



Cash Working Group

Terms of Reference

Introduction to Cash and Vouchers

Cash and vouchers are means of transferring resources to an individual or household during and after a humanitarian crisis, in times of economic shock, or through social assistance programmes across a range of different sectors and are increasingly being seen by the humanitarian and donor community as a viable response option over commodity-based assistance. Cash and voucher transfers are usually a timely and cost-effective alternative to in-kind food and non-food items, and are the preferred means of assistance where local markets are functioning with sufficient supplies of basic goods and services but where people lack financial means to purchase them. In a humanitarian crisis, distributing cash in a targeted manner can often meet people's immediate needs more quickly and appropriately than commodity-based assistance. Cash and vouchers can be used:

- As an alternative to in-kind food and non-food items during *humanitarian emergencies*;
- To *address negative coping mechanisms* adopted by households during emergencies, to fulfill their basic needs. These negative coping strategies may include selling of productive assets (agricultural land, tools and livestock), borrowing money and living on credit, or selling the commodities they receive in-kind to raise cash for different purposes;
- For *rehabilitation of household and community assets* such as through Cash for Work programmes.
- In transition from *emergency response to early recovery and then to long-term development* and disaster preparedness;
- To provide *social protection and safety nets* to poor households and vulnerable groups of the society and for tackling chronic poverty and food insecurity (examples include unconditional cash grants given to support people living below national poverty lines and vulnerable segments of the society most often; widows, children, elderly, orphans, disabled and chronically sick persons and conditional cash grants given to people in return of their labour in public work schemes such as construction of public buildings (schools, hospitals etc.) or transport infrastructure (roads, bridges and canals etc.);
- To *promote human development and positive behavior change* in nutrition, health and education such as conditional cash grants given with the requirement that families enroll children into schools or pregnant women avail pre and post-natal care at health centers.

About the Cash Working Group

The Cash Working Group (CWG) is a sub-group of the Pakistan Food Security Cluster, and was established in May 2012 at the national level in Islamabad, and at the provincial level in Sindh and in KP/FATA in October 2012. A CWG has not been established yet in Balochistan, but is a possibility in the near future.

The Cash Working Group is intended to be a mechanism of targeted information sharing and planning for different modalities of cash and voucher-based programming to improve food security of vulnerable rural households and increase their resilience to future disasters in the flood, conflict-affected and vulnerable

areas of Pakistan. Its work will build on the extensive efforts undertaken for the 2010 and 2011 floods with regard to cash and voucher-based programming.

The CWG is co-led by Action Against Hunger (ACF) and the UN World Food Programme (WFP) with strong coordination and support provided by Food and Agriculture Organization of the UN (FAO). Membership into CWG is open to all humanitarian partners including international and local NGOs, Red Cross and Red Crescent Societies, concerned government departments, UN agencies and donors within FSC; primarily organizations with previous experience in cash or voucher-based interventions, and those planning to implement such interventions in future.

Expected outputs of the Cash Working Group

- Develop guidelines and share best practices, in order to achieve a harmonized standard of delivery;
- Develop beneficiary selection guidelines, highlighting the appropriate process of selection and basic criteria (based on best practices of organizations in CWG as well as keeping in consideration the guidelines developed by the Protection Cluster)¹;
- Gender consideration in cash programming, as well as inclusion of the most vulnerable (men, women, members of the transgender community, children, elderly, minority groups, disabled, and chronically sick);
- Discuss and consolidate suggestions regarding participation of females (such as in Cash for Work interventions);
- Develop a capacity building plan for CWG members at national and provincial level;
- Monitor prices of basic food and non-food items to ensure correct value of transfers²;
- Ensure the usage of correct wage rates and number of working hours in Cash for Work interventions, keeping in consideration the rate of labour in the local markets and geographical/meteorological conditions of the proposed area of intervention, in order to avoid conflict and confusion within communities;
- In the case of voucher programmes, encourage organizations to sign a Memorandum of Understanding (MOU) with each trader individually to agree on standard prices (food and basic non-food items);
- Collect data on planned and ongoing interventions of organizations 3Ws (Who, What, Where) reporting format and share with members of the CWG and FSC;
- Encourage member organizations to share field reports amongst the group.
- Where possible, co-chairing agencies undertake joint field visits with member organizations;
- Identify areas for collaboration and share resources between agencies (i.e. where possible - member organizations complement each other's interventions, and share resource persons to facilitate in

¹Protection Cluster: Beneficiary Selection and Targeting Guidelines (developed in 2011)

² This information is already being published by WFP on a monthly basis in their 'Pakistan Market Price Bulletin'. Primary data collection is undertaken by WFP in KP province while for rest of the country, secondary price information is obtained on a monthly basis from Pakistan Bureau of statistics in Islamabad. In terms of geographic coverage, WFP analyses 17 districts/main markets across the country and gathers prices of some 53 food and non-food commodities, while analyzes 12 essential food and non-food commodities for WFP programming. The CWG will receive information on market prices of items related to Food Security, from WFP every month and share with group members.

delivering training sessions to CWG members especially to local NGOs/NGOs new to cash/voucher programming at field-level);

- Engagement of local NGOs (especially those based in the field), government bodies and financial service providers to draw on existing knowledge, practice and programming, and potentially establish partnerships with humanitarian and government agencies;
- Hold multi-agency meetings to provide a forum for all relevant stakeholders (I/L NGOs, government bodies, and financial service providers in cash/voucher programming to share their experience;
- Develop and maintain a roaster/emergency contact list of NGOs with experience of cash/voucher transfers in Pakistan, as well as financial service providers (banks and telecommunication companies) as part of the contingency planning process;
- Where possible, negotiate with financial service providers to harmonize the cost of transaction when partnering with humanitarian organizations in cash-based programming;
- Share information relevant to cash and voucher interventions across partners and other sectors (such as research documents, global best practices and surveys).