

Meeting Report

Cash Coordination Call for Action: A Meeting for Humanitarian Leaders

Convened by USAID and CaLP

15 September 2021

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1 Highlights

- The meeting was called as a follow-up to the [Call for Action letter](#) on Cash Coordination which was signed by 95 organisations in June, with the aim of providing an update on the letter plus other related actions.
- 110 people, mostly senior leaders, attended the meeting. 76 national and international organisations were represented - NGOs, UN, private sector, donors, think tanks and more - reflecting the diversity of actors involved in humanitarian CVA.
- Remarks from USAID and ECHO underscored:
 - The cash coordination system to change to be fit for purpose
 - Need for a formal and systemic solution that ensures predictability
 - Need for accountable coordination
 - The IASC is well placed to resolve the issue
 - Decisions need to build on the large body of evidence that already exists on this issue
 - Decisions need to include representation from all involved in the humanitarian community
 - Donors are committed to seeing resolution and will maintain pressure
 - Need for a collective process without self-interest bias
- The caucus model proposed by the Grand Bargain Eminent Person, was outlined. The aim is to create a forum to generate recommendations for the IASC to resolve the question of cash coordination.
- WFP and FCDO, as co-leads of the Grand Bargain Cash Workstream, are working on initial thinking of the issue and timeline which will be shared broadly, and transformed into the problem statement. The formation of the caucus process is new and approaches will be developed according to the needs of each caucus. Inputs are welcome.
- Four models were presented that could provide a solution. It was noted that other coordination models exist and that all models need to better consider how they relate to, for example, social protection and other national systems.
- Multiple questions were raised related to the relationship between the caucus and the IASC; about participation and accountability. While some could be answered, others could not as the process is at an early stage and thinking is evolving.
- Tensions between the aim of having a small caucus, where a decision is negotiated, and the need for wider engagement and transparency were flagged.
- 99% of those who completed the concluding poll, said they would like their organization to continue to be engaged in process going forward.
- In terms of next steps, CaLP agreed to add share a meeting report and create other forums for information sharing and engagement.

2 Welcome - Karen Peachey, Director, CaLP

It is my pleasure to welcome CEOs, Secretary Generals, Directors, Vice Presidents and many other senior colleagues here today. We have colleagues from national and international organisations, from humanitarian and private sector, think tanks and networks – a representation of the diversity of actors involved in the cash ecosystem. This interest is testament to the importance of the issue before us.

The purpose of the meeting was summarized as a gathering 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

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

- USAID, together with CaLP, would like to welcome everyone to this important meeting on cash coordination. We are delighted by the level of representation from stakeholders across the humanitarian community, particularly from local and national organizations. This great participation in and of itself is a testament to the fact that addressing cash coordination remains critical to ensuring that humanitarian assistance is as effective and efficient as possible.
- As you are all well aware, cash and voucher assistance accounts for increasing large proportions of humanitarian funding, and is estimated to be nearly twenty percent of all humanitarian spending today. USAID's own cash and voucher assistance funding topped \$1.6 billion in fiscal year 2020.
- Given that, and with constantly expanding global humanitarian needs, it is imperative that we ensure our systems are fit for purpose. Resolving cash coordination within the humanitarian architecture presents exactly such an opportunity.
- At USAID we have a long history of supporting efforts to improve cash coordination. This includes raising cash coordination as an issue to the IASC in past years, financially supporting Cash Working Groups and CashCap to fill critical coordination gaps, and more recently co-leading, together with CaLP, the Grand Bargain Sub-workstream on Tackling Political Blockages, which resulted in a Cash Coordination Call for Action letter in June of this year.
- This Cash Coordination Call for Action letter garnered 95 director-level signatures from across the humanitarian community, and calls on the Inter-Agency Standing Committee, or IASC, to take a decision on the leadership and scope of cash coordination within the broader humanitarian coordination architecture in the coming year.
- Given the wide-ranging organizational support to the Call for Action letter, USAID and CaLP felt it was important to keep stakeholders up to date on developments and provide clear opportunities for how you can continue to engage on the topic and make your voices heard.
- From the USAID perspective, we remain deeply concerned that the lack of a predictable and accountable cash coordination within the humanitarian architecture has led to slower and less effective cash responses.
- The challenges due to this lack of predictable coordination are well documented in multiple reports, papers and letters from research institutes, NGOs, CaLP, and donors over the past five years.
- We continue to believe that the IASC is well placed to resolve this question of cash coordination, and we urge responsible agencies to actively take up the issue.
- To be most effective, we hope that discussions for finding a cash coordination solution will build upon the substantial amount of existing research and include representation from all segments of the humanitarian community, including local organizations, international NGOs, and donors, as well as IASC members.

- This has been a long process to get to this stage, and we have much work to do. Attention and commitment to resolving this issue has never been higher. I am hopeful that we, as a community, continue to make strides to realize well-coordinated, high-quality cash responses that translates into more assistance reaching those in need.

4 OCHA response on the Call for Action - Andrew Wylie, Chief of Assessments, Planning and Monitoring Branch

- The ERC has read the Call for Action letter and discussed this with his predecessor. Further, the ERC acknowledged:
 - the potential for further progress in increasing the delivery of cash.
 - the caucus represents a good opportunity to unpack challenges and solutions.
- Emphasis was placed on the need for more inclusive decision-making on cash coordination at the country level, under the leadership of the RC/HC and this will be raised in conversations with RC/HCs.
- A response on the key points in the Call for Action letter is expected.

5 Proposed framework for the Grand Bargain caucus - Gianmaria Pinto, Grand Bargain Secretariat

Gianmaria provided a quick overview of the proposed caucus using a number of [slides](#) and addressed immediate questions arising.

- Localisation and quality funding were noted as key priorities for political elevation with Risk-Sharing and Gender as cross-cutting issues.
- The purpose of the caucus is to form a coalition of the willing to see action on a specific issue.
- Signatories with a particular interest are asked to independently activate the caucus and recruit the necessary stakeholders.
- The idea is to have a closed format to facilitate discussions and take decisions to unblock bottlenecks. At the same time, it there is need for transparency and accountability – communication on objectives and timeline should be clear, particularly at the beginning and end of the caucus.
- Key characteristics of a caucus: the caucus should elevate political issues to the senior level; have collective relevance; have transformational impact; link to four strategic outcomes; fit within the GB workstreams; specified through a precise problem statement; timebound; include actors who can unblock the political issue.
- The role of the co-conveners: 1) the conversation about a cash caucus is at an initial stage, nothing has been decided in terms of a problem statement 2) WFP and FCDO are working on initial thinking of the issue and timeline which will be shared broadly, and transformed into the problem statement. The caucus will be activated at a senior level meeting and caucus participants will be actively engaged in refining the problem statement.
- Many organisations seem interested in joining and getting information. Co-conveners will reach out to interested parties and circulate their initial thinking.
- The focus of the caucus is to solve the issue – so those with the capacity should be involved; at the same time, it can't include everyone who is interested – a limited size is needed to facilitate decision-making. There is a need to coordinate with different fora to ensure transparency.

- The Grand Bargain workstream will provide technical support to the caucus but will not necessarily lead the caucus. Other actors and fora like CaLP may provide technical expertise to the caucus.

Final comment, the process is being co-created as we go and active contributions are welcome. Cash coordination will likely be the first one, so the Secretariat calls on all parties to make sure that the process works.

The contacts of the Cash Workstream co-conveners are: Dina Morad, WFP, dina.morad@wfp.org and Sam Brett, FCDO, sam.brett@fcdo.gov.uk.

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

- On behalf of the Donor Cash Forum, I am very glad to be with you all to this important meeting. The Donor Cash Forum, established in 2019 and currently co-chaired by DG ECHO and Switzerland, is a platform for like-minded donors, who have committed to collectively improving the coherence and quality of cash programming. Our priorities are laid out in the [Joint Donor Statement on Humanitarian Cash Transfers](#) (JDS) and are underpinned by the commitment to work in a more harmonised way to support partners to provide more coherent, efficient and effective assistance to people affected by crises.
- In order to achieve such harmonisation, and maximise the effectiveness, efficiency and accountability of cash assistance, predictable and accountable cash coordination is paramount. This position is also very much reflected in DG ECHO's upcoming cash thematic policy, which promotes the use of Multipurpose Cash, as part of a Basic Needs Approach, placing people affected by crises at the centre of decision-making.
- The lack of predictability and accountability around cash coordination has resulted in myriad inefficiencies, directly impacting on the effectiveness of assistance provided. 90% of key informants interviewed for the [State of the World's Cash 2020 report](#) noted that "the global impasse on cash coordination continues to have real operational impacts, limiting opportunities for collaboration and for improving the quality and impact of CVA." Examples are documented across the globe, from Haiti to Syria, Nigeria to Ukraine, of the delays and incoherencies in assistance resulting from this.
- From a donor perspective, the lack of a systemic solution to this chronic problem makes for a difficult humanitarian landscape in which to strategically invest funding and limits the effectiveness of taxpayers' money, at a time when the gap between humanitarian needs and resources is wider than ever. Having a predictable cash coordination mechanism in place which is accountable for providing minimum standards is really in the best interest of everyone. It provides donors with clear standards to fund against, it helps resolve operational fragmentation for implementers and assures timely and quality assistance for affected populations.
- This is the reason cash coordination has been a key priority of the Donor Cash Forum this year. We are very grateful for the joint leadership of USAID and CaLP, which has galvanised our collective donor voice to contribute to the momentum around this critical issue and brings us together to define a way forward today.
- As Mia has reminded us, we seek a solution through the IASC. We plan to maintain high level pressure and raise the issue as relevant in various forums and bilateral engagements until a clear way forward is identified.

- We do not expect the IASC decision to address every facet of cash coordination but at minimum, we expect the following issues to be addressed:
 - There is a predictable and accountable entity to support the effective coordination of humanitarian cash, that is linked to the inter-cluster/sectoral coordination mechanism and that the relationship between this entity and the ICCG is clearly defined.
 - That there is a clear mechanism for resourcing (finance and HR) this entity
 - That the responsibilities of clusters vis-à-vis this entity are clearly defined
- We do not consider cash coordination to include the following:
 - Establishment of a siloed cash cluster
 - Direct implementation of cash delivery or collaboration (such as UNCCS or CCD)
 - Establishment of a global body that governs or dictates modality or CVA-related processes at the response level
 - Actions that limit the respective mandates of clusters or operational actors
- We appreciate and applaud efforts around operational cash collaboration, notably the UN Common Cash Statement (UNCCS) and the Collaborative Cash Delivery Platform (CCD). While these have made strong progress on technical issues, such as data sharing, joint procurement, and common payment systems, we are very clear that operational collaboration is not a substitute for effective strategic coordination of humanitarian cash among all (humanitarian) actors.
- We believe that the solution to cash coordination should be organized through a collective process, without self-interested bias, which provides opportunities for all interested actors to voice their thoughts.
- In support of this, we welcome the creation of a caucus on cash coordination, as a forum for engaging with a breadth of actors. However, we would like to reiterate our expectations for the IASC to engage with this issue and make a decision.
- We look forward to launching this collective engagement process with you all today.

7 Some cash coordination options - Lynn Yoshikawa, Head of Network Development, CaLP

Lynn provided a quick overview of the proposed caucus using a number of [slides](#) and addressed immediate questions arising.

- Options on the way forward are based on the GPPi white paper in the [meeting brief](#), numerous focus group discussions at the country and regional levels, and reflections from a wide range of stakeholders in recent years. They are outlined in greater detail in the [State of the World's Cash 2020](#) report.
- Today's discussion is about the coordination of multipurpose cash, not sector-specific cash which is coordinated within sectors.
- The discussion is focused on the IASC coordination model but recognises that any adjustment made to the existing structure will have an impact on other coordination structures.
- The lack of progress reflects a fundamental issue underpinning many of the debates in the aid sector about de-colonization, particularly in how we understand and monitor assistance – as its use is determined by recipients rather than by those who deliver or fund it. Equally the link – as documented over the past decade - between the entity holding coordination leadership and financing have created significant barriers to progress.

- Key elements to consider in any decision regarding cash coordination includes:
 - Clarity regarding the leadership role, e.g., which entity is to lead
 - Predictability
 - Timeliness, particularly in sudden onset disasters
 - Transparency
 - Clear accountability
 - Effective coordination capacities. CWGs have identified temporary solutions, for example, through the expertise from rosters like CashCap, so there are lessons to build on.

The options on that are the table at present. The options have possible variations, such as a co-leadership role. Some of the related pros and cons of each, are:

- Option 1: Assign cash coordination to the largest CVA actor within each response
 - This allows for some degree of context specificity
 - There is still the potential for disagreements and delay
 - There is a lack of clarity in contexts where there are limited cash interventions and/or sudden onset disasters
 - Potential for reduced transparency and inclusion of actors with smaller scale cash responses
 - This option would be more challenging to resource coordination capacities at the global level
- Option 2: Assign an operational agency to lead cash coordination globally, as with cluster lead agency approach.
 - There is greater predictability and this fits in both the IASC and refugee coordination models
 - Some aspects of accountability are addressed through the designation of a 'provider of last resort'
 - Some stakeholders raised concerns about accountability and inclusion
 - Potential to limit innovations and impact efficiency if competition is reduced
- Option 3: Coordinate cash through the Inter-Cluster Coordination Group (ICCG)
 - Logical step as ICCG is the primary multi-sectoral space, involving all sectors
 - The non-operational nature of the chair would separate coordination function from financing issues
 - Decision-making would need to be clarified e.g., would the Inter-Cluster Coordinator be empowered in decision-making, or would it require all sectors to agree?
 - Inter-Cluster capacities are often already stretched, although there are lessons to address capacity issues
- Option 4: Redesign the coordination system
 - Opportunity to re-design systems to be centered on affected people, rather than organizational mandates
 - This could enable more multi-sectoral programmes – not just CVA – and strengthen linkages with national social protection systems, while still coordinating technical sector expertise.
 - Requires significant investment and time, resulting in uncertainties
 - It would require adjusted funding and incentive structures, while also retaining technical expertise
- Options: Investigate further options
 - Current models may not take account of the changing nature of CVA e.g., links with social protection

- In the coming months, CaLP will convene different groups of stakeholders and other experts to think more broadly – about government and other locally-led architecture; and mechanisms funding for coordination.

Comments

Participants highlighted a number of issues to be considered:

- *On option 1 & 2, how would "major cash actor" be determined? contracted or actually last mile distributed cash, private sector delivering in behalf, Govt social assistance transfers etc?*
- *Could option 1 create a perverse incentive to increase cash delivery in order to be assigned leadership?*
- *#4 could include both human behaviour and technology solutions. Marrying both could lead to an even more effective design.*
- *The challenge with #1 and 2 is the obvious danger of conflicts of interest - that coordination ends up suiting big actors rather than the full diversity of actors, in contrast to the broader direction of travel.*
- *Agree on the incentives/concern around #1 and #2 outlined above and how this might side-line local actors/partnerships*
- *As cash is not an additional sector, but rather a technical way of delivering aid for the recipients, we see no need for an additional sector/cluster/new mandated agency for its coordination. Generally, not in favour of new coordination layers, so would be interested in finding solutions that require minimal additions in the system. While the redesign of the system must be explored, we acknowledge that this is a longer process and will not solve the immediate coordination need for cash.*

8 Overall questions and reflections

Participants asked questions and made comments via the meeting chat box throughout the call. In addition to those detailed in section 7 above, the following questions and comments were made:

8.1 In regard the UN signing the Call for Action

- It was clarified that WHO signed the call for action but others had not. The list of signatories is [here](#).
- WHO stated that it 'signed as we support the need for predictability and accountability for cash coordination, and for the parts that are multi-sectoral, that sectoral considerations are taken into account, with sector specific CVA to be coordinated under the respective clusters.'
- WFP clarified that: 'As an integral member of the IASC we think the Call for Action was addressed to us too. We want to be actively engaged in identifying options and solutions within the IASC and the GB.'
- UNICEF clarified that: 'In response to queries on UN agencies not signing the call to action, we wish to clarify that UNICEF responded to the letter welcoming its content and the initiative. We explained that it simply made no sense signing a letter addressed to ourselves.'

8.2 Questions and answers about the caucus

- What is the link between the caucus and the IASC decision-making process?
This is undefined at present. It needs to be further explored and defined by the caucus members, along with the IASC.
- How can we be part of the caucus?

At this stage, please reach out to co-convenors (Sam Brett, FCDO, sam.brett@fcdo.gov.uk and Dina Morad, WFP, dina.morad@wfp.org) to signal your interest.

- Is this limited to GB signatories?

The objective is to unblock issues, so if there are relevant actors beyond the Grand Bargain signatories they should be involved in the caucus.

- Who is the caucus accountable to?

The caucus is collectively responsible to the GB signatories.

8.3 Comments on issues of process and accountability:

- *Participation emphasis seems to be reserved for those with ability to unblock political issues. That seems to be in opposition to the emphasis on localization. How are those two things balanced?*
- *The aim is to avoid too much process, as Signatories have repeatedly emphasised, so would encourage everyone to keep flexible and light on those elements - decisions about how we take decisions are not high value add.*
- *It will be very important for the Grand Bargain Cash Caucus to undertake a clear and transparent process for determining participation and how objectives are defined, as well as seek to support the efforts of the IASC to address predictable cash coordination.*
- *Will the aim at helping to address coordination issues effectively first address political blockages beforehand an inclusive process for all stakeholders especially NGOs as implementing substantive last mile CVA?*
- *Are we sure that recommendations generated by the caucus will be adopted?*
- *Good question on what holds us all to any solutions developed by the caucus - My answer would be that basically its primarily the politics around peer pressure, but one would guess with the strong donor support the funding would follow the agreed coordination mechanism - hard for donors to fund uncoordinated programs for both impact and practical political reasons.*
- *We fully support IASC taking the issues forward and to the points on a "patchwork approach" so far, the UNCCS was a way to make a significant head-start and contribution to addressing some critical system-wide bottlenecks. We trust this will help accelerating further solutions going forward. We look forward to engaging in defining the Caucus problem statement and finding solutions with GB signatories are key to address - together with donors. This is not to substitute though critical efforts required through IASC for system-wide transformation.*
- *While it's great to shift to Local actors, the sustainability question and funding around programs or projects would be something to look into. Sometimes the experience is that some actors get active when they have active cash interventions, and at times go quiet.*
- *MPC is the trend and is preferred by major stakeholders including key donors - to which sector will it be reported?*

8.4 Comments on issues of participation

- *We are keen to see a greater focus of using the strong private sector participants in this ecosystem to portray and demonstrate good practises which NGOs could benefit from to address USAID/Donors' perception and belief that accountability and co-ordination on cash is being slow to materialise.*

- *As with Clusters, CWGs need Technical Advisory Groups including one comprised of ALL private sector stakeholder groups. It would be useful if they had a counterpart at global CWG level. There are various industry associations ... who would step up if asked.*

8.5 What is the timeline?

- *It is wonderful the very broad agreement on the need and urgency. Is there any ambition towards a deadline to sort this? We have been discussion this issue for various years and as Karen is saying there are real consequences.*
- *This "cash coordination" has been a chronic one and when can we expect a solution by IASC?*
- *Will the caucus define an acceptable timeline for a decision by the IASC?*
- *A committed timeline for clear action is very clear from many on this call. Without this then Donors will start to mandate more directly which could be not always to the liking of some NGO's. As an example, FCDO has already withheld funds in certain areas because of on ground lack of co-ordination or common systems.*
- *On timelines - just to note that Jan Egeland asked us to think about getting our first solutions within three to six months, so do have that in mind!*
- *Flagging on the timeline related questions - the Call for Action requested a response with a roadmap for how it will be addressed by the end of the year.*
- *In trying to get beyond a discussion about how to take decisions (YES to a timeline) I have never understood why the HC isn't the Inter-Cluster Coordinator. Can't decide on decision-making processes in IASC without addressing RC-HC role. Am I asking too much?*

8.6 Suggestion for caucus next steps

- *It would be great to hear about immediate next steps on the caucus, so that we can understand what to expect right away.*
- *Reading some of the comments it strikes me the caucus could start to agree core principles (e.g., deconflicting interests, locally relevant, etc)*

9 Next steps

As the meeting moved to a close, the following question was asked via a poll:

"Do you want your organisation to be engaged in the process going forward?"

Of the 76 respondents who answered 99% said yes.

In terms of next steps, Karen Peachey, Director of CaLP, confirmed:

- A meeting report would be shared
- Links to the report and Caucus information will be shared on the CaLP coordination webpage, along with updates on other related events/information as relevant
- CaLP will convene further forums to share information and gather views to feed into evolving processes

Annex: Organisations represented at the meeting

Note, some were represented by more than one person

1. Action Contre la Faim
2. ACT Alliance
3. ActionAid
4. ADESA
5. AECID
6. Aid Essentials Ltd
7. BFD Yemen
8. British Red Cross Society
9. Cash and Livelihoods Consortium Iraq
10. Catholic Caritas Foundation of Nigeria
11. CBM Global Disability Inclusion
12. CESVI
13. Center For Global Development
14. ChildFund International
15. Christian Aid
16. Concern
17. COOPI
18. Cordaid
19. Crown Agents Bank
20. Center for Strategic and International Studies
21. Danish Church Aid
22. Denmark
23. Danish Refugee Council
24. ECHO
25. Elrha
26. Food and Agricultural Organization
27. Foreign, Commonwealth and Development Office, United Kingdom
28. Global Affairs Canada
29. German Federal Foreign Office
30. GiveDirectly
31. GOAL
32. Ground Truth Solutions
33. HAI India
34. HelpAge
35. HERE Geneva
36. Humanity & Inclusion
37. International Committee of the Red Cross
38. International Council of Voluntary Agencies

39. International Federation of the Red Cross and Red Crescent Societies
40. InterAction
41. International Rescue Committee
42. International Organization for Migration
43. Department of Foreign Affairs, Ireland
44. Iris Guard
45. Islamic Relief
46. Joint Aid Management
47. Kenya Red Cross Society
48. Key Aid Consulting
49. MasterCard
50. Medair
51. Mercy Corps
52. Ministry of Foreign Affairs of Finland
53. Ministry of Foreign Affairs of the Netherlands
54. Norwegian Ministry of Foreign Affairs
55. Norwegian Refugee Council
56. Overseas Development Institute
57. Philanthropy Serbia
58. People in Need
59. Plan International
60. Steering Committee for Humanitarian Response
61. Swiss Agency for Development and Cooperation
62. Swedish International Development Cooperation Agency
63. Tearfund
64. Trocaire
65. UN Office for the Coordination of Humanitarian Affairs
66. The Better Than Cash Alliance
67. United Nations Population Fund
68. United Nations High Commissioner for Refugees
69. UNICEF
70. U.S. State Department Bureau of Population, Refugees and Migration
71. USAID Bureau for Humanitarian Assistance
72. World Food Programme
73. World Health Organization
74. Women's Right To Education Program
75. Women's Refugee Commission
76. World Vision International