



# Overview of Global Processes for Cash Transfer in Humanitarian Response

May 2017

Cascais, Portugal

# Humanitarian Cash Transfers in the Future

- New Ways of Working – World Humanitarian Summit
- Multi-purpose cash (MPC)
- Shock Responsive Social Protection Systems
  - Humanitarian and Development Nexus
- Private Sector

# Why is this 'new'?



- In-Kind (Goods or Services)
- Sectoral specific (e.g. Health goods)



## “Counting Cash”

**7%**

2017 GHO = \$22 billion

But if used when appropriate - this could increase to 36%-42% (GPPi Report)

This is not a “Target”, but it is a possibility

- More cash transfers. ***‘why not cash?’ ‘if not now, when?’***. Readiness in contingency planning and preparedness.
- More efficient cash transfers, delivered through stronger, **locally-accountable systems**. Link to **longer-term development and social protection**. Capitalise on **private sector’s expertise in delivering payments**. Deliver **digitally**, further **financial inclusion**. Improve **data security, privacy systems, compliance with financial regulations**. Improve coordination of cash. Implement **large-scale, multi-sectoral cash**, for **economy of scale, competition, avoid duplication**.
- Different funding to transform the existing system and **open up new opportunities**. Finance the delivery of humanitarian cash transfers separately from assessment, targeting and monitoring.

# ECHO 10 Common Principles on MPC

1) Responses to a humanitarian crisis should take place in a way that is **effective and efficient**, representing the best **value for money** and responding to the **most pressing needs** of affected people. 2) Humanitarian responses require needs to be met **across multiple sectors**, assessed on a multi-sectoral basis and provided at a level which **meet basic needs**. 3) Humanitarian assistance must be provided in a way that upholds the **dignity and preferences of beneficiaries** 4) **Innovative approaches** to meeting needs should be fostered. 5) **Multi-purpose assistance**, in the form of **cash transfers** should be **preferred** where possible and appropriate – “**Why not cash?**” 6) **A combination of transfer modalities and delivery mechanisms** may nevertheless be required depending on the nature and context of the crisis and used at various stages of the crisis – an optimum response may require them to be used in combination. 7) An appropriately detailed assessment of the **capacity of markets and services** to meet humanitarian needs must be carried out at the outset of a crisis, integrated within the overall assessment and **regularly monitored** 8) Agencies involved in responding to a crisis should establish, from the outset, a **clear coordination** and governance structure and **streamline assessment, beneficiary registration, targeting and monitoring**. 9) **Linkages with national social protection systems** need to be exploited whenever possible. 10) Accountability considerations require the use of robust **impact and outcome indicators**, which should be limited in number and which will be a combination of agency specific and broader indicators



May 2016



**#1 Prevent  
and end  
conflicts**



**#2 Respect  
rules of war**



**#3 Leave  
no one  
behind**



**#4 Work  
differently  
to end need**



**#5 Invest in  
humanity**



#### **Reinforce local systems**

Respect, support and strengthen local leadership and enable people to be the central drivers of relief and recovery efforts.



#### **Anticipate crises**

Invest in early warning and take action early to prevent and mitigate crises.



#### **Transcend humanitarian- development divides**

Work across humanitarian-development divides to meet humanitarian needs and reduce people's vulnerability in support of the 2030 agenda.

# Grand Bargain cash commitments

- (1) **Increase the routine use of cash** alongside other tools, including in-kind assistance, service delivery (such as health and nutrition) and vouchers. Employ markers to measure increase and outcomes.
- (2) **Invest in new delivery models** which can be increased in scale while identifying best practice and mitigating risks in each context. Employ markers to track their evolution.
- (3) **Build an evidence base** to assess the costs, benefits, impacts, and risks of cash (including on protection) relative to in-kind assistance, service delivery interventions and vouchers, and combinations thereof.
- (4) Collaborate, share information and **develop standards and guidelines** for cash programming in order to better understand its risks and benefits.
- (5) Ensure that **coordination, delivery, and monitoring and evaluation mechanisms** are put in place for cash transfers.
- (6) Aim to **increase use of cash programming beyond current low levels**, where appropriate. Some organisations and donors may wish to set targets.



# World Economic Forum: Principles on Public-Private Cooperation in Humanitarian Payments

- May 2016 World Humanitarian Summit, WEF committed to **convene humanitarian and private sector actors to agree guiding principles for working together** to provide more efficient and effective digital payments in emergencies.
- Eighteen humanitarian, development and private sector partners drafted six principles to **guide more strategic and thoughtful partnership between digital payments providers and humanitarian actors, in advance of and during crises.**
- The principles were **launched at Davos** in January 2017.
- Challenge now is to **ensure that this framework guides partnership around digital payments in crisis settings** – Gates Foundation developing an action agenda, efforts to promote these approaches with both payments providers and humanitarian actors ongoing.

# Humanitarian ICT Forum: Digital Payments

- March 2017, **humanitarian actors and technology sector convened at the annual Humanitarian ICT Forum** in Google's HQ, California to identify innovative solutions to make humanitarian responses more efficient, effective and responsive to the needs of affected people.
- **Digital payments was a major topic**, with sessions covering the principles for working together more effectively on digital payments and on making digital payments work in limited-infrastructure contexts.
- The need to collectively address **regulatory frameworks** which restrict digital payments in emergencies, the importance of building **interoperable, multiple-use systems**, the problem of ensuring secure and durable **personal identification** and the need to share **information in advance of and during crises** were highlighted.



“The New Way of Working can be described, in short, as working over multiple years, based on the comparative advantage of a diverse range of actors, including those outside the UN system, towards collective outcomes. Wherever possible, those efforts should reinforce and strengthen the capacities that already exist at national and local levels”

# To Consider:

- Humanitarian Development Nexus – Re-Enforce not Re-Create
  - Shock Responsive Social Protection Systems
- Collective Outcomes
- Innovation and non-traditional actors:
  - Work is already beginning on Digital Payments
- Changes in Humanitarian Funding: ECHO Funding Guidelines

“Different funding to transform the existing system and **open up new opportunities**. Finance the delivery of humanitarian cash transfers separately from assessment, targeting and monitoring”

# Thank-you!

