

# A Meeting for Humanitarian Leaders on Cash Coordination

## Meeting Briefing Paper

September 2021

1. Meeting purpose and agenda
2. Why is cash coordination an issue?
3. What's at stake?
4. Discussion parameters
5. A brief history of action on cash coordination
6. Latest developments

### 1 Meeting purpose and agenda

The purpose of the meeting is to:

- Update stakeholders on progress since the [Call for Action](#)
- Consider some of the cash coordination options tabled so far
- Gather feedback about future engagement preferences

#### Agenda

##### Introduction

Karen Peachey, Director, CaLP

##### Opening remarks

Mia Beers, Deputy Director of the Office of Global Policy, Partnerships, Programs and Communications  
USAID Bureau for Humanitarian Assistance

##### Proposed framework for the Grand Bargain caucus

Gianmaria Pinto & Tamara Kajtozovic, Grand Bargain Secretariat

##### Donor perspectives

Joanna Darmanin, Head of Unit Humanitarian Aid Thematic Policies  
Directorate-General for Civil Protection and Humanitarian Aid Operations, European Commission

##### Some cash coordination options

Lynn Yoshikawa, Head of Network Development, CaLP

##### Discussion

Reflections and questions from the chat box  
What principles should drive decision-making?  
How do you want to be engaged going forward?

##### Next steps

Karen Peachey, Director, CaLP

### 2 Why is cash coordination an issue?

Humanitarian cash and voucher assistance (CVA) has grown significantly in recent years; it is estimated that [in 2020, CVA made up almost 20% of total international humanitarian spending](#). Coordination systems have been slow to adapt to this change and this is impeding the humanitarian community's ability to respond effectively. Cash, in particular, is cross-

sectoral by nature and its placement in the humanitarian coordination architecture, and the identification of a predictable entity responsible for cash coordination, has been a serious, unresolved challenge that has only grown over the years.

With no clear responsibility or accountability for cash coordination within the humanitarian architecture, it is undertaken on an ad hoc basis. The leadership, terms of reference and reporting structures of cash working groups (CWGs) vary significantly by context.

Global initiatives such as [CashCap](#) have grown to support response-level CWGs. In addition, guidance in the 2021 [RC/HC Handbook](#), confirms linkage between the CWG and the inter cluster coordination groups (ICCG). These have been steps in the right direction. However, the key questions around leadership, predictability and accountability remain unanswered. As highlighted in CaLP's [State of the World's Cash 2020](#) report, the ODI's [2020 Grand Bargain annual independent report](#) and many others, this lack of clear responsibility and accountability for predictable cash coordination has multiple negative consequences –with non-standardized, siloed and unpredictable coordination impacting the quality and timeliness of humanitarian response.

### **3 What's at stake?**

Inclusion of a clearly defined, predictable and accountable cash coordination mechanism into the humanitarian architecture is critical for the system to remain fit for purpose. Many in the humanitarian community have recognized the shortcomings of ad hoc cash coordination arrangements and demanded action over the years including, most recently, a [Call for Action](#) signed by the leaders of 95 organisations. Decisions about cash coordination will impact the efficiency and effectiveness of CVA interventions; how quickly affected populations can be reached; and how we leverage the capacities of stakeholders in the CVA ecosystem. It is, therefore, essential that the decision-making is driven by the resulting outcomes for affected populations, rather than by institutional interests.

### **4 Discussion parameters**

The Call for Action on cash coordination aims to achieve:

- Predictable, country-level, strategic well-resourced coordination supporting elements which cut across sectors and serves the common good
- An inclusive process for exploring different coordination models and for exploring options for a named entity or entities accountable for cash coordination
- Consideration of the cross-sectoral nature of cash

The Call for Action is not about:

- Dictating modalities
- Direct implementation of cash delivery or collaboration models
- Establishing a global body that governs or dictates CVA at country-level
- Infringing on the mandates or operational aspects of agencies
- Infringing on the technical mandates of clusters

### **5 A brief history of action on cash coordination**

The need for clarity vis-a-vis cash coordination is not a new issue. There have been demands for action for several years and some, small steps, have been made:

- **2007-15:** As CVA grows to become a major part of humanitarian response, different options are developed over time to coordinate cash, with *ad hoc* mechanisms often led by NGOs. As early as 2012, there are global cash community events to address coordination.
- **2015:** The [High-Level Panel on Humanitarian Cash Transfers](#) calls for stakeholders to “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.”
- **2015:** UNHCR, UNICEF, WFP and WHO release a Note to IASC principals stating that “cash coordination should be improved within the existing humanitarian system, and there should not be additional ad hoc mechanisms to coordination.”
- **2016:** The Principals of the IASC commission the World Bank to develop a [Strategic Note on Cash Transfers in Humanitarian Contexts](#). The Note recommends that the CWG function and resourcing be clarified and that cash coordination should be fully integrated in the humanitarian architecture. To date, these recommendations have not been formally taken forward.
- **2016:** Some International NGOs establish the [Common Cash Delivery Network](#) to facilitate partnerships for joint delivery of cash at the national level.
- **2017:** ODI publishes a [synthesis report](#) that emphasizes the ‘particularly urgent need for greater clarity from the IASC on where cash should sit within formal coordination structures, and agreement that cash transfers to meet basic needs should have dedicated space in strategic planning processes’.
- **2017:** CaLP commissions the Global Public Policy Institute to explore lessons from different coordination models and publishes a joint [White Paper](#) with the results.
- **2017:** The Global Cluster Coordinators Group clarifies the responsibility of the Inter-Cluster Coordination Group to ensure “strategic and streamlined cash coordination throughout the response.”
- **2018:** Nine donors in the Good Humanitarian Donorship group [write](#) to the IASC Working Group Chair to request the IASC to “decide upon, and issue clear, actionable guidance on cash coordination leadership”. No action was taken by the IASC.
- **2018:** A joint [NGO position statement](#) on cash coordination is sent to the IASC principals highlighting the need for predictable, effective, and well-resourced cash coordination.
- **2018:** The [UN Common Cash Statement](#) is launched by OCHA, UNHCR, UNICEF and WFP, with the aim to deliver cash using common systems wherever possible.
- **2019:** The IASC launches revised humanitarian programme cycle (HPC) guidelines which include a stronger focus on more consistent consideration of cash within and across sectors and identify multi-purpose cash as an optional separate section of the HRP.
- **2019:** During the Grand Bargain Cash Workstream annual meeting, a [sub-workstream on Tackling Political Blockages to Effective Humanitarian Action was established](#) and cash coordination identified as the first priority. USAID and CaLP are agreed as co-leads.
- **2019:** During an IASC meeting, the [Grand Bargain Eminent Person Sigrid Kaag called for the IASC’s commitment and leadership on cash coordination](#) and describes the issue as the “Achilles heel” of the system. At the same meeting, ICRC, Chair of the Grand Bargain Facilitation Group, highlights four areas of focus, one being cash coordination and called for resolution “with inclusive participation, including of local actors”.

## 6 Latest developments

- **June 2021:** [A Call for Action, signed by 95 organisations](#) – representing the diversity of the humanitarian system - is sent by USAID and CaLP to the Emergency Response Coordinator (ERC) calling on the ERC and IASC to take a decision on the leadership and scope of cash coordination within the broader humanitarian coordination architecture. The submission requested:
  - i. Acknowledgment of receipt of the Call for Action.
  - ii. A clear roadmap addressing the request in the enclosed letter, including how the process for achieving an agreement will build on the wealth of available research and ensure voices and perspectives of the humanitarian community as a whole will be engaged in the decision-making process.

Confirmation of receipt was received from the outgoing ERC, Mark Lowcock, with feedback on the second point was deferred to the incoming ERC.

- **July 2021:** The Grand Bargain Eminent Person, Jan Egeland, proposes a caucus structure to drive progress in three priority areas - one being cash coordination.
- **Aug 2021:** The June 2021 Call for Action is resubmitted to the new ERC, Martin Griffiths, asking for a response for point ii (see above).