect the realities in any particular context; (iii) listen to partners and cash recipients themselves; people would say if receiving cash puts their safety in jeopardy. It comes down to good programme design whatever the modality.

#### **How to bridge the humanitarian and development divide?**

- **ECHO:** Humanitarian financing is easier, less bureaucratic. Reviewing ways of funding activities within humanitarian phase that are not necessarily life-saving, but more life sustaining;



- **CANADA:** looking at innovations in humanitarian financing; how to encourage the WB and the IFC, big players in the development side, to come in earlier into the humanitarian space, particularly within cash programming. How to tap concessional financing part of the market, it's not happening right now.

## 9. WORKING WITH THE PRIVATE SECTOR: OPPORTUNITIES AND CHALLENGES

*Private Sector Panel:* sQuidcard, Mastercard, GSMA, Segovia, Western Union

The private sector panel represented a diverse group of actors with major investments in cash/payments-related partnerships with humanitarian and development actors. Panelists briefly described the products and services they offer and where they see the opportunities and challenges in partnerships around emergency cash programming.

### sQuidcard

- Is an Electronic Money Operator that processes “cashless” payments; developed a low-cost, non-bank payment platform. Runs a DFID supported programme, “Girls’ Education Challenge”, improving school attendance of about 130,000 children in 200 private schools in rural Kenya.
- Learning what it’s like to be a humanitarian organisation; understanding the language.

### Mastercard

- Offers money transfer services through cashless transactions, with focus on financial inclusion in developing countries, particularly in sub-Saharan Africa.
- Business model: sustainable investment; profit reinvested in long-term investment cycle of 10 to 15 to 20 years; this is Mastercard’s value added. Cashless transfers have been piloted by Save the Children in Yemen, and World Vision in the Philippines.

### Segovia

- Manages data and provides technology and innovation in digitalizing beneficiary information to allow for potential scale-up of cash-based intervention; enables humanitarian partner to keep track of all modalities of assistance, offers solutions to data sharing issues, flexibility in provision of additional products and services, e.g. insurance. Given the digitized identification and data, beneficiaries could be easily connected to the broader community, or linked to digitized social safety net programmes.

### GSMA

- Global industry association for 800+ mobile operators. The GSMA’s Mobile Money programme is co-funded by the industry and major donors, and, advocates for an enabling regulatory environment (compliant with global regulations, including AML and CFT); shares best practices on mobile money across mobile operators to grow the industry and facilitates industry collaboration and interoperability.
- Mobile money about marketing and distribution, not just technology: customers need to be educated and able to get cash in and out of their electronic accounts through large agent networks that operators partner with and train to provide quality service on the ground.
- The industry is still young and very dynamic. Experiencing exponential growth, which could bring serious benefits to the humanitarian sector: currently around 100 million regular users of mobile money, up from 60 million in the previous year; an estimated US\$6.2 billion is deposited annually to mobile money accounts.

## Western Union

- A remittance agency contributing to the global remittance market estimated to be worth around \$US450 billion in 2014. This consists of private sector funds sent from developed countries to developing countries.
- Abides by global and country regulations; partners with agent networks; local firms, small providers, local grocery/shops, as well as larger networks. Broadening services, e.g. including transfers for Small and Medium Enterprises (SMEs). Partners with NGOs; set up an online payment platform with transparency tool.

## *Private Sector Panelists' Dialogue with Plenary (Humanitarians): Highlights*

- Steep learning curve for both sides. Private sector needs to understand humanitarian principles, needs, experiences in cash transfer programming and environments humanitarians work in; and how coordination happens. We are interested in understanding how you deliver wash, shelter in very difficult market environments.
- On the flipside, humanitarians: educate yourselves about the payment industry—the different products and services already operational in development and humanitarian contexts.
- Multipurpose cash is a whole new expression for us and as it's fairly new to the humanitarian world, this is a good time to engage with each other.
- When you think of the private sector, don't just think of us as vendors of products, but think of us as potential strategic partners; the technology-based systems we've developed could help enhance your own processes, e.g. targeting, monitoring, data collection and protection, plus communication and accountability mechanisms to beneficiaries.
- Don't get infatuated with technology. Know your business model and ground discussions with private sector on that; allow us to worry about the technology.
- Technology will not always work everywhere—it's the whole delivery infrastructure at the country/local level that needs to be taken into account and this will be context-specific.
- On contractual delays: Understand that payments is a local business... whether it's with a trader, a mobile network operator, by credit card, the transaction is local. There are no global fixes, only local for such issues. If emergency cash transfer is expected to grow quickly, be aware of the capacity of local entities and their relationship with the regulator body. Keep abreast with the regulatory environment in the countries/regions you're operating in; keep in mind that some state banks have a compulsion to regulate; and that local cash transfer agents are not used to signing agreements under duress.
- It's not always clear to us what humanitarian actors are looking for; you're very price sensitive; you might make decision based on price. While we understand why this is, it's unrealistic and unsustainable. You can't always boil things down to costs. Think of what the best solution is for you in your particular context: are you doing a fly in and fly out? Or do you want to leave something behind? These two scenarios present a different set of economic connotations for suppliers. How committed are you to continue to finance? For us, long term projects at scale would bring down the cost.
- One opportunity where we can work together is on data—certain aspects of this could be standardized for humanitarian use; regulatory oversight would be local but we can help with pre-emptive negotiations, and point out local players.
- Consortium is a sensible approach for humanitarians; this could lead to cost-effective partnerships and transactions. If you can elevate discussions with the private sector at that point; it will be productive.

“Payments is a local business... whether it’s with a trader, or a mobile network operator, or by credit card, the transaction is local. There are no global fixes for such issues as contracts. This has to be negotiated locally. Keep in mind, the private sector is not used to partnership agreements forged under duress.”

Paul Musser  
Vice-President, MasterCard

## 10. WORLD HUMANITARIAN SUMMIT ADVOCACY

A brief session was devoted to share the key activities and initiatives feeding into the 2016 World Humanitarian Summit in Istanbul, Turkey. Below is a summary:

### *DFID’s High-Level Cash Panel*

(See Annex 5: DFID’s Presentation on VfM and high-level panel)

- The panel came about when DFID began collecting evidence that cash works in the humanitarian context, but it’s not going to scale. It became clear that there needed to be a high political thinking and more evidence to unlock the potentials of cash. One of the questions the panel will try to answer is: How would scaled up cash fit within the current system; what changes can be recommended over 5, 10, or 20 years?
- Each panel member doesn’t represent an organization, but themselves, their knowledge and experience: four come from the humanitarian field, three represent the finance and technology/think tank, two from national government and three from academia. What’s missing is the beneficiary level perspective, the whole point of cash giving them choice; and the economic multipliers. This could be addressed by consulting with different cash practitioners and groups, who can share that perspective.
- Panel, supported by ODI as the Secretariat, is operating within a six-month process with its findings feeding into the WHS. But other activities are also feeding into WHS: ECHO’s 10 Common Principles, DFID’s Value for Money study, etc.

### *UNICEF-WFP collaboration*

- There were initial talks between WFP and UNICEF to work together on a report highlighting the significance of cash in practical terms; to present cash programming to the WHS in a more practical way, minus some of the overenthusiastic—at times cynical—representation of cash.
- The TOR and associated activities ran parallel to the High-level Cash Panel’s. It was decided that this UNICEF-WFP collaboration will contribute to the DFID initiative by conducting a complementary study to the final work of the cash panel for the WHS. This would be a transparent, inter-agency effort that is not intended just for the WHS but as a contribution to the public good.

Comments were solicited from the plenary as to whether the two key themes discussed in the Innovation group meeting in Bonn: (i) multipurpose scale-up; and (ii) harmonized ways of working, are “ambitious” enough commitments for the WHS. Following were the key discussion points.

(See Annex 6 for a more detailed description of the 2 recommendations for the WHS)

### *Plenary feedback: Highlights*

- While it needs to be expressed broadly for the WHS, one concrete takeaway if the humanitarian community were to be prepared for point 2, harmonization, is to come up with practical solutions,

e.g. a high-level commitment from both WFP and UNHCR that they will work towards putting well-coordinated agreements in place during peace time, such that humanitarian response could be rolled out more quickly in future emergencies; also a commitment between OCHA and UNHCR that they will agree on coordination roles and responsibilities in appropriate contexts.

- It was clarified that WFP and UNHCR senior management are already in high-level discussions, reviewing financial, legal, and other issues. The collaboration is about one step away from being piloted under one card and includes an evaluation component, which will feed into more learning on coordinated approaches.

## 11. INITIATIVES ADDRESSING CASH COORDINATION NEEDS

Participants heard some global initiatives in progress around cash coordination. Below is a quick summary:

### ***Enhancing Response Capacity (ERC) funding facility provided by ECHO***

- Managed by UNHCR in partnership with various agencies, including: IRC, WFP, UNICEF, Oxfam, Save the Children, World Vision and CaLP.
- Tasked to: (i) produce a toolkit for multipurpose cash assistance: common market assessment, guidance on targeting, response analysis framework, and other common tools; and (ii) look into cash and protection issues. Outputs to be completed by end of the year.

### ***Global Cash Working Group***

- Informal group formed in London and brought to Geneva, with IFRC chairing first meeting. There is interest to formalise the the global working group as a forum for technical discussions with global implications. OCHA will circulate a TOR for feedback.

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### ***NRC "CashCaP"***

- At very initial development; ECHO indicated interest in funding;
- NRC in dialogue with: UNHCR, UNICEF, UNOCHA, ACF, World Vision, CaLP and others.
- An inter-agency initiative to build an inclusive roster, open not only to UN agencies, but also to NGOs.
- Initially to recruit 15 experts, small pool of P3 cash practitioners, with some P4 level, who could be rapidly deployed.

## 12. WORKSHOP OUTPUTS

Below are the key outputs of the workshop. The proposed solutions reflect the general consensus among participants on how to move towards more predictable and accountable cash coordination.

### **Preamble**

- Recognising the responsibilities of coordination duty-bearers (OCHA, UNHCR and UN/NGO agencies)
- Recognising the ongoing efforts to mainstream and capacity build for more effective and efficient inclusion of cash-based responses in existing coordination (being undertaken by OCHA, UNHCR and Global Cluster Coordinators)...

### **Problem Statement**

- The coordination system as it is presently being implemented (typical structures, roles and responsibilities) is not adequate to ensure a more holistic approach to meeting the needs of persons affected by crisis.

- This more holistic approach will include the increased use of cash, specifically multipurpose cash, alongside in-kind goods and services and other humanitarian action.
- The coordination of cash interventions, including multipurpose cash grants, is largely being done in parallel to existing coordination structures and processes.
- The consequences include missed opportunities for gains in efficiency and effectiveness, not least related to a lack of clear responsibilities for strategic decision-making.

### Proposed Solutions

- At a global level, it is critical that the **IASC creates a space where global issues related to cash-based programming can be discussed**, i.e. accounting for co-mingled funds for multipurpose cash grants, coordination and operational implications for multi-sector assistance, and **clarify accountabilities at country level**.
- This body should **identify and address blockages** that contribute to the lack of integration of cash programming throughout the humanitarian programme cycle (HPC)<sup>5</sup>, i.e. **tasking inter-cluster coordination<sup>6</sup> to ensure the rationalisation of different cash based interventions** with the aim of increasing efficiency and effectiveness.
- At a country level, task the **humanitarian country team (HCT<sup>7</sup>) to ensure the consideration and integration of cash based responses** in the humanitarian response, including cash working groups, not least through clear roles and responsibilities and reporting lines.
- The HCT, in collaboration with the inter-cluster coordination group and the cash working group, should **identify and address blockages (strategic, technical and operational)** at country level.
- **Focus on steps or processes** in the humanitarian programme cycle, such as multi-sector market assessment (goods and services) and robust and transparent response analysis, which will ensure the informed consideration of cash-based interventions in the humanitarian response.
- **Build the capacity of those accountable for the integration of cash based responses** so they are able to fulfill their roles, including coordination duty bearers and leadership, i.e. the HC/RC, UNHCR representative and other coordination duty-bearers.
- Recognise and prioritise cash-based programming that demands increased **representation and collaboration with national government and private sector**, not least regarding potential synergies with national safety nets programmes.
- Invest and use **preparedness exercises to develop alternative response models and fit-for-purpose coordination structures**.

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<sup>5</sup> The humanitarian programme cycle (HPC) includes needs assessment and analysis, strategic planning, resource mobilisation, implementation and monitoring, operational peer review and evaluation, coordination and information management, both during crisis and in preparedness exercises.  
(<https://www.humanitarianresponse.info/programme-cycle>)

<sup>6</sup> The term cluster is used here interchangeably with sector, i.e. the Inter-cluster coordination function has its equivalent in the Multi-sector Operations Team in the refugee coordination model.

<sup>7</sup> Or its equivalent in the refugee coordination model, specifically the roles and responsibilities of the UNHCR Representative, Refugee Consultation Forum and Refugee Coordinator (<http://www.unhcr.org/53679e2c9.html>)