Briefing Note:
Tracking Expenditure on Cash Transfer Programming

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1. Introduction

The need for reliable and comparable data on Cash Transfer Programmes (CTPs), collected systematically and based on standardized markers and definitions, is widely recognised. Improved CTP tracking and reporting is essential for monitoring progress towards the commitments made to strengthen the scale and quality of cash and voucher programming, and requires collective action to achieve it.

The Grand Bargain commits signatories to "employ markers to measure the increase [in CTP]". This is reflected in the Global Framework for Action[1] as Supporting Action 1.2 "Develop and employ common markers and definitions for organisations to track and report CTP".

2. Technical and Policy Aspects

Progress depends on action in two areas: technical and policy.

- Technical: defining *what* data needs to be collected, and determining *how* this can be done. The 'what' is about terminology, definitions, categorisations, technical guidelines and criteria for allocating expenditure. The 'how' is about reporting and data systems, processes, and ways of working. It has multiple levels, including national, global, implementing agency, donor and interagency. These are technical and operational considerations, and require the involvement of information management and data specialists (e.g. Humanitarian Data Exchange (HDX)[2], Humanitarian Exchange Language (HXL)[3], Office for the Coordination of Humanitarian Affairs (OCHA), Development Initiatives (DI), CTP technical/programme specialists, and business support staff, from across the humanitarian spectrum.

- Policy: Ensuring that the definitions, guidelines, systems and processes are systematically used. High-level engagement, including among donors, implementing agencies and data collection specialists, is needed to agree and adopt common approaches. Sector-wide policy commitments are required to implement the technical solutions that are agreed.

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[1] http://www.cashlearning.org/news-and-events/news-and-events/post/455-calpas-global-framework-for-action

[2] https://data.humdata.org/ The Humanitarian Data Exchange (HDX) is an open platform for sharing data, launched in July 2014. The goal of HDX is to make humanitarian data easy to find and use for analysis.

[3] http://hxlstandard.org/ HXL is a different kind of data standard, designed to improve information sharing during a humanitarian crisis without adding extra reporting burdens. The HXL Cash & Markets Working Group was established to define hashtags for CTP and market based programming, pilot them, and promote their wider use

3. Current Initiatives

The **ODI/DI working paper** *Counting cash: tracking humanitarian expenditure on cash-based programming*[4] (December 2016) analysed current practice and set out recommendations for improving how CTP is tracked. These recommendations focus on building on existing systems and recognising that CTP must be tracked within wider efforts to improve humanitarian data and reporting. CTP cannot be effectively tracked through stand-alone systems. Mechanisms to track CTP should be built into (a) the global and coordinated interagency systems used for collecting and collating data, and (b) organisations' internal systems. Specific recommendations include:

- Advocate for and invest in OCHA's Financial Tracking System (FTS) and the International Aid Transparency Initiative (IATI)[5] as the best options for global reporting; and build on HDX.
- Develop a standard template for reporting 'Who does What, Where' within a response, split by modality.
- Agree standard categories for reporting cash and voucher-based programming.
- Standardise terms for cash and voucher based programming, using CaLP's glossary as a starting point.

IATI, FTS and 3W Reporting: *Counting Cash* found that the IATI data standard and FTS provide the best foundations for building global systems to track cash. In future, the FTS should have the functionality to draw data from "3W"[6] reporting at field level and compare this with financing data to assess actual expenditure. There have been efforts in recent months, led by OCHA, to record the modality of projects (in-kind, voucher, cash, or a combination), and integrate further CTP-specific data into 3W templates. The IATI Standard is currently going through a routine upgrade process, with version 2.03 scheduled to go live in October 2017[7].

CaLP is contributing to this through the work of the **HXL Cash & Markets Working Group**, for instance by: sharing recommended CTP data types and definitions, and working to include HXL hashtags in the 3W templates. Ultimately the objective is to have this standardized and rolled out in the 3W templates, although the process to do this still needs to be determined. This on-going work shows how a CTP marker might be integrated into reporting systems, starting from field-level data and working upwards.

Organisational Systems: Most organisations' internal reporting systems do not currently include adequate markers for CTP. Organisations find it difficult to allocate expenditure to different categories of cash and other types of programming, particularly for projects using more than one modality of assistance. Many organisations are addressing this issue, among other internal priorities. There is a significant opportunity to develop common approaches based on best practice which different organisations can adopt, and which also join up with inter-agency initiatives.

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[4] https://www.odi.org/publications/10716-counting-cash-tracking-humanitarian-expenditure-cash-based-programming

[5] http://iatistandard.org/   IATI Standard is a technical publishing framework allowing data to be compared. The FTS publishes its data to the IATI Standard. As reporting of humanitarian assistance to the IATI Standard increases, the FTS will instead access much of its data from data published to IATI, removing the need to report twice to both FTS and IATI.

[6] https://www.humanitarianresponse.info/en/applications/tools/category/3w-who-does-what-where

[7] http://www.aidtransparency.net/news/get-involved-consultation-on-iati-v2-03-now-open

4. Next Steps, including CaLP's Priorities

Collective action is required to bring actors together to address these issues. As the global partnership for cash transfer programming in humanitarian assistance, CaLP has already started to work on this. Other actors and initiatives also have significant roles to play, in particular OCHA, IATI and Development Initiatives, as described above.

CaLP plans to undertake the actions set out in the table below. They draw on CaLP's extensive membership, relationships and experience to date. It will be important to adapt and add to these activities where necessary, based on the inputs of stakeholders. Recognising its current limitations as a standalone tool with incomplete data, CaLP is reviewing the role and functionality of the Cash Atlas and will take it off-line during this process.

1. Co-lead the development of guidelines for tracking CTP at organisational and project levels	Rationale: Cash tracking requires common agreement and understanding of what programme and expenditure data should be collected, and how this is defined and classified. Common guidelines can be used by different agencies and initiatives, to enable application of best practice, and aggregation and analysis across the sector.
	
	Specific Activities:
	o Develop guidelines for the systematic tracking of expenditure for CTP and other modalities *(July to November 2017):*
	  ▪ This will take a 'bottom-up' approach, with a focus on the organisational level and internal reporting systems.
	  ▪ Developing standard definitions to quantify CTP project expenditure in different ways, including: a) the value of transfers received by beneficiaries; b) the value of the transfers received, plus direct delivery costs e.g. transaction fees, hardware costs; and c) the value of transfers received, plus direct delivery costs, plus other staffing and operational costs.
	  ▪ The guidelines will: a) determine workable parameters for classifying and reporting programming and core costs for cash, vouchers and in-kind projects; b) define parameters and guidelines for systematic tracking of actual expenditure on cash and vouchers; and c) develop guidelines for allocating programming costs by modality where a programme uses multiple modalities.
	
	o Develop recommendations on standard CTP reporting data types, definitions and HXL hashtags *(Ongoing):*
	  ▪ These will be integrated with 3W reporting where relevant, which should in turn inform the data collated at global level through the FTS and IATI.
	  ▪ This will build on the work already undertaken by the HXL Cash & Markets Working Group, outlining key CTP data types and definitions, and their respective hashtags. This work requires wider technical review and testing, through integration in 3Ws, and use in organisational and other reporting systems.
	  ▪ CaLP will coordinate work to update its existing Glossary. This will be linked to other workstreams in order to build ownership and consensus.

2. Establish and coordinate a dedicated Cash Tracking Working Group	Rationale: This group will support and advise on the activities described above, and act as a specialised platform for discussion and collective action to engage representatives from relevant stakeholders (NGOs, UN, donors, data and information services, etc.), including CaLP members and others. Specific Activities (*to start in July 2017*): o The group will be chaired by CaLP, with a preference for co-chairing with interested partner(s) – potentially on a rotational basis. o The group will be linked to key policy initiatives, such as the Grand Bargain work stream on CTP, to ensure that discussions and outputs have strategic influence. It will stay connected to leading actors in tracking data in humanitarian action, such as OCHA, IATI and Development Initiatives. o It is likely that the existing HXL Cash & Markets group (established in 2016) will be merged with this new group for coherence and streamlining. o The meeting dates, timeframe and terms of reference will be finalised with working group members. We expect that the group will meet virtually, initially monthly, to complete the work described in this note.
3. Contribute to annual studies on CTP expenditure	Rationale: Until systematic global reporting of CTP is in place, other means of collecting, collating and reporting relevant expenditure will continue to be required. Specific Activities: o Coordinate with and develop partnerships with organisations that are interested in analysing and reporting annual CTP expenditure. o Promote the guidelines developed above as the basis for data collection. o Consider future linkages with/integration into the State of the World Cash Report
4. Promote emerging solutions	Rationale: Progress on tracking cash will depend on multiple organisations adopting common approaches. As common definitions, tools and approaches are developed through the collaborative activities outlined above, CaLP will advocate for them across the sector. Specific Activities: o Promote emerging solutions in key forums, meetings and policy initiatives (such as the Global Cash Forum, the Grand Bargain cash workstream and the Good Humanitarian Donorship cash workstream). o Promote emerging solutions with leaders in this field, including OCHA and Humanitarian Coordination Teams. o Promote emerging solutions among CaLP's membership and other key actors working on cash, including donors.

CaLP is the global partnership for cash transfer programming in humanitarian assistance. We bring organisations together to address the most pressing collective issues in order to increase the scale and quality of cash programming. Established for more than 10 years, CaLP currently has 50 members including operational agencies, donors and private sector companies who, collectively, deliver the vast majority of cash transfer programming in humanitarian assistance worldwide. For more information, see: http://www.cashlearning.org.