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Quick Updates

- In 2021, SDC co-led of the **Donor Cash Forum**, together with EU/DG ECHO.
- **The SHA Cash Pool** was in demand in 2021: thirteen cash experts were seconded to eight different organisations working on a broad range of topics.
- SDC improved tools, processes and staffing for **cash in emergencies**.
- A **new course** on linking humanitarian cash assistance with social protection was offered for members of the SHA.

Donor Cash Forum

The Donor Cash Forum, co-led by Switzerland and DG ECHO, worked on three main topics this year:

- Developing guidance on cash assistance in contexts of high inflation and depreciation (see next page).
- Developing a common understanding of interoperability, to identify opportunities and priorities for donors (e.g. addressing political blockages, driving common standards, investing in joint solutions).
- Rolling-out the [Common Donor Approach for humanitarian cash programing](#) in Nigeria, Somalia & Ethiopia.

Cash Coordination

- Switzerland was one of 95 signatories of the [call to action letter on cash coordination](#), addressing the Emergency Relief Coordinator and calling on the IASC to take a decision on the leadership and scope of cash coordination within the broader humanitarian architecture. Refer to the [Q&A](#) for more information.
- The [Grand Bargain 2.0](#) is organised around a limited number of [caucuses](#), including a [caucus on cash coordination](#). The cash caucus convenes key actors with the objective of recommending a solution to ensure accountable and predictable cash coordination by early 2022. Switzerland is involved in the process through the Donor Cash Forum.

Cash in Emergencies

- To improve preparedness for cash in emergencies, the SDC Rapid Response and CVA teams worked on processes and tools, and identified SHA CVA experts available for immediate deployment.
- In November 2020, Central America was hit by hurricanes Eta and Iota, and subsequent torrential rains caused considerable damage. Switzerland responded, providing aid to the populations in the region. After the emergency phase, Switzerland initiated a CVA pro-

gramme in Guatemala, to allow some 2,000 inhabitants to rebuild their livelihoods. The project was implemented by the local NGO Tzuul Taq'a from January to June 2021 with support by a SHA CVA expert.

SHA deployments in 2021

- In 2021, 13 CVA experts were deployed to support 8 organisations (WFP, UNICEF, UNFPA, IOM, ICRC, IFRC, CaLP, and local organization Tzuul Taq'a) in El Salvador, Guatemala, Turkey, Zimbabwe, the occupied Palestine territory, and Switzerland. They worked on a wide range of topics linked to CVA, such as Health, Education, Gender-Based Violence, cross-border cash transfers, Localization, Preparedness, and linking humanitarian cash assistance with Social Protection.

Trainings and Workshops

- 19 SHA members participated in the new, self-guided online course on linking humanitarian CVA and Social Protection which took place from April to June.
- 20 people participated in the annual SDC Basic CVA Course in July, including members of the expert groups Logistics, Construction, Protection, Coordination & Administration, and WASH.
- 17 Cash Experts participated in the annual SDC CVA Experience Exchange in July in Schwarzenburg to share learnings from recent missions.
- SDC's Annual Basic CVA Course 2022 will take place from May 30 - June 2 in Murten / Morat, followed by the SDC CVA Advanced Exchange on June 3 and 4.

SDC articles and podcasts

- SDC's podcast A Plus for Humanity on cash assistance in Jordan: [Jordanien - mit Sozialhilfe durch die Covid-Krise](#)
- SDC's Protection In Focus on "do no harm" in cash programming: [How can humanitarian cash assistance trigger Gender-Based Violence?](#) (page 17)

Cash Assistance in Contexts of High Inflation and Depreciation

The challenge of inflation and currency depreciation is growing, as exemplified by the following cases:

- * In December 2017, Venezuela officially entered into hyperinflation when it recorded a monthly rise in its consumer price index of more than 50%. Hyperinflation reached an all-time high of 130,060% in 2018 (FCDO Venezuela).
- * In Zimbabwe, foreign currency shortages and management of the official exchange rate resulted in the emergence of a thriving parallel market for foreign currency. In May 2021, the margin between the official exchange rate and the parallel market was around 42% ([case study](#)).
- * In 2021, the Iraqi dinar was devalued by 18% against the USD. The devaluation was a policy decision taken by the government to address budget deficit and decrease in oil revenue. Food prices rose by 15-20% immediately following the devaluation ([WFP 2021](#)).

While the impact of inflation¹ and depreciation² on humanitarian assistance are not limited to cash assistance, the modality is uniquely impacted by inflation because it reduces beneficiary purchasing power, while possibly also increasing delivery costs. Ultimately, there is a risk that people can purchase less than intended with the assistance received.

Depreciation on the other hand is trickier to 'classify'. For a fixed USD budget, humanitarian agencies can have access to more local currency, and can in principle continue to provide the same transfer value or even increase it or reach more people. The problem is when concurrent inflation outpaces the possible increases in transfer value (and associated purchasing power) that could be made because of the currency gains. In a context of depreciation, parallel exchange rate markets may arise. If this is the case, and with budgets fixed in hard currency, agencies can be locked into an official exchange rate lower than the parallel rate. Financial service providers or the Central Bank may be able to benefit from better rates relative to those applied to humanitarian agencies, and thus benefit from the difference between exchange rates.

Both inflation and depreciation directly impact the purchasing power of beneficiaries, and thus the achievement of intended humanitarian outcomes. In such scenarios, humanitarian assistance must be adapted. The complexity of responding to such situations may lead to different approaches between organizations, creating inequity and confusion. It is therefore important to harmonize approaches between donors and implementing agencies. The need to document existing practice has been underscored by COVID-19, which has exacerbated economic volatility in many humanitarian contexts, and increased humanitarian needs.

Through a consultative and collaborative process through the CALP Network and led by the Donor Cash Forum (DCF), the 'Good Practice Review on Cash Assistance in Contexts of High Inflation and Depreciation' has been developed. The document presents good practice to assist humanitarian actors designing and implementing cash programmes. It is packed with examples from different contexts, and accompanied by four in-depth case studies.

What are some of the key lessons learned?

- The importance of preparedness for appropriate and timely adjustments to programming.
- Programmatic flexibility, including from donors, to respond to changing circumstances.
- The role of advocacy with governments, financial service providers and regulators to alleviate the impact of inflation and depreciation.
- The harmonisation of analysis and approaches across sectors - e.g. through the Cash Working Group.
- The opportunity to learn from the challenges posed by inflation across a diversity of country contexts.

Find more information in the [Good Practice Review](#) and the related case studies on [Lebanon](#), [Yemen](#), [South Sudan](#) and [Zimbabwe](#).



1 - Inflation is the increase in prices of goods and services in an economy over a given unit of time. It is typically measured at a national level and as a percentage increase per year, based on the average price level of a basket of selected goods and services in an economy ([Good Practice Review](#)).

2 - Depreciation is a fall in the value of currency, typically within a floating exchange rate system. Depreciation is typically reported as a percentage fall or increase in the value of the local currency relative to hard currency ([Good Practice Review](#)).

Recommended CVA resources

General

- A CaLP podcast provides [A Short History of CVA](#).
- Former refugee Innocent Tshilombo [writes](#) about how attaching conditions to CVA can seriously impact its effectiveness.
- André Dürr presented the findings on “Cash in a COVID-19 crisis: Adapting approaches to assisting Jordan-based refugees” ([report](#), [blog](#), [webinar](#)).
- Ground Truth Solutions wrote a blog on how to [improve communication with CVA recipients](#).
- Hendry and Seferis looked at four key areas in which new accountability practices and models are emerging from CVA programmes which could inspire [improved participation approaches across the sector](#).

Coordination and Collaboration

- CaLP started a [Live Timeline on Cash Coordination](#).
- In [Clash Coordination](#), the Truemanitarian-podcast invites guests to discuss why cash coordination is so difficult and what to do about it.

Protection, GBV and Gender

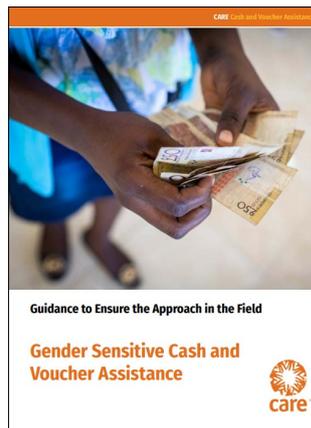
- UNHCR launched a Guidance on Promoting Child Protection Outcomes Through CVA ([summary](#); [full provisional report](#)).
- Care published [Gender-Sensitive Cash and Voucher Assistance: Guidance to ensure the approach in the field](#).
- UNICEF asked [Do Cash Grants Increase Pregnancies?](#)
- The Global Protection Cluster Task Team on Cash for Protection opened a new [webpage](#) and revised their webpage on [Mainstreaming Protection in CVA](#).

Sector-specific CVA

- Three SDC-funded case studies on [CVA and Health](#) presented findings from Bangladesh, Burkina Faso and Jordan.
- The Global Health Cluster Cash Task Team explained [how CVA can improve health outcomes](#).
- The Global WASH Cluster summarized the findings on [Evidence Building for Cash and Markets for Emergencies](#).
- ICRC/IFRC Cash Hub opened webpages on [Cash and WASH](#) and [Cash and Shelter](#), and the Global Shelter Cluster launched a [Shelter Cash and Markets Community of Practice](#).

Social Protection

- CaLP published a Toolbox on [Linking Humanitarian CVA and Social Protection](#).
- SPACE curated a selection of [Useful COVID-19 and Social Protection Materials](#), including a section on humanitarian linkages.



Data Responsibility & Tech

- The International Review of the Red Cross featured an article on [“Doing no harm” in the digital age: What the digitalization of cash means for humanitarian action](#).
- After two years of field testing, OCHA finalized its [Data Responsibility Guidelines](#).
- ICRC wrote a blog on [Biometrics in humanitarian action: a delicate balance](#).
- USAID examined virtual currencies [Risks and Uncertainties of a novel payment technology in International Development](#).
- Better Than Cash Alliance: [Improving Humanitarian Payments Through Digital Innovation. Challenges and Opportunities \(Exec Summary\)](#).

Anticipatory Action and Climate Change

- CaLP created a webpage on [CVA, Environment and Climate Change in the Humanitarian response](#), and organized a [webinar](#) on the topic.
- Anticipation Hub published various blogs on anticipatory action and forecast-based action with examples from [Bangladesh](#), the [Philippines](#) and [Madagascar](#).
- CashCap/WFP: [Forecast based financing – lessons learned on early actions with cash transfers](#).
- Centre for Disaster Protection: [Anticipatory Cash Transfers in Climate Disaster Response](#).

Courses and Trainings

- CaLP has a new online course: [Core CVA Skills for Programme Staff](#).
- The Geneva Centre of Humanitarian offers an executive short course on [CVA in Humanitarian Crises](#) in June 2022.

For more and/or context-specific resources, check out the [CaLP library](#). To stay up to date on all topics related to CVA, sign-up to the [CaLP Network Newsletter](#).