

NGO Position Paper – Cash Coordination in Humanitarian Response

In March 2018 the Good Humanitarian Donor Initiative issued a letter to request the IASC to decide upon and issue clear guidance on the topic of cash coordination. The NGO community welcome this request for clarification, as a lack of clarity and predictability on cash coordination has had a significant impact on operations¹. The lack of formal, accountable, and resourced cash coordination has led to the formation of under-staffed, ad-hoc and informal coordination mechanisms and has hindered gains in efficiency and effectiveness in the use of cash. The absence of formal and predictable cash coordination has also limited the space for smaller and national actors to effectively engage in cash coordination².

The NGO community calls on the IASC to agree on and formalize cash coordination structures which meet the needs of national and international NGOs and support all actors to deliver cash more effectively and efficiently. This position paper stresses the importance of ensuring effective cash coordination which reduces duplication and gaps, provides common services and ensures resources are used in the most effective way to reach those who need them most. The NGO community asks the IASC to consider the below position on cash coordination and to provide actionable guidance on the way forward. In addition, the NGO community asks donors to ensure that once cash coordination structures are fully established and formalized that the required funding and resource commitments are made to ensure effective cash coordination.

The NGO community position on cash coordination outlined below is compiled from consultations with the Collaborative Cash Delivery (CCD) Platform, representing 15 NGO cash actors, and from a VOICE-convened NGO event held in Brussels in March 2018 which included over 30 NGO representatives and a working group session on cash coordination. The position of the NGO community is in line with the recommendations made by the Global Cluster Coordination Group (GCCG), the IASC commissioned World Bank Report, '*Strategic Note for Cash Transfers in Humanitarian Contexts*' and the CaLP commissioned Global Public Policy Institute (GPPI) paper on '*Cash Coordination in Humanitarian Contexts*.'

NGO's position on cash coordination

NGO actors support the GCCG position that cash coordination should be the responsibility of the Inter-cluster Coordination Group (ICCG) and that cash coordination is led by a Cash Working Group (CWG) reporting directly to the ICCG. Cash Working Groups (CWG) should have both a strategic and technical lead with a neutral agency formally linked to the humanitarian coordination system taking the strategic coordination role and the technical coordination role to be filled by a national or international NGO. Adequate resources must be provided at the global level to ensure a stand-by pool of cash coordinators available to be deployed to fill the strategic coordination role. Preferably this is matched by resources in-country available for the technical coordination role.

Structure and linkage to humanitarian architecture

- Cash coordination, led by a CWG reporting to the ICCG, is formalized and standardized within the humanitarian response system and allows for smaller and national actors to have a predictable space for engaging effectively in cash coordination.

¹ Examples of the impact that the lack of clarity on cash coordination has had on operations can be found in the [CaLP State of the World of Cash \(2018\)](#) Ukraine and Haiti case studies as well as in [ODI's studies on Iraq and Ukraine](#) completed as part of ODI's working and discussion papers on cash transfer's.

² The CaLP State of the World of Cash (2018) Report found that just 28% of those felt that local and national actors were appropriately engaged in cash coordination.

- Cash coordination is multi-sectoral and does not sit under any single cluster but directly under the mandate and responsibility of the Inter-Cluster Coordination Group (ICCG)³ and Humanitarian Country Team (HCT) wherever these bodies exist. In UNHCR-led refugee responses, the Inter-Sector Coordination Group should assume this responsibility. In responses where neither of these bodies exist coordination through another facilitator may be relevant.

Mandate and responsibilities of cash coordination mechanisms

- Cash coordination supports both strategic and technical coordination of cash transfer programming across the response, including both multi-sectoral cash and the use of cash as a modality of assistance by sectors.
- Cash coordination supports humanitarian actors to deliver cash in ways which maximise its impact, ensure cash is used as a first-choice response modality where and when it is the most effective tool, harmonize approaches and support the establishment of shared mechanisms (including common delivery, feedback and monitoring mechanisms) where appropriate. Cash coordination provides common goods – information management, tools – to all actors across the response. Cash coordination structures convene actors to agree on transfer values, harmonize monitoring and evaluation tools and ensure learning is shared and built upon. Cash coordination ensures appropriate liaison with government, private sector and development actors.
- Cash coordination structures have the capacity and resources needed to safeguard gender equality in cash programming.

Leadership for strategic and technical coordination

- Given the strategic and technical functions of cash coordination, which require different skills and networks, CWGs include two leadership positions, a strategic lead and a technical lead.
- Strategic coordination is led by a neutral agency with strong links to humanitarian coordination structures (such as OCHA). Ideally, the strategic coordination lead does not directly implement or fund cash programming.
- Technical leadership is led by a strong national or international cash actor from among the NGO community and ensures a balance between UN and NGO actors.
- Roles for national actors in the leadership structures of cash coordination are promoted and facilitated by the strategic and technical leads and wherever a national actor with the capacity to act as a technical lead is prioritised to do so.
- Cash coordination leadership is to be established and prioritized at the onset, of a crisis or as part of preparedness, alongside the establishment of the cluster or sector led response.

Local response capacity and national actors

- The structure, leadership and mandate of cash coordination must ensure links with national actors including local partners, Government stakeholders and the private sector.
- Cash coordination provides a pathway for integrating cash programs with social safety nets and social protection systems.
- In line with Grand Bargain commitments on localization, cash coordination commits to enabling meaningful participation of national actors and to supporting the capacity of national actors.

³ As reflected in the [updated ICCG ToRs](#), which specify that the ICCG is responsible for “*identifying and facilitating the coordination of multisectoral or joint programming such as multisectoral or multipurpose cash transfers, and ensuring strategic and streamlined cash coordination throughout the response.*”

Dedicated resources and guidance for cash coordination

- Resources and staffing for a pool of cash strategic coordination specialists is established at the global level so that staff can be rapidly deployed at the onset of a crisis to fill the strategic coordination role.
- Resources are available at the country level to ensure funding at the onset of a crisis to fill the technical coordination role.
- Resources are committed at the onset and throughout a crisis to the leadership and information management structures necessary to support to cash coordination.
- Standardized ToRs for CWGs and guidance on cash coordination is provided to guide cash coordination on how to establish and effectively run cash coordination mechanisms. The ToRs should be based on existing best practice among CWGs and adaptable to the field context.
- The NGO community, including national NGOs, are meaningfully consulted on the development of guidance, ToRs and other supporting documents on cash coordination.

Conclusion

Recent commitments at the World Humanitarian Summit (WHS) and Grand Bargain (GB) reflect the recognition of the role of cash in delivering effective, accountable and efficient humanitarian responses. However, without resolving the issue of cash coordination it is not possible for NGOs and national actors to effectively work together to increase the use of cash at scale and deliver against global commitments on the use of cash. CaLP and IASC commissioned consultative studies over the past two years have provided several recommendations on cash coordination. It is time to move from consultations to action and identify a practical solution to the challenge of cash coordination. The NGO community asks the IASC and donor community to ensure a continued and open dialogue on cash coordination with NGOs and to work collectively to address the issue of cash coordination by providing clear and standardized guidance on cash coordination.