Introduction;

The WASH and shelter clusters view cash transfer and markets based programming (CTP/MBP) as instrumental modalities for the delivery of humanitarian WASH and shelter support and services. The clusters and operational agencies representing both sectors are committed to scaling up the use of cash and market based modalities to assist crisis affected populations wherever possible. They are also seeking ways to build the necessary capacity and experience in CTP/MBP to meet key sector specific objectives.

To ensure alignment with commitments made as part of the WHS Grand Bargain\(^1\) the broader humanitarian community, donors and policy entities involved in promoting CTP must work with both sectors to help evolve their capacities. All sectors are not equal when it comes to CTP/MBP and the technical specificities of each sector may present constraints or opportunities towards a greatly scaled usage of CTP/MBP, and especially of unconditional cash and multi-purpose grants (MPG’s).

Background;

Both the WASH and shelter sectors have significant experience in the use of CTP and MBP\(^2\). In particular the use of conditionality and restriction-based approaches have worked well and at scale, in settings where technical and quality standards must be met - for instance to mitigate future public health or safety risks. Currently however the experience and evidence around the usage of unconditional and unrestricted CTP modalities such as MPGs to successfully meet sector specific technical and social protection objectives and outcomes are limited.\(^3\)

Typically WASH and shelter programmes are not focused solely on the transfer of assets or commodities but are composed of multiple components designed to achieve a range of outcomes.

With regard to MBP, WASH programming often consists of combinations of goods and services which facilitate access to safe water, sanitation and hygiene. This offers opportunities for using a mixture of complementary modalities to reach specific WASH objectives, e.g. provision of cash and/or vouchers for drinking water, NFI’s such as water containers or soap; capacity building of water vendors (quality control); support links between communities and market actors; or supporting governance systems etc.

Good shelter programming equally relies on balancing the provision of shelter commodities such as plastic sheeting, tools or construction materials with services such as labour or secure rental agreements. Either can be provided through in-kind or cash based modalities – but it is the technical

---

\(^1\) Grand Bargain Cash Commitments [http://reliefweb.int/sites/reliefweb.int/files/resources/Grand_Bargain_final_22_May_FINAL-2.pdf]


support element of project design that adds the real value and allows the targeting of objectives to ensure physical safety, prevent the use of hazardous materials, and mitigate and respond to GBV and other sectoral protection concerns such as privacy in shelters or secure and well-lit toilets.

It is therefore evident that the provision of cash (or cash alone) for either sector may not always be the most suitable response option to meet needs appropriately or quickly. This is equally true of in-kind assistance, and both sectors have historically shown much greater success when support has been provided through combining finance, in kind materials and crucially, carefully designed technical support. Such support is often managed through qualifying conditions and/or usage restrictions for both cash or in kind components, and ensure that defined objectives and quality assurance standards and specifications related to matters including safety, public health and protection can be met.

This is not to say that in some contexts - and in particular when aiming to meet very basic household requirements or ongoing daily subsistence needs - that unconditional and/or unrestricted cash is not an appropriate response modality for supporting some WASH and shelter needs.

Ultimately however it is informed and technically driven response analyses that should define the best combination of modalities that will meet both immediate and longer term needs of people affected by disasters or conflict. This degree of analysis is often missing from decision making and is also at risk from current trends which are suggesting a default approach of multi-purpose cash as being the most desirable. Both sectors see clear opportunity for cash to be a key response modality - with the condition it can be coupled with all other modalities and approaches required to meet identified objectives.

**Position Statements;**

Based on existing evidence and experience both the WASH and shelter clusters are of the opinion that:

- Common to the Grand Bargain statement - no single modality (cash, in kind, technical support or community engagement), is sufficient for meeting shelter and WASH objectives related to achieving safe living environments and public health outcomes that benefit whole communities and mitigate the impacts of future disasters.
- Any CTP/MBP WASH or shelter programmes with objectives beyond the basic transfer of assets must include appropriate technical assistance and community engagement.
- Decisions around the use of any modality (or combination) to meet WASH or shelter needs - as well as related funding allocations - should be made with the inclusion of sectoral technical specialists, and must be based on sound response analysis that considers all possible options. Where possible markets analysis should be integrated into all needs assessments from the outset of a response.
- There is an urgent need for the development of WASH/shelter specific tools, guidance and experience around analysing all relevant WASH and shelter markets. Currently neither the WASH or shelter sectors - nor humanitarian market specialists - have the right tools, skills or experience to quickly and efficiently map, assess and analyse these varied sectoral markets. As a result, the two sectors do not have access to the information that would help them make robust decisions on the viability of MPG’s and related unconditional CTP interventions.
- Funding mechanisms for MPGs should not exclude complimentary sectoral technical components in their design. These technical components should be prioritized based on needs and context.

---

4 EG there is often a high demand for corrugated iron sheets (CGI) in many responses, and although usually available on the local market this market is often not very elastic and tends to be based on a generally poor quality product

5 Markets include commodities, rent, land, services, transport, debt, remittances and skills/labour across a wide range of disciplines etc.
Requirements for enhanced MBP/CTP capacity in the WASH and shelter sectors;

Both sectors are engaged in efforts to adapt existing tools, knowledge and experience to develop sector specific approaches to facilitate the selection of the most appropriate delivery modalities. To deliver on this work more quickly, and thus be able to responsibly increase the scale of support provided via CTP/MBP, as well as where appropriate via MPG, the WASH and shelter sectors require;

- Increased opportunities for closer cooperation and two way dialogue between the broader cash and markets community\(^6\) and WASH/shelter technical specialists. Mutual education is key in finding the solutions to unlock the potential of CTP/MBP in these sectors without compromising on sectoral outcomes.
- More resources to facilitate the development of the required sector specific CTP/MBP tools, skills, capacity and evidence base that are currently broadly absent in both sectors.
- Technical support from cash and markets specialists and the development arena, to help adapt existing approaches to better suit WASH and shelter approaches and in particular to help WASH and shelter actors to deliver CTP/MBP interventions at scale.
- Guidance in developing monitoring and evaluation frameworks to examine both short and long term implication of CTP/MBP on detailed technical outcomes as well as beneficiary satisfaction.
- Support in ensuring broader sectoral collaboration, coordination and representation in country level cash working groups as well as global level policy discussions.
- Recognition from donors and cash advocates that building up the required experience, evidence and tools for specific technical sectors requires time as well as human and financial resources. The food security and livelihoods (FSL) sector has had over a decade to build experience and skills hence the leadership role the FSL sector has had in promoting CTP/MBP.

In the absence of a collaborative approach and focussed support from the cash and markets community, evolving the sectorial skills, tools and evidence around CTP/MBP will remain difficult.

However both sectors are committed to developing the skills required to deliver quality focused CTP/MBP, and see significant potential in the opportunities that this change in the way we do business presents to the populations we work with.

\(^6\) Cash community would include all entities involved in promoting the increased use of CTP/MBP such donors (DFID, ECHO), policy entities promoting cash (ODI, CaLP, CGD, etc) Working Groups, and cash and markets specialists from other sectors.