

Rapid Reflection on Cash Coordination for the Ukraine Response

Poland briefing paper

Prepared by Key Aid Consulting for the Disasters Emergency Committee
November 2023

Acknowledgments

This piece was authored by Helene Juillard under the guidance of Charlotte Heward from the DEC Secretariat.

The opinions expressed are those of the Key Aid Consulting team, and do not necessarily reflect the views of the DEC. Responsibility for the opinions expressed in this report rests solely with the authors.

The authors would like to thank all key informants for their time and their insights.

Acronyms

CAG	Global Cash Advisory Group
CBI TWG	Cash Based Interventions Technical Working Group
CVA	Cash and Voucher Assistance
IFRC	International Federation of Red Cross and Red Crescent Societies
KI	Key Informant
MEB	Minimum Expenditure Basked
MPC	Multi-purpose Cash Assistance
PCPM	Polish Center For International Aid
PHA	Polish Humanitarian Action
PRIMES	Population Registration and Identity Management Eco-System
RAIS	Refugee Assistance Information System
RCM	Refugee Coordination Model
SSN	Social Safety Nets
ToRs	Terms of References
WFP	World Food Programme

Since February 2022, Ukraine and the neighbouring countries are facing a humanitarian crisis of unparalleled scale, ranking among the fastest-growing crises observed in the past decade and the largest in Europe since the end of World War II. In the first two months of conflict, more than 30 percent of Ukraine's population had been coercively displaced and by October 2023, 6,240,400 Ukrainian were refugees.¹

In light of needs, vulnerabilities and capacities, cash and voucher assistance (CVA) has been prioritized by the humanitarian community in Ukraine as the preferred and default modality wherever feasible to respond to the needs of people affected by the crisis. This led to the fastest and largest cash programming scale-up in history, shedding further light on the importance of quality cash coordination.

Using the draft Global Cash Advisory Group (CAG) key performance indicators for cash coordination as a guide, this paper reflects on the extent to which cash coordination was (1) timely and effective and (2) inclusive, transparent, and accountable. It draws from 11 semi-structured key informants' interviews, desk review of available literature and a round table organised on November 2nd 2023 with key cash stakeholders.

I. Context

In 2023, in locations where it is contextually and operationally feasible, cash transfers have been used at scale to respond to the Ukraine crisis. The 2023 Regional Refugee Response Plan² appeals for \$1.7 billion across 243 partners, among which the largest share (\$709,399,440) is dedicated to Poland to support 2 million refugees living there. CVA funding requirements represent 27 percent of the regional requirement (\$450,792,321) and 25 percent of the funding requirement in Poland (\$176,343,305) with 89 percent of CVA intended to be multi-purpose cash (MPCA) both regionally and in Poland.

While not being exhaustive the below describe a couple of unique context identifier that influenced the effectiveness and accountability of cash coordination:

Speed and scale of the crisis

The escalation of the conflict between Ukraine and Russia on February 24, 2022, represented a significant intensification of the eight-year-long conflict between the two nations. This event swiftly led to the emergence of one of the most substantial and rapidly expanding humanitarian crises witnessed in the past decade. Within the initial two months of the conflict, over 30 percent of Ukraine's population was forced to flee their homes. By December 2022, the number of recorded border crossings from Ukraine had reached nearly 18.2 million, constituting the largest displacement of a population in Europe since World War II.³

Lack of pre-existing humanitarian footprint: a blank page for cash coordination

¹ UNHCR, "Operational Data Portal: Ukraine Situation," 2023. Accessed October 12th 2023

² UNHCR, "Ukraine Situation Regional Refugee Plan", 2023.

³ <https://data.unhcr.org/en/situations/ukraine>

The CWG, created from the ground up in March 2022, is co-led by UNHCR and since August 2023 by the Polish Center For International Aid (PCPM) a national organisation (before by Polish Humanitarian Action (PHA), also a national organisation). Aligned with the nature of the crisis, the Refugee Coordination Model (RCM) and the 2022 IASC model, UNHCR is the permanent co-chair whereas PCPM is the rotating chair. CWG co-chairs are members of the Inter-Sector Coordination Group (ISCG). These, alongside CWG functions are established in the CWG Terms of References (ToR) that were circulated as early as March 22nd, 2022. CWG functions, be it as per March 2022 or August 2023 ToR are well aligned with the eight functions of the CWG spelled out in the new Cash Coordination Model, with the right degree of contextualisation (Figure 1). For example, linkages to social protection made its way to the third function in Poland as opposed to be the eight globally due to the maturity of the social protection systems in country.

Figure 1 Key Functions of CWG in Poland compared to the IASC Model

KEY FUNCTIONS OF POLAND CASH WORKING GROUP AS PER THE AUGUST 2023 TOR	KEY FUNCTIONS OF CASH WORKING GROUPS AS PER THE IASC MODEL
1. Compile and guide the analysis by CWG members on existing assessments and monitoring around the feasibility of cash, including affected people's preference for cash assistance, as part of overall response analysis	1. Coordination of cash across the response, including feasibility of cash as part of response analysis. Inclusive of multisectoral response analysis in order to consider the appropriateness, feasibility and relevance of MPC.
2. Ensure the overall cash response is coherent,2 avoids duplication, and finds opportunities to increase effectiveness, coordinating with the clusters/sectors to ensure coherence.	2. Ensure cash response is coherent, avoids duplication, and increases effectiveness, coordinating with clusters/ sectors.
3. Provide a clear and predictable entry point for linkages to social protection in Poland to the extent appropriate for the response and/or preparedness efforts	3. Provide effective information management for cash assistance, in collaboration with clusters for sector-specific cash, including accurate and up-to-date 4Ws.
4. Ensure that the cash assistance is targeted at the most vulnerable people with a harmonized approach by cash actors in Poland, in line with the do no harm principle.	4. Promote common mechanisms, standards, and tools for harmonized, quality and accountable programming.
5. Maintain closer and effective coordination with local NGOs and promote strengthening the institutional capacity of CWG members and local actors.	5. Provide common services, which may include joint frameworks, market analysis, risk assessments, financial service provider mapping, coordinated monitoring and coordinated feedback mechanisms.
6. Provide effective information management on CVA delivery across the response, in close collaboration with clusters/and their information management officers (IMOs) for sector-specific use of CVA.	6. Capacity-building of CWG members, clusters, local actors and government partners.
7. Promote the use of common mechanisms, standards, and tools across partners for harmonized, quality and accountable programming.	7. Advocate for enabling environment for cash; policy and advocacy with donors; and access to people in need of cash assistance.
8. Provide common services to cash partners as relevant which may include supporting joint/ shared market analysis, risk assessments, financial service provider mapping, mapping of government social assistance	8. Provide a clear and predictable entry point for linkages to social protection to the extent appropriate for the response.
9. Review and support the capacity strengthening requirements and requests of CWG members, clusters, local and national actors (ENAs) and government partners and develop strategies for addressing gaps in skills and knowledge	
10. Facilitate and enable inter-agency lessons learnt sessions.	

The CWG was originally set up as a temporary group with a “view to phase out/ be absorbed into existing national coordination functions”⁴ yet in light of the continuation of the crisis, its existence perpetuated in the August 2023 revised ToR.

The CWG established three different thematic task teams: on targeting, de-duplication and social protection. The latter is the only active task teams as of October 2023.

Resources wise, the two CWG co-chairs have operational responsibilities in their respective organisations on top of their coordination functions. The CWG is also supported by a part time Information management Officer (IMO)

⁴ ToR CWG First Edition

A relatively well funded response

Ninety-seven per cent (\$203 millions out of \$210 millions funding requirement) of the 2022 Ukraine Response RRP funding requirements⁵ were met for Poland, making it a well-funded emergency response. This has been a key enabler of the response and by extension of cash coordination.

Strong Government capacity and mature Social Protection systems

The Polish Social Protection systems are diverse and mature, with more than thirty different schemes available. While falling at central level under the competence of the Minister of Family and Social Policy, transfers are made in a decentralised manner under the competence of 43 territorial branches of the Social Insurance Institute, the ZUS. Such systems have demonstrated their capacity to expand vertically and horizontally.⁶ The breadth of the Social Protection systems highlights the importance of the CWG function in creating bridges between emergency CVA and SP, but also the challenges, for humanitarian actors, most of them new to the context, of mapping and getting abreast of the different schemes and decentralised operations.

High level of digitalisation of the response

The Ukraine response is highly digitalised as a result of high refugee digital literacy and strong existing infrastructures. The coordination is no exception. For the first six months of the response, the CWG meetings took place online only, not necessarily as preventive COVID measure, but rather, as a way to allow the participation of organisations not physically present in Warsaw. While this encouraged the diversity of participation, including from local and national actors (LNA) operating in the border areas or in the south, it also reportedly reduced engagement and social benefits of the meeting.

II. To what extent was the cash coordination effective and timely?

Key finding 1: The cash working group quickly build from the ground up to steer one of the largest and fastest cash response ever.

The scale and timeliness of the cash response in Poland is broadly acknowledged.⁷ The extent to which it was a success of the cash coordination is hard to ascertain. Cash coordination has nonetheless undoubtedly been able to accompany this rapid scale up, which is an achievement considering it had to be established from zero.

⁵“Inter-Agency Financial Portal for Refugees Aid Programmes,” accessed June 8, 2023, refugee-funding-tracker.org.

⁶ STAAR, 2022, Poland: A social protection country profile for the Ukraine crisis response

⁷ UNICEF, 2023, Evaluation of UNICEF’s response to support the influx of refugees from Ukraine. UNHCR, 2023, Evaluation of UNHCR’s Level 3 Regional Refugee Emergency Response to the crisis in Ukraine.

The first Cash Working Group Meeting took place in Poland on March 7th, 2022, rapidly after the start of the crisis and comprehensive guidance on targeting, MPC transfer value, duration of assistance was shared as early as March 22nd, 2022.

CWG first met on a weekly basis, then bi-weekly and since April 2023 monthly. The frequency of the meeting is deemed appropriate by the interviewed CWG members. CWG minutes have been regularly published on UNHCR operational data portal in March 2022 and then again from February 2023.⁸ The noticeable gap of regular meeting minutes between April 2022 and January 2023, during the scale up period, does not reflect an absence of meeting, that reportedly took place regularly with a single briefing note shared afterwards. Lack of published documentation of the meeting, however made it harder for new cash actors to swiftly get informed about cash coordination efforts and to build the CWG memory, which was further hampered by high turnover of CWG chairs.

The high turnover of the UNHCR CWG chairs during the first six months of the response, inherent to the nature of their contract and deployment type, has been cited by half the key informants as an impediment to cash coordination. This led to inefficiency as contextual understanding and trust had to be rebuilt each time a new chair arrived.

Key finding 2: CWG effectively played its role in providing MPC related guidance early on in the response

CWG effectively played its role in providing comprehensive MPC related guidance early on in the response, as early as March 2022. Technical soundness of this guidance has been questioned by several key informants, especially the calculation of the transfer value which was originally based on the need quantification of poor polish households, as opposed to refugee households. Though imperfect, using pre-existing data to inform the transfer value allowed rapid decision making. Transfer value was then reviewed a year later and effective as of July 2023.⁸

CWG also coordinated a collaborative mapping of financial service providers, though not available online. No formalised cash feasibility study was coordinated by the CWG, but it became relatively clear early on in the response that CVA was feasible, at scale in Poland.

The CWG put in place an operational 5W tool, hosted on Activity Info that partners fill rather consistently on monthly basis. Further, the CWG is currently developing a PDM tool to support monitoring of MPC outcomes, which some informants would have liked to see earlier on in the response.

Key finding 3: CWG has been effective to support MPC but less so sectoral cash

CWG primarily focused on supporting MPC and winterisation efforts. Key informants were unanimous that the CWG provided so far limited inputs and guidance to sectoral CVA.

⁸ Poland Cash Working Group Guidance Note MPCA Transfer Values, July 2023

Placing the bulk of efforts and resources on MPC was relevant in 2022 and 2023, where MPCA represented the very vast majority of the CVA distributed.⁹ As the response transitions to a more targeted response, complementing existing social safety nets, CWG will need to tighten its connections with the sectors.

Key finding 4: Effectiveness of Cash Coordination can only go thus far than the members are willing to adhere to the recommendations made and joint systems set up.

CWG put relevant and early on efforts for joint enrolment (on Population Registration and Identity Management Eco-System - PRIMES¹¹) and de-duplication (on Refugee Assistance Information System- RAIS) that were appreciated by most of the interviewed CWG members but not consistently used, hence drastically reducing their effectiveness.

- In 2022, the RAIS was used for de-duplication by 20 organisations who are part of a joint data sharing agreement and since its inception in late 2022, more than 30,000 identifiers have been detected for duplication. In 2023, 9 organisations have used the platform, mostly as a result of a reduction of the number of organisations distributing CVA. De-duplication effort was also supported by CWG member, such as the CCD, who shared the lessons learned of their members. The RAIS is not used by large cash actor such as IFRC or IRC, which limits its effectiveness. As per two key informants, the lack of CWG level cross borders de-duplication limited the effectiveness of the CWG efforts.
- For the enrolment in PRIMES, coordination efforts were hampered by lengthy negotiations on data sharing, which led some organisations to leave the process.¹⁰

While coordination efforts were relevant, this review does not provide an opinion on the soundness and appropriateness of the systems and platforms endorsed by the CWG. PRIMES and RAIS are both UNHCR organisational systems which may have been a deterring factor for some CWG members, worried about giving further weight to UNHCR, the largest cash distributor in country.

Key informants further shared a few examples of programme not following CWG recommendations, hence creating the risks of inequality in the assistance received. It was not possible through this short review to assess the breadth of discrepancies in the assistance provided by the CWG members, but these examples were:

- The gap period to receive a new round of MPC varies from one organisation to the next: for some organisation, there needs to be a 3 month-gap in between two rounds of three months of MPCA, whereas others go with a one-month gap.
- Transfer values slightly varied in between some organisations, mostly as a result of organisations rounding the transfer value differently (i.e. the recommended amount was not always operationalisable through the chosen delivery

⁹ As per the 2023 Regional Refugee Response Plan, 89 percent of CVA is intended to be multi-purpose cash in Poland.

¹⁰ Lutheran World Fundation, 2022, LWF Technical Feedback Report for UNHCR: Experience of using UNHCR Digital Systems for Emergency Cash Programming in Poland

mechanism as ATM do not distribute 10 Zlotis notes), being in disagreement with the calculation made or adopting a different programme design.

III. To what extent was the cash coordination inclusive, transparent, and accountable?

Key finding 5: National actors having large cash programmes actively participate in cash coordination from which refugee and Ukrainian organisations are absent. Decisions are however perceived to be UNHCR centric.

Cash coordination is inclusive in that it is open to all cash actors national and international. CWG is co-chaired by a Polish NGO, yet the CWG co-chair hosted by Polish Humanitarian Action (PHA) was an international staff, which limited the co-chair contextual understanding and contribution to localisation. Interviewees reported the Polish NGO members of the CWG being active and vocal, with several (co-)leading task forces such as the Targeting Task Force co-lead by PCPM.

CWG is however largely attended by international organisations with limited membership of national organisations, and an absence of refugee and Ukrainian organisations. Interviewees reported language (meetings have been held in English only since March 2022¹³ and CWG guidance documents are primarily English only) and resources barriers to explain limited local participation. More pragmatically, there are also a limited number of national organisations distributing CVA.

Interviewed users of the CWG felt they knew how decisions were made, but regretted it was somehow UNHCR centric. For example, the first organisation co-chairing the CWG between March 2022 and July 2023 was appointed by UNHCR without elections, contrarily to the 2022 Cash Coordination Model recommendations. In August 2023, the new Co-Chair was appointed following a call for expression of interest by UNHCR and on a “no-objection” basis as there was only one volunteering organisation. As per the August 2023 ToR, elections of the co-chair are now planned for 2024. CWG members also identified risks of conflict of interest with UNHCR being the largest CVA implementer over the period, a large funder of CVA as well as the chair of the CWG. This perception was reinforced by the CWG co-chair multi hatting, having both operational responsibilities with UNHCR and coordination responsibilities, and sometimes at risk of being torn between two possibly diverging interests: those of UNHCR and those of the other CWG members. This challenge is not cash specific and has been documented across all sectors in the response.¹¹

Central and local government actors are largely absent from the CWG and humanitarian coordination meeting overall,¹² despite reported intense efforts to invite them. The

¹¹ UNHCR, 2023, Evaluation of UNHCR’s Level 3 Regional Refugee Emergency Response to the crisis in Ukraine.

¹² See for example: UNHCR, 2023, Evaluation of UNHCR’s Level 3 Regional Refugee Emergency Response to the crisis in Ukraine.

opportunities for meaningful dialogue were limited which hampered the bridges between social protection schemes and humanitarian CVA.

Key Finding 6: There are strong theoretical connections between Humanitarian CVA and SP, that are not practically tested and are hampered by the absence of SP stakeholders from CWG, internal rivalry and complexity of a highly decentralised Social Protection system.

MPCA was from the start designed as a three-month temporary assistance time for refugees to start receiving State support. The extent to which the theory materialised is however largely unknown from the CWG members, in part because of the absence of Government from the CWG but also because of the challenges to map Social Safety Nets (SSN) in Poland.

As per the Temporary protection status, Ukrainian refugees have accessed to the Polish SSN which are diversified, mature and strong but also very geographically diverse as led by the different municipalities.¹³ The high decentralisation of SSN appears to be at odds with the high centralisation of the CWG that only exists at central with limited linkages between central level coordination and non-cash specific area-based coordination.¹⁴

The CWG has set up a dedicated Social Protection Task Force, that surprisingly reports to both the protection sector and the CWG. This double accountability line, outside of the ISCG, contributes to delays and confusions among the members. At the time of writing the report, in October 2023, it was also unclear to key informants as to who was chairing the Task Force between the CCD and UNHCR, further contributing to delays and inefficiencies. As of November 2023, the SP Task Force plans to wrap up its activities, following the finalisation of a mapping of SP systems. This decision is surprising in light of the major challenges and opportunities lying ahead to ensure stronger connections between emergency CVA and SP. UNHCR explains this decision, by the fact that within their team in Poland SP skill set mostly lies within the protection team.

The Social Protection Task Force has repeatedly tried to invite local and central Government representatives but without much success to date. Informants explained the limited governmental uptake by the limited time spent at the start of the response to explain humanitarian architecture but also a result of language barriers, CWG and SP task force meetings taking place in English.

UNICEF, one of the organisations being the most advanced in its linkages with SSN, at Municipality level, has mostly been absent from the CWG which further limited learning for the other members.

¹³ STAAR, 2022, Poland: A social protection country profile for the Ukraine crisis response

¹⁴ UNHCR, 2023, Evaluation of UNHCR's Level 3 Regional Refugee Emergency Response to the crisis in Ukraine.

IV. Implications for the future

Cash coordination has been quick and efficient at the start of the response with major endeavours and opportunities lying ahead to support the response to pivot towards more sectoral cash and stronger bridges with SP.

As per the 2023 RRP: *"a large proportion of assistance for basic needs through MPCA will be delivered by the Member States through their respective national social protection systems. Humanitarian actors will increasingly focus on cash assistance in support of specific vulnerabilities across the RRP sectors, such as health and education, complementing national systems."*

Such statement highlights the importance of linkages between sectoral and multi sectoral cash coordination and of the implications of national governmental actors in Cash Coordination, both areas for which the CWG has faced challenges to date.

On the sectoral element, Cash Coordination of the Ukraine response, including in Poland prompts a broader reflection on the role of the CWG in contexts where CVA and especially MPC is significant. Support to sectoral cash has been rather consistently highlighted, across contexts, as one of the weak points of the CWG.¹⁵ Though not officially laid out in the 2022 Cash Coordination Model, CWG has become the de facto coordination body for MPCA. In light of limited resources traditionally allocated to cash coordination, this add on to the CWG function is likely to divert CWG efforts from supporting sectoral CVA.

On the linkages between emergency CVA and SP, the recent elections may present opportunities for renewed engagement and bridges between humanitarian and social assistances. As per the standard ToR of the CWG,¹⁷ the CWG in Poland should retain a strong leadership in providing clear and predictable entry point for linkages to social protection, including:

- *"Promote the understanding of government policies related to CVA amongst cash actors;*
- *Systematically identify entry point for social protection linkages;*
- *Participate in and/or liaise with relevant coordination mechanisms, wherever appropriate, such as National Disaster Management Mechanisms, and/or Social Protection bodies(s)."*¹⁸

¹⁵ See for example : CALP, 2023, Rapid Reflection on the Scale-up of Cash Coordination for the Türkiye Earthquake Response

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