

Cash and Market Working Group

# Meeting 27th May 2022

**Participation**: 27 people as shown on Zoom, from: WFP, gFSC, Plan International, CRS, PUI, FAO Ethiopia, FSC Somalia, Norcap/CashCap, FSC Nigeria, WHH, CWW, FSL Syria WS, BHA, ECHO, Impact, FAO, SI, HI, CWG Afghanistan, NRC

# Agenda:

1. Welcome and introduction
2. Update on CAG
3. Update from members, with a special focus on Horn of Africa
4. Applied research / activities
5. ECHO Policy
6. Election chairs CMWG
7. Sharing about next GPM / other meeting
8. AOB

The meeting was chaired and organised by Corrie (CRS), Ruco (USAID) and Damien (gFSC)

# Action from last meeting

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| --- | --- | --- |
| **Activity** | **status** | **PiC** |
| Cash coordination model: presentation to the FSC teams | Damien  | Email sent to the country FSC but only one country responded |
| ToR inputs: any additional inputs can be sent by Friday 15th April, COB.  | CM WG members | Completed, final version is [here](https://fscluster.org/cash-and-markets-working-group/document/cash-and-market-working-group-tors) |

# Action points for this meeting

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| --- | --- |
| **Activity** | **PiC** |
| Cash coordination model: presentation to the FSC teams | Damien  |
| ToR inputs: any additional inputs can be sent by Friday 15th April, COB.  | CM WG members |

# Update Cash Advisory Group

Dina (WFP) provided an update on the CAG (Cash Advisory Group), which is an outcome of the Grand Bargain on Cash Coordination.

A first meeting was organised with the stakeholders involved in the Cash Caucus discussion, plus other organisations/agencies. It was a representative group. This first meeting organised a few weeks aimed to set up the group membership, define the key objectives/functions of the group:

* Set up standards
* Global advocacy
* liaison
* Resources and capacity building (with the use of CashCap)
* Knowledge management and information management

A transition plan will be set up in September 2022.

Membership: there was a discussion about having a small or large group. It was decided to have a hybrid structure: CAG+, i.e. a core group (with voting right) + some observers called on adhoc basis. The lead will be OCHA and UNHCR. The other seats were not yet defined: 3 UN, 4 NGOs (2 international, 2 national), 2 Red Cross movements, 1 network (eg CaLP or ICVA); observers: private sectors, CashCap, Clusters.

Deadline to submit membership is 1st June. The criteria for the membership are:

* Volume of cash
* Strong technical expertise in CVA
* Representative must spend some % of time on the CAG

Decision will be made on consensus based. Meeting will be held fortnightly, then once a month. The frequency will be reviewed after December 2022.

The GAC will be reviewed by an external party. The 1st official meeting will be on June 9th, 2022.

For any question, please contact dina.morad@wfp.org. More information here: <https://www.calpnetwork.org/cash-coordination-2022-live-timeline/>

# Update from the Horn of Africa

Sidy, from FAO Ethiopia, provided an update about the situation.

He provided first the background of the situation in 2021: low self production, low coping strategy, decreasing purchasing power and high malnutrition status due to no pasture regeneration conducting to massive livestock deaths, low price for live animals, low availability of animal products and high price of cereals and other staple foods.

For 2022, there is more rain but less than normal. It will take time for the animals to recover. The minimum livestock prices have decreased if we compare the price before and after the drought. In addition, there is a very high inflation of 34.5%. The drivers of the inflation are the current exchange rate between ETB and USD, the energy cost, the drought and Tigray conflict and the Ukraine conflict. It affects all food commodities.

The top priorities are cereals, beans, oil, onions, sugar as well as soap and detergent.

Markets are open and functioning with more supply of live animals and less availability of livestock products. The needed products are available and cash transfer is feasible in the drought affected areas

Gordon, the FSC in Somalia provided an update about the situation in this country. He first presented the current food security situation by comparing the 2021 and March/April 2022 IPC results, highlighting the risk of famine in three areas. As a result, the FSC has developed a Famine Prevention Strategy, which includes CVA (Cash+ approach: food assistance support with livelihood/agro support). CVA is the main modality of assistance for up to 80% of the response where markets are fully integrated and functional. Since January 2022, nearly 94MUSD was disbursed. 88% of the food assistance is provided in Cash (50%) and Voucher (38%) while for the livelihood, only 4% was provided in CVA.

As described in Ethiopia, prices for food and energy/petrol have increased a lot. Issues around the CVA responses are:

* HEIGHTENED HUMANITARIAN NEEDS due to multiple shocks
* RESOURCE CONSTRAINTS - leading to response gaps in locations with high severity of needs
* ACCESS/INSECURITY – Approximately 900,000 people living in non-accessible/ very difficult to access areas
* MASSIVE POPULATION DISPLACEMENT - 771 000 people have been displaced since Jan 22 making it difficult to keep pace with the new arrivals every week
* SOARING FOOD AND COMMODITY PRICES – significantly increasing costs for delivery of humanitarian assistance necessitating frequent TV revisions
* Setting up of the Food and MPCA TVs - Fluid situation, different regions/states, different rates by different partners, frequency of TV revision, etc.

**Discussion:**

* Plan international also conducted a feasibility study in March 2022, available <https://reliefweb.int/report/ethiopia/feasibility-study-cash-and-voucher-assistance-programming-borena-zone-oromia-and>

# Applied research

Corrie presented an applied research activity which the CMWG wants to conduct with the aim to assess the feasibility of CVA in the context of high level of food insecurity (in context of IPC3+).

If you are interested to join, please contact the CMWG.

# ECHO policy on Cash

DI GLORIA Calogero (ECHO Nairobi) (Calogero.Di-Gloria@echofield.eu) presented the ECHO policy (<https://ec.europa.eu/echo/files/policies/sectoral/thematic_policy_document_no_3_cash_transfers_en.pdf>).

It focuses mainly on Cash (over voucher) considering the effectiveness and efficiency, for ex. in context like Somalia or Ethiopia. Cash is the most preferred modality for the beneficiaries. ECHO is encouraging the cash transfer in the area of MPC and basic need approach.

# New chairs/election

Following the discussion we had during the last meeting, new co-chairs will be elected. So far, we have received interest from Aftab (Plan International), Belete (World Vision), Corrie (CRS) and Ruco (BHA).

The vote will be organised in the coming weeks.

# Next GPM/other meeting

* No date for the next Global Partners’ Meeting
* An adhoc special meeting on 10 countries with high level of food insecurity/IPC4+ was conducted on 26 May 2022 at 2pm, more [here](https://fscluster.org/page/averting-hunger-and-starvation)

# AOB

* CRS-led USAID-funded activity on Supporting Seed Systems for Development (S34D) is currently drafting a review of cash transfers for seed security. This is based on various emergency interventions implemented in recent years and offers lessons to guide future cash transfers for seed security. CRS will be happy to share more with you in the coming month or so, once they have completed the report. For more information, please contact kate.longley@crs.org