

Joint Donor Statement on Humanitarian Cash Transfers

Senior officials from the EU/DG ECHO, Germany, Norway, Sweden, Switzerland, the United Kingdom and the United States of America, met in Brussels on 1 March 2019 to discuss efficiency, effectiveness and improved donor coordination in humanitarian cash operations.

On this occasion we reaffirmed our commitment to the comprehensive principles of the Common Donor Approach to Humanitarian Cash Programming (Appended), in which donors commit to work in a more harmonised way to support partners to provide more coherent, efficient and effective assistance to people affected by crises. We acknowledge the benefits of cash as an effective and people-centred modality. When conditions allow, cash promotes flexibility, empowerment and a sense of dignity for those who are in need of humanitarian assistance, enabling people to best tailor the assistance to their individual needs. Cash can support the ability of conflict or disaster-affected people to regain a sense of normalcy, interact as equals in the marketplace, engage productively with host communities, and support local economies. Cash transfers can additionally lay the foundations for recovery by promoting social and economic integration and providing a positive effect on local markets.

We recognise that cash is by nature cross-sectoral, should be evaluated across sectors and should complement, and be complemented by, other interventions and modalities that help to meet needs that cannot be met by cash, building on synergies to optimise outcomes.

Improved donor coordination, with particular emphasis on the following priority areas within the Common Donor Approach, will further maximise gains in effectiveness and efficiency by promoting complementarity and reducing duplication through improvements in programming. We commit to tackling these areas in the following ways:

- **We will prioritise cash programmes where people receive a single payment that is designed to cover multiple basic needs**, and where implementing agencies jointly negotiate terms for payment services to optimise economies of scale. We recognise that context is critical to decision making and, whilst single systems may not always be appropriate, we will focus our efforts on reducing duplication in the payment system wherever possible. Donors will prioritise systems that connect beneficiaries with local markets and communities.
- **We will prioritise cash programmes that put people at the centre, and that seek, share and act upon feedback from recipients**. We commit to requiring all cash programs that we fund to have safe and accessible mechanisms in place to support beneficiary participation and receive beneficiary feedback; and to requiring that this feedback be used in a meaningful and timely way to improve programming. We encourage independent accountability mechanisms.
- **We recognise that cash is an inherently multi-sectoral tool, and provides the opportunity to work more collectively across the response**. We remain focused on improving joint and impartial, multi-sector and cross-sector needs assessments and response analysis, which is essential to select the appropriate mix of modalities, and design monitoring frameworks for the overall humanitarian response, including cash. We intend to adopt the “Core Outcome Indicators for Multipurpose Cash” being developed under the Grand Bargain cash work-stream. We also affirm our commitment to supporting and working collectively through

humanitarian coordination structures, while acknowledging the need to strengthen strategic coordination at the inter-cluster level, especially for operationalising multi-purpose cash.

- **We will support approaches around cash transfers that improve accountability, effectiveness and efficiency around the programme cycle.** We believe that leveraging the comparative advantage or specialist skills of partners, including the expertise found in the private sector, and that by working together in new ways we can capitalize on the diverse capacities in the humanitarian system and wider to deliver better in crises.
- **We commit to prioritising funding for cash programmes that are part of a larger humanitarian assistance programme that mainstreams protection and gender concerns and that include referral systems to other services.** We acknowledge that cash does not stand alone and is more effective when beneficiaries have access to other services including protection services, basic services and livelihoods assistance.
- **We encourage the use of innovation** where it is deemed advantageous to the transfer operation and does no harm to beneficiaries. We recognise and are ready to support the role of local, national and private actors in providing context relevant solutions.
- **We envisage solutions whereby interoperable, non-proprietary, data registries** can allow a level of data sharing between humanitarian agencies and private sector service providers that is safe, secure and improves humanitarian programming through enhanced accountability. Data protection safeguards need to be in place, and people should be consulted on the use of their data.
- **We will ensure that where possible cash programmes link to existing social protection interventions** or build the blocks of future longer term assistance from the outset (where appropriate and feasible in the context). This can improve outcomes, reduce social tensions and save resources over time.
- **Finally, our goal is to maximise efficiency without sacrificing quality and we call for more consistent understanding of impact and greater transparency from our partners in capturing and sharing the outcomes of cash programmes.** It is important that we improve our understanding and measurement of aid outcomes and improve documentation of impact. We also call for greater transparency in detailing the costs associated with the provision of cash assistance, including costs of registration systems, delivery costs, banking charges, costs of referral systems, information campaigns, and related activities.

As member states and donors, we have taken note of the Statement from the Principals of OCHA, UNHCR, WFP and UNICEF on Cash Assistance issued on 5 December 2018. We welcome the statement, which, in many respects, is in line with the vision and principles of the Common Donor Approach, and a positive and noticeable step towards improved collaboration and harmonisation among United Nations agencies. We look forward to constructive collaboration and consultations with the UN and the wider humanitarian sector on the proposed joint approach, and the next steps to take this forward.

As donors, we highly value the essential contributions of the private sector, civil society, NGOs, INGOs and the Red Cross/Red Crescent Movement in cash programming, implementation and accountability, and are acutely aware of the importance of context in each crisis that in many ways

will determine the response, including payment mechanisms or linkages with national or local systems. To ensure true interoperability and complementarity with alternative systems, we look forward to seeing the inclusion of these actors in the ownership and governance of the common cash system, proposed by the UN.

In order to further develop these areas of improved programming and to put in practice our resolve to improve donor coordination, we will endeavour to come together in one or more humanitarian contexts to trial these principles. We welcome collaboration with the UN and the wider humanitarian sector in this endeavour.