

Rapid Reflection on Cash Coordination for the Ukraine Response in Poland, Ukraine, Romania & Moldova

Regional Summary

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Acknowledgments

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The opinions expressed are those of the Key Aid Consulting team, and do not necessarily reflect the views of the DEC. Responsibility for the opinions expressed in this report rests solely with the authors.

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Acronyms

CAG	Global Cash Advisory Group
CBI TWG	Cash Based Interventions Technical Working Group
CVA	Cash and Voucher Assistance
GDPR	General Data Protection Regulation
IFRC	International Federation of Red Cross and Red Crescent Societies
KI	Key Informant
LNA	Local and National Actor
MEB	Minimum Expenditure Basked
MPC	Multi-purpose Cash Assistance
PDM	Post-Distribution Monitoring
RAIS	Refugee Assistance Information System
RCM	Refugee Coordination Model
SP	Social Protection
SSN	Social Safety Nets
ToRs	Terms of References

Introduction

Using the draft Global Cash Advisory Group (CAG) key performance indicators for cash coordination as a guide, DEC commissioned four papers to reflect on the extent to which cash coordination was (1) timely and effective and (2) inclusive, transparent, and accountable in Romania, Ukraine, Moldova and Poland. They draw from 28 semi-structured key informants' interviews, desk review of available literature and 4 country level round tables organised in November and December 2023 with key cash stakeholders.

This summary is a regional overview of the key findings derived from the four briefing papers made for each country. The complete versions of the individual country briefing papers can be accessed online as well.

Context

Thanks to a uniquely conducive environment¹ across Moldova, Poland, Romania and Ukraine, the humanitarian response there witnessed the fastest and largest cash programming scale-up in history, highlighting the importance of quality cash coordination. In Ukraine, the cash programming disbursed US\$1.7 billion as CVA between February 2022 and October 2023, with Multi-Purpose Cash Assistance (MPCA) representing 46 percent of the total 2022 Ukraine Flash Appeal² and 23 percent of the 2023 Appeal.³ In Moldova, Poland and Romania, CVA funding requirements represented 27 percent of the regional requirement of the 2023 Regional Refugee Response Plan.⁴

The below unique context identifiers influenced the quality of cash coordination in Moldova, Poland, Romania and Ukraine.

Table 1 - Unique context identifiers influencing cash coordination

1. Speed and scale of the crisis	In the first two months of conflict, more than 30 percent of Ukraine's population had been coercively displaced and by the fall of 2023, 6,240,400 refugees had left Ukraine ⁵ and 3,674,000 people were internally displaced. ⁶
2. Limited or non pre-existing humanitarian footprint	There was no pre-existing cash coordination structure in Moldova, Poland and Romania, whereas in Ukraine, the Cash Working Group created in 2014, was meant to phase out by 2023.
3. A relatively well funded response	Cash scale up was enabled by a relatively well funded response.
4. Mature Social Protection systems	All four countries benefit with some variation of rather diverse and mature social protection (SP) systems highlighting the importance of the CWG's role in creating linkages between emergency CVA and SP.
5. High level of digitalisation of the response	Due to high refugee digital literacy and strong existing infrastructure. Coordination was also mainly held online at the start of the response, encouraging diversity but affecting engagement.

¹ Characterised by high level of CVA acceptance, high refugee digital literacy and strong existing infrastructures

² OCHA, 2022, Ukraine Flash Appeal March to December 2022.

³ OCHA, 2023, Ukraine Humanitarian Response Plan 2023

⁴ UNHCR, "Ukraine Situation Regional Refugee Plan", 2023.

⁵ UNHCR, 2023, Operational Data Portal: Ukraine Situation. Accessed October 12th 2023

⁶ IOM, 2023, Displacement Tracking Matrix, Ukraine. Accessed November 10th 2023

Key Findings

Key Finding 1: The CWGs established themselves from the ground up or pivoted in a timely and effective manner.

The scale and timeliness of the cash response is broadly acknowledged.⁷ Cash coordination undoubtedly contributed to this success, with CWGs established from the ground up in all refugee settings (Moldova, Poland and Romania) and quickly shifting gears in Ukraine within the first months of the crisis. Success factors emerged as: i) high level of priority given to the response by key humanitarian organisations, ii) strong leadership and clear cash first approach supported by iii) strong infrastructures that facilitated the coordination. The CWG in Romania was somehow slower to establish itself, as a result of the complexity of the overall coordination architecture and as a comparatively lower priority country.⁸

Key finding 2: The CWGs have overall been effective at providing MPCA related guidance.

CWGs primarily focused their support on MPCA in 2022 and 2023. This focus results from i) the relative importance of MPCA in the response (e.g. 46 percent of the total 2022 Ukraine Flash Appeal and 23 percent of the 2023 Appeal) and ii) the de facto position of the CWG as the coordinating body for MPCA. Such support was effective. Despite a high number of organisations delivering MPCA, the response was overall well coordinated: the transfer values were rapidly harmonised, assistance de-duplicated and recipients expressed a high degree of satisfaction towards MPCA and assistance overall.⁹

To support MPCA, the CWG developed joint tools such as PDM tools, Joint Market Monitoring, etc. While there are country variations, such tools were rather rapidly made available to the CWG members, and deemed technically sound. This is especially noticeable as contrarily to the sectoral clusters, which tools and systems have passed the proof-of-concept stage over the past 30 years, the CWG has had to work out on elaborating, piloting and adopting its tools and systems in the midst of a large crisis response. Notably in Ukraine, some of these joint processes creating tensions that highlight the need to further (re)build trust among its members.

Key finding 3 : CWG support to sectoral CVA has been overall weaker and connections between CWG and clusters are not optimal to support CVA

⁷ For example: UNICEF, 2023, Evaluation of UNICEF's response to support the influx of refugees from Ukraine. UNHCR, 2023, Evaluation of UNHCR's Level 3 Regional Refugee Emergency Response to the crisis in Ukraine. HPG, 2023, Grand Bargain Independent Review and Operational Peer Review in Ukraine (forthcoming) in CALP, 2023, State of the World's Cash

⁸ UNHCR, "Evaluation of UNHCR's Level 3 Regional Refugee Emergency Response to the Crisis in Ukraine.," 2023.

⁹ Ground Truth Solution, 2023, Keep in touch with the people, perception of aid in Ukraine

As CWG resources focused on MPCA, there has been more limited attention by the CWG on providing guidance on sectoral CVA. The use of CVA by the cluster tend to be under exploited, which contributed, in Ukraine, to a response that is still heavily geared towards in-kind despite a very conducive environment.

Optimising the relationship between multisectoral and sectoral cash would entail both stronger multi sectoral cash coordination and organisations and clusters being more willing to approach MPCA as an important tool in meeting sectoral needs (a necessary but not sufficient form of assistance). Cash actors should be more engaged in explaining what MPCA is and working with clusters/sectors (through the ICCG/ISSG) to reach agreement on what portion of sectoral in kind or CVA assistance it could replace.

The weak relationship between MPCA and sectoral cash is also due in part to perceptions from some clusters that the CWG operates as a “MPCA cluster” delivering a distinct programme with distinct objectives rather than to coordinate MPCA as an intervention that meets different sectoral needs. Several clusters called for more active engagement and support from the CWG to ensure greater coherence between sectoral CVA and MPCA, yet the CWG argues that efforts to do so are not met with matching engagement on the part of the clusters.

Key finding 4: De-duplication processes have seen considerable success but are only as good as members adhere to it.

Relevant and early on efforts for data sharing and de-duplication were set up by the CWG in each country. The efforts have proven successful, for example, detecting up to 10,000 duplications in Romania¹⁰, 30,000 in Poland and saving more than \$100m in Ukraine. De-duplication efforts are not consistently used by members, reducing their effectiveness. For example, only ten organisations signed a data sharing agreement in Romania and nine organisations used the RAIS platform in Poland in 2023. Some reasons include i) the novelty for some organisations to navigate strong data protection regulatory framework (such as the GDPR in the European Union), ii) being time consuming, particularly for Local and National Actors, iii) not including sectoral cash and iv) not including cross border de-duplication.

Key finding 5: Cash coordination is largely driven by larger organisations, with LNAs not participating as actively in decision-making.

Cash coordination is inclusive in that it is open to all cash actors national and international. CWGs are however largely attended by international organisations with limited membership of national organisations. Interviewees reported language and resource barriers to explain limited local participation (meetings are often held in English and LNAs don't have the resources to attend them). More pragmatically, there are also a limited number of national organisations distributing CVA and not all have the desire or need to participate actively. To counterbalance these barriers, documents

¹⁰ As of October 2023 (per UNHCR KII)

are accessible online (and in most cases in the local language) to ensure, at a minimum, equal access to information.

Key finding 6: Many entry points were made with social protection programmes. A range of challenges in each country prohibit the full integration of both systems.

In all countries, MPCA was designed as a temporary assistance until refugees could start receiving state support. Efforts have been made to align CVA to SP schemes when possible (eligibility criteria, basing transfer value on national MEB etc) but the ambition to reconcile the two systems has not yet materialised in any of the four countries, despite SP systems being for the most part mature and diverse and Humanitarian CVA being at scale and well resourced. Challenges include i) the opportunity to engage regularly and consistently with government stakeholders in the CWG (particularly in Poland, Romania & Ukraine), ii) lack of tools and practices amongst humanitarian actors to navigate between the two systems, and iii) SP systems that are not sufficiently prepared to absorb the refugee caseload due to limited resources (particularly in Moldova).

Recommendations going forward

Cash coordination has major endeavours and opportunities lying ahead to maximise the use of CVA and support the response to pivot towards more granular approach and better integration between multipurpose and sectoral cash, further increase the participation of LNAs and build stronger bridges with social protection.

Table 2 - Table of recommendations

Theme	Recommendations
1. Strengthen the sectoral coordination of CVA	<ul style="list-style-type: none"> • Ensure ICCG/ISSG ownership of MPCA as a programme design decision to meet multiple needs at once. • Step up efforts with clusters on understanding the role of MPCA in meeting sectoral needs. • Prompt a broader reflection on the realistic role CWG can have in contexts where CVA and especially MPC is significant.
2. Play an active role in steering the harmonization of humanitarian CVA and social protection	<ul style="list-style-type: none"> • Clarify long term vision and timeline for harmonisation/ transition between humanitarian cash and social protection. • Consistently engage with SP stakeholders to identify where bridges can be made. • Raise awareness among governments on what humanitarian CVA can contribute to and how it can complement SP and more specifically social assistance.
3. Further support the broader participation of local actors, particularly as the involvement of international	<ul style="list-style-type: none"> • Ensure there are benefits for LNA to attend and participate in Cash Coordination. • Undertake capacity building activities for LNAs and ensure they have (human) resources to attend and engage in cash coordination.

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