

# New Cash Coordination Model

## Frequently Asked Questions (FAQ)



@UNHCR

Global Cash Advisory Group (CAG)



# NEW CASH COORDINATION MODEL

## 1 WHAT IS THE BACKGROUND ON CASH COORDINATION?

Cash Working Groups (CWGs) were created and proliferated in humanitarian operations out of a need to coordinate and harmonize the delivery of humanitarian cash and voucher assistance (CVA) from multiple actors. These CWGs were voluntary and lacked global guidelines, which led them to be often under-resourced, short-staffed, and ill-equipped.

Following several years of discussion on how to strengthen and systematize cash coordination, just under 100 entities (including UN, NGOs, private sector, donors) signed a “Call for Action on Cash Coordination addressed to the Emergency Relief Coordinator” in 2021 as an outcome of the Grand Bargain. It highlighted a lack of global agreement on predictable, effective and well-resourced coordination of CVA among IASC agencies. With continued cash assistance growth, this letter emphasized on the increased need for cash coordination at country level to avoid fragmented programme approaches, delays, gaps, and duplication of cash transfers and assistance.

Following the letter, a ‘Cash Coordination Caucus’ was created under the new iteration of Grand Bargain 2.0 in 2022 to identify a solution to the identified challenges around cash coordination. In March 2022, the ‘Cash Coordination Caucus’ proposed and the IASC adopted the new ‘Cash Coordination Model’. A review of the Model will be conducted two years after its implementation to identify progress, outline challenges or bottlenecks and course correct, as required.

## 2 WHAT IS THE AIM OF THE NEW CASH COORDINATION MODEL?

The overall aim of the new cash coordination model is to:

- Identify an arrangement for accountable, predictable, effective and efficient coordination of CV which makes clear who will do what, with what resources and to what end. This may be adapted to different contexts, but clarity and predictability will be maintained.
- Advocate to enhance accountability to and engagement of crisis-affected people and communities.

## 3 WHAT IS THE OUTCOME OF THE NEW CASH COORDINATION MODEL?

### COUNTRY LEVEL

- OCHA is accountable for cash coordination in IASC and mixed settings and UNHCR is accountable in refugee settings.
- CWGs are accountable to the IS/ICCG and responsible to support their members and constituents (e.g., operational cash actors in country).
- Existing CWGs will be formalized with new standardized ToRs.
- In IASC settings, there will be a programmatic and a non-programmatic co-chair of the CWGs. OCHA is responsible for providing the non-programmatic co-chair. The programmatic co-chair should be an operational entity (e.g. UN, INGO, local actor, etc.) and will be identified via a transparent voting process. The model places particular emphasis on the importance of local actor leadership. In refugee settings, there will be no non-programmatic co-chair and attention will be paid to government and local actor co-chairs.

### GLOBAL LEVEL

- A new global Cash Advisory Group (CAG) has been established. The CAG is responsible for developing standards global tools, guidance, and decision-making protocols and supports requests for best practices or other needs from country CWGs.



## 4 HOW IS THE NEW MODEL EXPECTED TO BENEFIT CASH RECIPIENTS?

- Scalability and reachability - More people may be able to be reached with cash assistance.
- Maximized resources - More funding may become available for more people.
- Speed and efficiency - Cash assistance can be delivered more quickly and timely.
- Reduced duplication which can enable enhanced targeting.
- Greater coherence of cash - people can be referred for cash and services.
- Possible increased links with and referrals to social protection systems.
- Enhanced communication and harmonization - more clarity, less confusion, where possible/ appropriate, shared feedback mechanisms.
- Harmonized cash approaches – transfer values and mechanisms, reduced multiplicity of different approaches.
- Increased responsiveness – coordinated monitoring and analysis which can lead to adapted assistance

## CASH WORKING GROUP (CWG)

## 5 WHAT ARE THE KEY FUNCTIONS OF CWGs?

- Provide effective coordination of cash across the response, including assessing the feasibility of and need for cash as part of overall response analysis.
- Ensure the overall cash response is coherent, avoids duplication, and finds opportunities to increase effectiveness, coordinating with the clusters/ sectors to ensure coherence.
- Provide effective information management on the delivery of cash assistance, across the response, and in close collaboration with clusters and their IMOs for sector specific use of cash. This should include accurate and up to date 4Ws.
- Promote use of common mechanisms, standards, and tools across partners for

harmonized, quality and accountable programming.

- Provide common services to cash partners as relevant which may include supporting joint framework of design for cash, market analysis, risk assessments, financial service provider mapping, coordinated monitoring and coordinated feedback mechanisms.
- Review capacity building requirements of CWG members, clusters, local actors and government partners and develop strategies for addressing gaps in skills and knowledge through engagement with the CAG and with capacity building networks and existing entities (e.g., CALP, CashCap).
- Advocate to create an enabling environment for cash including advocacy with partners for cash across the response; policy and advocacy with donors; and access to people in need of cash assistance.
- Provide a clear and predictable entry point for linkages to social protection to the extent appropriate for the response.

## 6 WHAT IS OUTSIDE THE MANDATE OF CWGs CO-CHAIRS?

- Decision upon humanitarian needs. Multi-sectoral assessments provide the basis for response analysis and design and are conducted by a wide spectrum of agencies across sectors/ clusters under the lead of the IS/ICCG. However, cash coordinators can support multi-sectoral assessments.
- Decision of how operations are implemented in response to assessed needs in each context. Response analysis across sectors should provide the basis upon which response modalities are selected drawing on multi-sectoral assessments including market analyses.
- Decision on funding allocations. However, based on current practice, the CWG co-chairs might be invited to participate as technical experts alongside others in reviews. Ideally, the entity representing the CWG should not have a conflict of interest.

- Access to data about specific beneficiaries or specific transactions in the interest of data protection protocols.
- Representation to Government on issues that agencies are mandated to speak on.

## 7 WHAT IS THE IMPLICATION OF THE NEW MODEL TO THE EXISTING CWG CO-CHAIRS?

- The decision on how the new Cash Coordination Model will be implemented in each context will be defined by each country based CWG and their members in line with the humanitarian leadership's direction.
- In functional CWGs, it is hoped that the model will add value and predictability without disrupting working practices. Minor adaptations may be required to be in line with the new model (leadership, updated ToRs etc.).
- In IASC contexts, CWGs should have a minimum of one programmatic and one non-programmatic co-chair, ideally with a local actor as co-chair. CWGs should also have dedicated IMO capacity. In some cases, a third co-chair representing either a local actor or government may be appropriate. In refugee settings, there is no need for non-programmatic co-chairs and engagement should rather be with governments or other local actors.

## 8 IS THERE A TEMPLATE / SAMPLE TOR FOR CWGs?

A sample ToR will be shared shortly for CWGs that can be used as a reference.

## TRANSITION PLAN

## 9 WHAT IS THE NEW CASH COORDINATION MODEL TRANSITION PLAN?

The new cash coordination model transition plan is the plan approved by the IASC Deputies in

September 2022 where contexts were grouped into three transition groups depending on the timeline required to adopt the new cash coordination model. At Country level, CWGs may come up with their own work plan or set of activities or update their already existing work plans. Plans may outline the next steps the CWG will take to adapt the functioning of the CWG to the new IASC agreed Cash Coordination model. The workplan will be context based and depend on the needs of CWG members, the demands of response operation, and the direction of humanitarian leadership. It may include specific set of actions regarding structure, functioning, leadership, coordination capacities etc.

## 10 HOW WILL THE TRANSITION AFFECT THE DAILY OPERATIONS OF THE CWGS?

No disruption of on-going activities is foreseen. The transition plan is context specific and meant to be gradual, iterative, and building on existing capacities. The updated or new country based workplan will be discussed and agreed locally among CWG members and will guide the work to align with the new model. Transitions or changes to the structure or leadership of the group, should take place only after discussion and agreement with all stakeholders in a way that is transparent and collective.

## 11 WHICH COUNTRIES ARE INCLUDED IN THE TRANSITION PLAN?

CWGs in IASC/mixed and refugee contexts.

## 12 WHAT COULD A SUCCESSFUL TRANSITION LOOK LIKE?

- Engagement and representation of local operational cash actors throughout all transition stages

## GLOBAL CASH ADVISORY GROUP (CAG)

- Communication, consolidation of inputs and information sharing of transition process with CWG members and operational cash actors.
- Inclusive decision making and contextualization of transition process in-country.
- Transition completed within timeline agreed on.
- Adequate financing secured or identified to resource and recruit co-leadership roles.
- Links with sectors and clusters/ working groups and ICCGs.
- Transparent selection or election of leadership.
- Alignment with humanitarian coordination architecture.
- Enhanced technical and coordination capacities of CWG and co-chairs.
- Participation of donors and governments in the transition process, as relevant.

### 13 HOW CAN EXISTING OR NEW CWG CO-CHAIRS JUMP START THE TRANSITION?

They could start with the following with support and inputs from CWG members:

- Presenting the new model and discussing it within the CWG.
- Sharing the FAQs and the presentation to the CWG.
- Discussing and outlining a transition strategy in country, including with humanitarian leadership.
- Reviewing and updating existing CWG ToR.
- Drafting local actor engagement strategy or map stakeholder engagement.
- Adjusting the workplan with the transition actions.
- Consulting with other actors, sectors and working groups – including the IS/ICCG, HCT etc.
- Aligning reporting lines between CWGs reporting to IS or IC.
- Proposing or conducting elections for programmatic chairmanship roles.
- Considering the need to optimize co-chair workloads (consider 100% dedicated co-chairs as needed or adding local co-chairs or a rotation).

### 14 WHAT IS THE CAG AND WHO ARE ITS MEMBERS?

The CAG is the Global Cash Advisory Group. This group is chaired/ convened by OCHA for IASC settings and UNHCR for refugee settings. The CAG core group is composed of 12 members including the two chairs, local actors, UN agencies, RCRC societies, INGOs, and network.

### 15 WHEN WAS THE CAG LAUNCHED?

The CAG was officially endorsed in September 2022.

### 16 WHAT ARE THE CAG FUNCTIONS, ROLES, AND RESPONSIBILITIES?

The CAG focuses on the following functional areas:

#### **Standard setting and capacity building**

- Provide ToRs for cash coordination.
- Develop standards, tools and guidance.
- Integrate and build on existing tools, guidance and support.
- Provide guidance for cash coordinators recruitment and role induction.
- Provide technical advice and guidance to in-country cash coordination.
- Support cross-fertilization of good practices among CWGs.
- Ensure strong information sharing on cash assistance.
- Provide overviews of best practices and ensure knowledge sharing.

#### **Advocacy, global monitoring and liaison**

- Advocate to relevant stakeholders.
- Be a forum for resolving common challenges on cash coordination.

- Undertake regular stocktaking of country-level CWGs.
- Provide information and input as required/requested by the IASC mechanisms.
- Ensure engagement via the GCCG to support Clusters/Sectors in their engagement with CVA.
- Engage with relevant actors to strengthen global knowledge management.
- Develop linkages to social protection coordination bodies.

### Resourcing and prioritization

- Highlight any resource gaps and assisting countries to find resources to enable skilled human resources and expertise at the country level.
- Formalize ways of working with a neutral, independent interagency deployment model (e.g., CashCap).

## 17 WHAT ARE THE PRODUCTS AND DOCUMENTS THAT THE CAG IS CURRENTLY WORKING ON?

- Co-chair ToR
- CWG ToR template
- Gap mapping
- KPIs
- Election procedures

*Note: Please do not hold off on updating or introducing any of the above-mentioned tools in anticipation of CAG products. Some will take longer periods to develop, and the CAG will prioritize according to needs and internal capacity. In other words, please proceed, you can align once new products are available, alignment will not be enforced by CAG and may ideally be part of your scheduled revisions/updates.*

## 18 WHAT ARE THE MAIN AREAS OF FOCUS FOR THE CAG CURRENTLY THAT MAY SUPPORT CWGS?

- Capacity building strategy on cash coordination with specific investment in local actors.
- Targeted strategy for local actor leadership.
- Mapping and establishing linkages with groups.
- Support CWGs in updating their ToRs.
- Resourcing overview for CO and Global level.

## 19 IS THERE AN OFFICIAL REPORTING LINE OR LINK BETWEEN THE CAG AND THE CWG?

No, CWGs are accountable in country to the IS/ICCG. The CAG will provide support and engagement with CWGs as required in line with its agreed functions. Humanitarian leadership and CWGs in each context will jointly decide on how to best transition to the new model, monitor progress and may revert to the CAG if needed.

## 20 HOW CAN I CONTACT THE CAG?

- Email: For the time being, please contact our cochairs:

OCHA : Juliet Lang [lang@un.org](mailto:lang@un.org)

UNHCR: Annika Sjoberg [sjoberg@unhcr.org](mailto:sjoberg@unhcr.org)

- IASC website: <https://interagencystandingcommittee.org/global-cash-advisory-group>