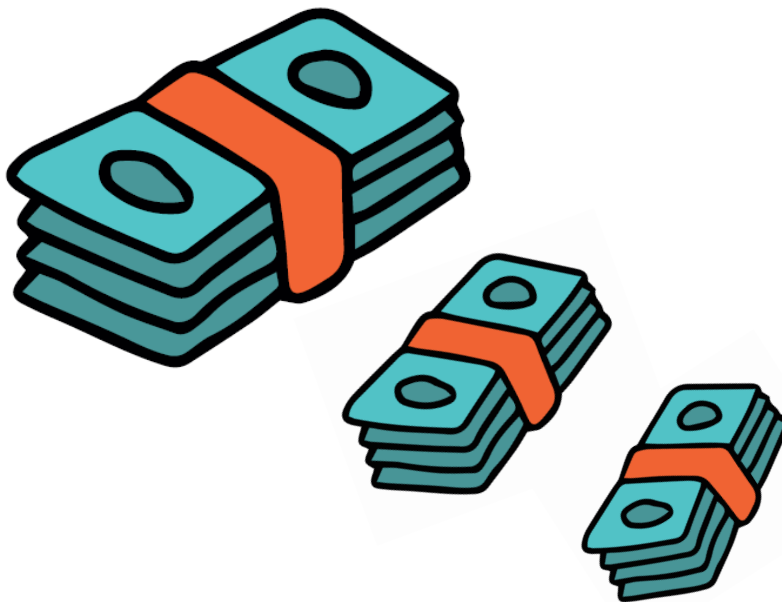




EXPLORING AND FOSTERING SPACE FOR
NGOs TO ADD VALUE IN LARGE SCALE
OPERATIONAL MODELS FOR HUMANITARIAN
CASH TRANSFER PROGRAMMES

VOICE CASH WORKSHOP



EVENT REPORT

THURSDAY 29 MARCH 2018

KEY MESSAGES



- The engagement of the humanitarian community around the use of cash in humanitarian action remains very high. Recent studies show an increase in selection of the cash modality but the overall target set by the Grand Bargain is far from being achieved. The high degree of participation in VOICE's workshop demonstrates the appetite among actors for exchanging, learning and engaging. While the use of cash in humanitarian settings is no longer new to humanitarian actors, recent major programmes using cash as the main aid modality (e.g. in Turkey) serve as significant learning opportunities for the community and generate new debates aiming at improving the delivery of aid to the most vulnerable people.
- Learning from the different operational models and gathering evidence on quality, efficiency, effectiveness and accountability are essential for fostering the use of the multipurpose cash transfer modality in the future.
- NGOs, as first responders, can bring added value individually but also collectively in large scale operational models for humanitarian cash transfers programmes. Given NGOs' proximity to beneficiaries and field expertise, they are essential actors particularly in relation to ensuring the quality and effectiveness of cash programmes.
- NGOs highlighted that cost-efficiency of cash programmes should not be looked at in isolation but issues of risk management and accountability should also be considered. Based on past experience, NGOs stressed that the cost, time and resources required to set up cash-based humanitarian action tend to be underestimated.
- On the issue of coordination, participants stressed the importance of having a predictable, inclusive and accountable structure in place. The Cash Working Group needs to sit separately from the other clusters and report to the Inter-Cluster coordinators group. Despite its limitations, such a model would strengthen coordination across clusters and foster accountability towards both beneficiaries and humanitarian actors.



Introduction

In recent years, the use of cash in humanitarian contexts has grown continuously. In 2015 alone, at least \$1.9 billion was spent on humanitarian assistance through cash and vouchers. This unprecedented level of spending is likely to increase in the future, while key actors acknowledge that some significant challenges still need to be overcome, such as coordination.

Cash is also perceived as one of the most active work streams of the Grand Bargain and several donors, including ECHO, have recently developed new policies and guidance to increase and scale up the use of cash in humanitarian assistance.

Format of the workshops

During the morning session, there were only NGOs in attendance. Following a tour de table where participants shared expectations and VOICE's Secretariat update on its involvement on the cash agenda at EU level, participants split into three working groups to discuss two of the three thematic topics:

- The role of NGOs in multi-purpose cash transfer (MPCT) programmes
- Coordination: issues at stake and ways forward
- Efficiency and effectiveness: working together to set the right indicators

NGOs got the opportunity to exchange best practices,

The workshop, organised by VOICE in the framework of its Grand Bargain project funded by the Belgian MFA, offered space for practitioners (including NGOs, the UN, the Red Cross, EU Member States, private sector officials, academics, and EU representatives) to exchange on best practices and share experiences. Participants explored the role and added value of NGOs in large scale cash transfer programmes all along the program cycle from needs-assessment to monitoring but also in relation to coordination. The workshop gathered more than 60 participants which were invited during the day to participate to different breakout sessions and a panel discussion.



identify issues at stake and brainstorm on NGOs messages and suggested ways forward to overcome the identified challenges.

In the afternoon, other stakeholders such as the UN and the Red Cross joined NGOs for a panel discussion taking stock of the current state of the cash agenda. Following, a fruitful discussion, participants once again split into the three working groups to discuss the issues and solutions explored by NGOs in the morning.

At the end of the day, the groups then came together to debrief and discuss the main findings from each of the discussion. Outcomes of each workshop can be found at the end of the report.



Panel discussion: setting the scene- where are we at?



The discussion was introduced by **Ester Asin Martinez, Director of Save the Children EU Office and VOICE Board member** who thanked the moderator and speakers for their involvement.

The panel was moderated by **Kathryn Taetzch, Global Director, Humanitarian Partnerships and Cash Based Programming at World Vision International**. In her introductory remarks, Kathryn pointed to the [State of the World's Cash report](#), launched in Brussels the evening before by the Cash Learning Partnership (CaLP), which takes stock of

progress made in delivering the Grand Bargain commitments on cash and identifies the obstacles to or key drivers of progress. While the report highlights the need for enhanced coordination and collaboration around cash, it is positive to see that momentum is building, particularly when compared to other GB commitments.

Each of the three speakers made a presentation, covering how they see the state of play of the cash agenda.

Isabelle Pelly

Technical Coordinator from the Cash Learning Partnership (CaLP)



Isabelle argued that given limited humanitarian resources available, it is imperative to maximise the potential effectiveness and efficiency gains of cash transfer programming (CTP). This includes understanding how different operational models for delivering cash influence the quality of CTP. In line with this, it is necessary to build an evidence base to be used in designing programmes. However, the metrics used to measure efficiency and effectiveness vary among organisations, making comparison difficult.

To that end, CaLP has developed an analytical framework to assess different operational models for CTP. The framework provides a toolset that can be used to draw out how aspects of an operational model influence efficiency, effectiveness and accountability in CTP. It also looks into the role of contextual factors in the formation and evolution of

operational models, and in supporting or hindering positive outcomes.

The [framework](#) includes three separate tools for gathering general information on the operational model, mapping out aspects of the model that impact quality, and collecting feedback from external stakeholders on the model. CaLP conducted reviews of inter-agency collaboration in late 2016 in the Philippines, Iraq, Afghanistan, Ukraine, and in 2017 in Greece, Jordan, and Nigeria.

Some emerging findings include:

- Efficiency:
 - The start-up costs and time needed to create new models, or move to a streamlined version suggests that complex collaborative operational models may be more suitable for chronic or protracted crises.



- A trade-off exists between harmonising tools, standardising approaches and timely cash delivery.
- Common delivery mechanisms do not necessarily lead to efficiency gains when contracting Financial Service Providers.
- Effectiveness:
 - Stronger collaboration helps leverage funding, allows resources to be shifted between partners, and improves sharing of expertise and experience, increasing effectiveness.
 - Three factors are important: Inter-agency buy-in and ownership of the model at country-level; the value of inter-agency, multi-sectoral tools; and the importance of governance and leadership of model at country-level.

- Accountability:
 - Formal collaboration structures can help develop harmonised accountability mechanisms, but harmonisation can lead to accountability loss through restricted data sharing between partners', limiting the ability to quickly address issues from beneficiary feedback.

Isabelle concluded by noting that CaLP is currently compiling the evidence base on operational models, based on the framework. This will be used as a basis for developing guidance to inform decision-making for donors and operational actors. CaLP also welcomes NGOs feedback and contribution to further development of the framework and guidance.

The framework had been launched through a webinar on May 9th 2018.

Louisa Seferis

Global Technical Adviser, Economic Recovery for the Danish Refugee Council and representative of Collaborative Cash Delivery (CCD)

Louisa stressed that NGOs are first responders with field expertise and that NGOs need to think about how to add value as individual organisations but also collectively in large cash based programmes. Humanitarian actors are getting better at measuring efficiency but effectiveness is more problematic. The importance of identifying precisely the basic needs that cash is aiming at addressing was pointed out.

Louisa outlined the work of CCD, a platform for interoperability established in August 2015, which brings together 15 INGOs around common objectives, sharing resources while maintaining individual systems and recognising the added-value of different organisations. CCD creates a collective voice around cash and an operationalisation of cash frameworks and practices, following the commitments made under the Grand Bargain.

Several positive examples of NGOs acting as first responders in a collaborative way were referred to, including in Somalia (where the first time multi-purpose cash was used), Haiti, Lebanon, and Jordan.



The newest phase of CCD is aiming as serving as a “response builder”: a platform for operational agencies developed from the NGO perspective and creating a common perspective before engaging with other stakeholders such as the UN and the ICRC. The platform incorporates local organisations and functions as a one-stop shop for finding resources rapidly, i.e. knowing who is able to deploy, in a given context.

Through examples like in Iran or Uganda, Louisa illustrated the role or potential role CCD can play both in relation to operations and advocacy. It also very much complements the work undertaken by CaLP.

From Louisa's perspective, NGOs have clear added value in cash based transfers humanitarian assistance which can be looked at from three angle:

- Chronologic angle: NGOs have to the capacity to set up or initiate first cash based programmes
- Geographic/coverage angle: thanks to their field presence, NGOs can identify gaps and cover them



– Targeting: NGOs have an expertise in targeting and in addressing the specific needs of particular groups of vulnerable people that might not be directly involved in (or able to access) large scale social safety nets.

– Louisa concluded that NGOs should create common messaging and collective advocacy all developed around these added values.

Matthew Keyes

Matthew Keyes, Deputy Head of Unit C1 (ECHO)



From a donor perspective on the cash agenda, Matthew started by countering the NGOs argument that discussions are often driven more by policy considerations than operational considerations. He explained that this was not the case with cash where the impetus has come from the ground up, and ECHO revised its rules to adapt to this demand from NGOs couple of years ago. He added that donors want efficiency to be improved so that taxpayers' money is well spent. However, he agreed that effectiveness is more problematic and that more attention is needed to see how it can be measured. Huge benefits can be accrued by increasing the use of cash, and this explains why ECHO is promoting the use of cash; but through a field-driven, context-based approach.

Addressing NGO concerns, he noted that the ECHO cash guidance note was not revised since its last update was published in November 2017.

ECHO is starting to apply the guidance in a practical sense. However, they are not yet at the stage of having organisations solely responsible for carrying out each component, but there is a sense of better coordination at operational level.

There will be a gradual operationalisation of the guidance over the course of the 2018 HIPs. In terms of proposals under 2018 HIPs, NGOs are seeing more emphasis on the efficiency ratio, i.e. on getting more money to beneficiaries, as well as on transparency. And this is the case for all actions proposals (not only for cash based operations). ECHO sees also a benefit in promoting large scale cash operations that links with (or set up) social protection systems and thus contribute to implementing the so-called 'humanitarian development nexus'.

In terms of delivering cash on a commercial basis, consultants are carrying out a preliminary market

consultation to see if there is sufficient interest from private operators to make it worthwhile going to tender. ECHO organised an information session on Tuesday 27 March and the ongoing consultation will inform ECHO's final decision. Preliminary findings are expected by May or June.

On ECHO's implementation of the Grand Bargain commitments, recent changes have been made to the Single form in order to be able to measure ECHO funding by aid modality (cash, voucher or in kind).

Matthew asked NGOs why at this point in time cash and vouchers activities in the all humanitarian sector represented only 10 percent. ECHO would be interested in understanding what partners need to ensure this figure increases. It should not be the lack of evidence, (as cash is already well-studied), context (as different contexts suit cash better than others), or capacity-building (as lots of this is happening through financial service providers and not NGO partners) that prevent NGOs from implementing through cash programming.

He emphasised that the quality of assistance remains a fundamental element to be measured when delivering cash. If a tender arrangement is made and delivery is undertaken by a third party ECHO expects NGOs to play an active role to monitor quality of the programmes and provide essential complementary services to ensure minimum quality standards are maintained.

ECHO is also interesting in developing, together with partners, indicators in order to be able to measure the difference multi-purpose cash assistance is making. ECHO would like to hear whether and how partners are currently measuring it, noting that indicators could be developed but they would have to be meaningful.



Q&A with the audience

Moderator Kathryn Taetzch kicked off the questioning, asking how to ensure accountability and feedback between the different components, particularly at field level. She also asked the panellists how local actors can be empowered and about the role of government.

Sarah Bailey, a Research Associate at the Overseas Development Institute (team member of the consulting team commissioned by ECHO for the ongoing consultation referred above) provided further information on the preliminary market association and asked about how cash programmes can be featured in humanitarian response plans (HRPs).

Isabelle Pelly responded by noting that the broader question should be: what is the

relationship between collaboration and coordination? She stressed that CaLP really grappled with this when setting up their research framework and noted that in contexts like Iraq where there is a multi-purpose cash chapter in the HRP, this will likely contribute to strengthen coordination.

Louisa Seferis added that in Ethiopia it is common sense to have the separate chapter in the HRP on cash. She noted that without the inter agency buy-in it is irrelevant how good the NGO collaboration is. She argued that NGOs are trying to place more value on components A and C, and that CCD has realised that the delivery of cash is not for NGOs. However, NGOs want to see more incentives to invest and increase effectiveness under components A and C.



Final plenary session

Moderators from each of the three working groups presented the main findings and discussion points of the workshops. Key findings are captured below.



Workshop 1

Efficiency and effectiveness: working together to set the right indicators

(facilitator: Chiara O'Malley, Senior Cash and Market Advisor at CARE International)

The workshop highlighted the need for a more holistic understanding of needs and the potential for impact. It was noted that big programmes present higher visibility but higher risks.

It was recognised that cost-efficiency must be balanced with risk management and accountability and that, while cost ratio is a clear number, it misses a lot too. While discussions tend to focus on direct cost efficiency (between donor and final beneficiaries) too little attention is paid to costs borne by beneficiaries (be it because of unofficial taxation, protection costs etc...).

On the “cash plus” idea, it was stressed that in many cases delivering cash requires other services and approaches in order to have greater impact, but it is not clear how such “cash plus” approach will be integrated in operational models and integrated into cost efficiency and effectiveness measurement.

Cost, time and resources required to set up cash-based humanitarian action tend to be underestimated. Selection and management of financial service providers require strict and often cumbersome procedures implying significant human resources. Delivering cash is far from being only a “pressing a button” exercise.

Some participants also noted that the assumption

around efficiency gains to be made by working with private financial service providers may be challenged in certain contexts / crisis responses. Questions were also raised regarding the engagement of private financial actors in market analysis considering potential conflict of interest there may have.

Additional discussion points include the importance of consultation and dialogue at field level including all relevant actors before defining which operational model is most appropriate to form; evaluations tend to demonstrate that more efficiency gains are made when models are defined at field level by operation agencies. National/ hosting government have a major role to play: they can facilitate or impede the delivery of assistance and in the case of cash based programming national administrative rules may orientate the model and modality of aid delivery. Therefore, engaging in advocacy at national level is often essential.



Workshop 2

Coordination: issues at stake and way forward

(facilitator Kristin Smart, Global Cash Transfer Programming Coordinator at Oxfam)

The workshop explored the relationship between collaboration and coordination, recognising that they often serve as a precursor to each other in that: if there is a gap in one (for example, weak coordination models) the other can step in, thereby driving each other forwards.

The groups discussed the importance of having proper coordination mechanisms in place to be able to address referrals if a particular need is not able to be met by cash transfers. .

The need for space to discuss variations in modalities and approaches and to standardise them was identified, with a focus on beneficiaries essential. Strategic, technical and operational coordination requires different actors, competencies and activities.

Questions were raised regarding whether coordination should play a role in advising who is best placed to do what where, or whether it should only be about information sharing.

The groups identified the main barriers and challenges to effective cash coordination systems:

- *Mandates and incentives*: define the role of Cash Working Group (CWG) in relation to other actors and define respective responsibilities
- *Standards*: contrary to other sectors CWG has no established standards
- *Funding*: CWGs require dedicated funding to strengthen its leadership
- *Technical support*: proper information management system need to be established for relevant analysis to be made.
- *Local actors*: their capacity to participate in a cash coordination mechanism has to be considered in a meaningful way



· *Time vs. needs*: finding the right balance to establish satisfactory level of coordination

Participants worked towards identifying a coordination model that would address (at least partly) the above challenges:

- In November and December 2017, the Global Clusters Coordination Group endorsed a model in which the CWG would sit separately from other clusters.
- In this model, the CWG is directly accountable to the Inter-Cluster Coordinators Group, and is not responsible to one particular cluster, giving it more independence and more structure to cash coordination mechanisms
- This model allows for predictability across different emergencies, more space for engagement (especially for smaller actors and local actors), and a direct line of accountability to humanitarian response structures in-country



- In terms of leadership, OCHA was identified as a potential co-lead, due to its formal and recognized links to coordination structures, as well as its capacity and knowledge, but it was also agreed that an OCHA co-chair would be balanced by an NGO led and separate technical co-chair would be needed since OCHA is not operational (preferably an NGO or the CaLP)

- In order for this model to function effectively, Terms of Reference should be standardised across contexts and CWGs need to be established on time for cash coordination to be closely working in complementary manner with sectorial responses.

The suggested model created lively debate and some risks were identified:

- The model does not comprehensively address multi-purpose cash assistance

Workshop 3

The role of NGOs in multipurpose cash transfer (MCPT) programmes

(facilitator Louisa Seferis, Global Technical Advisor - Economic Recovery at Danish Refugee Council)

The workshop explored various questions surrounding partnership and working in consortia. Working with various partners should be about exchange and capacity-building, but the groups sought to identify how exactly this happens and with which actors (donors, the UN, local actors, INGOs, recipients, the private sector, and so on). Coordination can sometimes be organic, or sometimes more organised and pre-established; and collaboration should be seen as a spectrum.

NGOs are field-driven and have that essential expertise. It was noted that NGOs strive to be evidence-based but are often relationship-based instead. NGOs are generally known as the first responders.

- It puts pressure on OCHA and the co-chair coordination activities and to provide leadership

- There's a risk of having over-structured coordination system (as opposed to letting it form organically)

- In the discussion of the large scale Operational Models suggested in the Oxfam Guidance there were some debates about the coordination between the A, B and C components: all three should have an equal weight in the coordination discussion and it was questioned where the lines of accountability lie between the different components. It was concluded that the cost of not having such a coordination model established and recognised by the humanitarian community is significant enough that the proposed model is by far preferable despite its imperfections.



It was discussed that NGOs want an impact-oriented approach. A diversity of expertise is important for increasing impact and complementarity of different responses must be ensured.

The role of so-called “niche” organisations was explored, as it was argued by some that they have been left behind in discussions on cash.

The access to collaboration mechanisms was explored, and it was emphasised that the importance of access to these arrangements should be made as open as possible.



The role of data in collaboration was discussed, in terms of who owns and accesses it, as well as how it is shared and how data-sharing policies are put into practice. The impact of the new EU GDPR was also raised as it remains unclear how the regulation will impact on NGO delivering cash based assistance.

Participants noted that multi-purpose cash is challenging cluster silos. An outcome-oriented approach is wanted, but achieving cash outcomes should not contravene achieving broader sector outcomes.

It was questioned whether cash is creating an agency identity crisis. Instead, participants argued that cash should be seen as an opportunity, where with a commitment to collaborate it encourages a broader analysis of the needs and the involvement of a wider range of actors. Thanks to their added value, NGOs provide a unique perspective on field reality and can offer a sounding board to quality standards.



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