



## Logistics Cluster Cash Working Group

### Terms of Reference

#### 1. Background

Traditionally, the Logistics Cluster has been providing coordination services to the humanitarian community and, whenever needed, facilitated provision of common logistics services in emergencies so that life-saving humanitarian supplies reach the affected population. However, over the past decade, the modality of assistance has been gradually shifting from solely in-kind to a combination with cash-based assistance and market-based programming.

Market-based programming (MBP) or Market-based interventions are understood to be projects that work through or support local markets. The terms cover all types of engagement with market systems. Whereas, Cash-Based interventions (CBI) refer to all programs where cash (or vouchers) is directly provided to beneficiaries (individuals, household or community). CBI is considered as a delivery mechanism and is a part of the wider MBP. This WG will focus on the both, market and cash supply chain.

One good example is the humanitarian response to one of the biggest refugee crisis in current history in the neighboring countries of Syria where over 3 million Syrians residing in Turkey, Jordan, and Lebanon are benefiting through some form of cash-based assistance.

**Better access to local markets** as well as the **incentivisation to restoration of local markets**, allowing the freedom of choice and the implied respect for the dignity of the recipients, are only a few of the arguments that make a strong case for Cash-Based assistance. However, despite the global shift, we have not seen a consistently clear role for the Logistics Cluster when assistance is provided through Cash-Based modality.

To define what is the best assistance method and before setting up Cash-Based interventions during emergencies, humanitarian organisations may need to carry out several assessments, among which the market and supply chain assessments, to have some level of understanding on:

#### Market resilience

- **Capacity of markets close to beneficiaries to respond to need**
- **Constraints of markets, volume flux, upward pipeline, weaknesses**
- **Beneficiary accessibility to markets**
- **Availability of transport capacity**
- **Market storage capacity and ability to respond to an increase in demand as a result of the emergency**
- **Supply chain of key relief items / commodities and local markets resilience.**
- **Government, local law and legislations (Import / Export)**
- **Quality control (goods, markets, suppliers)**
- **Conditions of basic infrastructure and level of impact on local market activities**



- **Availability of Cash & MBP 'dependent' commodities and services (e.g. fuel, FSPs)**
- **Government, local law and legislations (Import / Export)**

#### **CASH remittance capacity**

- **Accessibility to, diversity and resilience of telecommunications networks (e.g. for electronic cash delivery)**
- **Market penetration of POS (point of sale) technology**

The above, along with other market-based assessment information, can be assessed after a shock (e.g. with EMMA and other tools) and can also be explored in a pre-crisis situation (e.g. PCMMA and others), but often assessments are beneficiary centric and can overlook the broader complexities of the supply chain, and the upward pipeline and supply chain fragility. These aspects are, potentially, where the logistics community could add most insight and expertise.

As an example, the standard Logistics Capacity Assessment document and other Logistics Cluster products could help gather and provide such information. Furthermore, the Logistics Cluster could also look at **facilitating the rehabilitation of basic infrastructures**, which could potential hinder implementation of cash-based assistance. Examples of this already happening include trail rehabilitation work in Nepal after the 2015 Earthquake, enabling beneficiary market access and reducing the need for, and duration of, greater in-kind assistance.

During the Market Place Session during the GLM held in Leysin (Switzerland) in December 2017, attendees discussed the potential role of the Logistics Cluster in CTP. The objective of the Logistics Cluster role should be to **incorporate CTP information into existing supply chain knowledge** including information collected in the Logistics Capacity Assessments (LCAs) and **preparedness activities**. The Logistics Cluster could advocate for **collaborating more with existing, interagency market assessments and undertaking additional, complementary, assessments or monitoring activities together with humanitarian organisations**. **Engagement with cash working groups and advocating for supply chain related surveys** would avoid duplication of work, **facilitate access to markets via infrastructure analysis and allow for advocacy of prioritisation for infrastructure rehabilitation** where specific contexts require this. Logistics Cluster information-sharing platforms could be used as mechanisms for **sharing of assessment information and monitoring of CTP data**. The group indicated CTP delivery methodology should be treated like other delivery methodologies in emergency operations in which immediate intervention is required to support beneficiaries through in-kind assistance.

During the Global Meeting, it was proposed to establish a Working Group to keep, guide the discussion and suggest.



## 2. Objectives of the Working Group

The Working Group will act as a **strategy consultation group**, providing strategic guidance on the development of the Cluster plans for Pillar 1 (Preparedness) and Pillar 2 (Network and Engage), through engagement with CPT and MBP stakeholders by:

- Analysis of the logistics gaps on the implementation of the CTP (Cash Transfer Programming) & MBP (Market-Based Programming) (e.g. monitoring the market before an emergency; performance of market assessments; information sharing).
- Identification of the gaps that the Logistics Cluster could address under its mandate (e.g. add specific sections in the LCA: cash capacity, cash providers).
- Identifying accordingly which activities the Logistics Cluster could advocate for (e.g. advocate and facilitate road infrastructure rehabilitation projects to restore the market access).
- Reviewing the Logistics Cluster role on the Cash Working Group (OCHA), especially, but not only, during emergencies.

### Output

Output 1: The Working Group will provide a high-level overview of the key current logistics gaps, successes and opportunities in relation to CPT and MBA provided by CPT and MBA external stakeholders.

Output 2: The Working Group will then be in the position to advise Logistic Cluster Pillars 1 and 2 strategy activities through an external CPT and MBP stakeholder lens and provide two recommendations to take on board for the next Logistics Cluster strategy review process.

### Outcome

The outcome of this Working Group is to have an established network with key CPT and MBA stakeholders to contact in order to exchange information around developments in each area of expertise.

The Terms of Reference will be revised as relevant, following the development of the outcomes.

## 3. Working Group composition

The Working Group will ideally consist of 3-5 humanitarian organisations and the Global Logistics Cluster. Tearfund has offered to take the lead of the Working Group till ACF Spain has the capacity to take over.

Working Group members:

- **CRS** – Lionel Lajous



- **ICRC** -Dragana Cilinsek
- **Oxfam** - Seybou Djibo BACHIR
- **Plan International** – Rebecca Lewin
- **Tearfund** - Pieter C. Bakker
- **GLC** - Cristina Sainz de Vicuña

All the members have committed to actively participate and contribute to the Working Group.

The Working Group will have a call meeting **every month** and minutes will be shared in the Logistics Cluster website. The frequency will be reviewed as relevant.

#### **4. Stakeholders identified**

The Working Group has identified the below stakeholders in order to gather information from through conversations to answer the set objectives.

- Logistics Cluster Coordinators
- OCHA
- MIC (Market in Crises)
- CALP
- CASHCAP
- ELAN (Mastercard)
- British & Swiss Red Cross / IFRC / ICRC
- Thought leaders, persons that have been involved with CPT and or MBP, who have valuable contributions.

#### **5. Working Group activities and work plan**

Specific activities may be (depends on availability of Working Group members):

- Provide inputs on a specific topic.
- Review a document.
- Presentations in Global Meetings on behalf of the Working Group.

Work plan 2018:

- ToR defined by end of March.
- Collect information by April.
- Consolidate first findings by May.
- Provide two recommendations for GLC by May (GLM).