



**Cash & Market
Working Group
March 2023**

27 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

1. Welcome and introduction



2.Update from Partners



- Earthquake response in Syria and Turkey (Martina and Mohie)
- Other updates

3. Update from the workstreams



1. Anticipatory Action (Alessia)
2. Guidance on exchange rate/inflation (Sonja)
3. Work on link between social protection and humanitarian cash programming (Martina / Carla)

Workstreams are :

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



FOOD SECURITY
CLUSTER

**CMWG - Social
Protection**
29 March 2023





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- Sub-group on linking Humanitarian Cash and Social Protection
 - Group composed by representatives WFP, FAO, RI, ACH, SCI, IMPACT, CashCap, Plan
 - Two meetings in February
 - Group identified three sub-workstreams

UPDATES



Sub-work stream	Output	Status
Theoretical Framework linking humanitarian CVA, SP and FS	Produce a “one-pager” composed by “boxes” on thematic areas of CVA, SP and FS 1) note on linkages between CVA,SP and FS drafted and in circulation 2) Brainstormed on thematic areas for: Resilience, Anticipatory Action(Shock Responsive SP), Nutrition, Livelihoods.	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)	<u>Tip-sheet on resources on humanitarian cash, Social Protection and Food Security</u>	Ongoing – first draft
Examples/good practices of coordination on humanitarian cash/SP/FSS	Collection of good practices	No progress

Inflation Guidance Workstream March 2023 Updates

Global Food Security Cluster

Cash and Markets Working Group

March 29, 2023

Progress to date (Jan to Mar 2023)

Initial meeting 01/24	<ul style="list-style-type: none">• Introductions• Coordination with CaLP• Shared vision of FAQ document as workstream deliverable (Nov 2023)
Compiled resources (e.g. guidance documents, research, and policy documents)	
Implemented cluster coordinator survey	
Coordination with CaLP and their parallel activities with CWGs in SSA	
Outline initial FAQ elements	
Follow up meeting 03/09	<ul style="list-style-type: none">• Review cluster coordinator survey findings• Updates and coordination with CaLP• Reiterated importance of alignment across various efforts (this workstream's FAQ document, CaLP deliverables, new policies among institutions like WFP and others)• Discussed process and timeline for engaging with donors

Participants

Corrie Sissons, CRS

Chris Paci, REACH

Alessia Volpe, Consultant

Rami Beirkdar, CRS

Guadalupe Galambos, WFP

Mohie Alwahsh, FSC CC Syria

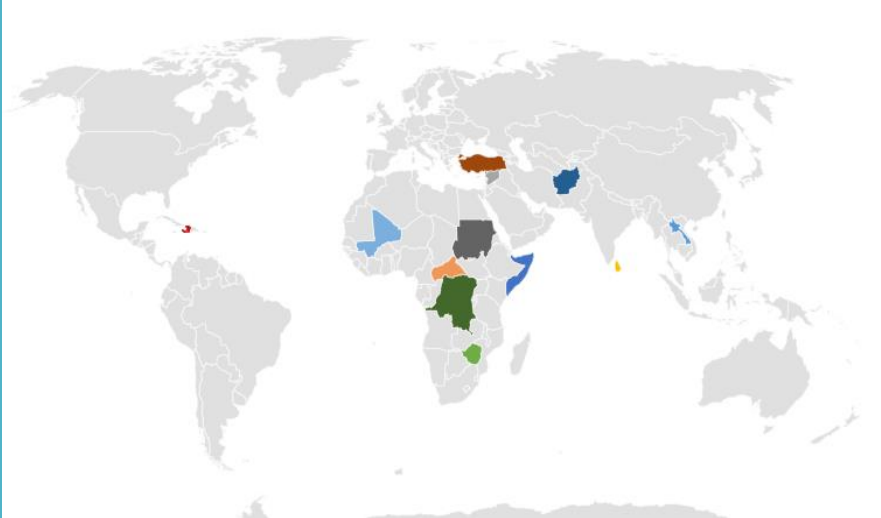
Sapenzie Ojiambo, CALP

Sonja Perakis, CRS (Lead)

Common challenges	<ul style="list-style-type: none"> • Lack of clear triggers and related processes • Government and donor position • Lack of predictive analysis
Common questions	<ul style="list-style-type: none"> • Incorporating both national and local trends into analyses and adjustments • Roles and responsibilities
Major successes and learning opportunities	<ul style="list-style-type: none"> • Stakeholder engagement and buy in • Context monitoring information • Disseminating information and informing key decisions <i>within</i> organizations
Prerequisites for success	<ul style="list-style-type: none"> • Collaborative spirit and buy in among stakeholders • Required data are available

FSC coordinator survey findings

~50% response rate: 14 responses total, 11 complete responses



Review CaLP workshop reports	<ul style="list-style-type: none"> • Cross check common themes raised between FSC coordinators and CWGs
Meeting with DCF 03/29	<ul style="list-style-type: none"> • Coordination with CaLP CWG efforts • Part of efforts to ensure donor engagement and support to this workstream
Follow up meeting 1 st week of April	<ul style="list-style-type: none"> • Sign off on FAQ themes and rough outline • Identify potential areas to ensure alignment with new policies or guidelines underway among donors • Assign initial FAQ document writing and review responsibilities • Agree on timeline ahead of target deliverable date (November 2023 Global meeting).

Next Steps (Mar to May 2023)

Participants

Corrie Sissons, CRS

Chris Paci, REACH

Alessia Volpe, Consultant

Rami Beirkdar, CRS

Guadalupe Galambos, WFP

Mohie Alwahsh, FSC CC Syria

Sapenzie Ojiambo, CALP

Sonja Perakis, CRS (Lead)



AA workstream updates

March 29th, 2023

Progress to date January-March 2023

- ✓ *Drafting of a Terms of References (TOR) for the workstream, keeping the focus on CVA specifically in order not to duplicate efforts with other existing hubs and fora.*
- ✓ *Definition of possible case studies, core deliverables, and aspects to consider over the upcoming months.*
- ✓ *Coordination with the Philippines CWG to review and gather Lessons Learned 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.*
 - ✓ *Participation in the Palestine Cash Forum to gauge participants' interest in AA and brainstorm around indicators.*



April-June plan

Finalization of the support provided to the Palestine CWG

Coordination with the Asia and Pacific CWG for their AA plan over Bangladesh (case study 2)

Continuing gathering lessons learned from existing hubs and fora, to then narrow the discussion around CVA

Which donors could be interested in AA? What would be their standing around allocating funding on a no-regrets basis?

Core actions

Transfer values and technical considerations

Donors' engagement and allocation of funding

Go-no-go decision making process

What else?

*Should it be MPCA? Or Sectoral Cash?
Shall we use the E-MEB transfer value? Which FSP?*

A young girl with a joyful expression is leaning against a blue wall. She is wearing a light-colored tank top. The background is slightly blurred, showing what appears to be a laundry area with clothes hanging. The entire image has a blue color cast.

Thank you

Email: Alessia Volpe volpea@tcd.ie
Emergency Cash and Markets Specialist

4. Plan Intl Cash Feasibility Studies



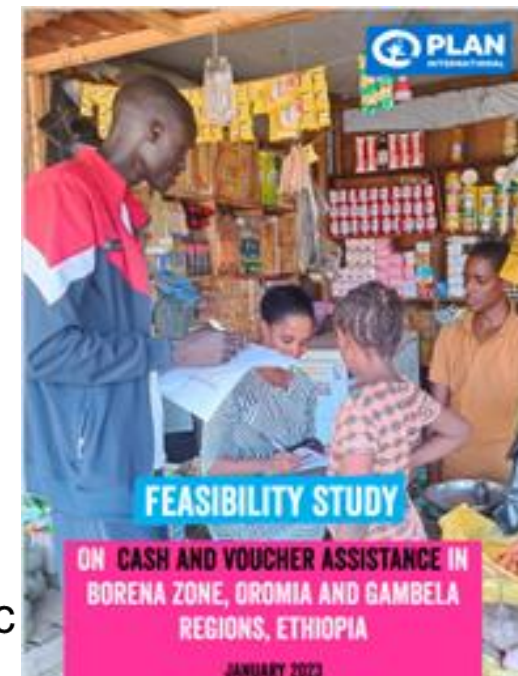
Highlights of Nepal CVA Studies

- 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. 75% of merchants has storage facility and has the capacity to restock for NFI, Shelter materials, education, and medicine. Only 30% to 40% can restock food and WASH items in 3 to 5 days notice.
- Good network coverage (Smart, Ncell, and NTC) 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 (e.g. Khalti, Aria, Prabhu Bank, City Express) with good experience working with humanitarian organizations
- Improvement in the early warning system for flooding and trigger mechanisms for anticipatory action.

Plan Intl Cash Feasibility Studies

Highlights of Ethiopia CVA Studies

- ❑ Declining situation due to reduced UNHCR food rations with families having one meal a day to cope.
- ❑ Food shortage also contributed to increase protection issues (child labor, child marriage, teen pregnancy), violence, and exploitation
- ❑ Markets in Borena and Gambella were functional and accessible with good stock of basic food and non food items. Less than 10% of the merchants has storage facility but all of them willing to participate in CVA program
- ❑ CVA is the preferred modality of assistance among refugees and IDPs. Incidence of in-kind support being sold to the market
- ❑ With functional cash working group Co-chaired by Plan Ethiopia
- ❑ Presence of financial service providers like mobile money, micro finance, Post office, and banks
- ❑ Potential to address long term needs through CVA



<https://www.calpnetwork.org/publication/feasibility-report-on-cva-in-borena-and-gambela-in-ethiopia-january-2023/>
<https://www.calpnetwork.org/publication/feasibility-report-cash-and-voucher-assistance-plan-international-nepal/>

5. Mercy Corps Horn of Africa Report





Meeting Needs, Protecting Gains

Lessons on market-based drought response from Ethiopia

Vimbai Chishanu
Deputy Chief of Party | Nutrition Lead
Resilience in Pastoral Areas Project - North

27 March 2023



Context overview

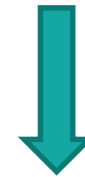
Shocks

- 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



Program Strategy

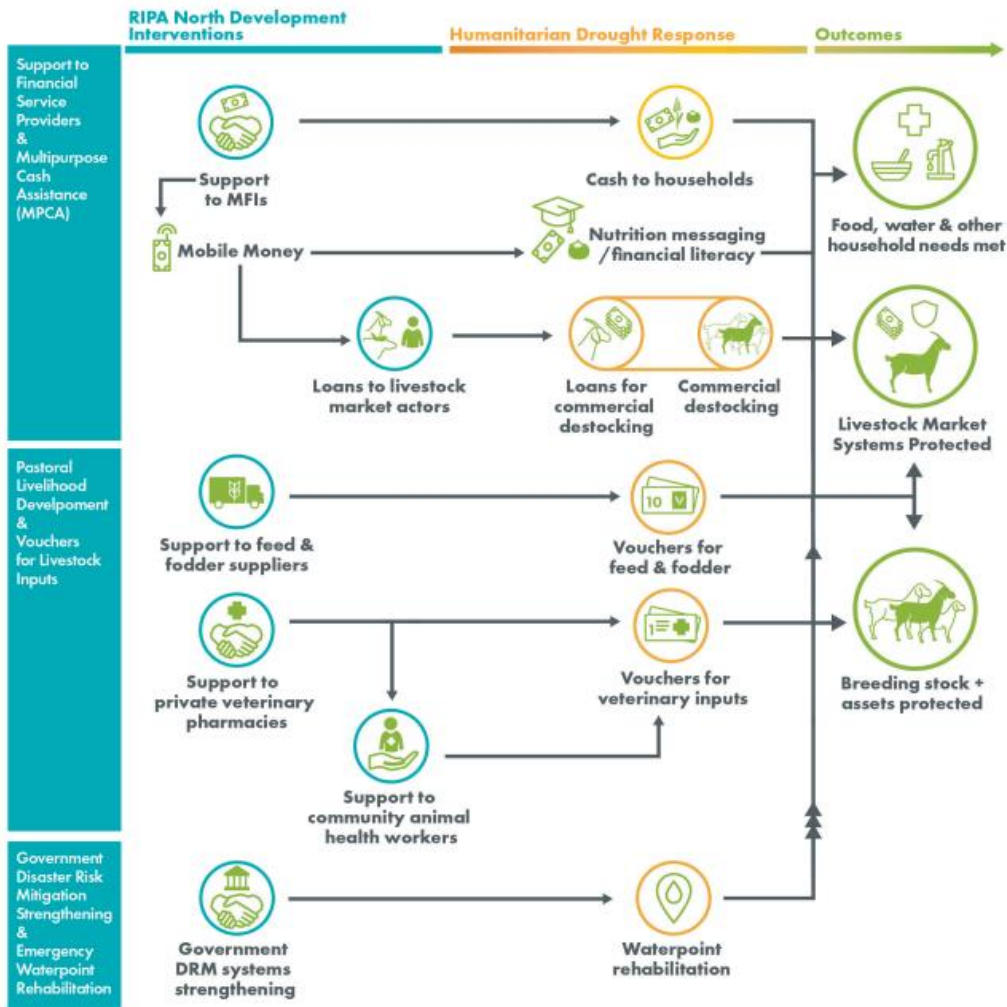
- Trigger Crisis Modifier funds



- Implement a market-driven drought response

Lessons on market-based drought response from Ethiopia

Crisis Modifier activities



- Humanitarian response activities were designed to build from, and reinforce the activities and partnerships engaged in RIPA's development-focused interventions
- Crucially, this approach strengthens market actors and market systems, rather than undermining them (a risk with some traditional humanitarian response models with an over-reliance on direct delivery and in-kind assistance)

Lessons on market-based drought response from Ethiopia

Crisis Modifier activities

Four activities were implemented between April – October 2022

Feed/Fodder Vouchers		
Target HH	Achieved	%Achieved
3,500	3,434	98%

Commercial Destocking		
Target HH	Achieved	%Achieved
12,000	23,500	157%

Veterinary Vouchers		
Target HH	Achieved	%Achieved
5,000	4,933	99%

Multi-Purpose Cash Assistance		
Target HH	Achieved	%Achieved
850	850	100%

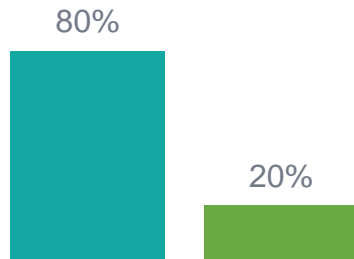
Lessons on market-based drought response from Ethiopia

Feed/ Fodder Vouchers

ETB 10,642,800 (approx. \$210K) transferred to 3,434 HHs

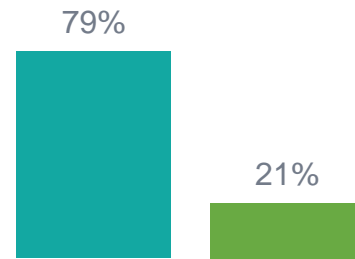
Livestock Situation as a result of continued drought

■ Improved ■ Hasn't Improved



Know input suppliers to buy for future needs

■ Yes ■ No



1 Feed/ fodder market actor engaged

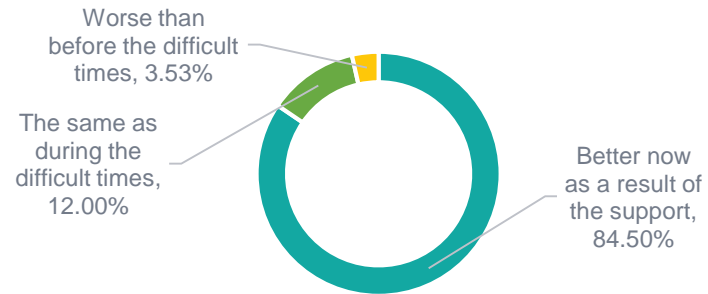
80% of recipient HHs targeted breeding stock (20% shared across herd)

Lessons on market-based drought response from Ethiopia

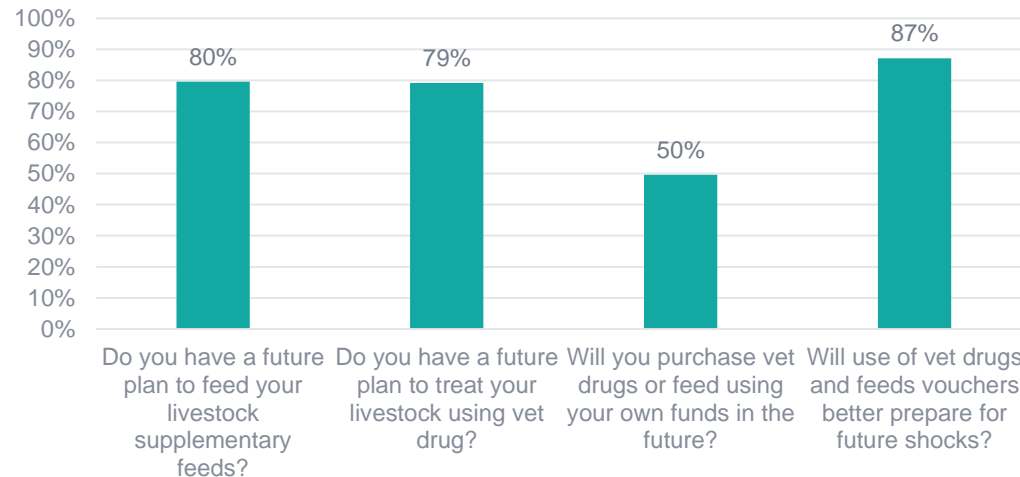
Veterinary Vouchers

ETB 3,801,000 (approx. \$75K) transferred to 4,933 HHs

Description of Situation pre and post crisis interventions



Future prospects beyond the crisis response



13 Private Veterinary Pharmacies engaged

70% of recipient HHs reported vouchers helped maintained the supply of milk produced by their livestock

20% increase in new customers, reported by a PVP following the voucher intervention

Lessons on market-based drought response from Ethiopia

Commercial Destocking

\$115K catalyzed destocking by 5,556 HHs



Strategic subsidies to commercial livestock traders

- Households 'self-select'
- Long-term linkages among producers and buyers
- Targeted markets with potential future risk (*general deterioration of animal body condition*) – 7 market in CM1

13 traders engaged

23,500 animals destocked (157% of target)

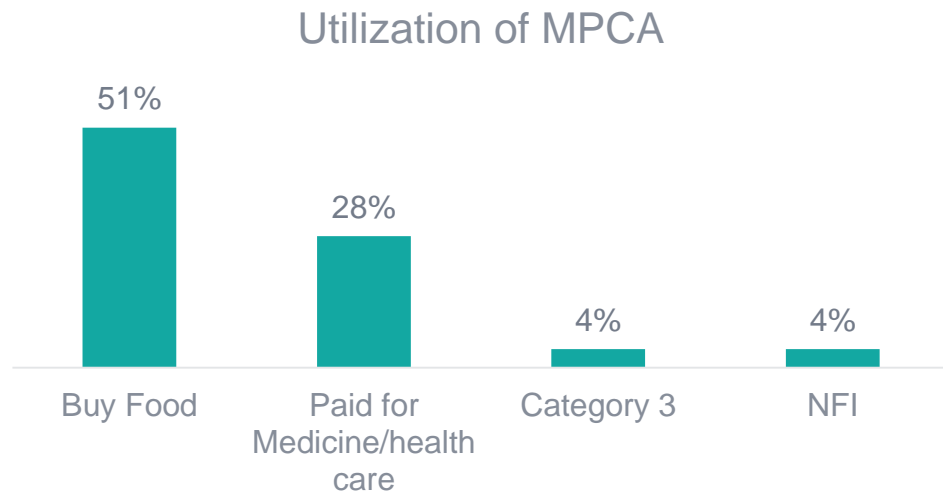
1.19M mobilized in additional investment (*For every \$1 invested, market actors generated \$10.3*)

4 out of 13 traders obtained **advance credit** from national buyers through vertical integration facilitated by RIPA

Lessons on market-based drought response from Ethiopia

Multi-Purpose Cash Assistance

ETB 6,551,859 (approx. \$129K) transferred to 850 HHs



Over 20% of MPCA recipients noted they had not had to sell off livestock as a negative coping mechanism (in comparison to over 50% of sampled respondents who did not receive MPCA)

Transfers leveraged Mercy Corps' longstanding partnership with the Somali MFI (Shabelle Bank) as a transfer provider

Lessons on market-based drought response from Ethiopia

Enhancing value for money through market-focused activities

	Commercial Destocking	Multi-Purpose Cash Assistance
\$ invested by development agency	\$115,000	\$115,000
Income received per HH	\$126 (3 goats @ \$42 each)	\$126
# of households reached	5,556	912

- 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 on market-based drought response from Ethiopia

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](#).



MERCY CORPS

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6. AOB



- Cash Advisory Group