

# Cash and Market Working Group

Meeting 29 March 2023

## Agenda:

1. Welcome and introduction
2. Updates from Partners
3. Updates from work streams
4. Plan Intl Cash Feasibility Studies
5. Mercy Corps Horn of Africa Report
6. AOB

The meeting was chaired and organised by Corrie (CRS), Aftab (Plan International) and Damien (gFSC)

## 1. Welcome and introduction

**Participation:** 29 participants as shown in Zoom

- gFSC, Plan International, CRS, FAO, Mercy Corps, USAID, CWW, WVI, CashCap, Unicef, CWG Afghanistan, FSC Sudan, FSC Nigeria

## 2. Partners' update

Martina, acting cluster coordinator in **Turkey (cross border operation)** provided an overview of the current EQ response.

The response is led by the government. The current FSC response is hot meal and soup kitchen for 2.2 million people. Some partners are already responding with CVA. The FSC is phasing out the hot meal and most of the partners are shifting to CVA. Market assessments are being conducted. The MEB is being identified and discussed with the government. Markets have shown a high level of resilience as many of them are functional; however, the inflation is at 55% which is a major issue for the population and CVA operation.

### Recommendations

- Coordination with the government is key
- INGOs should work with local partners
- Partners should have a very detailed phase out plan as the Flash Appeal is for 3 months (until May) and it won't be extended

### North West Syria

There was no cash response before the EQ and now there is a very large cash response (MPCA, cash for food).

### Q/A

The livelihood is less funded but donors now seems to be more interested. FAO has done an agro assessment. Large CFW activities to remove the debris by early recovery partners.

### 3. Update workstreams

**Workstreams are:**

- Temporary /time bound
- Deliverable/product focused
- Not individual WGs
- Co led by a CWMG co chair + partner
- CAG – Cash Advisory Group

*Work on link between social protection and humanitarian cash programming*

Sub-work stream	Output	Status
Theoretical Framework linking humanitarian CVA, SP and FS	<ul style="list-style-type: none"> <li>• Produce a “one-pager” composed by “boxes” on thematic areas of CVA, SP and FS</li> <li>• note on linkages between CVA,SP and FS drafted and in circulation</li> <li>• Brainstormed on thematic areas for: Resilience, Anticipatory Action( Shock Responsive SP), Nutrition, Livelihoods.</li> </ul>	Ongoing
Developing a tip-sheet on available and helpful resources on humanitarian cash, Social Protection and Food Security for FSC CCs and partners (and other stakeholders)	<a href="#">Tip-sheet on resources on humanitarian cash, Social Protection and Food Security</a>	Ongoing – first draft
Examples/good practices of coordination on humanitarian cash/SP/FSS	Collection of good practices	No progress

*Guidance on exchange rate/inflation*

- Compiled resources (e.g. guidance documents, research, and policy documents)
- A cluster survey targeting the cluster coordinators was launched
- This workstream will work on a FAQ document and be available by November 2023.
- Coordination with CaLP and their parallel activities with CWGs in SSA
- **Common challenges**
  - Lack of clear triggers and related processes
  - Government and donor position
  - Lack of predictive analysis
- **Common questions**
  - Incorporating both national and local trends into analyses and adjustments
  - Roles and responsibilities

*Anticipatory Action*

- Drafting of a Terms of References (TOR) for the workstream, keeping the focus on CVA specifically

- Definition of possible case studies, core deliverables, and aspects to consider over the upcoming months.
- Experience sharing with the Philippines CWG on from their AA plan (i.e., typhoon response).
- Received support request from Palestine CWG to help drafting an AA plan for Gaza, considered the heightened tensions across the country.
- Core actions:
  - what cash response: MPCA, sectoral cash?
  - use of the E-MEB transfer value? Which FSP?

## 4. Plan International Cash Feasibility Studies

Aftab presented the highlights of 2 cases studies

### Nepal case study

- The markets in 9 districts were functional, integrated, and accessible with stocks of commonly accessed basic commodities.
- Peak marketing season peaks from Sept to November due to annual festivities. Only 30% to 40% can restock food and WASH items in 3 to 5 days notice.
- Good network coverage and popularity of mobile money to send and receive cash
- CVA is generally accepted by authorities, communities and humanitarian organizations but the government has reservation on the use of unconditional cash transfer
- Functional cash working group Co-chaired by Plan Nepal
- Presence of different financial service providers with good experience working with humanitarian organizations
- Improvement in the early warning system for flooding and trigger mechanisms for anticipatory action.

### Ethiopia CVA study

- Declining situation due to reduced UNHCR food rations
- Food shortage contributed to increase protection issues, violence and exploitation
- Markets in Borena and Gambella were functional with good stock of basic food and NFI. Less than 10% of the merchants has storage capacity but all willing to participate in CVA programmes
- CVA is the preferred modality of assistance among refugees and IDPs. Incidence of in-kind support being sold in the market
- Presence of FSP
- Potential to address longer term needs through CVA

## 5. Mercy Corps Horn of Africa Report - Meeting Needs, Protecting Gains - Lessons on market-based drought response from Ethiopia

### Context

- Four consecutive failed rainy seasons, creating exceptionally severe drought conditions across the Horn of Africa (including Ethiopia's Somali region)
- Food insecurity due to COVID-19 containment measures
- Inflationary food price effects following Russia's invasion of Ukraine in February 2022

### Programme strategy

- Trigger crisis modifier funds => implementation of a market driven drought response

### Crisis modifier activities

- Feed/fodder vouchers
- Veterinary vouchers
- Commercial destocking
- MPCA

A cost comparison of Commercial Destocking and MPCA provides a useful lens on the relationship between investments in anticipatory actions through market systems approach, as opposed to later HH-level interventions. Commercial Destocking leverages smart subsidies to traders to target HHs that have livestock remaining (and is time sensitive as it must be enacted before animals' body conditions deteriorate). MPCA targets HHs who have lost all assets and are in need of life-saving support.

### Lessons learned

- Market-based humanitarian interventions can meet immediate needs while enhancing households' resilience and supporting local economies in humanitarian crises
- Funding for early, anticipatory action is essential to protect and leverage markets in humanitarian crises, reduce the cost of humanitarian action and support autonomy in decision-making
- Development programs must be "response ready," with plans, linkages and partnerships that enable a timely, market-based humanitarian response
- Crisis response can be effective when layered into development programs and accompanied by additional funds

The full report is available [here](#).

### **Q/A**

- Cattle sell for 10 USD per piece – if they can find a buyer; some cattle were left to die if no buyer
- The drought is so massive, especially for pastoralist for the last 5 years. What comes next? Many pastoralists have lost their animals. The crisis modifier helps to cope with the situation

## 6. AOB

- Update CAG: the CAG provided an update to the Principals. The 1<sup>st</sup> phase for the transition was successful – except for a few countries which required an extension  
The CAG will set up some KPI.