



Harmonized Cash Approach in Uganda, Roadmap for 2024-2026



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1.0 Introduction

Since the Grand Bargain in 2016, international relief organizations are increasingly distributing humanitarian assistance in monetary form. Cash is preferred over in-kind assistance among refugees as it maintains dignity and decision-making and serves as an entry point for financial inclusion. Cash can also boost local economies and is a more cost-efficient form of aid for delivering agencies.

For Uganda, in 2020, the growing number of sectoral and multi-sectoral cash and voucher assistance (CVA) programmes underscored the need to harmonize approaches across actors and sectors. The Inter-Agency Cash Working Group (CWG) therefore drafted the Common Cash Approach (CCA) with support from NorCap by exploring global models for cash implementation and opportunities for harmonizing CVA approaches. The CCA provided recommendations related to joint efforts for contracting financial service providers, targeting, monitoring and safe interoperability of systems and data exchange, with the overall objective to improve service delivery of CVA operations.

Building on the initial concept developed in 2020, the CWG is now proposing a revised *Harmonized Cash Approach* (HCA) translating previous recommendations into a roadmap that aligns with the specific context of the Uganda refugee response and its recent developments. The HCA promotes variety and diversity of delivery mechanisms and financial service providers rather than a single platform or system as this is more appropriate for the Uganda context and more refugee oriented.

2.0 Objectives, timeframe, and guidance for implementers

The overall objective of the HCA is to position cash as a preferred modality for humanitarian assistance delivery across all sectors and to ensure that there is a conducive environment for successfully implementing interventions that promote financial inclusion of refugees – cash assistance is both the most dignified and cost-effective assistance modality. The CWG is central in coordinating these efforts and works in close collaboration with other working groups, notably, the Livelihoods and Self-Reliance Working Group.

Specific objectives include:

1. Efficiency and Collaboration: Promote collaboration among agencies and financial service providers to enhance efficiency and tailor cash transfers and other services promoting financial inclusion to users' preferences.
2. Inclusivity and Understanding: Foster an inclusive environment and collaboration that helps all stakeholders to better understand and sustainably serve the refugee community.
3. Accountability and Avoiding Duplication: Implement robust controls for accountability, promote joint efforts, and ensure safe, and accessible assistance for refugees.
4. Cost-effectiveness: Cash modalities are significantly more cost-effective than in-kind assistance and digital cash modalities are less costly than physical cash provision. In the context of dwindling resources for the refugee response, reducing costs and generating savings are key. Therefore, this strategy will contribute to mainstreaming cash assistance across sectors and scaling up multipurpose cash interventions.

Timeframe

The timeframe for implementing the HCA is three years, starting 2024. After the initial three years the CWG will take stock and propose the way forward for sustaining achievements as well as renewing and/or refining the approach. Within this timeframe, the CWG will undertake regular progress assessments, stakeholder consultations, and ongoing monitoring to ensure successful harmonization. Innovations are common in this space and will have to be tracked for the HCA to remain relevant alongside geopolitical, humanitarian, and socio-economic developments affecting the Uganda refugee response. Annual workplans will be developed and adjusted to remain realistic and relevant.

User guidance

The HCA outlines the recommended strategic direction for CVA interventions but is a non-binding document. It merely serves to mobilize actors around a common objective and approach by recommending actions – whether activities or strategic directions for an as effective and harmonized cash landscape as possible. As far as possible the HCA will build on evidence-based approaches – whether from Uganda, the region, or beyond. That said, the HCA will not dictate, restrict, or limit different cash responses or approaches and obstruct technical or operational discussions to meet assessed needs. Importantly, the HCA is a living document.

3.0 Strategic components of the Harmonized Cash Approach

The HCA is comprised of three pillars and two cross-cutting themes as follows:



1. Improve access to and quality of financial services: This pillar aims to improve services by diversifying and scaling up Financial Service Provider (FSP) presence in settlements thereby enhancing quality and reach of existing services as well as promoting new products and services tailored for refugees. A conducive environment for access to financial services already exists but uptake among refugees is lagging. Increased provision of humanitarian assistance in monetary form, notably through digital financial services, can bolster uptake among refugees as humanitarian actors work with FSPs for more and higher quality services. These efforts include engaging a wide variety of FSPs to foster innovation, improve mobile network coverage, increase agent density in and near settlements – including the promotion of refugee and female agents, offer specialized products based on refugees' unique needs, and offer mainstream products with specific attention to refugees' ability to pay/access credit, KYC documentation, and needs/preferences. This pillar also covers specific advocacy efforts – for instance exploring whether waiving certain fees and taxes associated with mobile money transfers is possible.

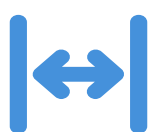


2. Foster linkage to self-reliance: This pillar focuses on how humanitarian assistance can more strategically serve as an entry point for financial inclusion. Families receiving humanitarian assistance in cash form have active bank accounts or mobile money wallets, some level of financial literacy and knowledge of digital financial services. Enhancing financial literacy – both breadth and depth, notably through the roll-out of the minimum standards for financial literacy trainings, is one major focus area. The minimum standards will enhance the quality and reach of financial literacy interventions, notably by ensuring proactive solutions for women, youth, and persons with specific needs. Another activity is stimulating meaningful refugee participation by engaging them more actively in CVA planning and implementation – for instance by increasing the number of Refugee-led organizations in the Cash Working Group. Under this pillar the CWG will foster stronger collaboration with the Livelihood and Resilience Working Group and the Government of Uganda to support their financial inclusion efforts, notably access to credits and savings, by leveraging CWG networks, for instance with the Bank of Uganda and financial service providers. Moreover, the CWG will endeavor to establish synergies and collaborations with development actors operating beyond the Refugee response. The aspiration is that these actions collectively contribute to fostering self-reliance among refugees.



3. Harmonization of cash interventions: This pillar focuses on the harmonization of various aspects of CVA interventions such as joint targeting using existing data and prioritization results, transfer value determination using the Minimum Expenditure Basket, as well as strengthened reporting mechanisms, transparent and timely data sharing and interoperability to increase effectiveness of interventions, reduce aid duplication and dependency as well as preventing information silos. Lastly, a learning/research/training agenda will facilitate and inform evidence-based advocacy and fundraising efforts. Outlining training needs will also ensure that actors have a common understanding of best practices, key concepts, processes, and harmonized methodologies for more coherent implementation. The CWG will ensure continuous learning and training

of its members through capitalizing on internal knowledge as well as sourcing support and expertise from outside the refugee response and Uganda as needed and as resources allow.



Cross-cutting themes: The CWG will gather its members for evidence generation, advocacy and fundraising efforts and these will target a variety of actors ranging from implementing organizations, donors, financial service providers, the government and the private sector. Evidence says cash assistance has the potential to decrease the vulnerability of women and girls to sexual exploitation and negative coping strategies, positively influencing intra-household relations. However, it is essential to give careful and context-sensitive attention to gender and vulnerability in the design, implementation, and monitoring of each cash assistance initiative. The strategy places a particular focus on age and diversity in addition to gender, and all CWG interventions, activities will be geared towards specific solutions for persons from these population segments.

4.0 Monitoring and tracking process and progress & measuring outcomes

The HCA has a monitoring framework allowing the CWG to track progress, process and measure emerging outcomes. It also allows to monitor risk and challenges continuously to inform refined recommendations for programming. The focus is on the following themes:

- Total volume of CVA and changes/increase over time as a measure of scale-up and increased delivery through cash, benchmarked against global potential for monetizing humanitarian aid.
- Number of actors adhering to HCA standards and actively implementing the HCA – whether through CVA or other activities related to financial inclusion.
- Number of financial services providers actively engaged in the refugee response and the CWG and new/refined products/services available to the refugee community.
- Number of refugee-led organizations involved in the implementation of the HCA.
- HCA contribution to financial inclusion efforts across various sectors.
- Impact of HCA capacity building initiatives on the shared understanding of harmonized approaches including level of adherence to standardized CVA procedures among cash actors.
- HCA contribution to efficient use of funds and minimization of duplication.

Detailed activities

*Funding requirements for meeting facilitation, field visits, dedicated technical expertise, materials, travel etc.

Pillar	Component	Activities	Funding requirements	Outcome
1. Improve Access to Financial services	Maintain and scale up the diversity of FSPs	❖ Increase FSP engagement in CWG - facilitate new partnership opportunities to foster healthy competition and generate enhanced understanding and tailored products and services (consultation meetings, events for presenting refugee needs and requests, products/services, moderated product presentations in monthly coordination meetings).	√	<ul style="list-style-type: none"> – Increased innovation – Improved access and connectivity – Increased uptake of services and products among refugees – Enhanced diversity of FSPs with refugee-centred approaches
		❖ Promote collaborative procurement between UN agencies and other implementing actors where appropriate and joint negotiation with FSPs – for instance around possibility of availing phones at subsidized prices and appropriate payment schemes to refugees.		
		❖ FSP Mapping and capacity assessment– develop a verified and authorized list of current and potential FSPs and due diligence with new actors interested in implementing CBI.		
	Improved services	❖ Map, streamline and simplify KYC requirements for refugees, develop key messages for wide dissemination among service providers, humanitarian actors, and communities working with FSPs and the regulator bank of Uganda.		
		❖ Empower local agents of FSPs and bank (training, standardized refugee recruitment guidelines etc.) and promote increased number of refugees who are agents, including women.		
		❖ Strengthened collaboration around counter-fraud efforts through increased awareness-raising and information sharing among refugees; trainings of agents and protocols for addressing agent-to-customer fraud such as investigation, suspension/exclusion, blacklisting etc.		

Pillar	Component	Activities	Funding requirements	Outcome
		<ul style="list-style-type: none"> ❖ Promote continued infrastructure strengthening – network coverage and stability in remote areas, increased agent density and proximity of service centres/ branches performing more complex tasks. ❖ Ensure easy access to FSP complaints and feedback channels. Provide refugee-centered and language appropriate counseling lines for improved service and user experience. 		
	Refugee centered products	<ul style="list-style-type: none"> ❖ Engage CWG and communities in dialogue with FSPs (mobile phone operators, aggregators, banks etc.) fostering specialized products/or refugee-centered marketing/access to mainstream products for refugees through framing the business case around number of potential clients in the settlements + humanitarian/ corporate social responsibility of FSPs, etc. ❖ Promote refugee centric CVA design through continuous consultations with RLOs and other community representatives, such as the Refugee Engagement Forum, as well as increased number of CWG RLO members. ❖ Provide technical guidance for tailored CVA programs to meet the needs of refugees in urban setting. 		
2. Foster linkage to Self-reliance	Financial and digital literacy	<ul style="list-style-type: none"> ❖ Facilitate dissemination and roll out of minimum standards (MS) for financial literacy training and track uptake, use and areas of continuous improvements, including links and synergies with the Uganda National Strategy for Financial Inclusion 2023-2028 and Uganda National Strategy for Financial Literacy 2018-2024. 	√	– Improved financial well-being, inclusion and empowerment as such contributing to enhanced self-

Pillar	Component	Activities	Funding requirements	Outcome
		<ul style="list-style-type: none"> ❖ Strengthened collaboration with Bank of Uganda to support their policy framework and implementation of strategy for financial inclusion. ❖ Through minimum standards, strengthen specific approaches to target women, older persons, youth, and persons with specific needs through tailored interventions, innovations etc. ❖ Map actors involved in financial and digital literacy and facilitate learning and exchange among various actors – implementers, participants, and thought-leaders/technical experts. 		reliance among refugees.
	Meaningful participation	<ul style="list-style-type: none"> ❖ Ensure and enhance participation of RLOs in CWG and refugee leaders in regional cash working groups. Develop Key Messages about HCA objectives and activities for refugee audience. 		
	Synergy b/w CWG and LRWG, Development Coordination Structures, social protection actors	<ul style="list-style-type: none"> ❖ Establish a joint interagency financial inclusion workstream and ensure regular participation of CWG and LSRWG co-chairs in each other's coordination and activities. 	√	
		<ul style="list-style-type: none"> ❖ Establish links with Development Actors active in the cash space. Collaborate with Interagency Coordination Structure/CRRF/Government of Uganda. 		
		<ul style="list-style-type: none"> ❖ Assess opportunities for establishing linkages between humanitarian assistance to national social protection system. 		
		<ul style="list-style-type: none"> ❖ Joint evidence generation through studies, assessments, mappings. 		
	Avoid duplication by introducing	<ul style="list-style-type: none"> ❖ Scale-up use of UNHCR's ProGres for a joint reporting platform accessible to all implementers. Pilot with one or two INGOs. 		– Efficient and targeted humanitarian

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3. Ensure Harmonization of cash interventions	Joint/common approaches	❖ Increase use of existing reporting tools (ActivityInfo) and encourage adherence to reporting timelines among members.		<p>assistance – targeting the right people with the right type of assistance at the right time.</p> <p>– Improved Needs Assessment and Learning contributing to national, regional, and global body of knowledge.</p> <p>– Improved and more coordinated, evidence-based advocacy and fundraising efforts to scale-up cash and other related interventions.</p>
		❖ Promote needs-based categorization to target beneficiaries for self-reliance/humanitarian assistance/MPC/sectoral cash – building on existing data sets such as UNHCR proGres data and Prioritization categorization.		
	Explore and enhance interoperability -	❖ Negotiate with FSPs to harmonize payment rates for cross network transfers and across implementing agencies.		
	Harmonize transfer values	❖ In 2023 (Q2-4) Update Minimum Expenditure basket (MEB) while pinpointing needs and areas of focus for a comprehensive review in 2024.		
		❖ MEB comprehensive review (which will require specific/dedicated financial or technical resources).	√	
	Determine needs and gaps	❖ Establish needs and opportunities for developing joint monitoring tools (post-distribution monitoring) or minimum standards for harmonized reporting content and timelines.		
		❖ Joint assessments (needs, user preference, etc.) at national and sub national levels as determined by the CWG Learning/Research/Training agenda.	√	
Resource mobilization for multipurpose cash	❖ Establish a multipurpose cash plan/appeal for increased funding. This will be looking at joint targeting, joint programming/integrated programming, an inventory of cash actors' MPC plans etc. As there is currently no funding for additional MPC programmes the CWG can facilitate resource mobilisation.	√		

Pillar	Component	Activities	Funding requirements	Outcome
	Streamline standard CVA practice across sectors	❖ Through a dedicated taskforce/workstream, develop CVA SOPs, guidelines and standard key messages (basic user manuals to set up, implement and monitor CVA interventions) for current/potential implementers of CVA and other related programming.	√	
		❖ Organize cross sectoral training programs aimed at standard CVA integration across sectors/co-opt other sector leads as members of the CWG		
	Documentation	❖ Documentation of lessons learnt, good practices and areas requiring improvement. Consider having annual learning Reviews/workshops/events where implementers can showcase their work providing opportunity for adjustments based on feedback and lessons learnt.		
	Capacity building	❖ Develop a learning/research/training agenda for CWG members in collaboration with U-learn. The agenda can also serve to better inform required evidence for targeted advocacy and/or fundraising efforts.	√	
		❖ Provide capacity building training on themes determined by CWG members, including the basics of CVA programming at the sub-national level and to Government to develop common understanding of key concepts and approaches.	√	

Pillar	Component	Activities	Funding requirements	Outcome
		<ul style="list-style-type: none"> ❖ Facilitate inter agency learning exchanges to share innovations, experiences insights and best practices in cash implementation, including practical simulation exercises to provide hands-on experience in implementation of HCA amongst partners. 		
		<ul style="list-style-type: none"> ❖ Encourage knowledge sharing and transfer through having open transparent and efficient data sharing protocols. 		
	Outreach	<ul style="list-style-type: none"> ❖ Ensure regular engagement with donors, key stakeholders, and government – both through the monthly CWG coordination meetings and bilaterally. 		