

## Q&A on the Call to Action Letter on Cash Coordination

### Q1: Why and how did this letter come about?

The lack of predictable and accountable cash coordination within the humanitarian architecture is a long standing and well identified problem dating back to 2015 when the Inter-Agency Standing Committee (IASC) requested the [World Bank](#) “to lead a process of reviewing key issues and options for significantly scaling up the use of cash transfers in the humanitarian space.” The lack of resolution to the issue resulted in subsequent calls for action by [donors](#), [NGOs](#) and from the Grand Bargain Eminent Person, H.E. Sigrid Kaag who referred to cash coordination as “[the Achilles heel](#)” of the humanitarian system. Alongside these calls, [new research](#) continued to highlight the challenges and offered potential solutions to the problem. These include clarity around their placement as [ICCG sub-groups](#) in the recently-published [RC/HC handbook](#) or situating cash coordination as part of an [overall reform](#) of the humanitarian coordination architecture.

The lack of progress on this issue was highlighted during the 2019 Grand Bargain Cash Workstream annual meeting and resulted in the establishment of a sub-workstream on Tackling Political Blockages.

This new Call to Action letter recognises and builds on previous actions, bringing together diverse voices and elevating the messaging with director level sign on.

### Q2: Who signed the letter?

Ninety-five entities signed onto the letter, including 15 donors, 48 INGOs, 7 NNGOs, 2 regional NGOs, 5 private sector actors, 4 Red Cross and Red Crescent Movement entities, 13 research, technical and/or standards organizations, and one UN agency. The full list of signatories can be seen [here](#).

### Q3: Who sent the letter?

The Call for Action letter was sent to the Emergency Relief Coordinator (ERC) by CaLP and USAID on behalf of all the signatories. CaLP and USAID are the co-leads of the Grand Bargain Cash Sub-Workstream on Tackling Political Blockages where the Call for Action was initiated.

When sending the letter, CaLP and USAID highlighted the need for an inclusive decision-making process that embraces the diversity of organisations that signed the letter.

### Q4: What’s next?

The ERC was asked to confirm receipt of the letter and share a roadmap to address the issue. Once the reply is received, the response will be shared with all signatories and on the CaLP website.

CaLP and USAID will organize community-wide discussions to support informed decision making based on collective interests of the signatories and will continue to share updates on a regular basis.

### Q5: Where can I find the latest updates on cash coordination developments?

Stay up to date with the major developments by [subscribing to CaLP newsletters](#) and/or contact [lynn.yoshikawa@calpnetwork.org](mailto:lynn.yoshikawa@calpnetwork.org) and [jvandermerwe@usaid.gov](mailto:jvandermerwe@usaid.gov).

## Q6: What can my organization do to support in the meantime?

- Ask senior organizational leaders to continue raising the issue of cash coordination in relevant forums and bilaterally with relevant IASC stakeholders.
- Host discussions within your organizations, particularly at country and regional levels on potential solutions.
- Engage the IASC in any subsequent next steps to work towards a collective solution.
- Continue to share examples of how issues related to cash coordination are having operational consequences.

## Q7: What evidence exists on the problem of cash coordination?

Many reports have been written on the topic, including:

- [Doing Cash Differently: How cash transfers can transform humanitarian aid by ODI/CGD](#) (2015)

*“Humanitarian action has been organised and coordinated in ‘clusters’ to minimise gaps in responses. However, repeated evaluations have found that cross-sector coordination is poor. Cash enables people to meet basic needs that cross these sectoral divisions. Cash creates valuable incentives for much better integration of planning, execution and evaluation in humanitarian response. It demands better joint assessment, response analysis and cooperation across sectors. We should seize the opportunity before it passes us by: currently, multiple humanitarian agencies are developing individual approaches and bespoke systems for providing cash transfers, which neither benefits from private sector capacity and expertise nor improves coordination across the humanitarian system that is badly needed”*

- [Strategic Note on Cash Transfers in Humanitarian Contexts by the World Bank](#) (2016) states that:

*“Strong leadership and guidance are required to clarify the rules of the game, the architecture, and the roles and responsibilities that will best facilitate the scaling up of cash by individual agencies as well as identify entry points for common programming. Because cash can be cross-cutting in nature, coordination needs to be able to cut across the horizon of individual sectors. Yet, it is important that, at this critical juncture, no single IASC agency ‘owns’ the cash agenda or has preferential access to cash funding because of mandate or role.”*

- [‘Cash Coordination in Humanitarian Contexts’ report by GPPI](#) (2017) which notes:

*“The current setup of cash coordination is fragmented and ad hoc, leading to delays, gaps, and duplications of coordination mechanisms. The lack of clarity about institutional arrangements for cash coordination also creates inter-agency tensions.”*

- [Grand Bargain annual independent report by ODI](#) (2020) which states:

*“Increased use of cash programming, particularly multi-purpose cash, could effect a transformation, not just in efficiency terms but also in shifting power from international actors to affected populations – enabling them to use aid to address priorities they, not we, determine. Realising this ambition, however, requires a clear global agreement on coordination of cash programming, an agreement which to date has been stalled by inter-agency competition, rather than technical challenges... Signatories should now move swiftly to use the more objective platform offered by the Grand Bargain to exert collective pressure on the IASC Principals to agree upon and enact a global mechanism that provides predictable leadership and a clear division of labour, and ensures common standards for cash programming, including at country and crisis level.”*

- [State of the World's Cash report by CaLP](#) (2020) notes that of the 80 key informants interviewed (18% of whom were from UN agencies):

*“90% reported that the lack of clarity on cash coordination is having real operational impacts, limiting opportunities for collaboration and for improving the quality and effectiveness of CVA across the response.”*

**Q8: Why aren't signatories calling for a specific solution to the challenge of cash coordination?**

Cash coordination has proven to be a contentious issue and it is recognised that there are various possible solutions. In order to consolidate broad based support, the letter specifically requested that the solution come as a result of wide stakeholder engagement and builds on the evidence that already exists.

As options are considered, it is important that there is an inclusive process - representing the breadth of actors involved in this Call for Action - with decisions guided, first and foremost, by the best interests of people affected by crisis and the need for an effective and accountable humanitarian community.