

What is cash transfer programming and cash coordination?

Cash transfer programming refers to all programmes where cash (or vouchers for goods or services) is provided directly to affected people to meet one or several basic humanitarian needs. Evidence indicates that cash is almost universally preferred by beneficiaries, and that it can be an effective and efficient means of delivering assistance where markets and operational contexts permit. Cash transfer programming is being scaled up across the humanitarian system and can be delivered through mechanisms including vouchers, electronic payment systems or direct cash delivery.

Why use cash transfer programming?

Cash is a flexible resource that people can use to meet multiple needs across a variety of sectors. Providing cash, particularly multipurpose¹ cash assistance, to crisis-affected people allows those people to prioritize their needs, and it can stimulate local markets, helping to speed up recovery. It can also serve as an important bridge between humanitarian and development activities.

When should cash transfer programming be used?

Humanitarian assistance, whether cash based or in kind, should be needs based and context specific. The appropriateness or feasibility of cash as a response modality depends on factors including market systems, the acceptance and safety of cash, transfer/delivery options and implementing-partner capacity. If the conditions are not conducive, or cannot be supported to be conducive, cash transfer programming should not be used. Some needs cannot be met through cash transfers, such as critical infrastructure or psychosocial support.

Current state of play

The Secretary-General's Agenda for Humanity called for cash to be used as the preferred and default modality where markets and operations contexts permit, while the Grand Bargain committed to a scale-up of cash and the strengthening of cash coordination. OCHA is supporting this through effective and context-specific coordination, inter-agency engagement at global and field levels, and improved understanding of the feasibility of cash.

What is OCHA's role²?

OCHA does not implement cash transfer programming but is committed to promoting the most effective response to any crisis. OCHA does not distinguish its coordination function between in-kind and cash assistance: its role remains to support the Humanitarian Coordinator³ (HC) by informing, advocating and coordinating to ensure that people's needs are met in the most effective way. The multisectoral nature of cash transfer programming re-emphasizes the need for robust intersectoral coordination, facilitating a collective understanding of critical needs, and how to meet those needs most effectively and accountably.

In line with the Agenda for Humanity, OCHA will support the Emergency Relief

Coordinator, HCs and Humanitarian Country Teams (HCTs) to ensure that cash is the preferred and default form of assistance where feasible and appropriate. OCHA will systematically promote and advocate for the most effective response modalities in a given context, including consideration of multipurpose cash.

OCHA will support the HCT and Inter-Cluster Coordination Groups (ICCGs) to address cash-related issues, and it will ensure that Cash Working Groups (CWGs) are linked to the formal coordination architecture⁴. Specifically, OCHA will:

- Ensure, on behalf of the HC, appropriate and timely strategic coordination of cash transfer programming. Cash and in-kind

¹ Multipurpose cash refers to a transfer that is designed to meet multiple needs across multiple sectors. It is unrestricted (it can be used freely for any purpose). It is defined as a transfer (regular or one-off) corresponding to the amount of money a household needs to fully or partially cover a set of basic and/or recovery needs.

² This note speaks only to IASC coordination arrangements.

³ Or Resident Coordinator (RC) depending on the context.

⁴ Inter-Cluster Coordination group (ICCG) Terms of Reference 2017.

assistance must be coordinated through the same mechanisms to ensure coherent and flexible implementation and monitoring.

- Ensure the establishment of context-appropriate cash-coordination mechanisms as needed, including providing strategic coordination support⁵. Where cash-coordination mechanisms already exist, ensure they are appropriately linked to the ICCG and the HCT.
- Integrate cash transfer programming, including multipurpose cash, throughout the humanitarian programme cycle (HPC).
- Facilitate multi-stakeholder feasibility studies to determine whether cash is an appropriate response option, and support an evidence-based approach to decision-making.
- Ensure that OCHA coordination tools, information management (IM) services, public information products and financial tracking mechanisms systematically capture cash transfer programming, including multipurpose cash.
- Support cash transfer programming using OCHA-led humanitarian financing mechanisms.
- Ensure OCHA staff are ready to provide strategic⁶ cash-coordination support in every emergency as part of their core functions.

What does OCHA say?

1. Cash should be systematically considered as a response option

Humanitarian actors should work together to ensure that cash is the preferred and default form of assistance where markets and operational contexts permit. Cash should be systematically considered on an equal footing with in-kind assistance to determine the appropriateness of different response modalities.

2. Coordination should support the principled and effective scale-up of cash

Coordination mechanisms should be flexible and effective, allowing for collective, multisectoral approaches that focus on the preferences of affected people. OCHA will continue to provide robust intersectoral and strategic coordination for cash and in-kind

assistance. OCHA staff will have the requisite skills to ensure this function. The multisectoral coordination of cash should be integrated within the existing coordination structure, with CWGs reporting to the ICCG.

3. The feasibility of cash and in-kind assistance should be understood early

In any humanitarian response, preparedness activities must include cash and markets so that when a disaster strikes, there is adequate information to determine whether cash is a response option.

4. OCHA will facilitate effective intersectoral coordination

OCHA remains committed to ensuring an enabling environment for these multisectoral discussions to ensure an accountable and quality response.

To find out more:

- IASC Strategic Note: Cash Transfers in Humanitarian Context
<https://interagencystandingcommittee.org/principals/documents-public/strategic-note-cash-transfers-humanitarian-context>

⁵ In some emergencies, a Cash Working Group may be established due to the scale of use. In other emergencies, cash may be integrated as a standing agenda item of the ICCG. Depending on the context and agreed structure, OCHA will chair, co-chair or provide secretarial support to such a mechanism.

⁶ OCHA does not provide technical cash expertise. OCHA's coordination function is strategic, and it will work with operational partners to ensure this function is predictably available, as required, at country level.

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