



Cash & Markets Working Group (CM-WG)

Change of modality: discussion with FSC and CM-WG

Meeting minutes – 16 July

The presentation is available at

https://wfp.sharepoint.com/:p/s/fsc_global/Ec9ahsVfbxhFqNRlEquJlVkBanRnWq-Tk9xvoT8kO1XYrg?e=WZwRSJ

The audio/video of this event is available here:

https://wfp.sharepoint.com/:f/s/fsc_global/EoyDAexL4iZMINaqDGT92xYBWUnMaN1kUok9NhOfReWj1g?e=cdllCg

Agenda:

1. Introduction
2. Situation in Nigeria: context, issues, challenges
3. Presentations from Zimbabwe, Pakistan and Venezuela.
4. Q/A and discussion
5. Next steps
 - 1) Any support, guidance, products required from the gFSC / gFSC-Cash and Market
 - 2) Way forward
6. AOB

Introduction

Damien (gFSC focal point for the CM-WG) introduced the discussion and pointed out that the FSS team and Leslie Parker (FSS-CC) in Nigeria brought this discussion to the gFSC during our monthly call.

After this call, Damien discussed the issue with gFSC staff, FSC staff, and the CaLP focal point for the FSC (Alice Golay), as well as the 2 chairs of the CM-WG. Additional information was collected and shared with FSS Nigeria.

It appeared that there was a strong interest in this discussion and therefore, an online discussion was set up to share additional experience.

FSS Nigeria

In addition to his presentation, Leslie Parker showed this template:

https://wfp.sharepoint.com/:w:/s/fsc_global/EeEfwyKZ2uVGI50u5JYoEMsBkBhLWuUUGtdgkpi72JP9NA?e=Wd4kH1 which has the triggers for change of transfer modality. Indicators are based on:

- Large-scale closures of agent, ATMs, cash agents
- Complete and sustained lack of liquidity
- Sudden and consistent changes in currency valuation and exchange rates
- Complete collapse of local markets
- Inflationary pressures on market prices and services

Zimbabwe, Pakistan and Venezuela

- Sarka (FSC-CC) presented the situation in Zimbabwe (between hyperinflation and drought) and how the humanitarian actors have adapted the value to each delivery modality
- Abbas and Aman¹ (WFP-VAM Pakistan) explained how WFP and its partners assess the situation on market, security, logistic and IT/payment services. They also organize FGD to develop food security profiles of the area. Areas are prioritized based on food insecurity rates, access to market and vulnerability score (based on FGD)
- Mauricio (FSC-CC) in Venezuela described the context and then the response provided by humanitarian actors

Questions and Answers – discussion

Lots of interesting questions and discussion around this topic:

- Alice (CaLP) wondered if in Nigeria they have moved to in-kind or commodity vouchers, etc. Leslie Parker responded that they are still in a waiting period.
- Corrie (CRS) asked whether there were any external tools for data collection that had been particularly useful, and indicated that MARKit is one that aims to collect data with some thresholds regarding changes of modality. MARKit is available here: https://seepnetwork.org/files/galleries/MARKit_English.pdf. you can set these using historical data and/or know-how of market actors to see what variations exist. CRS inserted guides on thresholds monthly/weekly, which might trigger looking at a shift in modality. There is also a table within the market that looks at different scenarios (hyperinflation is one)
- There will be the Grand Bargain Cash workstream from 20th to 24th July (<https://interagencystandingcommittee.org/system/files/2020-07/Agenda%20Cash%20Workstream%20Webinar%20Week%20Final.pdf>) and a session will be organized on MARKit on 22 July at 12pm (UK time).
- Ntando (FSC-CC Cameroon) mentioned that in Cameroon, some partners have been considering the change in modality from in-kind to cash. However, there are some challenges in distributing cash in NWSW, given the Anglophone crisis and the government having some trust issues around cash getting to the "wrong hands" and have not been keen on allowing any cash transfers. He inquired whether other countries have faced similar

¹ In Pakistan, there is currently a Food Security Working Group; the CLAs have decided to open a FSS.

experiences and how they are handling these challenges? There were similar experiences, but not always based on security issues. For example, in Mozambique, the GoM refuses cash transfers for “ideological” reasons. WFP and other partners have piloted cash transfer programming, including the GoM to show them the benefits of Cash activities.

Nathalie (CaLP-West Africa) mentioned that CaLP organised an event on CVA and risks held in Douala in October 2019, with experiences from different countries:

<https://www.calpnetwork.org/publication/risks-learning-event-recommendations-douala/>

- Natalie (CaLP – West Africa) asked if in Cox’s Bazar the shift from validity voucher to commodity voucher was linked to hygiene measures for the host community. Martina (FSS-CXB) replied that was the case as well as crowd management.
- Alistair (FSC-South Sudan) mentioned that the situation in Pakistan corresponds to some degree with the situation in South Sudan determining cash (20%) or in kind (80%)
- Nathalie mentioned that the CWG in Nigeria has issued a document on testing the change of modalities due to security and capacity of the service providers.
- In addition, she said that the vouchers can be a tool to mitigate the impact of inflation
- **It was agreed that it is difficult to set up threshold at global level as this should be contextualised**

Next steps

It was agreed that the gFSC with the support of the Cash and Market WG chairs will prepare a document on “learning” with the various case studies (Nigeria, Pakistan, Venezuela and Zimbabwe).

AOB

No AOB

Participation:

27 participants as shown on Zoom