

JULY 2020

THE STATE OF THE WORLD'S CASH 2020

CASH AND VOUCHER ASSISTANCE
IN HUMANITARIAN AID



ACKNOWLEDGEMENTS

The State of the World's Cash 2020 was commissioned and developed by CaLP. The report is a collaborative piece of work, led by a core research and writing team with the invaluable inputs and support from a huge number of people.

We would like to thank the many people and organisations that generously contributed their ideas and time to the research process, including those who provided key informant interviews, responded to surveys, and facilitated or participated in the various consultations processes around the world. We have used all the information provided, treating views respectfully and carefully triangulating information to generate the analysis in this report.

We are particularly grateful to the Strategic and Technical Advisory Committee for their critical support in guiding the development of the report and reviewing drafts. The members are: Lama-Crys Al Chamaa (Oxfam/ex Lebanese Red Cross), Jo Burton (ICRC), Wendy Fenton (ODI), Maha Khan (ex-GSMA), Isabelle Pelly (independent), Tim McInerney (NRC), Kirsten Mildren (OCHA), Dina Morad (WFP) and Ruco Van de Merwe (USAID).

Many thanks to members of the CaLP Technical Advisory Group (TAG) and other partners who assisted with the review of draft chapters including Stefan Bumbacher (SDC), Edward Fraser (DRC), Helene Juillard (Key Aid Consulting), Tenzin Manell (Women's Refugee Commission), Niklas Rieger (Development Initiatives), Louisa Seferis (Ground Truth Solutions), Kristin Smart (Oxfam) and Jennifer Weatherall (CRS).

We would like to thank Development Initiatives for their essential expertise and support in data analysis, without which it would not be possible to provide the CVA volume data included in this report.

We are grateful to Ground Truth Solutions, particularly Emma Pritchard, Louisa Seferis, and Christian Els, for the generous contribution of their data, time, and analytical skills to provide a better representation of the perspectives of CVA recipients within this report.

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This report would not have been possible without the efforts and inputs of many members of CaLP's team around the world, including Oksana Davis, Alice Golay, Julie Lawson-McDowall, Pauline Pérez, Steph Roberson, Rose Smith, Sophie Tholstrup, and Jo-Anne Witcombe.

Finally, our thanks go to Ric Allen for the design and branding of this report, to Alex Glynn and Tim Harcourt-Powell for their support on communications products and web design, and to I sobel Wilson-Cleary for copy-editing.

FUNDING

We would like to thank the German Federal Foreign Office (GFFO), the Swedish International Development Cooperation Agency (Sida) and the Swiss Agency for Development and Cooperation (SDC) for their generous funding contributions that made this publication possible. The views expressed in this publication are the authors' alone and are not necessarily the views of the donors.

Cover photo: IFRC

CaLP is a dynamic global network of over 90 organisations engaged in the critical areas of policy, practice and research in humanitarian cash and voucher assistance (CVA) and financial assistance more broadly.

For more information, please visit the CaLP website at www.calpnetwork.com

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FOREWORD

I am humbled to write the foreword for the second edition of the State of the World’s Cash Report. When the last report went to press in 2018, I doubt many people would have believed us if we had even tried to describe what would happen over the coming two years.

In 2020 we find ourselves in unprecedented territory, with the humanitarian sector grappling with the impacts of the COVID-19 pandemic which has consumed the attention of governments, the general public, donors and aid organisations around the world. This is in addition to 79.5 million people displaced from their homes, long running conflicts and the horrific impacts of climate change, the full repercussions of which we are yet to see.

But one thing remains constant. People need money. The humanitarian system has adapted to this reality over recent years and so cash assistance is no longer a novelty in humanitarian operations, increasing from \$2 billion in 2015 to \$5.6 billion in 2019. While this increase is a success story for the work envisaged in the Grand Bargain, we have further to go to ensure that cash is used wherever it’s the most effective and valued tool.

We need to push harder to make cash the backbone in the humanitarian sector’s struggle to promote localisation of response. Breaking the in-all-but-name monopolies of the big aid agencies, upping the risk appetite of humanitarian donors to capacitate local institutions including local governments and aid organisations, and working directly with them on cash assistance. Importantly, aligning cash assistance with domestic social protection programmes, where appropriate, must be one of our priorities at a time when challenges are increasingly protracted.

Cash assistance is also a tool which can help us to close the artificial but all-too-real humanitarian-development divide, to crack open these silos and to treat people affected by disasters, conflicts and pandemics as agents of their own destiny – by recognising them as human beings rather than “beneficiaries” with specific ring-fenced categorized needs as determined by agency mandates and specialisations.

Economists are telling us that the fallout from the current global crisis will mean a sharp contraction in available resources, at a time when there is likely to be even greater need. So, inevitably, we will need to do more with less. Cash assistance can help us to do this, although we need to ensure we are delivering cash in ways which are preferred by recipients, promote physical and digital security, and empower crisis-affected people to choose how they weather and recover from crises.

CaLP has been in existence for 15 years. It has become an invaluable resource to shape policies and deepen understanding and learning on cash and voucher assistance. This year’s State of the World’s Cash report will help further shape our collective thinking and improve how people will benefit from cash assistance. While tremendous progress has been made, we still have a journey ahead of us to unlock the full potential of this form of programming. This report provides us with the signposts. Now, more than ever, we need to follow them.



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TERMINOLOGY AND ACRONYMS

KEY CVA TERMINOLOGY USED IN THIS REPORT

The evolution of cash and voucher assistance (CVA) in humanitarian programming is often reflected in the terminology that is used, with CVA itself being a relatively new term. CaLP's [Glossary of Terminology for Cash and Voucher Assistance](#), last updated in 2018¹, is the central reference for relevant CVA terms and definitions for readers of this report. The box below highlights some key terms, noting how understanding has evolved with the aim of clarifying how these terms are used in the report.

Clarifications on Key Terminology

- **'Cash and Voucher Assistance' (CVA)** was introduced in 2018 as the recommended umbrella term for humanitarian cash and vouchers. This is intended to replace terms including Cash Transfer Programming (CTP) and Cash-Based Transfers (CBT) which are misleading as umbrella terms as it is not clear that they cover both cash and vouchers. CVA is used throughout this report where reference is being made broadly to humanitarian programming which uses cash and/or vouchers.
- The terms **'cash assistance'** or **'cash'** are used when referring specifically to the use of cash transfers. Unless otherwise noted, we generally avoid using 'cash' as a shorthand for CVA more broadly – there are some exceptions, including in the coordination chapter as the term Cash Working Groups is generally used rather than CVA working groups. Equally where the subject is specifically 'multipurpose cash' (MPC), this term is used, recognising that there are other forms of cash assistance, including those defined by implementing agencies in terms of sectoral objectives.
- An **'integrated programming'** approach assumes that a combination of modalities and interventions will usually be most effective in achieving better outcomes for recipients, to be determined through good assessment and response analysis. Integrated programming might be implemented by one agency or by multiple agencies working collaboratively. Ideally this will be facilitated by a coordinated, multisectoral approach to needs assessment and programming. Note: this term is not in the current CaLP Glossary. It has been developed and proposed in this report based on feedback from key informants and reviewers who questioned the appropriateness of existing terms and definitions with a similar intention – notably 'cash plus' and 'complementary programming'.
- **'Operational models'** for CVA refers to the overall structure through which agencies work jointly (either through a partnership, consortium or another form of collaboration) to provide cash transfers, vouchers and/or other modalities of humanitarian assistance. This term is not used by all stakeholders, with some preferring an emphasis on 'approaches' for example. However, in the absence of a clear or standard alternative at this stage, the use of the term operational models in this report is relevant.

¹ CaLP (2018) Glossary of Terminology for Cash and Voucher Assistance, CaLP.

ACRONYMS

ACAPS Assessment Capacities Project	ERC Enhanced Response Capacity
AML Anti-money Laundering	ESSN Emergency Social Safety Net programme
AAP Accountability to Affected Populations	FAAMG Facebook, Amazon, Apple, Microsoft and Alphabet (Google)
A4EP Alliance for Empowering Partnership	FATF Financial Action Task Force
BDRCS Bangladesh Red Crescent Society	FCAS Fragile and conflict-affected situations
BIEP Building Individual Expertise Programme	FGD Focus Group Discussions
BVI British Virgin Islands	FFA Future of Financial Assistance
CAMEALEON Cash Monitoring, Evaluation, Accountability and Learning Organizational Network	FFP US Office of Food for Peace
CaLP The Cash Learning Partnership	FSP Financial Service Provider
CAR Central African Republic	FTS Financial Tracking Service
CBT Cash-Based Transfers	GB Grand Bargain
CCCM Camp Coordination and Camp Management	GBV Gender-based Violence
CCD Collaborative Cash Delivery Network	GCCG Global Cluster Coordination Group
CDA Common Donor Approach	GDPR General Data Protection Regulation
CDD Customer Due Diligence	GEC Global Education Cluster
CFM Complaints and Feedback Mechanisms	GHRP Global Humanitarian Response Plan
CGAP Consultative Group to Assist the Poor	GFFO German Federal Foreign Office
COVID-19 Coronavirus Disease 2019	GMI Global Mentoring Initiative
CMP Child Money Programme	GPPI Global Public Policy Institute
CRS Catholic Relief Services	GTS Ground Truth Solutions
CSO Civil Society Organisation	HCT Humanitarian Country Team
CTF Counter Terrorism Financing	HERE Humanitarian Exchange and Research Centre
CTP Cash Transfer Programming	HPC Humanitarian Programme Cycle
CVA Cash and Voucher Assistance	HQ Headquarters
CWG Cash Working Group	HRP Humanitarian Response Plan
DEPP Disasters and Emergencies Preparedness Programme	IARAN Inter-Agency Research and Analysis Network
DFID United Kingdom Department for International Development	IASC Inter Agency Standing Committee
DLT Distributed ledger technology	IATI International Aid Transparency Initiative
DRC Democratic Republic of Congo	ICCG Inter-Cluster Coordination Group
DRR Disaster Risk Reduction	ICRC International Committee of the Red Cross
ECHO European Civil Protection and Humanitarian Operations	IFRC International Federation of Red Cross and Red Crescent Societies
EiE Education in Emergencies	IHA International Humanitarian Assistance
ELAN Electronic Cash Learning and Action Network	IMF International Monetary Fund
	INGO International Non-Governmental Organisation

ACRONYMS

ILO International Labour Organization	SDC Swiss Agency for Development and Cooperation
IRC International Rescue Committee	SPACE Social Protection Approaches to COVID-19
JDS Joint Donor Statement on Humanitarian Cash Transfers	SOPs Standard Operating Procedures
KYC Know Your Customer	SRSP Shock Responsive Social Protection
LAC Latin America and the Caribbean	TAG CaLP Technical Advisory Group
M&E Monitoring and Evaluation	TAF European Union Technical Assistance Facility
MBP Market Based Programming	ToRs Terms of Reference
MEAL Monitoring, Evaluation, Accountability and Learning	TRC Turkish Red Crescent
MEB Minimum Expenditure Basket	UK United Kingdom
MENA Middle East and North Africa	UN United Nations
MiC Markets in Crisis	UNCCS United Nations Common Cash Statement
MNO Mobile Network Operator	UNHCR United Nations High Commissioner for Refugees
MPC Multipurpose Cash	UNICEF United Nations Children’s Fund
MPCA Multipurpose Cash Assistance	USAID The United States Agency for International Development
MPTF Multi-Partner Trust Fund	VfM Value for Money
NAPC-VDC National Anti-Poverty Commission - Victims of Disaster and Calamities	WaSH Water Sanitation and Hygiene
NGO Non-Governmental organisations	WB World Bank
NRC Norwegian Refugee Council	WCRS Whole of Cash Response System
OCHA Office for the Coordination of Humanitarian Affairs	WHO World Health Organization
ODA Overseas Development Assistance	WFP World Food Programme
OFDA US Office of Foreign Disaster Assistance	YFCA Yemen Family Care Association
ODI Overseas Development Institute	3PM Third Party Monitoring
OPM Oxford Policy Management	3W Who does What, Where
PDM Post distribution monitoring	
PDRRN People’s Disaster Risk Reduction Network	
PHAP Professionals in Humanitarian Assistance and Protection	
PQTB Programme Quality Tool Box	
PSNP Productive Safety Net Programme	
RAM Rapid Assessment for Markets	
RCRCM Red Cross Red Crescent Movement	
RDM Responsible Data Management	
SCAN Systematic Cost Analysis	

INTRODUCTION

Since the first State of the World's Cash report we have seen huge developments in cash and voucher assistance (CVA), with a continued increase in scale driving changing roles and partnerships, and a growing emphasis on quality. This new report, State of the World's Cash 2020, examines progress, changes, and challenges in the use of CVA within the rapidly shifting humanitarian landscape over the last two and a half years. It provides:

- A neutral and critical analysis of the current state of CVA globally, including the extent to which it is contributing to quality in humanitarian programming and outcomes for people in need
- An assessment of progress against the benchmark data collected for the 2018 report, identifying notable changes, challenges and gaps which may affect further progress
- Practical actions which can be applied - individually, organizationally and collectively – by stakeholders to support further progress and address gaps and challenges
- An analysis of the emerging implications of the COVID-19 pandemic.

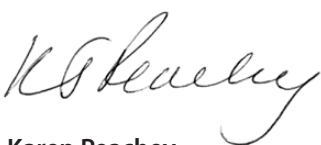
The report starts with a short overview of four key shifts that became apparent during the research and analysis for this report. This is followed by very short summaries of each chapter. These summaries offer some key reference points but we urge readers not to stop there. Each chapter of this report is full of rich findings, analysis and reflections on what more is needed to strengthen the CVA system.

The State of the World's Cash 2020 follows the same structure as the first report, tracking progress against the key objectives of the Global Framework for Action (GFA) – see annex 1. New chapters have also been added to this report on three key emerging areas: localisation, social protection and the impacts of the COVID-19 pandemic.

In 2017, the GFA rightly focused on humanitarian actors and their processes, with commitments and actions framed in terms of increasing scale and quality, building capacity, routinely considering and effectively coordinating CVA. The changes CVA is now driving go far beyond these processes, challenging the ways we work, the partners we work with and the role of humanitarian actors vis-a-vis the people we serve. As such, we will need to develop new benchmarks to measure future progress that are rooted in a) the perspectives of affected communities and recipients of assistance, and b) an understanding of the role of CVA in the broader context of the humanitarian system and other forms of financial assistance.

During the analysis and drafting stage of this report, the COVID-19 pandemic struck. In many parts of the world, people who were already in crisis have been severely affected, and many others have been pushed into need and are no longer able to cope without assistance. The pandemic has massively impacted humanitarian operations, including CVA, with significant implications for the future, many of which remain unclear at this stage. Rather than integrate COVID-19 into all chapters, an additional chapter has been added which examines the impacts to date, and identifies five windows of opportunity for change in CVA and the humanitarian system as the pandemic unfolds.

If you want to understand how CVA is being delivered and what this means for humanitarian action, as well as the key challenges that remain, this report is a must-read.



Karen Peachey
CaLP Director

THE STATE OF THE WORLD’S CASH 2020 – AN OVERVIEW

Since the first State of the World’s Cash Report was published in early 2018, we have seen big developments in cash and voucher assistance (CVA). **US \$5.6 billion in CVA was programmed in 2019, constituting 17.9 percent of total international humanitarian assistance** (IHA) – double the US \$2.8 billion programmed in 2016 (10.6 percent of IHA at that time). And it has not just been about delivering more CVA – there has also been **an increasing emphasis on quality**, along with more focus on **changing roles and partnerships**. While shared measures of programme quality are still lacking, a consensus is emerging that quality is defined by effectiveness, efficiency and accountability, and that **recipient perspectives are a critical measure**.



MEASURING PROGRESS IN CASH AND VOUCHER ASSISTANCE



This report draws on inputs from 254 practitioners, a survey of 34 organisations, 15 regional and country-based focus group discussions, in-depth interviews with 80 CVA experts, and an extensive literature review. It provides **an analysis of progress since the last report and key barriers to further progress, with recommendations to address them**.

As with the first report, progress is tracked against the objectives of the 2017 [Global Framework for Action](#) (GFA), with new chapters added on three key emerging areas: localisation, social protection and the impacts of COVID-19. In 2017, the GFA rightly focused on humanitarian actors and their processes - with commitments framed in terms of increasing scale and quality, building capacity, routinely considering and effectively coordinating CVA. Now changes go much further, with CVA challenging the ways we work, the partners we work with, and the role of humanitarians vis-a-vis the people we serve. Our **benchmarks for future progress** must be understood:

- (i) **From the recipient perspective:** quality and appropriateness of assistance, ability to influence and hold actors to account; and
- (ii) **In the broader context:** how CVA plays a role in effective humanitarian assistance overall, how it can work with and complement other modalities, and how humanitarian CVA actors can work better with others – governments and other local actors, the private sector, and development actors – to provide financial assistance.

FOUR KEY SHIFTS IN CASH & VOUCHER ASSISTANCE SINCE 2017

This is a rich report, with analysis of many aspects of CVA, with implications for all stakeholders. Looking across the findings, we have seen four key shifts since the first report, all of which have been accelerated and influenced by the COVID-19 crisis:



1. The rise and rise of CVA

- The rapid growth of CVA continues, with a 100 percent increase from 2016 to 2019. Alongside this, 91 percent of practitioners see increased donor support for CVA, and 85 percent believe it is now more systematically considered as a response tool. But barriers persist, particularly in relation to its wider use across sectors.
- We now know more about what makes cash an effective component of humanitarian programming, what is valued by recipients, and how to deliver better. 67 percent of practitioners believe the quality of assistance has improved since 2017, but more than half are concerned there is a risk that quality may suffer as CVA continues to increase in scale.
- As the use of CVA grows, it is reshaping the ways humanitarian actors implement, alone and together. There is a trend towards a smaller number of larger actors delivering a higher proportion of CVA globally, with the share of CVA programmed by UN agencies and their partners increasing annually, reaching 63 percent in 2019.
- The development of new collaborative approaches and operational models provides an opportunity for a systemic analysis of how to programme CVA, build on the best of what we know and embed quality and accountability. But there is also a risk these that processes could be driven more by agencies' preferred ways of working and efficiency considerations than by evidence and recipients' preferences. Common metrics to objectively assess different approaches are needed, with results shared to drive system wide learning and improved outcomes.



2. A multipurpose tool challenging a sector-based system

- We still struggle to fit cash – a form of assistance whose use and outcomes are determined by users – into a sector-based system which organises assistance by its intended purpose. Response analysis which starts with a holistic understanding of needs and market functioning is a prerequisite for more people-centred assistance which saves lives and supports livelihoods.
- The global impasse over CVA coordination, and who should lead and resource it, is symptomatic of this wider issue. While there has been innovation and growing experience in cash coordination at country level, 90 percent of our key informants agree that the lack of clarity and resourcing has real operational impacts. 66 percent of practitioners rank the coordination of multipurpose cash in a sector-based system as the greatest challenge for effective CVA in a humanitarian response.
- Overall, practitioners agree that the coordination system needs to evolve to better support the growth in multisectoral approaches, while retaining valuable sectoral technical expertise.



3. Recipients in the driving seat: in theory but not yet in practice

- Programme quality is increasingly being understood in terms of value for recipients. This entails a stronger focus on the role CVA can and should play in empowering recipients: maximising choices, assessing delivery options from the user perspective, and more responsive accountability mechanisms.
- Many practitioners stress the importance of gathering recipient feedback more systematically, including at the response-wide level, and sharing it transparently as a benchmark for quality and progress. But while there is growing consensus of the vital importance of this, there is limited evidence to date of feedback being used to drive programmatic changes.

- A scale-up in CVA should imply that recipients are increasingly in the driving seat of humanitarian action. And with humanitarian aid being just one financial flow among many, crisis-affected people will increasingly have options for support and recovery. Committing to giving recipients greater choice and influence will require humanitarian actors letting go of some of their traditional roles, necessitating tough choices and significant shifts in mindsets and ways of working.



4. CVA driving a more local, more plural humanitarian system, including stronger links with governments

- CVA is helping to drive a more local, more plural humanitarian ecosystem by strengthening links with governments, the private sector, market actors and local civil society organisations (CSOs).
- There is increasing consensus that localisation is important for sustainable CVA, but there is not yet agreement about what that means in practice or the priorities for action.
- Perceptions of the capacity of local organisations and systemic biases are barriers to change. Changes to ways of working, acknowledging the added value and strengths of local actors, are needed, alongside greater investment in sustainable capacity development using a systems lens, rather than focusing only on strengthening individual organisations.
- Humanitarian CVA actors need to work more effectively with the private sector, governments, development actors, CSOs and affected communities. These partnerships will involve trade-offs around speed, control, and approaches. Humanitarians have a critical role in ensuring that assistance remains principled, needs-based, and equitable, supporting all vulnerable and marginalised groups.
- The COVID-19 pandemic has accelerated efforts to strengthen links between humanitarian CVA and social protection. The devastating economic impacts mean that humanitarians are increasingly playing a safety-net function, working more closely with governments in many contexts. However, in many of the worst-affected countries, social protection systems are weak, under-funded and have limited coverage and the worst-affected people – migrants, refugees and other marginalised groups – are often excluded.
- There is a lot of research around how humanitarians can work more closely with governments to support the shock responsiveness and coverage of social protection systems, but there is limited evidence of effective action.

THE COVID CURVEBALL



The COVID-19 pandemic has upended humanitarian contexts and responses around the globe. This report includes reflections on its possible implications for CVA. The pandemic is likely to drive further growth of CVA, as the only tool able to rapidly save lives and protect livelihoods at scale. However, with rising needs and falling donor budgets, longer term growth is far from certain. It is important that current volatility and uncertainty does not push responders to revert to in-kind assistance where this is not the most appropriate tool for economic recovery. COVID-19 has accelerated progress on several reform priorities, and - in challenging the ways we work – offers the potential for us to build back better in key areas.

CONCLUSION

CVA is now a well-established humanitarian response tool which continues to save lives and livelihoods, and to challenge humanitarian actors to think differently and deliver better. The implications of a CVA-heavy humanitarian response are significant, affecting the roles and added value of humanitarians and the balance of power between provider and recipient.

Our hope for the future is that we'll see more plural, more local and more people-centred responses, in which international humanitarian actors have ceded some control while all humanitarian actors retain a sharp focus on ensuring principled, needs-based and equitable assistance. This means supporting crisis-affected people in ways which maximise their choice and agency while also strengthening local economies.

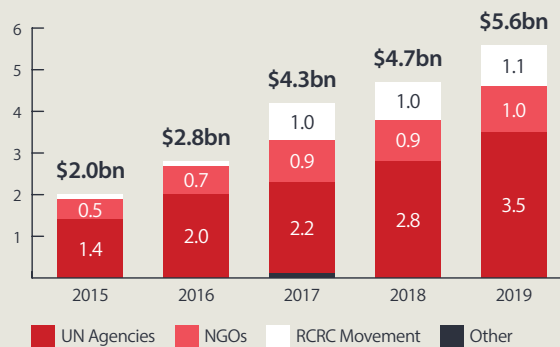
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SUMMARY: FUNDING, POLICIES, VOLUME, AND COLLABORATION

VOLUME AND FUNDING

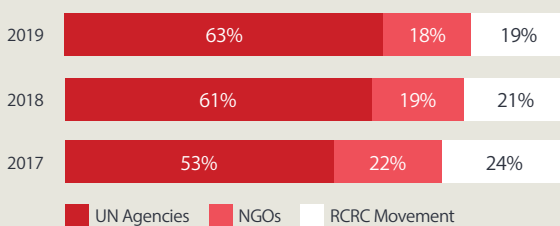
The global volume of CVA reached US \$5.6 billion in 2019, having increased year-on-year from \$2 billion in 2015. CVA also grew as a percentage of international humanitarian assistance, standing at 17.9% in 2019, up from 7.9% in 2015.

CVA programming costs by channel of delivery in USD bn



Growth in the use of CVA is expected to continue. Among other things, the relative efficiency of CVA is likely to promote scale-up, particularly as the gap between needs and funding widens and the pressure to 'do more with less' increases.

Global CVA volumes by organisation type



Growth in the use of CVA remains uneven across humanitarian actors. The proportion of CVA funding programmed by the UN and its partners has increased annually since 2017, reaching 63% in 2019.



The use of cash transfers, relative to vouchers, has increased as a percentage of CVA since 2015, constituting three quarters of the total in 2019.



The tracking of CVA volumes has improved, with reporting requirements agreed. However, **significant work and investment is still required to achieve commitments in this area.**

DONORS AND POLICIES



Since 2017, agencies and donors have made **more progress towards meeting policy commitments towards increasing the use and quality of CVA.**



Overall, donors' CVA positioning is perceived to be stronger, clearer, and better coordinated than before. However, more consistency on sector issues and at country level would benefit the planning of interventions.



There has been **more focus on supporting collaborative approaches to CVA.**



PRIORITY ACTIONS

- **All humanitarian actors should push for improvements in the quality of CVA across the humanitarian system,** putting ambitions for more and better CVA into practice, building on initiatives such as the Common Donor Approach.
- **Donors should provide more flexible, multi-year funding, enabling better integrated programming** to address basic needs, including supporting sector-specific activities where needed. Operational agencies should be **more propositional and transparent about what effective programming looks like and costs.**
- **All humanitarian actors should build towards more cross-coordination and partnership between collaborative delivery initiatives,** and include a broader **range of stakeholders,** including national and local actors.
- **All humanitarian actors should commit to and work towards the minimum requirements for tracking CVA.** Donors should support the **strengthening of systems for programme and financial management and reporting.**

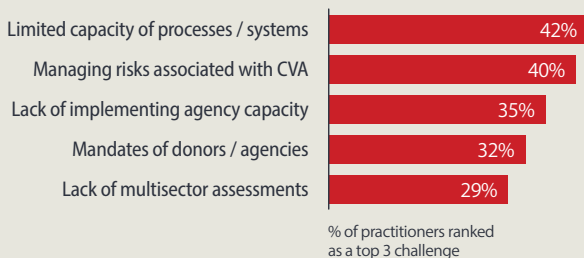
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SUMMARY: MAINSTREAMING CVA – PROGRESS; RISKS & CHALLENGES

PROGRESS AND CHALLENGES

CVA, including multipurpose cash, is an increasingly common and well-understood tool in humanitarian response, but barriers remain to its use.

Main challenges to scaling up CVA



To ensure that CVA is used wherever it is the most appropriate tool, there is a **need for stronger response analysis**, but this faces technical, political, and resourcing barriers. The inclusion of response analysis in humanitarian response plans marks progress, but more is needed, including within the cluster system.



Robust response analysis must be based on strong **multisector needs and market assessments**.

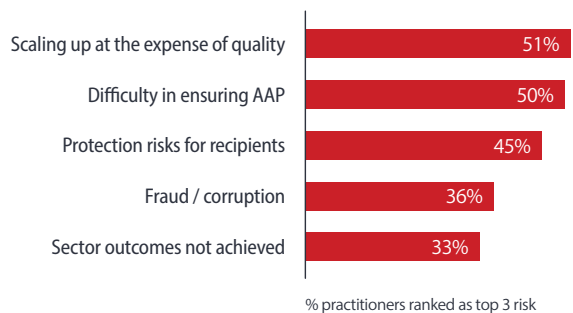


Multisector market assessments are often under-utilized, insufficiently collaborative, and data is not regularly shared.

PERCEIVED RISKS

Sectors have made good progress with the use of CVA but concerns about programme quality and achievement of outcomes remain a barrier for some.

Main perceived risks of scaling up CVA



Cash is not inherently riskier than other types of aid, but perceptions continue to affect the uptake of CVA. **Many of the most significant perceived risks relate to programme quality.**



Perceptions of **digital and data management risks** have increased in prominence. Humanitarian actors need to work quickly to agree what 'doing no digital harm' looks like.



PRIORITY ACTIONS

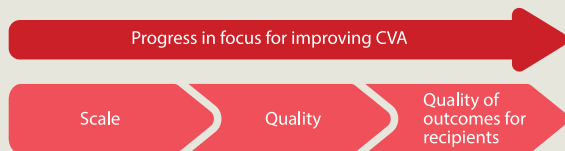
- All humanitarian actors should support the strengthening and systematic use of response analysis underpinned by robust multisector needs assessments. These should incorporate both multipurpose cash and sector specific CVA within an integrated programming framework.
- All humanitarian actors should support the proposed actions of the **Grand Bargain Workstream on Joint Needs Assessment** to improve resourcing, coordination, and accountability for multisector assessment and analysis.
- All relevant humanitarian actors should work together to further **develop evidence for achieving sector specific outcomes through CVA, including multipurpose cash**, and routinely consider sectoral CVA response options.
- Where there are **perceptions that CVA is inherently riskier than other types of assistance**, humanitarian actors should challenge these assumptions based on the wide body of existing evidence.
- Operational agencies and donors should **prioritise digital data risk management** as an area for skills and knowledge development.

3

SUMMARY: QUALITY PROGRAMMING

WHO DEFINES QUALITY IN CVA?

The focus for improving cash and voucher assistance (CVA) has gradually shifted from **increased scale**, to **improved quality** and is now moving towards **quality defined in terms of outcomes for recipients**.



Consensus is emerging among CVA actors on what constitutes quality in terms of effectiveness, efficiency, and accountability.



Aid recipients have **different perspectives to humanitarian actors** on what they value in aid.



Seeking and acting on feedback from CVA recipients and affected communities throughout the programme cycle can improve programme quality. The **question is whether humanitarian actors are both willing, and able, to do this**.



The focus must be on **overall quality programming, not only quality CVA**. Ensuring quality in CVA can be a catalyst or entry point for exploring ways to improve quality across responses.

COLLABORATION FOR CASH 'AT SCALE'



The recognition that CVA implies changes in how humanitarian actors work together has driven **more, new, and evolving approaches to collaboration**. These include consortia, shared payment mechanisms, and efforts to increase the interoperability and integration of systems and processes.



There is **no 'one size fits all' approach, nor is there automatic 'value for money' in collaboration for cash at scale**. Determining the right CVA operational model and what to invest in will depend on contextual factors including the type, duration, and complexity of a response.



There are **trade-offs in quality when delivering cash at scale**. It is necessary to understand where and when quality components (e.g. improved accountability) justify costs in the context of limited budgets.



It is likely that the number of **actors involved in the delivery of cash 'at scale' and end-to-end CVA programming will shrink**. Other agencies will have important roles to play but need to be flexible and develop 'added value niches' that drive quality.



PRIORITY ACTIONS

- Operational agencies and donors should **collaborate and share learning on operational models** and agree on the **benefits and limitations of different models in different contexts**.
- Humanitarian actors should **develop and use common metrics** to assess effectiveness, efficiency, and accountability.
- Relevant humanitarian actors should collaborate to pilot **systemic integration of an independent, people-centred approach to capture recipient perspectives**, and **independent MEAL functions** at response level.
- Operational agencies, donors and researchers should generate **evidence of the benefits and costs of 'quality' components** such as third-party monitoring.
- Donors and operational agencies should **acknowledge the trade-offs between quality and scale and agree on what is possible in different contexts**.
- Donors should revise award guidelines to **recognize and support components which foster quality programming**, enabling agencies to **develop specialized roles**.

4

SUMMARY: BUILD SUFFICIENT CAPACITY FOR CASH AND VOUCHER ASSISTANCE

PROGRESS AND CHALLENGES

Individual and organisational CVA capacities have improved, and are having a positive impact on timeliness and scale. Gaps persist that are impacting the quality of CVA and further scale-up.

Capacity building impacts timeliness and scale of CVA

78% of organisations agree that capacities built so far have allowed them to increase the timeliness of CVA.

80% of organisations agree that capacities built so far have enabled them to increase the scale of CVA.



Recruiting and retaining skilled staff remains a challenge, particularly as demand for specialised CVA skills increases.



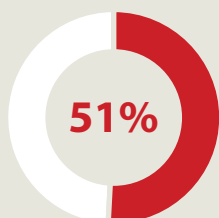
Organisations are building their "cash readiness" but progress is uneven across different staff profiles, organisations, and contexts.



There is need to think about the capacity of the CVA system as a whole and increase investment in local systems and stakeholders.



Dedicated funding for CVA capacity development is generally limited, insufficient and unpredictable for most organisations – national and international.



51 percent of practitioners agree that current policies will be effective in ensuring organisational capacity and readiness for CVA.

EVOLVING CAPACITY DEVELOPMENT NEEDS



There is demand for new, specialized, skills and profiles. This is creating new capacity gaps in relation to: technology, data systems and digitisation of CVA; social protection; accountability and recipient perspectives; relationship management, communication, and coordination.



The availability of, and access to, capacity building opportunities has increased, but more work is needed to ensure opportunities are accessible to all organisations. Training materials need to be adapted to different operational contexts, be available in different languages and online training needs to be strengthened.



PRIORITY ACTIONS

- All humanitarian actors should consider how their **capacity development efforts can benefit others, not just themselves. A stronger system will enable** sustainable progress in terms of scale, quality, and inclusion.
- Donors should **systematically fund capacity development processes** based on clearly **identified needs of individual organisations and shared needs.**
- Donors, international and local organisations should **invest in national cash readiness** based on local actors' needs and priorities.
- Humanitarian organisations should develop **more responsive and adaptable approaches to capacity building and** organisational planning **based on changing needs** in terms of skillsets and systems.
- Course developers and training providers should **adapt trainings to different operational contexts, languages and stakeholders.** They should **reinforce e-learning and self-paced learning** as flexible and accessible approaches.

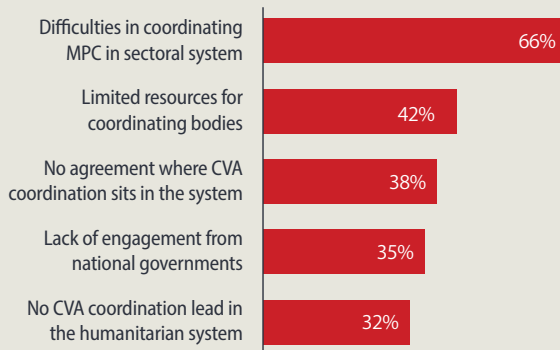
5

SUMMARY: COORDINATION

GLOBAL CHALLENGES, IMPACTS AND OPTIONS

There has been very limited progress on agreeing the role, scope, leadership and resourcing of cash coordination since 2017, with particular issues around multipurpose cash.

Main challenges to effective CVA coordination



% of practitioners ranked as a top 3 challenge



90% of key informants noted that the global impasse on cash coordination continues to have real operational impacts, limiting opportunities for collaboration and for improving the quality and impact of CVA.



Efforts to resolve outstanding questions around cash coordination have failed, in part because they have not taken enough account of the factors inhibiting change.



Cash challenges the established coordination and funding architecture. Expecting organisations to make high-stakes changes that are perceived to be against their interest is not realistic; advocacy must better consider incentives for change.



Options to overcome the coordination impasse include (i) assign leadership to the main cash actor in each response (ii) assign an operational agency to lead cash coordination globally (iii) coordinate cash through the inter-cluster coordination group (ICCG) or, (iv) embark on more fundamental, longer term changes to coordination (not cash specific).

PROGRESS AT RESPONSE LEVEL



Despite the lack global agreement, experience in cash coordination at response level is growing, with Cash Working Groups generating new tools, approaches and learning.



Cash Working Groups are contributing to the efficiency and effectiveness of programming but would benefit from better resourcing (e.g. through humanitarian response plans) and inclusion in strategic decision-making at response level.



PRIORITY ACTIONS

- The Grand Bargain Political Blockages Group and Donor Group should continue to advocate for standardising a predictable approach to cash coordination by international actors. Decisions should prioritise what makes most sense for affected populations.
- The Donor Group and Grand Bargain Political Blockages Group should approach the IASC again, with clear options and recommendations.
- Donors and other response level decision-makers should ensure Cash Working Groups (CWGs) are adequately resourced and have strong links to the rest of the response architecture.
- CWG leads, members and other relevant stakeholders should ensure more systematic sharing and capturing of learning between CWGs.

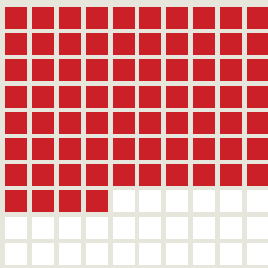
6A

SUMMARY: EVIDENCE, LEARNING & INFORMATION SHARING

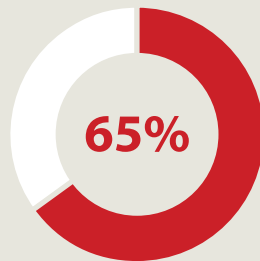
FILLING THE EVIDENCE GAPS

CVA research and learning has moved from proof of concept to a **focus on programme quality** and filling evidence gaps.

Practitioner perspectives



74%
of practitioners have the evidence needed to design quality CVA



65% of practitioners say there is sufficient evidence on the appropriate and effective use of multipurpose cash



Lack of evidence is not generally perceived as an immediate inhibitor of quality programming, though it remains a more significant issue at sectoral level.



Global clusters have made **progress identifying sector-specific evidence gaps** and rolling out plans to address them.



The evidence base on multipurpose cash has increased. Equally **gender and CVA**, identified as a critical evidence gap in the last report, **has seen notable progress.**



Greater understanding of issues such as recipient choices, well-being, and outcomes is needed. In addition, **there is limited research on the use of CVA in combination with other aid modalities** i.e. the best use of cash and/or vouchers as part of an integrated programming approach.



The **evidence base for cost-efficiency and cost-effectiveness remains weak and fragmented**, due to a lack of transparency with budget data, shared metrics, and resources.

INFORMATION SHARING AND LEARNING



There is **no shortage of information being produced on CVA**. There is a need to give more attention to **building on findings and integrating learning mechanisms** within programmes.



There is **continuing reluctance to share findings from unsuccessful or challenging programmes**, which could support sector wide learning, due to issues of funding and competition.



PRIORITY ACTIONS

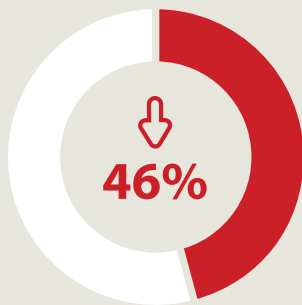
- **All humanitarian actors should ensure greater transparency, treating programme data and findings as 'public goods'**. Donors should not penalize agencies for being open about failures.
- **All humanitarian actors should increase efforts to understand what influences the outcomes of CVA for recipients**, and make systematic use of recipient perspectives in programme design.
- **Relevant humanitarian actors should collaborate to undertake systematic analyses of perceived evidence gaps and identify which are critical to improving the quality of programming.**
- **Relevant humanitarian actors should develop practical syntheses of evidence**, collate learning from different contexts and explore evidence beyond the humanitarian sector.
- **Humanitarian organisations, donors and researchers should improve collaboration and coordination of research and the application of learning**, building on existing platforms.
- **All humanitarian actors should ensure that evidence is used to inform programme design.**

6B

SUMMARY: INVESTING IN INNOVATION FOR CVA

TRENDS AND RISKS

Despite growth in areas such as digital finance, **appetite for CVA innovation has decreased slightly since 2017.**



46% of practitioners think humanitarian agencies and private sector actors are developing effective working relationships in CVA, marking a 9% drop since 2017



Attention given to **understanding and analysis of the value of innovation from a recipient perspective** has increased.



The growth of digital services provides many opportunities, but also demands careful consideration of **potential of real-life harms to recipients given that sensitive data about them is collected and managed.** There is also need for **greater investment in risk assessment and risk management.**

FINTECH AND CVA



Mobile-based services and the use of mobile money for CVA has continued to grow. 60% of mobile money providers reported partnering with a humanitarian organisation to deliver CVA (GSMA).



There is increasing emphasis on **digital identity provision and management as a critical enabler of access to aid and broader financial services**, with donors, researchers, and implementers investing time and effort. Policy and practice has evolved, including the development of pilot blockchain based ID management platforms that put aid recipients in control of their data, and policies on the use of biometric technology in registration and ID verification processes.



There has been steady growth in **disintermediated (i.e. direct transactions removing intermediary institutions) and token-based financial service models.** However, real-life application in large-scale humanitarian CVA seems to remain some way off.



PRIORITY ACTIONS

- Humanitarian actors, and relevant private sector and research partners, should maintain a **focus on strengthening collaboration and building long-term partnerships between humanitarians and financial service providers, including mobile money organisations**, to ensure solutions are flexible and meet recipients' short- and long-term needs.
- Humanitarian actors, and relevant private sector and research partners, should continue to **explore and invest in innovations that prioritise quality outcomes for recipients and in which recipients find value.** This should build on a shift from 'tech for tech's sake' towards more inclusive technology and people-centered innovation.
- Humanitarian actors should develop **stronger cross-sector collaboration to articulate and agree Data Rights and Governance standards** to ensure that the increasing use of innovations in digital identity and data management comply with the need to **"do no digital harm"**.

7

SUMMARY: CVA INTEGRATION WITH LOCAL SYSTEMS

MAIN FINDINGS

There is a **growing consensus on the importance of localisation within CVA**. But this broad agreement is yet to evolve into a **common understanding of what localisation means in practice and which aspects to prioritise**.

Main challenges for effective participation and leadership of national government and civil society organizations in CVA



Perceptions of the capacity of local organizations remain a barrier to change. Acknowledgement of the added value and strengths of local actors is needed, alongside greater investment in sustainable capacity development.



For rapid and effective response on a sustainable basis, the role of local actors and systems is critical. Making progress on localization requires humanitarian actors to be actively committed to shifting the balance of power. This means changing ways of working, developing equitable partnerships and adapting tools and systems to the context.



Investments in sustainable local capacity should include strengthening cash readiness and promoting the use of local systems. This includes funding local organisations to plan and deliver CVA directly, rather than solely as implementing partners.



Effective CVA localisation entails a wide range of stakeholders, including smaller civil society organisations, and representatives from target communities, including aid recipients.



The role of governments and local organisations in CVA coordination structures varies by country but, in most cases, participation remains minimal.



PRIORITY ACTIONS

- All humanitarian actors should agree on clear, measurable and shared priorities for localisation of CVA, and commit to action.
- All humanitarian actors should recognize that progress on CVA localization will mean shifts in power, as well as changes to funding processes, systems and requirements to enable the systematic consideration and strengthening of local systems and structures.
- Donors should increase predictable funding to local structures and systems for CVA planning and delivery.
- All humanitarian actors should make changes to ensure the meaningful participation and visibility of local actors in CVA discourse at national, regional and international levels.
- Humanitarian actors should make changes to CVA coordination platforms to ensure effective participation and engagement of local stakeholders.
- Local stakeholders, international agencies and donors should build true alliances, including for strategic planning and decision-making.

8

SUMMARY: LINKING CVA AND SOCIAL PROTECTION

MAIN FINDINGS

Working with, through and alongside social protection systems is **key to strengthening the humanitarian-development nexus**. Since 2017, action by humanitarians in this space has grown, including pre-shock engagement.

Top 3 challenges to better linking of CVA and social protection



% of practitioners ranked as a top 3 challenge



Robust social protection is a prerequisite to address the drivers of poverty **prior to crises**, respond better to **recurrent crises**, create long term solutions, and support those in need **during crises**. CVA should aim to complement robust social protection systems where they exist and contribute to their strengthening where they are weak or early-stage.



There is **no 'one size fits all' solution** to linking CVA and social protection. **Trade-offs** between efficiency, effectiveness, accountability, and sustainability **must be considered**. The **best approach will** depend on context, existing systems, and timeframe.



Linking will not always be appropriate and social protection systems may not meet all needs. In most contexts, in the short to medium term, **humanitarian programming will be required to fill gaps**.



In some contexts, it may be most appropriate for humanitarians to work independently of government systems.



Linking processes are **currently driven mainly by international humanitarian actors**, especially UN, RCRCM and donors, reflecting a wider challenge of building ownership from governments and other local actors.



Not all humanitarian actors are well placed to engage with social protection systems and linking is likely to be led by a small number. Others will have critical roles in focusing on gaps in coverage and inclusive approaches, particularly for marginalized populations including refugees and migrants.



PRIORITY ACTIONS

- Humanitarian and social protection actors should start from a focus on outcomes for affected people when considering if, how, where, and when to link CVA and social protection.
- Humanitarian and social protection actors should build on and collect further evidence to develop a clearer understanding of the different options for linking, using, or developing the systems that support CVA and social protection.
- Humanitarian and social protection actors should ensure better coordination in response analysis, preparation, sharing of tools, and allocation of roles **between agencies working on social protection and disaster risk management**, including national stakeholders, development, and humanitarian agencies.
- Donors should develop and fund longer term funding frameworks that encourage cooperation and coordination between humanitarian and development actors and greater programming flexibility.

9

SUMMARY: COVID-19 AND CVA: IMPACTS AND IMPLICATIONS OF THE CRISIS AND RESPONSE

CVA SCALE-UP, NEEDS, AND FUNDING



CVA is being scaled up significantly in response to COVID-19, but the **gap between needs and funding is growing rapidly.**



There is **no evidence that the scale up of CVA to date has impacted the quality of programming.** However, within a context of tightening budgets, it is possible that investments in quality and accountability to affected populations will be compromised.



'NO-REGRETS' ACTIONS IN THE COVID-19 CONTEXT

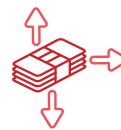
- **Look for opportunities to link with social protection systems** where appropriate. There are many simple entry points along the delivery chain that can make a big difference, and there is need to fill coverage gaps and functions which may not be prioritised by governments.
- **Work with others to build capacities** to create a win-win situation where cash actors throughout the CVA ecosystem are cash-ready.
- When moving quickly to digital and remote programming, consider **complementary interventions and alliance building to address potential exclusionary effects, digital literacy and to get participation and feedback processes right.**
- **Act short term but think long term.** Always have building back better in mind.

OPPORTUNITIES TO BUILD BACK BETTER

The COVID-19 pandemic is having an extraordinary human cost, but also presents an opportunity to redefine the humanitarian system to better serve the needs of crisis-affected people and build back better:



The COVID-19 response and recovery can **accelerate efforts for new and innovative partnerships between international actors and local civil society.** International organisations will need to learn how to be **better intermediaries.**



The COVID-19 response may provide **the momentum to address long-standing cash coordination challenges.** Cash Working Groups have responded quickly, providing critical analysis and guidance, but structural barriers remain, e.g. resourcing and weak links to the formal response architecture.



The COVID-19 response has **accelerated collaboration between social protection and humanitarian CVA practitioners** at the global level. But, in many cases, in-country responses are being impeded by "waiting games", siloes and competitiveness.



The COVID-19 response is driving a **rapid shift to remote and digital channels for registration, delivery and monitoring of CVA.** These shifts may become the 'new normal', bringing opportunities and requiring careful consideration of risks around safe programming and data management.



The COVID-19 response has **highlighted the need for better market analysis and understanding of how humanitarian response can strengthen market systems.** Market recovery strategies should be integrated into programme design and efforts to connect humanitarian and development actors in market-based programming should be increased.

METHODOLOGY

Primary Research

80 key informant interviews

15 regional and country level focus group discussions

254 respondents to the practitioner survey in 3 languages

34 organisations completed the organisational survey

24 organisations completed the CVA volume survey

Secondary Research



Review of key documentation published since 2018



Analysis of recipient perception data



Analysis of CVA volume data

Research for the State of the World’s Cash 2020 drew on primary and secondary sources. It involved a range of stakeholders working in different operational contexts and with roles at global, regional, country, and local levels. This section provides an overview of the methodology, see Annex 2 for more details.

Primary research was undertaken between September 2019 and March 2020, with views gathered from people INGOs, UN agencies, the Red Cross Red Crescent Movement, local organisations, individual experts and, to a lesser extent, host governments and the private sector.

Aid recipients’ perspectives were incorporated into the research with the support of Ground Truth Solutions, drawing on accumulated analysis from their [Humanitarian Voice Index](#) and Cash Barometer. CaLP worked in conjunction with Development Initiatives to conduct a survey of 2019 CVA volume data. This

followed an established methodology for calculating CVA volumes and included the extraction of data from OCHA’s Financial Tracking Service database.

Quantitative research included practitioner and organisational surveys, similar to those used for the first report to enable a level of comparative analysis, with additional questions to capture new trends. The sample size for the practitioner survey is 10 percent larger than for the previous report. 80 key informant interviews were conducted with people from implementing organisations, donors, consultants, sector focal points, and thematic experts. To help contextualise the research, seven regional and seven country level focus group discussions were completed, supporting the inclusion of a wider range of stakeholders.

Secondary research included an extensive literature review of key documentation and resources published since 2018 to frame the research, develop the primary data collection phase, and support the analysis and triangulation of primary research findings. Given the large number of CVA publications, secondary research was necessarily selective and conducted on a rolling basis throughout the research and drafting period.

A Strategic and Technical Steering Committee including a range of institutional and technical profiles, provided ongoing quality checks, reviewed and informed the overall framing of the report. External review of chapter drafts was also provided by members from the CaLP Technical Advisory Group (TAG) and other thematic experts.

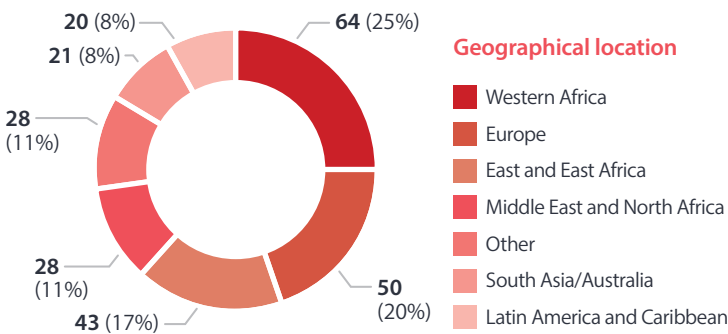
The data analysis and drafting process of this report was affected by the **COVID-19 pandemic**. This led to the need to incorporate an analysis of the impacts of the pandemic on CVA in the form of an additional chapter. It explores five key themes where change is most likely to occur as a result of COVID-19, based on a review of publications, guidance, blogs, news articles and webinars reflecting the impacts of the pandemic on CVA and humanitarian aid between March and July 2020, several key informant interviews, and a workshop with CaLP’s Technical Advisory Group to validate and elaborate on initial findings and analysis. Given the timing and nature of the pandemic response, the COVID-19 chapter necessarily takes a more speculative, forecasting approach than the rest of the report.

RESEARCH TIMELINE

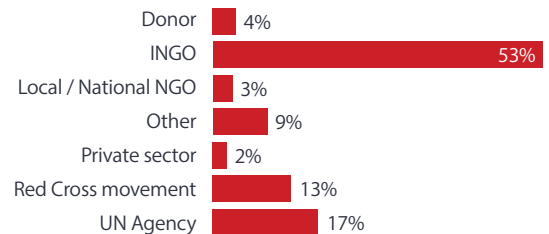


PRACTITIONER SURVEY INFORMATION

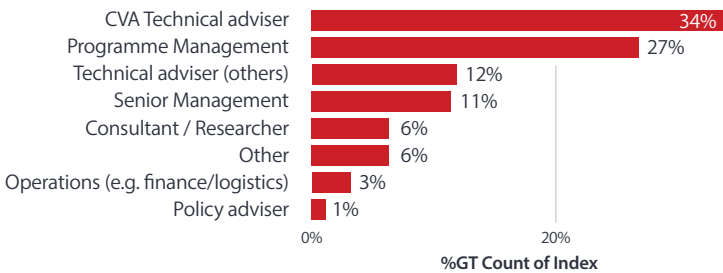
34 Organisations surveyed including INGOs, Donors, UN Agencies, and Red Cross and Red Crescent Movement



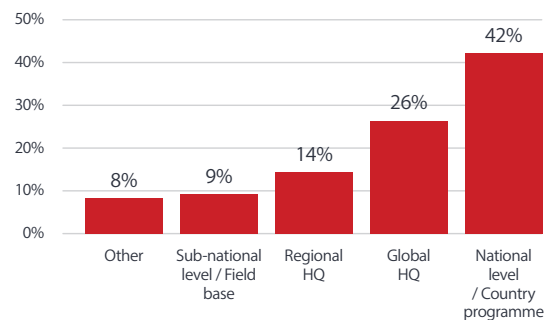
Organisation type (%)



Role of respondent (%)

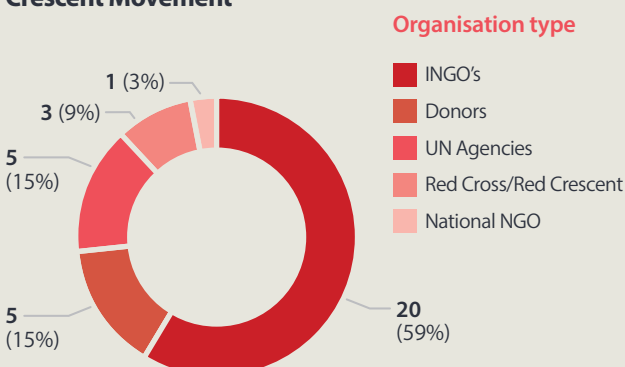


Location of role within organisation (%)

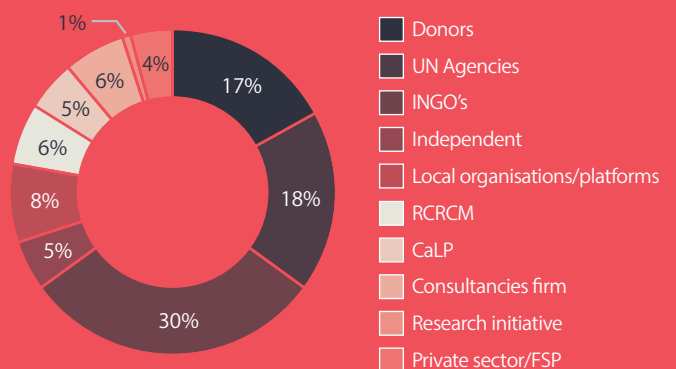


ORGANISATIONAL SURVEY INFORMATION

34 Organisations surveyed including INGOs, Donors, UN Agencies, and Red Cross and Red Crescent Movement



KEY INFORMANTS INTERVIEWS: 80





In Myanmar, an Oxfam recipient reflects on her participation in WASH, cash for work and livelihoods activities which have substantially contributed to her improved health and food security: "I also participated in cash for work activities. I grow seeds myself and prepare the soil. Sometimes my husband can help with the digging."
Dustin Barter/Oxfam. October 2016.



1

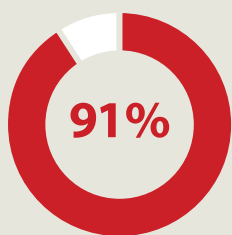
FUNDING, POLICIES, VOLUME, AND COLLABORATION

**Global objective: Ensure sufficient
funding is available for CVA**

Donors and implementing agencies have maintained and developed CVA policy commitments and support, and continue to drive increases in scale

The previous report highlighted an acceleration between 2015 and 2017 in high level policy commitments and recommendations for increasing cash and voucher assistance (CVA)¹, including the Grand Bargain (GB), ECHO's 10 Principles, the High-Level Panel report², and the Strategic Note on Cash Transfers.³ Research for this report indicates that the recommendations put forward to ensure these commitments were supported and sustained have been taken forward since then.

BOX 1.1 Perspectives on support for CVA



91% of practitioners agree that donor support for CVA has increased over the last 2 years



76%

76% of surveyed organizations have a strategy guiding the scale up of CVA

88%

88% of practitioners agree that support for CVA has increased amongst senior decisions makers in humanitarian agencies



Most surveyed practitioners agreed that support for CVA from donors and senior decision makers in humanitarian agencies has increased over the last two years (see box 1.1). The ongoing growth in CVA volume also seems to underline that this policy support has had an impact on programming. This is a view that practitioners share, with 80 percent of those surveyed agreeing there has been good progress over the last 2 years in increasing the scale of CVA. A slightly lower percentage (68%) of the same group agree that the policies of donors and agencies developed over the last 2 years will be effective in (further) increasing the scale of CVA. This might indicate less confidence that the current rates of growth will be maintained, although the relative increase in CVA programming in 2019 (see following section) does suggest that this will not be the case, at least in the short term.

Doubts about the impact of policies developed in the last two years may also be because people feel the main policy changes and commitments to increase CVA happened several years ago. Indeed, several key informants reflected that the last two years had been primarily about institutional roll-out of existing policies, inevitably with variations in the pace, timing, and consistency of uptake and openness across organisations, locations, and sectors.

There have been some new policy developments since 2017, both within individual agencies and donors, and on an interagency level. These relate to scale and, increasingly, to ensuring quality and building collaborative approaches and will be further explored later in this chapter. It is worth noting that nearly a quarter of surveyed organisations (n=32) reported that they do not have a strategy guiding the scale up of CVA. All the organisations in this category are medium to medium/large INGOs, including several who are quite prominently 'pro-cash'. As such, this feedback does not necessarily indicate a lack of commitment to or the absence of CVA-specific policies, but rather the lack of something focused specifically on scaling up CVA.

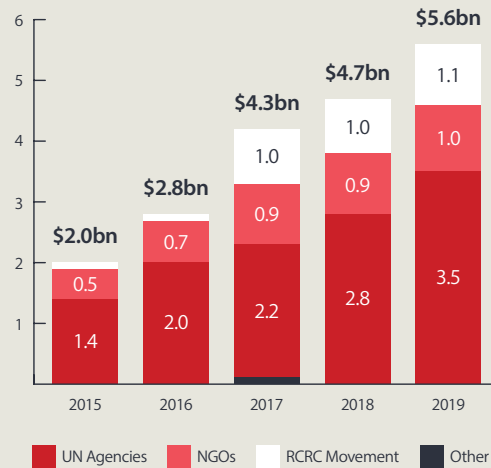
¹ Note that some policies and recommendations relate specifically to cash assistance, while some relate to cash and voucher assistance (CVA) collectively

² ODI (2015) Doing Cash Differently: A Report on the High Level Panel for Cash Transfers London: ODI..

³ World Bank (2016) Strategic Note: Cash transfers in humanitarian contexts - Final draft prepared for the Principals of the Inter-Agency Standing Committee, World Bank. New York: World Bank

The global volume of CVA has risen significantly, but growth across agencies is increasingly uneven

BOX 1.2 CVA programming costs by channel of delivery in USD bn



The global volume of CVA – calculated to include the value of cash and vouchers received, plus associated programming costs - has increased year on year since 2015, to reach a provisional total of 5.6 billion in 2019.⁴ These global volume calculations generally cover CVA that falls within international humanitarian funding streams only, implemented by UN agencies, NGOs, the RCRCM, and very occasionally directly by donors. It does not for example include cash or voucher interventions funded through or implemented by host governments e.g. social assistance. The apparent increase of US\$1.5 billion from 2016 to 2017 was mostly due to newly available data from the RCRCM. It seems fair to assume that the total volume of CVA in 2015 and 2016 would be higher if full RCRCM data for those years was available.

CVA has also been increasing as a percentage of overall international humanitarian assistance (IHA)⁵, reaching 17.9 percent in 2019 (box 1.3). This remains significantly below the Global Public Policy Institute’s (GPPI) estimate in a 2016 study⁶ that if CVA were used as the default, where feasible and appropriate, its value as a percentage of IHA would be between 37 percent and 42 percent. It is important to note however, that the relative annual growth of CVA has generally been greater than overall IHA, and in 2019 while CVA grew by 19 percent, IHA fell by 5 percent. The trend for CVA to constitute an increasing proportion of IHA is predicted to continue in future, particularly if the gap between humanitarian needs and funding continues to grow and generate greater pressure for more cost-efficient approaches, which CVA is widely considered to be.

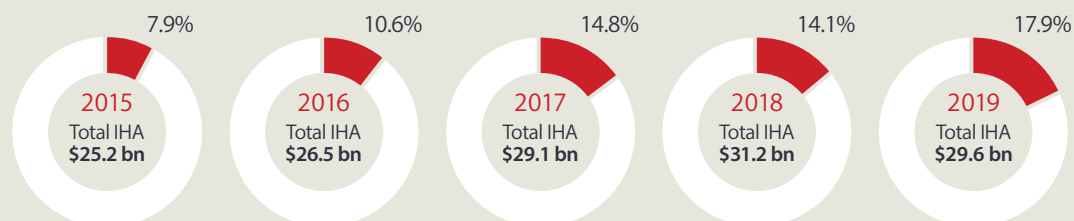
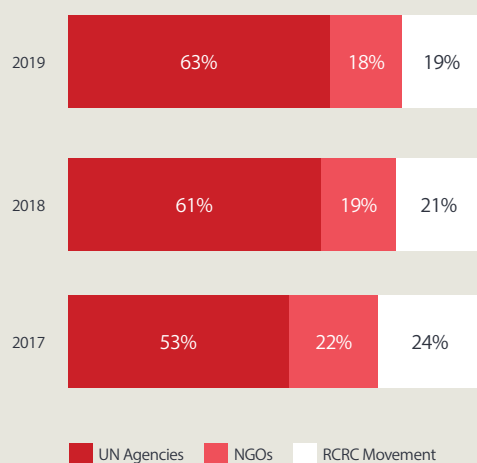


IMPORTANT NOTE ON 2019 CVA DATA: Data for 2019 is provisional. In addition to the usual caveats (see footnote and the section on tracking CVA, below), the timeframe for data collection meant that multiple organizations were not able to submit data at all, submitted incomplete data, or included projected estimates. FTS data has also been used where possible, but this is not comprehensive, and gaps remain. However, CVA data is more likely to be have been under-reported than over-reported, so a decrease in the totals overall or per organization type is not anticipated.

As the Future of Financial Assistance (FFA) report found, the financial resources on which humanitarian aid relies are likely to change over time. For example, the political landscape in some donor countries could lead to reductions and/or reallocations of government funding. This could result in an increase in the relative importance of private funding, from large foundations through to individual giving, which in turn would make it essential to convince wealthy donors and the public of the benefits of CVA.

⁴ **IMPORTANT NOTE ON VOLUME DATA AND METHODOLOGY:** Global CVA data is collected and calculated annually by Development Initiatives in partnership with CaLP. Data is collected via a survey from agencies implementing CVA, and supplemented, and cross referenced with data extracted from OCHA’s Financial Tracking System (FTS). See the report’s Methodology section for a more detailed description of the methodology and related caveats.

- Agencies are asked where possible to provide a) values for CVA transferred to recipients, disaggregated by cash and vouchers, and b) associated overall programming costs. Most agencies can provide the values transferred to recipients, but not associated programming costs, particularly where CVA has been delivered as part of wider programming and extrapolation of CVA specific costs is not feasible. Conversely, some agencies are only able to provide overall CVA programming costs, some of which includes some non-CVA components.
- Multiple agencies also note that their systems are not always able to capture either complete or wholly accurate data, which can lead to both under and over reporting, although the accuracy of reporting systems tends to improve over time.
- The global CVA volume has to date been calculated in terms of overall programming costs (i.e. transfers plus all associated costs). Where agencies provided the value of CVA transferred to recipients only, an average programming cost of around 23% was applied to the respective organizational total. This average was calculated based on data submitted by organizations who were able to provide both amounts transferred and associated CVA programming costs, and updated after each survey based on the newly available data.
- Agencies are also asked to provide data on CVA sub-grants received or disbursed to other agencies. This is used to help remove double counting, with CVA amounts applied to the implementing partner and removed from the totals of sub-granting donor organizations.

BOX 1.3 CVA as a percentage of international humanitarian assistance (IHA)**BOX 1.4 Global CVA volumes by organisation type**

* NB. IHA data for 2019 was not available during the development of this report, so is not included in this analysis

Uneven growth: A variable and uneven pattern of growth of CVA across agencies, also highlighted in the previous report, is a continuing trend. As the graphs demonstrate, the bulk of CVA growth has been from UN agencies, which accounted for nearly two thirds of global CVA in 2019, compared to just over half in 2017.⁷ The volume disbursed by UN agencies increased by 77 percent from 2016 to 2019, compared to only 36 percent by NGOs. UN agencies also accounted for 78 percent of the overall increase in CVA from 2018 to 2019. While volumes disbursed collectively by NGOs and by the RCRC have also increased, they decreased slightly as a proportion of global CVA, falling from a combined 46 percent in 2017 to 37 percent in 2019. It is worth noting, however, that NGOs play a significant role as implementing partners for UN agencies, which is not effectively reflected in the respective volume figures. For example, three quarters of **WFP's CVA and food operations** are delivered together with NGOs.

Growth patterns at the macro level are not consistently reflected at organisational level, with both increases and decreases in annual CVA volumes. While 79 percent of respondents (n = 28) to the organisational survey agreed that they have increased the proportion of CVA as a percentage of aid delivered over the last two years, analysis of CVA volume data reveals a more mixed picture. From 2017 to 2018, 52 percent of those organisations who provided data (n = 21) experienced a *decrease* in CVA delivered, although this reduced to 41 percent of organisations (n = 17) from 2018 to 2019. The survey results and volume data might appear to contradict each other, although it is possible that, for example, some individual agencies experienced a reduction in their overall aid volume while still increasing CVA as a relative percentage. Issues with the accuracy and comprehensiveness of CVA data tracking within some organisations could also be a factor, with volumes potentially under or over-reported at various stages as systems are developed (see the sections below on tracking CVA).

Factors affecting different organisations' scaling up CVA: It seems unlikely that any agency has made a strategic decision to reduce the volume of CVA they implement (see the sections exploring CVA policies and targets). However, there are multiple internal and external factors which can influence this and will apply to a greater or lesser extent for different agencies. These include, but are not limited to:

- **Context and regulations:** Multiple key informants reported that government policies in target countries have had an increasing influence on where and how much CVA they can deliver. Limitations on the use of CVA in countries such as Bangladesh, Nigeria, Nepal and Mozambique have impacted

⁵ See the methodology section for caveats to take into consideration when comparing IHA and CVA data.

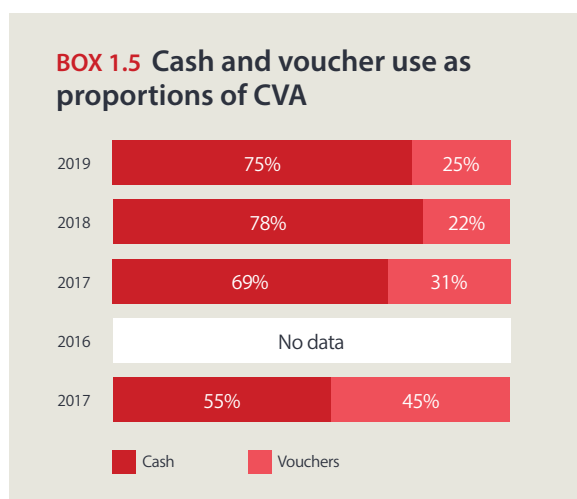
⁶ Steets, J., Binder, A., Derzsi-Horvath, A., Kruger, S. and Ruppert, L. (2016) Drivers and Inhibitors of Change in the Humanitarian System. Berlin: GPPI.

⁷ Note that data on sub-granting is accessed as far as possible to avoid double-counting, with relevant CVA volumes being attributed in the calculations to the organisations that implemented them, rather than the organisation providing the sub-grant.

the scale of CVA that might have been implemented both by individual agencies and overall (see chapter 2 for more on factors affecting the routine consideration and scale of CVA). Donor and funding regulations, for example in terms of counter-terrorism sanctions, may also have had an influence in some places. Specific contextual factors can also be critical, including local attitudes around CVA and dependence, the mix of overall programming and coverage of given needs, and the stability, or otherwise, of the currency.

- **Capacities and institutionalisation:** Capacity limitations in staff and systems are perceived to be among the biggest challenges organisations face in increasing both the scale and quality of CVA (explored in more depth in chapter 4, on capacity). Institutionalizing CVA, including building capacities and changing mindsets, requires time and significant investment, which is more readily achievable for some organisations than others. Correlations between investments in institutionalisation and increases in CVA programming are to be expected, although other factors will affect this.
- **Mandates and priorities:** As noted in key informant interviews, organisations with a focus on sectors which emphasise resource transfers, e.g. food security, are unsurprisingly amongst those with the largest CVA portfolios. Those who do significant core work in sectors which are heavier on service delivery components and/or which tend to be more underfunded, are less likely to be increasing the scale of CVA in the same way. Agencies that work across a range of sectors may also alter their strategic priorities, which could influence the relative scale of CVA they do over time depending on sectoral priorities.
- **Market share:** The relative growth in large-scale, UN-led delivery, particularly for multipurpose cash (see chapter 3 for more on operational models), means that CVA funding in many responses is more concentrated towards fewer agencies. Inevitably this means less CVA funding may be available for others, depending on the context and response. Many NGOs are making strategic decisions based on this reality, with the Collaborative Cash Delivery Network (CCD) (see Box 1.7) being a key development in terms of how some NGOs are working to manage their roles and collaboration, including for large scale CVA. At the individual organisation level, one NGO key informant noted, for example, that their focus for CVA is specifically on contexts where UN agencies are not implementing large scale cash, such as where governments have limited legitimacy. Another remarked that an increasing concentration of funding in UN agencies may discourage investments in systems for CVA implementation by NGOs.

Cash transfers as a percentage of CVA have increased since 2017, although there are organisational variations and indications this trend may be reaching a plateau



The drive to disaggregate cash and vouchers when tracking CVA (see section below) has been in large part due to the emphasis given to cash in terms of policies and associated debates on the benefits and user experience of these modalities. The general trend since 2015, when there was a roughly equal split between cash and vouchers, has been a gradual increase in cash transfers as a proportion of overall CVA.⁸ The upward swing between 2017 to 2018 was primarily due to UN agencies' increasing use of cash (e.g. WFP increased from 49% to 62% cash), and the RCRCM (whose use of cash as a proportion of CVA increased from 82% to 95%).⁹

⁸ It is important to note that this analysis of cash and vouchers as percentages of CVA is mostly based on a small subset of organisations who were able to provide disaggregated data (e.g. 13 in 2017, 19 in 2018 and 2019). This does include most of the largest CVA implementers by volume, with reasonable representation from INGOs, UN agencies and RCRC, but clearly is not wholly comprehensive or accurate.

⁹ The 2019 data provided by RCRCM for this study is provisional and has not yet been disaggregated by cash and vouchers. Given the high volume of RCRCM CVA, not including it in the analysis of cash vs. vouchers would skew the results. As such the 2018 percentage for cash as a proportion of RCRCM's total CVA (95%) was applied to the 2019 data, on the assumption that cash would continue to dominate their CVA portfolio.

However, provisional data for 2019 shows a small overall decrease in cash as compared to vouchers from 78 percent to 75 percent. This is largely explained by an analysis of WFP's data. Although it delivers more cash assistance than any other single agency, WFP is also the biggest implementer of voucher programming in terms of volume, and amongst the largest in terms of vouchers as a percentage of its overall CVA. In 2019 their ratio of cash to vouchers decreased slightly to 59 percent, from 62 percent in 2018. So, while their use of CVA was increasing, the amount of cash WFP programmed increased by 17 percent and their voucher programming grew by 31 percent in the same period. The bulk of this increase was in commodity vouchers, primarily in Yemen and Mozambique. Given the sheer size of WFP's programming, and as a proportion of CVA, this relative increase in their use of vouchers likely constitutes much of the overall shift in the cash to vouchers ratio.

The median percentage for cash as a component of CVA per organisation increased from 81 percent in 2017 to 92 percent in 2019. While this indicates a continuing trend towards providing more cash than vouchers, it masks variations at individual organisational level. Analysis of disaggregated data from 2017 to 2019 shows a mix in the level of cash versus vouchers. NGOs have historically implemented more cash than vouchers, but this ratio decreased from 84 percent to 78 percent cash from 2017 to 2018. The reasons for this are not entirely clear, as it was not a topic that featured strongly in interviews, but one key informant noted contextual restrictions on using cash where it can be easier to get permission from governments to use vouchers. Also, that data protection concerns relating to donor demands specific to cash assistance had on occasion prompted a switch to vouchers. One INGO with a significant voucher portfolio reflected that most of this is delivered in one country (Syria). The decision to use vouchers in this case was based on donor preference, but advocacy from implementing agencies is proving effective in moving from commodity, to value vouchers, and in introducing some cash transfers. Agency mandates, which may entail using vouchers where they are considered better able to achieve sector specific objectives, is another factor which can influence design and modality selection.

Table 1.1 Cash as a proportion of CVA within individual organisations

Year	Median - Cash as a % of CVA per Organisation	Number of Organisations
2017	81%	13
2018	88%	19
2019	92%	19

Good progress has been made agreeing what CVA data to track with early evidence of this influencing practice, although reporting to interagency platforms remains inconsistent

The previous report noted that improving CVA tracking and reporting is dependent on a) agreeing what cost and programming data should be tracked, and b) organisations and interagency reporting platforms taking the necessary steps to enable this data to be captured and shared. At that time disagreements on some of the fundamentals such as whether to disaggregate cash and vouchers were identified as a critical issue to be resolved. The intervening period has seen significant progress made on building consensus on key terminology and minimum tracking categories (see box 1.6), which should in principle provide a foundation for better, more harmonised tracking of CVA.

There is also evidence of improvements in practice. Most surveyed organisations (86.2%) reported that they are now tracking CVA through their reporting systems, with 51.7 percent reporting they track cash and vouchers separately. Analysis of CVA volume data shows a marked increase in the proportion of organisations submitting data that were able to disaggregate cash and vouchers – from 59 percent (n=13) in 2017, to 79 percent (n = 19) in 2018. This might be a somewhat selective sample as organisations who contribute their data are likely to include those most committed on this issue, but nevertheless this constitutes good progress.

BOX 1.6 Development of minimum requirements for tracking CVA

The Grand Bargain Cash Sub-workstream on Tracking CVA, co-led by CaLP and ECHO, has spearheaded efforts to identify guidelines to help harmonise and improve the tracking of CVA. The focus was on identifying workable minimum requirements (see below) at the **global interagency level** – primarily OCHA's Financial Tracking Service (FTS) and Projects Module, and the International Aid Transparency Initiative (IATI) Data Standard. The minimum requirements should also be applied at **response** and **organisational** levels. It has been an instructive process in building consensus across multiple organisations and perspectives, and included a **scoping study**, two dedicated workshops (reports available [here](#) and [here](#)), numerous working group calls and discussions, and an open consultation with humanitarian stakeholders.

Terminology: Agreements on key definitions formed a critical part of the groundwork. This is important for how practitioners conceptualise and discuss CVA in general, and specifically for developing reporting categories that could be clearly and mutually understood. Relevant updates to key terminology in the [CaLP Glossary](#) include:

Introducing **Cash and Voucher Assistance (CVA)** as the recommended umbrella term, as opposed to terms such as Cash Transfer Programming (CTP) and Cash-Based Transfers (CBT) which can be misleading as to the fact they cover both cash and vouchers.

Refining the definition of **restriction** to clarify that cash transfers are always unrestricted in terms of use, while vouchers are always restricted. Labelling of cash transfers and associated activities to influence how the cash is spent does not constitute a restriction.

Refining the definition of **conditionality** to clarify that it includes interventions that require recipients to achieve agreed outputs as a condition of receiving subsequent tranches (e.g. purchasing relevant inputs or services to construct a shelter, purchasing items to support livelihood development).

Minimum Requirements for Tracking CVA: These are based on principles of data minimisation i.e. there is a clear rationale for the use of the specified data, and it is considered essential to meet the objective of effectively tracking CVA. They were formulated based on a series of agreements and recommendations from the sub-workstream.

1. Disaggregate cash and voucher interventions in tracking and reporting systems
2. Use cash and voucher as the terms to categorise relevant programming. Do not use restricted/unrestricted as equivalent terms
3. Track the value of transfers made to (received by) recipients
4. Include the programme's objective(s) in reporting. Objectives may be sectoral (e.g., nutrition, education, WASH) or cross-sectoral (*multipurpose*).

Application: There is emerging evidence of the use of the minimum requirements in practice:

- **FTS, the Project Module and IATI Data Standard**, have incorporated changes to allow CVA to be more effectively captured and disaggregated where possible
- The Global Cluster Coordination Group (GCCG) has recommended disaggregated reporting of sectoral cash and voucher assistance as part of regular **3W reporting**
- Multiple **organisations** have either made changes to enable disaggregated reporting of cash and vouchers or are in the process of doing so. Organisations also increasingly primarily track the value of transfers to recipients

BOX 1.6 Development of minimum requirements for tracking CVA (cont.)

- While MPC is well recognised as a type of intervention, the general uptake and application of multipurpose as a cross-sectoral reporting category is likely to remain contested for some time within reporting systems that are organised primarily by sector. **The main challenge here is finding consistent and universally accepted methods to categorise the resources transferred as either sectoral or cross-sectoral in terms of objectives and outcomes** (see chapter 3 and chapter 6 for more on MPC and sector specific concerns on quality and outcomes).

Interagency reporting mechanisms have also taken steps to better integrate and improve the disaggregated tracking of CVA (see box 1.6). As the table below summarising key indicators of CVA reporting to FTS shows, there is evidence that reporting of CVA to this mechanism is increasing in terms of numbers of organisations, financial flows and total volume. Although the increasing volume of CVA overall will be a factor, these increases will also be due in part to improved reporting.

Table 1.2 Summary of CVA reporting to OCHA's Financial Tracking Service (FTS) 2016-2019¹⁰

	2016	2017	2018	2019
Total volume of CVA reported to FTS	\$19.5 million	\$329.3 million	\$194.2 million	\$400.4 million
Number of organisations implementing CVA reporting to FTS	10	41	50	62
Number of financial flows including CVA reported to FTS	34	139	159	217

However, as the fluctuation in FTS volumes, and the gap between the totals reported here and the global figures show, reporting to FTS remains patchy. Very few organisations report consistently, including some of the larger implementers. This highlights broader issues with reporting across modalities and programmes, but to be effective in enabling better global CVA tracking, improvements in consistent and comprehensive reporting to FTS and other interagency mechanisms is needed.

The agreements and minimum requirements for tracking CVA currently have a fairly narrow focus – mostly on monetary values. However, participants involved in developing them stressed that this should not be interpreted as a reductive analysis of humanitarian assistance. The Tracking CVA Sub-workstream developed an ambitious roadmap aiming to examine how more consistent and standardised data of this type can play a role in decision-making and potentially be combined with outcome analysis. For example, linking data on where and how much CVA is implemented, and by whom, to qualitative information on response analysis could help to generate evidence on whether this is done well.

Commitments to improve tracking may take a long time to realise in practice for many organisations, although there have been some improvements

CaLP's 2018 [scoping study](#) into tracking CVA found that different agencies were using a diverse range of reporting systems to track programming data, from programme management systems to finance systems to beneficiary registration and digital CVA management systems.¹¹ Some agencies were also gathering data on a manual basis without any centralised system capable of capturing relevant data. Depending on the types of system(s) used and the specifics of a given organisation's set-up, functionality varies in terms of what data can and cannot be extracted.

¹⁰ FTS data downloaded on May 19th, 2020. FTS data extraction and analysis by Development Initiatives

¹¹ Gordon, L. (2018) Measuring Cash Transfer Programming - Scoping Study. Oxford: CaLP

Most organisational reporting systems had not been designed to effectively capture and/or disaggregate data by modality and meeting even the minimum requirements for tracking CVA poses a challenge for many. Developing systems that can capture the required data can imply significant investments in terms of time and funding for potential system upgrades. Beyond building the functionality of the systems themselves, to be effective the systems also need to be understood and consistently and accurately used by staff. Despite the challenges, many organisations have been making efforts to improve their tracking, for example by introducing and sensitising staff on relevant accounting or project codes to identify and/or disaggregate cash and voucher interventions, or undertaking organisation-wide CVA mapping exercises. As noted above, the fruits of these efforts can be observed in notable improvements in the number of organisations tracking CVA, and disaggregating cash and vouchers. Several organisations also reported that they can now extract more accurate data, and others noted ongoing efforts towards disaggregation and capturing CVA delivered through sub-grants to implementing partners.

Despite progress, many organisations cannot provide complete or accurate data. Under and over reporting of amounts is common, although where organisations commented on this, most felt their CVA volume was more likely to be under-reported. There are other organisations that are not reporting their CVA data at all, at least not to the interagency platforms and/or dedicated consolidation processes. The net result is that global CVA volume calculations and analyses to date are necessarily based on inconsistent, incomplete and evolving datasets. As such it's important to be aware of the multiple caveats that apply when using the resulting figures. For example, while we can be reasonably confident that data from almost all of the largest implementers of CVA is included, without comprehensive data it's only possible to speculate on the size of the gaps. There are currently notable data gaps that are important in better understanding who is actually delivering CVA on the ground – we don't for example have any good data on how much CVA is delivered by local organisations. Similarly, numbers of recipients are not consistently tracked at this stage and this was not included in the minimum requirements.

The growing focus on programming across the humanitarian-development nexus, particularly linkages between CVA and social assistance, raises questions about what is tracked as CVA

Examining CVA tracking also raises issues regarding which interventions are being counted towards CVA totals. For example, one sector specialist noted that it was not clear to them where the parameters for what is and is not considered CVA are set along the continuum of humanitarian to early recovery to development programming. Similarly, there can be differing understandings of which countries should be counted. For example, should CVA delivered in a developed country as part of an emergency response, such as domestic expenditure by RCRCM national societies in the USA, be included? Further, does the recipient group influence what is counted, e.g. should CVA provided as humanitarian assistance to refugees or migrants within high income countries be included, and if so, does the provider (state or non-state) and/or funding source play a role in determining what to track? While the focus of this report is on the use of cash and vouchers in humanitarian programming, as delineated in the definition of CVA,¹² and what is currently tracked as CVA is generally limited to interventions funded through international humanitarian funding streams, it is understandable that practitioners can sometimes find these lines are blurred.

Notwithstanding the fact that it is estimated that IHA comprises as little as 1 percent of resource flows to countries affected by humanitarian crises,¹³ the increasing focus on working more effectively across the humanitarian-development nexus makes these issues more pressing. This is particularly the case as the relationship between humanitarian CVA and social assistance becomes more prominent and begs the question of whether CVA funded from non-humanitarian sources falls within the scope of reference (see chapter 8 for analysis of the linkages between CVA and social protection). As one key informant reflected, tracking only IHA funded interventions limits the indicators for success. It would imply, for example, that whenever agencies are successful in transitioning CVA to nationally owned or development-financed systems, these numbers are omitted from CVA tracking and targets. There can also be constraints on flexibility related to the funding mechanism e.g. the limited availability of multi-year humanitarian funding, which could affect these types of transition, although this is not immediately relevant in terms of what

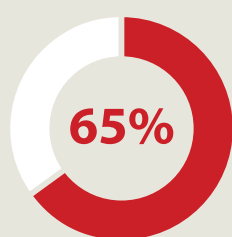
¹² CalP Glossary definition of CVA: CVA refers to all programs where cash transfers or vouchers for goods or services are directly provided to recipients. In the context of humanitarian assistance, the term is used to refer to the provision of cash transfers or vouchers given to individuals, household or community recipients; not to governments or other state actors. This excludes remittances and microfinance in humanitarian interventions (although microfinance and money transfer institutions may be used for the actual delivery of cash).

¹³ Willets-King, B, Bryant, J, and Spencer, A (2019) Valuing local resources in humanitarian crises. London: ODI

programming to track. These points relate to some of the fundamentals of donor funding models and go well beyond issues specific to CVA, but nonetheless are pertinent and need to be addressed. However, given the challenges that currently exist in tracking humanitarian CVA, it is worth considering the implications of expanding the remit to include a broader range of interventions. This would entail further complexities in terms of defining what and how to count and may merit an assessment in terms of the feasibility of such an exercise, although this is not to say it cannot or should not be done.

Quantitative CVA targets have advantages and disadvantages, but can be seen to undermine effective response analysis and a focus on quality programming

BOX 1.7 Organisations without a CVA volume target



of surveyed organizations *do not* have a target for the volume of CVA

Targets are a feature of discussions regarding CVA and scale. As documented in the previous report, several agencies and donors publicly adopted CVA targets following the launch of the GB. However, 65 percent of surveyed organisations and donors do *not* have a target for CVA – volume – usually expressed as CVA as a percentage of aid delivered. This marks a slight increase in the percentage of organisations reporting they did not have a target in 2017 (59%). Of those organisations that do have volume targets (n = 12), there is wide variance in both amounts (from less than 10% to more than 50% of aid) and timeframes (from no timeframe,

up to 5 years). From an examination of the CVA volume data, there is nothing to indicate that organisations with targets are more likely to have increased their amount of CVA compared to those without, nor that a target is necessary for an active commitment to CVA in practice.



Having the 50% target has been critical in communicating to field staff that the organisation is serious about cash. It was included in a message from the organisation's president. It pushes country offices to position themselves and develop their capacity building plans.

World Vision International

Key informants from organisations and donors with targets generally found them useful, often as a means of building internal profile, advocacy, and leverage across the organisation, and with implementing partners (where relevant). Targets are not necessarily static – a quarter of the surveyed organisations with a target reported that they have increased it over the last two years. In addition, as policies and approaches evolve, agencies may consider moving from quantitative to more qualitative targets. For example, while discussing the advantages of having had

CVA targets based on scale in their strategy up to 2020, a representative from the RCRCM acknowledged that from 2021 these will include new targets that would better reflect the values of the organization and the role they could play in achieving this, in terms of localisation and working with governments.

One key informant reflected that while volume-based targets can be useful in galvanising institutional change processes, once on this path targets themselves can become arbitrary, particularly if they weren't set based on good analysis of what could or should be achieved, and when. Numerous other key informants reflected these doubts about the value and implications of targets, including sector specialists,



Rather than having a target, we have focused on addressing quality, with objectives for an approach to ensure needs are met in the best way for women and girls. **CARE**

implementing agencies and some donors. These concerns relate to a growing emphasis on programme quality, with many laying out their alternatives to a volume-focused CVA strategy in these terms – although this does not mean quality is any less of a priority for agencies with targets. As was the case in 2017, the primary reason cited for actively choosing not to have a quantitative target is the risk that it could undermine effective response analysis, with CVA



We shouldn't be funding cash but funding agencies that have done the best response analysis – and who choose the right modality to achieve the objective. There needs to be a focus on the outcomes for affected people, not the tool we use. ICRC

potentially selected to help achieve a target rather than because it is the best option. In relation to this, several key informants highlighted their organisation's policies on market and response analysis (see chapter 2 and chapter 3 for more on response analysis). For example, NRC requires country offices to track what percentage of programming had a documented modality comparison (which is aligned with the Norwegian Ministry of Foreign Affairs' approach

on this topic), while CARE noted the value of adopting a market-based approach as their default. On the donor side, USAID highlighted that the central role of market analysis in their modality tool helps underline to partners that they (USAID) take the funding of CVA seriously.

Donors have continued to strengthen and clarify their CVA policies and technical positioning, but this can vary within and between donors, particularly with regards to, sector specific cash

The policies and positions taken by donors continue to have a strong influence on the size and shape of CVA. Several key informants voiced concerns where some donor policies have been perceived to be too aggressive in pushing cash, thereby detracting from a focus on improving programme quality and impact. Perspectives on this are mixed however, with some key informants noting that they feel there has been a relaxation of this approach, with more space allowed now for proper response analysis. Also, that 'cash first' policies have served a purpose in generating debate and commitment, and that there is more clarity now regarding donor's policies and expectations for CVA.

At the same time, several key informants reflected on the fact that approaches and preferences for cash are not uniform within donor agencies, with sectoral or regional variations for example. Donor reticence on CVA was noted in relation to certain sectors, either for the use of cash to achieve some sector specific objectives, or with regards what can be incorporated within MPC transfer value calculations. For example, the US Office of Foreign Disaster Assistance (OFDA) does not support the inclusion of health or nutrition in MPC (on the basis of a lack of evidence of the efficacy of cash in these sectors), and while ECHO does support the inclusion of health-related expenditures within MPC, they have not usually supported health-specific cash assistance. Reflecting on funding for sectoral CVA, one key informant noted that while donor policy papers stress the need for adequate technical support for sectoral standards to be met, the way funding is provided in practice does not support this. There is a perception that CVA funding focuses largely on basic needs, but not sufficiently on complementary sector specific activities to enable a fully effective response. This also indicates the benefits of more flexible funding that enables the integration of both broadly cross sectoral and sector-specific elements.

DFID and ECHO continue to be cited as perhaps the most prominently pro-cash donors, with targets for increasing their funding of CVA.¹⁴ However, other donors are perceived to have strengthened their CVA positioning. Several key informants noted developments, such as the incorporation of MPC into OFDA's 2019 guidelines, as enabling greater consideration of cash through associated funding, although USAID themselves emphasise that this remains part of a modality neutral approach overall. The ongoing merger of OFDA and the Office of Food for Peace (FFP) into a new Bureau for Humanitarian Assistance has positive implications for MPC to be considered more holistically in future, while the accompanying MPC guidelines indicate a good level of consensus across the two offices. USAID's funding for CVA, including MPC, has grown substantially since 2017, with FFP reporting a 70 percent increase from 2017 to 2019. The German Federal Foreign Office (GFFO) noted that cash has been included as a priority topic in its 2019-2023 strategy, although they have not yet been able to track the extent to which these policies are translating into funding practice.

In addition to policies aimed at increasing the scale of CVA, donors are also working on different specific technical and policy issues with an eye on improving quality. SIDA, for example, has worked on cash and gender, cash in HRPs, and strategic and response analysis. SDC is helping lead the agenda on cash and localisation and provides cash capacity to partners through its roster. DFID has been pushing research

¹⁴ DFID is committed to doubling its CVA funding by 2025 from a 2017 baseline – effectively achieving this in 2018 with an increase from 13.5% to 28%, although they noted the bulk of this growth accrued from a few countries (e.g. Lebanon, Jordan, Ethiopia). ECHO set a target of 35% of its funding portfolio as cash assistance by 2020.

on cash and accountability to affected populations and is a co-lead on the GB Cash Sub-workstream on linking CVA and social protection. USAID and ECHO are also engaged as co-leads on technical topics falling under the GB Sub-workstream on efficiency, effectiveness, and value for money.

There is an increasing emphasis on collaborative approaches for CVA

ECHO's guidance on the delivery of large-scale cash transfers – often referred to as the 'ABC approach' – was published in 2017 and has since been revised for clarity.¹⁵ Multiple key informants raised the extent



With the cash guidance note we are seeing more thought on how to leverage comparative advantage, which can help with scaling up, and with quality. **DG ECHO**

of its influence, with one remarking that *“whether you thought it was right or wrong, it created the conversation and challenged the system.”* The ABC approach has not been implemented fully in practice, primarily due to resistance to separating B (payment delivery) from A (other programme activities), although the CCD (see box 1.8) in Ethiopia has attempted this through a consortium approach. At the same time, an ECHO-commissioned study into the feasibility

of donors directly contracting financial service providers (FSPs) effectively discouraged this approach, primarily due to the fact that no single type of FSP would be able to provide all the required functions under component B.¹⁶ While ECHO continues to encourage the ABC approach to be implemented, key informants noted that the emphasis on this has reduced somewhat. Several key informants commented that they thought the focus on single-agency delivery models had not in itself been helpful to agency collaboration, but equally has proven to be a catalyst for much of what has since developed regarding operational models (see chapter 3 for more detailed analysis of developments regarding operational models). While recognising that single-agency delivery may not always be appropriate, many donors remain committed to prioritising cash assistance providing *“a single payment that is designed to cover multiple basic needs and where implementing agencies jointly negotiate terms for payment services to optimise economies of scale.”*¹⁷



The donor statements are important and can be an important driver for progress. However, the Common Donor Approach comprises like-minded donors. What do new and non-traditional donors (e.g. private sector, foundations, individuals), IFIs and development donors think about CVA? **Development Initiatives**

The Common Donor Approach (CDA), and the Joint Donor Statement on Humanitarian Cash Transfers (JDS) were published in 2019 (see chapter 2 for more on donor collaboration). Box 1.8 summarises these, and other initiatives highlighted as key examples of interagency collaboration for CVA over the last two years. Collaboration has become an area of increasing emphasis and engagement, although shared clarity on the concepts and objectives and what these initiatives might look like in practice are still emerging. They are currently at a relatively early stage of operationalisation – what one key informant

referred to as 'pilot soup'. As such it is not possible to draw firm learning or conclusions about how they will influence programme implementation and impact (see chapter 3 for more on the CCD and UNCCS). For example, at a policy level one donor member of the CDA reflected that while the joint donor statements have informed individual donor policies, at this stage there are still significant differences.

While recognising that these collaborations are still in their early stages, many respondents struggle to understand what these changes mean in terms of delivery and outputs. The development of new collaborative models is seen as a significant opportunity for CVA actors to build on evidence gathered over 10+ years of CVA delivery at scale – and deliberately embed these best practices, with a focus on what works for recipients, from the outset. However, there are concerns from some quarters that negotiations around preferred ways of working are driving developments. Agreeing and sharing clear success criteria and committing to a more transparent approach to monitoring and outcomes data would be a significant step towards allaying these concerns. Key informants also noted that while these collaborative initiatives

¹⁵ ECHO (2017) Guidance to Partners Funded by the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) to Deliver Large-scale Cash Transfers. Brussels: ECHO.

¹⁶ McNutt, H. & Bailey, S. (2018) DG ECHO Preliminary Market Consultation for Cash Transfer Products. London: Humanitarian Policy Group, ODI.

¹⁷ Joint Donor Statement on Humanitarian Cash Transfers

are important, and the stated intentions may be towards greater inclusivity, there are many stakeholders who are not immediately engaged, including national and local actors, and the frameworks for bringing them onboard are not necessarily clear. These challenges of inclusivity and broadened engagement are though primarily about the current structures of humanitarian assistance, rather than being unique to CVA (see chapter 7 on localisation).

BOX 1.8 Collaborative CVA Initiatives

The Collaborative Cash Delivery Network (CCD): The CCD is a network of 15 of international NGOs, established following the Grand Bargain in 2016, aiming to enable multiple humanitarian actors (beyond the member agencies) to work together based on context and needs. Its vision is for a CVA-ecosystem where members can:

- construct collaborative, localised responses based on the comparative advantages of their partner NGOs
- complement each other's programming and capacities
- reduce duplication and maximise impact, reaching more people in need
- start responding with cash programming at scale within a few hours of a crisis
- have common standards and operating procedures ready to go
- be collectively prepared to respond more quickly and efficiently

Pilot CCD networks have been formalized since 2018 in Ecuador, Colombia, Ethiopia, Uganda and most recently in Nigeria. Further collaborations are at exploratory stages in Kenya and Afghanistan. Key learnings from **Ethiopia's CCD** have shown it has enabled faster and more cost-efficient multi-partner collaboration (i.e. the first CCD response in Ethiopia took six months to prepare, compared with two weeks for two follow up CCD responses). CCD's internal working groups have produced online collaboration tools, like **Response Builder**, and data interoperability templates and guidance. Progress in operationalizing the CCD to date has enabled valuable lessons to be learned, although research for this report indicates that the CCD's aims and what it does have not always been clear to everyone, which has hindered progress. Members are now focused on further strengthening impact evidence for adaptive cash collaboration. CCD has also developed a COVID-19 response strategy. This aims to leverage its members' local capacity and ability to fill gaps to complement and strengthen social protection programmes in affected countries. It has also published a **Social Protection Policy Brief**, stressing the importance of people-centred, context-appropriate, scalable and accountable CVA.

United Nations Common Cash Statement (UNCCS): The Statement from the Principals of OCHA, UNHCR, WFP and UNICEF on Cash Assistance (December 2018) includes commitments to:

- Provide cash through a common cash system, avoiding parallel systems and duplication
- Provide cash assistance in ways that are simple, safe and easily accessible for recipients
- Be collaborative and inclusive, building on a single transfer mechanism, where possible
- Harmonise data management through interoperable systems and data sharing agreements, based on data protection principles
- Jointly assess, coordinate targeting, and joint monitoring and accountability mechanisms
- Collaborate with governments and other operational actors and networks providing cash assistance.

BOX 1.8 Collaborative CVA Initiatives (cont.)

The agencies have made progress under three themes, namely procurement, interoperability, and programming. Key deliverables include the use of common transfer mechanisms in 20+ countries. In seven priority countries (Afghanistan, Bangladesh, CAR, DRC, Ecuador, Niger, and Yemen) activities include joint assessments, harmonised targeting approaches, monitoring and accountability mechanisms and data interoperability pilots. The operations are in various stages of implementation, focusing on different workstreams. At the global level, the [Guidance for Collaborative Procurement for Humanitarian Cash Transfers](#) supports collaborative procurement of financial services. The Data Interoperability Workstream focuses both on existing systems and data-sharing agreements amongst signatory agencies and has established a Minimum Data Set to facilitate cash distributions with the wider humanitarian community. An interoperability initiative on biometrics is being piloted in Bangladesh in summer 2020 between WFP SCOPE and UNHCR PRIMES.

Some key informants for this report noted the UNCCS process had been considered opaque by non-member agencies, including mechanisms for engaging other organisations. However there has been some progress in the interim. Collaboration varies based on the specifics of the context and response, being implemented through or in close coordination with cash working groups to ensure alignment of plans and agreements. Regular engagement continues with key stakeholders at the global level, including through quarterly exchanges between the UNCCS signatories and the CCD, along with coordinating operations in countries where both platforms are active (e.g. Ecuador). The objective is to better understand and learn from each other, and to facilitate coordination and collaboration opportunities where they may arise to enable better quality outcomes and choice for recipients through more harmonised and combined cash assistance.

The Common Donor Approach to humanitarian cash programming (CDA) and Joint Donor Statement on Humanitarian Cash Transfers (JDS): The CDA was launched in 2019, having developed from the Cash Workstream of the Good Humanitarian Donorship group. Current CDA signatories are Australia, Canada, Denmark, EU/DG ECHO, Germany, Norway, Sweden, Switzerland, UK, and USA. The underlying principle of the CDA is that improved donor coordination, coherence and shared vision will lead to better quality CVA. The key principles in summary are:

- Maximise accountability to people affected by crises, and mainstream protection
- Maximise effectiveness and efficiency, meeting needs in ways that bring the best outcomes.
- Employ joint and impartial needs assessment and robust response analysis
- Develop coherent systems and common programming approaches
- Link to or align with local and national mechanisms

Following the CDA, a sub-group (EU/DG ECHO, Germany, Norway, Sweden, Switzerland, UK and USA) released the JDS, identifying priority areas where donors can improve coordination. This builds on and further clarifies the CDA principles. Areas of emphasis include: single payments covering multiple basic needs; people-centred programming; cash as a multi-sectoral tool; innovation; comparative advantage, diverse capacities and partnerships; integrating cash programming with other forms of assistance; interoperable data registries; linking to social protection; and improving transparency and analysis of impacts. The plan is for roll-out of the principles to be country-led and context specific, although challenges in the two initial pilot countries (Nigeria and Bangladesh) means to date there has been little progress in practice.

PRIORITY ACTIONS

The following actions are recommended to humanitarian actors to continue to make progress in funding, implementing, and tracking more and better CVA:



All humanitarian actors should **push for improvements in the quality CVA across the humanitarian system**, including at local level. They should put ambitions for more and better CVA into practice, building on initiatives such as the Common Donor Approach.



Donors should provide **more flexible, multi-year funding, enabling better integrated programming**¹⁸ to effectively address basic needs. This includes supporting sector specific activities where needed in accordance with technical standards.



Operational agencies should be **more propositional and transparent about what effective programming looks like and costs**: the mix of modalities and inputs needed to achieve outcomes.



All humanitarian actors should build upon existing efforts towards **more cross-coordination and partnership between different collaborative delivery platforms and initiatives**. Also, to include a broader range of stakeholders, including national and local actors.



All humanitarian actors should **commit to and work towards the minimum requirements for tracking CVA** established through the Grand Bargain sub-workstream. This also includes **more systematic reporting to interagency mechanisms** by all relevant international, national, and local stakeholders.



Donors support organizations to **make investments to strengthen systems for programme and financial management and reporting**, both for CVA and for better tracking of data in general.

¹⁸ An 'integrated programming' approach assumes that a combination of modalities and interventions will usually be most effective in achieving better outcomes for recipients, to be determined through good assessment and response analysis. Integrated programming might be implemented by one agency or by multiple agencies working collaboratively. Ideally this will be facilitated by a coordinated, multisectoral approach to needs assessment and programming.

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After receiving assistance of 38 Euros equivalent value, recipients were able to purchase flour and other items. Local vendors are invited to sell goods at the distribution sites in order to reduce transportation costs for recipients, and also support local markets.

Finnish Red Cross / Ville Palonen. March 2020.



2

MAINSTREAMING CVA – PROGRESS; RISKS & CHALLENGES

Global objective: Ensure cash is routinely considered alongside other tools

Most practitioners now routinely consider the use of CVA, while barriers to this have evolved since 2017

How routinely cash and voucher assistance (CVA) is considered in programme design is a good indication of the extent to which it has been institutionalised within humanitarian organisations and processes. Survey data (see box 2.1) shows that most practitioners perceive the systematic consideration of CVA has increased over the last two years. This belief was also reflected in the organisational survey and in key informant interviews, which highlighted more systematic consideration of CVA in terms of organisational policy commitments (see chapter 1), investment in staff capacity (see chapter 4), and embedding of analytical tools and processes.

BOX 2.1 Routine consideration of CVA

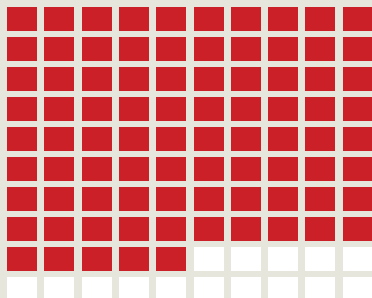


79%

of surveyed organisations reported CVA is routinely considered

85%

of practitioners perceive that there has been more systematic consideration of CVA over the last two years



There has been some evolution since 2017 in the challenges faced in increasing the scale of CVA. Both practitioners and organizations selected **limited capacity of processes and systems as the most significant challenge (see box 2.2) to scaling CVA**, with more practitioners registering this as a concern than before – rising from 23 percent in 2017 to 42 percent now. Adapting and upgrading systems and processes takes time and investment, which may not be keeping pace with the increasing extent to which organizations would like to implement CVA, hence the increased awareness and prioritization of this issue. Perceptions of implementing agencies' overall capacity are mixed. Organisational survey respondents perceive it to be less of a challenge now than in 2017, but practitioners felt there was little change (see chapter 4 for more on capacity).

As highlighted below, a lack of multisector assessments is more prominently recognised as a challenge now than in 2017, which could be associated in part with an increased focus on multipurpose cash (MPC) – see the next section. Some other challenges to scaling up CVA are perceived to be at a similar level to 2017 – for example, the mandates of donors and agencies.

The fact that 'too many competing priorities for management attention' is perceived to be a bigger challenge than before, likely reflects that the humanitarian space is facing an increasing array of challenges, and opportunities, in terms of its ways of working.

Multipurpose cash is increasingly considered in response analysis

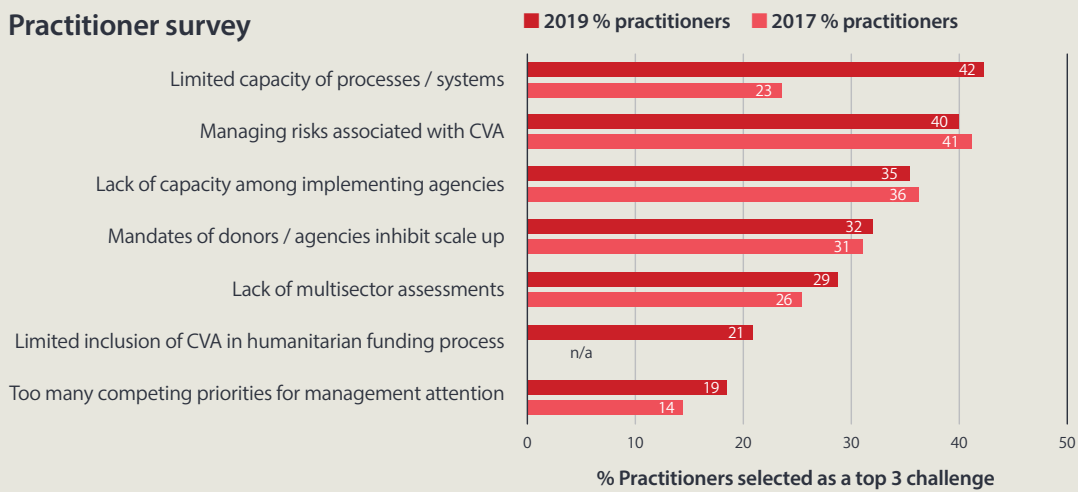
In the previous report, it was noted that the routine consideration of MPC was more limited than sector specific CVA. Key informants perceive that this has improved since 2017, which is also suggested by the wider data. Two thirds of surveyed organisations agreed that their organisation now routinely considers MPC as a response option. At response level, a 2018 study on incorporation of CVA into **Humanitarian Response Plans (HRPs)** found that CVA was considered in 15 out of 18 HRPs and that 12 of them included MPC.¹ The study recommended that HRPs be modified to include space for the operational planning of MPC and provide an overview of how CVA would be used within and across sectors. Further analysis of 20 country HRPs in March 2020 found that 10 of them provided some response analysis that explained why the suggested response options and modalities were deemed most appropriate, and that 18 (90%) explained whether or not multipurpose cash would be provided and why or why not. This is a positive sign of progress.²

¹ Saferworld et al., (2018) Overview of Cash Transfers and Vouchers in 2018 Humanitarian Response Plans. Stockholm: SIDA.

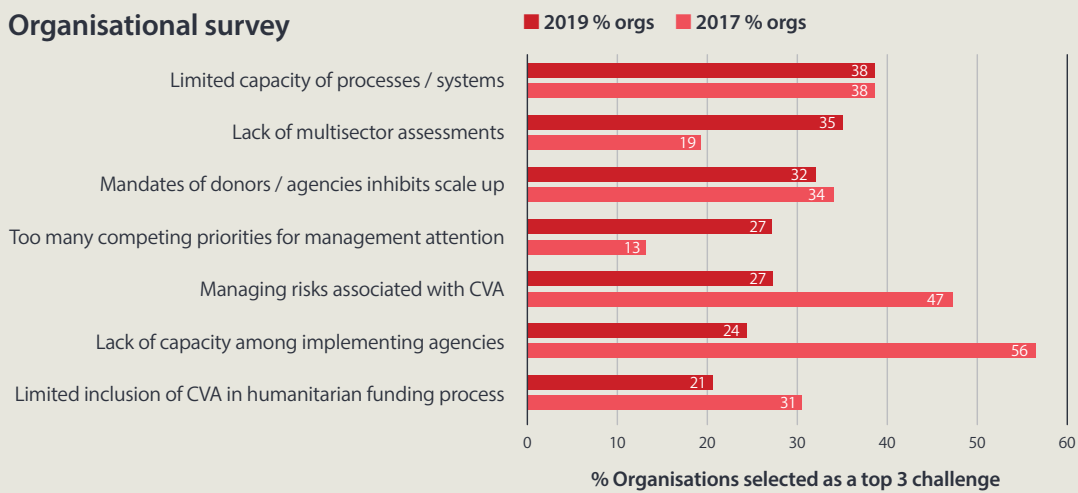
² Inter-agency scoring team (GPPi in consultation with IOM, OCHA, UNCHR, UNICEF, WHO, ECHO, DFID) analysis of 2020 HRP data from 20 countries (Afghanistan, Burkina Faso, Burundi, Cameroon, CAR, Chad, DRC, Ethiopia, Haiti, Iraq, Mali, Myanmar, Niger, oPt, Somalia, South Sudan, Sudan, Ukraine, Zambia, Zimbabwe)

BOX 2.2 Perceived challenges to the scale-up of CVA

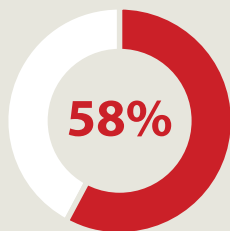
Practitioner survey



Organisational survey



BOX 2.3 MPC in response analysis



of surveyed organisations are routinely considering MPC as a response option

The biggest challenge key informants associated with implementing MPC is that it requires a new programming mindset. Several key informants commented that implementing organisations need to look beyond their sectors and mandates, and consider the basic needs of a household holistically, rather than as an aggregate of multiple sector needs. For successful MPC programming, organisations representing each humanitarian sector need to work together, taking a joint programming approach from the outset, and consistently coordinating their work throughout the programme cycle. Cash Working Groups (CWGs) were highlighted as a key entry point for this with, for example, multisectoral work on minimum expenditure baskets (MEB) enabling

greater response analysis and coordination of both multisector assessments and multisectoral market assessments. This in turn enables better consideration of MPC and the design of joint and integrated interventions more broadly (see chapter 5 for more on CWGs).

BOX 2.4 Funding allocations for CVA in HRP

Analysis of HRP funding allocations provides evidence that the formal inclusion of CVA in HRP requirements is generally correlated in terms of the relative scale of CVA within a response.³ A review of 30 HRPs from 2019 found:

- Overall funding received for CVA was 20.5 percent of the aggregate total.
- 16 HRPs had a planned requirement for CVA, which amounted to 52.5 percent on aggregate of funding requested. Actual funding received for CVA was 38.9 percent (3.1 billion USD) of those appeals.
- Comparatively, for the 14 other appeals with no formal/planned requirement for CVA, only 4.4 percent (407.7 million USD) of aggregate funds received were identified as being for CVA in the available data.
- Among the HRPs with planned CVA, response level data shows a median of 36.6 percent of funds received for CVA, with a range between 7.6 percent and 47.1 percent, reflecting significant variations in the uptake of CVA across responses.
- For the other appeals without planned CVA, it constituted less than 5 percent of funding received in most cases.

A significant number of key informants commented positively on the inclusion of MPC in HPC / HRP processes and how this will support greater consideration of cash as a core part of multisectoral responses, alongside other modalities and services. The new template has a strong focus on cash feasibility and opportunities to identify multisectoral approaches, including MPC. Analysis suggests that the formal inclusion of CVA in HRPs correlates with more funding allocated to CVA in these responses (box 2.4)

35 percent of organizations and 29 percent of practitioners surveyed identified **a lack of multisector assessments as a main challenge to scaling up CVA**, which marked an increase compared to the previous report (see box 2.2). It is broadly recognised that multisector needs assessment and response analysis are key steps in identifying needs and defining appropriate response modalities, including CVA. The fungibility of cash with its potential application on a cross-sectoral basis means that a lack of multisector assessments tends to limit the extent to which it is fully considered – both in terms of MPC and sector-specific CVA. A key informant from ACAPS (Assessment Capacities Project) reflected that differences in mandates and approaches often create obstacles when organisations collaborate on multisector assessments and found that the input of operationally independent actors can help overcome these obstacles.

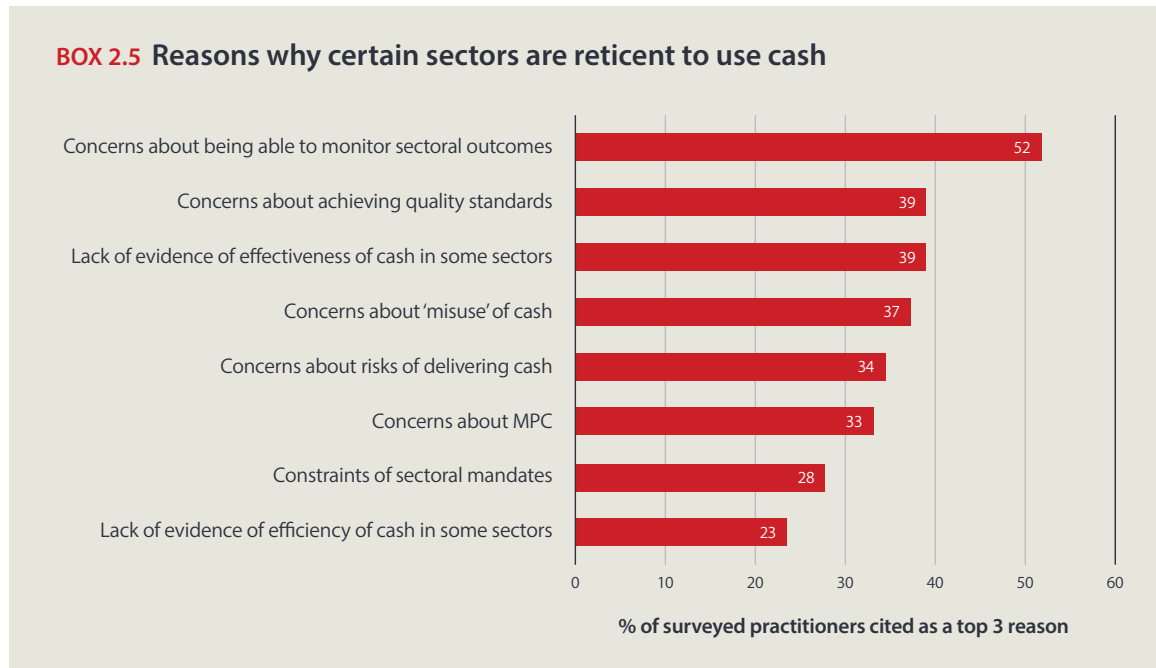
Several key informants commented that multisector market assessments were under-utilised, insufficiently collaborative and territorial in the sharing of data. Others observed that they do not have the scope to look at sectoral level analysis in sufficient depth and this makes for challenging resource prioritisation. However, some collaborative approaches to market assessments were reported. One example was the use of the Rapid Assessment for Markets (RAM) tool in Iraq where REACH worked with CWG partners to coordinate the market data collection and analysis for the CWG. Key informants noted that there is a risk of duplication between large scale multisector assessments with sector specific ones and that greater coordination is needed.

Most key informants supported the inclusion of response analysis in the Humanitarian Response Plan (HRP). However, sector leads reflected on the short timeframe for submitting proposals aimed at addressing basic needs, which makes it challenging to conduct suitable needs assessments, response analysis and ‘to find space’ within MPC programming to meet additional needs. Recognising that some of the key challenges to improving multisectoral assessment and analysis, and increased consideration

³ Analysis drawn from OCHA's Financial Tracking Service (FTS) data for 2019, identifying a) project based HRP appeals with planned and monitored “cash and vouchers” initiatives (not MPC specific) and related funding requirements, and b) other appeals (e.g. cluster-based, regional and flash appeals – including Yemen, Democratic Republic of Congo and Syria Regional) without specified requirements for cash and vouchers. Data includes the percentage of CVA in terms of overall funding per appeal and on aggregate.

of CVA, relate to similar structural issues, the Grand Bargain (GB) Sub-workstream on political blockages – co-led by CaLP and USAID – is now a joint initiative between GB Workstream 3 (Cash) and GB Workstream 5 (Joint Needs Assessment). Under Workstream 5, OCHA is pursuing a range of key requests to partners, Humanitarian Coordinators, and donors to improve joint needs assessment. These include resourcing leadership capacity, including a joint intersectoral analysis framework in the HPC, providing staff capacity, accountability for ensuring, engaging with, sharing, and using joint analyses, and provision of relevant incentives and funding.

Sectors have made progress with CVA, but specific challenges remain



There has been progress in the use of cash in many sectors, but 81 percent of practitioner survey respondents agreed that certain sectors remain reticent to use CVA assistance. Perceptions of risks continue to be a barrier to the use of cash by some sectors.

The most commonly cited reasons for this reticence relate to quality and the achievement of outcomes, e.g. how to monitor the achievement of sectoral outcomes, lack of evidence on the effectiveness of cash in some sectors, and concerns about the achievement of quality standards (see box 2.8). 33 percent of practitioners and 21 percent of organisations surveyed stated that they feel there is a risk of sector outcomes not being achieved in relation to scaling up cash (see box 2.7, below).

Sector specific concerns also relate to mandates, the lack of evidence on efficacy and monitoring plus a range of other concerns that are broader and not specific to CVA. Some key informants noted that sectoral barriers to CVA could be affected by the mandate of cluster lead organisations and technical sector specialists within organisations and donors alike. Sector leads reported that cash is perceived as having a very important role as long as it does not undermine sector specific technical programming; and non-sector key informants commented on the lack of accountability for response analysis within the cluster system.

66 Donors stress that CVA should be accompanied by the adequate technical support for sectoral standards to be met. However, they don't put the resources up to match this. **Anonymous**

Despite these challenges, there has been very real progress and there continues to be a focus on addressing the perceived and real risks that sector leads face in relation to CVA. Box 6.4 in chapter 6 looks at this progress in terms of evidence generation and box 2.6 below outlines examples of recent work on education and CVA. Health and nutrition are the sectors that face the most challenges in relation to the routine consideration of CVA. This is despite both



Support from donors like ECHO who have been supporting CVA for education outcomes has been critical.

Global Cluster Cash Focal Point

With cash assistance, there is a difference between quality control and the need to be in control. When quality control risks are related to life and health, for example, and where health systems are weak, preferring vouchers or in kind instead of cash for access to healthcare makes sense. The humanitarian sector should be more comfortable with letting go of the control of how recipients use the resources we give them. ICRC

sectors prioritizing CVA, at least at a global level, and is due to concerns related to the quality of programming and the appropriateness or effectiveness of cash to achieve some key objectives – particularly if people see cash as a standalone tool rather than one of several tools that can be used together. As Harvey & Pavanello⁴ state, even though cash *“can be more efficient and effective in meeting a wide range of needs”* it is *“not the only form of assistance needed. Support for protection and sector-specific programming will remain vital for the supply of quality services and goods to affected populations, including displaced groups, and for the technical knowledge, training and behaviour change needed to achieve particular outcomes.”*

Key informants reported that sectoral barriers to the routine consideration of CVA are being addressed very slowly in a fast-moving sector, and the willingness to explore and understand CVA has not been fully translated into the willingness to use it across the sectors. They reflected that

increasingly evidence does not always back up perceived risks, and that changes in practice can be slow to emerge. While sectors have acknowledged that CVA can work for them, some question if and to what extent MPC can contribute meaningfully to sectoral outcomes, and how this can be effectively monitored and evaluated. Historically sector specific inputs have been quality controlled and Sphere standards have, wherever possible, been adhered to. MPC, and the use of cash in sector-specific interventions, enables households to prioritise, but this inevitably means that they will sometimes not – for example - choose to rent properties that adhere to minimum Sphere standards, or access the best quality water. Nevertheless, each sector is seen to be actively making progress, and some sectors (e.g. WASH) increasingly position their consideration of CVA within broader markets-based approaches.

BOX 2.6 Progress and challenges in the sectoral use of CVA – Examples from the Global Education Cluster

The Global Education Cluster (GEC), led by UNICEF, is committed to supporting greater mainstreaming of CVA in programming to achieve education outcomes. In 2018 the GEC commissioned a synthesis of CVA for Education in Emergencies (EiE). This stressed that CVA can remove economic barriers preventing crisis affected children from accessing education, thereby leading to prevention of dropouts, increased enrolment and attendance.

The study showed that the use of CVA for EiE has been limited, mainly due to a lack of understanding of CVA use and best practices. It highlighted that education actors lack tools and experience in economic needs assessment at the household level to inform decision making and found little evidence of response options analysis. No tools to support response option analysis or market assessment specific to the needs of education programmes could be identified. It highlighted challenges with the use of MPC to achieve education outcomes, since MEBs generally reflect average costs per household whereas EiE programmes usually target individual school-aged children. It also identified promising practices on which to build.

The GEC set up a cash task team the same year to make progress on some of the study findings. The task team came up with a detailed workplan for CVA in 2020 and 2021. Among its priorities it has included some capacity building and research to address some of the above gaps. In 2019–2020 UNICEF commissioned technical assistance to develop tools and guidance for EiE practitioners on response analysis and targeting, which will be launched in 2020.

Source: GEC (2018) Cash and Voucher Assistance for Education in Emergencies Synthesis Report and Guidelines. Oslo: Global Education Cluster/NRC; GEC Task Team TOR; UNICEF EiE ToR

4 Harvey, P., Pavanello, S., UNHCR (2018) Multi-Purpose Cash and Sectoral Outcomes: A review of evidence and learning. UNHCR Global Cash Operations

While MPC is increasingly accepted and programmed, the subsequent erosion of budgets for sector specific programming and clusters has led to push backs from sector leads. This can result, for example, in cross-sectoral programming (primarily MPC) sitting under a single cluster (e.g. food security) in a response coordination structure, rather than being considered across the clusters that the programme represents. The capacity to do quality intersectoral analysis and design, beyond the sector siloes, is the key issue to address from the sector side, and strongly linked to coordination issues (see chapter 5). There is also a need to join up thought processes across the sectors and clusters to strengthen learning and thinking on both MPC and integrated programming⁵ more broadly. All of the sector leads, but especially health and nutrition, continue to be concerned about the quality of products and services purchased by recipients when they receive either sector specific cash or MPC (see chapter 3 for more on quality).

Key informants also reported difficulties in obtaining funding for sector related CVA programming (especially for health and nutrition) and evidence collection (see chapter 1 for more on funding, and chapter 6 for more on evidence). Funding is also a challenge for the cash specific task teams that sit within the clusters. Without investment the sectors will continue to face slow progress on implementing new CVA interventions and collecting evidence on the same.

Donors are working together more effectively at the global level, but this is not yet sufficiently reflected at the regional or country level



Over 30 percent of organisations and practitioners indicated that the mandates of donors and implementing organisations inhibit the scale up of CVA (see box 2.2). Looking at views of donors more specifically, two thirds of practitioners (box 2.7) believe donors are working more effectively together (supporting both MPC and sector specific CVA), although there is still room for improvement. Coordination between donors is seen as a particular challenge, albeit one where there has been some progress (see chapter 5 for more on donor coordination).



Donors don't coordinate internally or across donors. **Anonymous**

Donors are working better together. It's good that there is recognition that they are part of the problem as well as part of the solution. **ICRC**

At the global level, yes, donors are supporting the systematic use of CVA. But country level changes are slow – they are still dependent on individual decision makers rather than organisational policies. **Action Against Hunger**

In 2019, a group of key CVA donors recognised a need for a common position and improved coordination to create an enabling environment for CVA and announced the **Common Donor Approach (CDA)** (see box 1.8 in chapter 1).⁶ Most key informants voiced support for the CDA as an indication of donor commitment and shared vision, but noted that their willingness to work together has focused at the global level, and has not yet notably changed practices at the country and regional levels. Pilots in Bangladesh and Nigeria have made slow progress due to respective government restrictions on the use and/or expansion of CVA, although donors reported good engagement from the CDA members in-country. Further piloting can be expected to generate evidence on the extent of the effectiveness of this joint approach.

⁵ An 'integrated programming' approach assumes that a combination of modalities and interventions will usually be most effective in achieving better outcomes for recipients, to be determined through good assessment and response analysis. Integrated programming might be implemented by one agency or by multiple agencies working collaboratively. Ideally this will be facilitated by a coordinated, multisectoral approach to needs assessment and programming.

⁶ DG ECHO (2019a) Common Donor Approach for Humanitarian Cash Programming.

An implicit question that practitioners are keen to understand is **what will the role of donors be in resourcing quality CVA 'at scale' in a shrinking humanitarian space?** More explicit questions relate to how the CDA is translated at a country level, how it works alongside operational delivery models, and whether it could be used to create common donor positions at country level in the face of media or political challenges. If contextual impediments to the CDA continue, the overall approach may need to be re-evaluated.

The **Joint Donor Statement on Humanitarian Cash Transfers** builds on the CDA using guiding principles for programming and there is an expectation that it will encourage collaboration, transparency and tracking of cash, whilst ensuring that donor policies are not conflicting.⁷ Donor policies are discussed further in chapter 1 and programme quality is explored more in chapter 3.

Some key informants questioned the recent donor trend to fund large UN platforms and suggested giving greater focus to preparedness and less to large platforms. Nevertheless, several key informants commented on ECHO's funding of the Turkish Red Crescent Society as a positive example of delivering the programme at higher cost efficiency through the primary use of a single actor for delivering the cash.

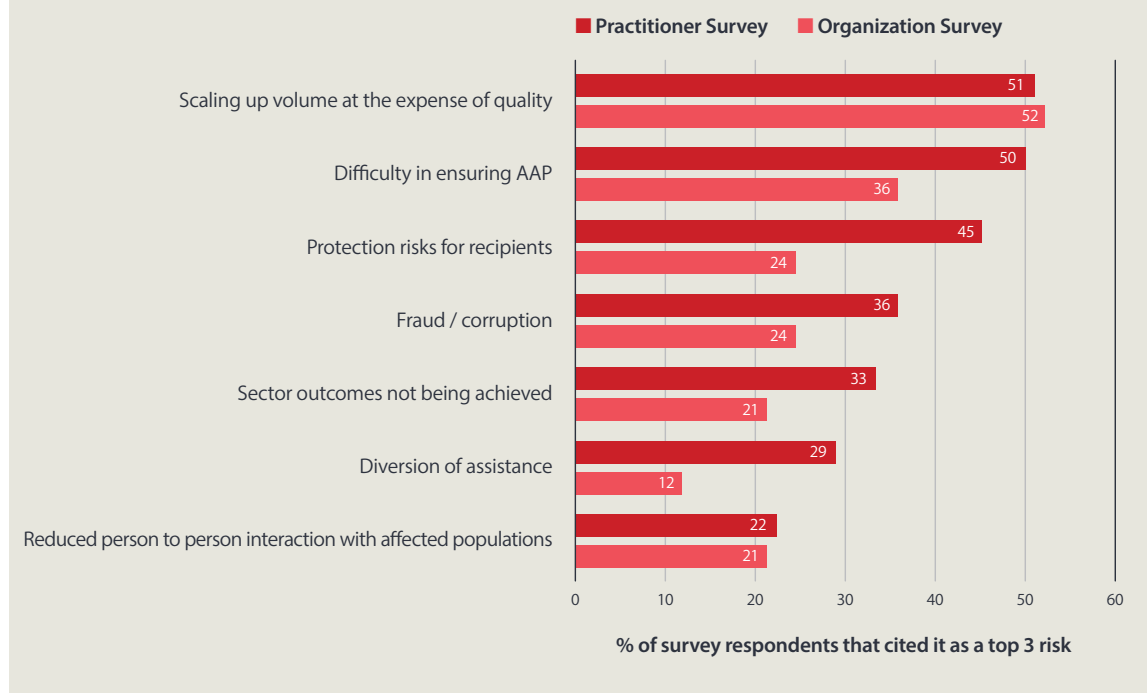
Examples of the UN and RCRCM's consolidated CVA delivery at scale have had an impact on other actors. Key informants recognised that, for example, INGOs acting independently as 'end to end' suppliers of cash assistance will, in some contexts and cases at least, become unsustainable. Equally it was noted that this consolidation is not the only nor necessarily the best approach to CVA delivery (see chapter 3 for more on operational models). There is a **rationale for an active diversification of roles among local and international agencies across different elements of the programme cycle, with a focus on improving the quality of programming overall**. This type of thinking is reflected, for example, in the work on a 'modular' approach to response planning that the Collaborative Cash Delivery Network (see box 1.7 in chapter 1) has been exploring. To work in practice, this would require amendments to current funding and overhead structures, which favour the organizations managing the actual delivery of cash, to make it tenable.

There is greater understanding that cash is not inherently riskier than other types of transfer, but perceptions of risks continues to be a challenge for the routine consideration of CVA.

The 2017 report identified the perception of risk as the biggest challenge to scaling up CVA, based on both practitioner and organisational surveys. The results this time are more mixed – with practitioners still citing the management of risks as one of the top two challenges, but organisational survey respondents indicating risk management is less of a concern than in 2017 (from 47 percent to 27 percent) – see box 2.2. **When considering risks in scaling up CVA, practitioners and organizations both perceive programme quality concerns as the greatest risks** (see box 2.8). This covers issues including the perception of scale being prioritised over quality in general, concerns about the achievement of sectoral outcomes, and the extent of person to person contact with communities. It is also notable that practitioners perceive risks in terms of recipients' protection and ensuring effective accountability to affected populations (AAP) as very prominent. It is likely that some of these perceptions relate both to programming at scale in general – which can have limitations in terms of flexibility and responsiveness – as well as elements which are specific to CVA (see chapter 3 for more on issues of quality and scale). Awareness of issues such as AAP has also likely increased as they are higher on the agenda in general.

Fraud and corruption were selected by 36 percent of surveyed practitioners as being one of the biggest perceived risks of scaling up CVA, with 29 percent also selecting diversion of assistance (see box 2.8). Despite multiple standards and tools to mitigate risks, key informants commented on the disproportionate focus on fraud and auditing for CVA, compared to in-kind assistance, that makes cash appear more resource and time intensive (although overall it could be less). For example, Know Your Customer (KYC) regulations are significantly more challenging for refugees and non-nationals for cash disbursements through financial service providers (FSPs), whilst there are no comparable externally set restrictive regulations for in-kind assistance.

⁷ DG ECHO (2019b) Joint Donor Statement on Humanitarian Cash Transfers.

BOX 2.8 Biggest perceived risks of scaling up CVA

Key informants felt that insecurity (both perceived and real) has changed how CVA is implemented in contexts where counterterrorism measures are in effect. In the context of de-risking, there is a tension between counterterrorism measures and humanitarian principles, particularly the principles of neutrality and impartiality. ICRC covers this in their report on cash transfer programming in armed conflicts.⁸ Electronic cash has helped to reduce the risk of leakage and fraud, although this is still perceived as a significant concern in countries in conflict. Some donors and governments have requested that recipients are screened against counterterrorism legislation, which increases data protection and security risks for staff and recipients, as well as impacting on operational independence. The UN and ICRC have long had certain immunities related to the sharing of data with governments, but European (I)NGOs, regardless of whether they have a funding or a partnership agreement with an exempt organization, are bound by GDPR compliance and may be obliged to share the coded data or change the delivery mechanism. This adds a layer of complex negotiations to funding and challenges in terms of maintaining humanitarian space and principles.

Barriers identified in the regional focus group discussions (FGDs) reflect regional variations in the governance, scale, and experience of CVA. For example, key barriers identified in West Africa include growing insecurity, lack of infrastructure to support CVA, and government regulations restricting the movement of cash where there are limited FSPs. New barriers include demands from donors to vet recipients for anti-terrorism concerns. Some key informants suggested that donors were “more concerned with the risks than the needs of people”, and that the fact that this applies for cash but not in-kind assistance goes against humanitarian principles. Others indicated that the perceived risks are not playing out in practice and that they can be mitigated.

⁸ ICRC (2018) Cash Transfer Programming in Armed Conflict: The ICRC’s experience. Geneva: ICRC

BOX 2.9 Perceptions of risk

Although evidence gathered since the publication of the 2017 report shows that CVA is no riskier than other forms of aid, there is often increased donor scrutiny of implementing partners' risk management policies and procedures. This is mainly due to concerns about the misappropriation or leakage of cash. Some humanitarian organizations also lack the guidance and capacity to manage compliance with anti-money laundering (AML) and counter-terrorist financing (CTF) regulations. CaLP commissioned a scoping study on CVA and risk in 2019, which considered three specific challenges: a) **Transferring funds to the country of operations** b) **Identifying in-country service providers** and c) **Recipient identification and data security**.

The study concluded that although the reviewed regulations have not explicitly targeted CVA, there has been a trickle-down impact on FSPs willingness and ability to deliver CVA. While not designed to limit a humanitarian response, and noting examples of national regulators granting exceptions, there is a lack of policies and guidance to ensure that such regulations and risk aversion do not further encumber humanitarian action.

Looking to the future, the potential worst-case scenario is that donor governments require the screening of recipients and increased scrutiny of where and how recipients spend CVA. To address gaps and prepare for possible future scenarios, CaLP aims to:

- Work through coalitions like the Non-Profit Organization Coalition of NGOs and the Charity and Security Network to ensure that humanitarian perspectives are considered in policy making
- Support and build evidence on the impact of financial regulations on CVA
- Continue to provide technical and policy support to the CVA community practice and CWGs to develop shared risk registers, informed by national regulation and practices.

For more information regarding this theme, please visit [CaLP's webpage on CVA and risk](#).

Source: Cash and voucher assistance and risk in financial management and compliance. Briefing Note.

Contexts of conflict where there is a risk of terrorism can impact on government cash policies, which in turn impacts on the routine consideration of CVA. For example, in North East Nigeria the military stopped CVA programming in 2019 because of concerns that they did not have control over CVA. In Chad CVA programmes were also stopped because the government believed that they were funding terrorism. In some contexts, host governments perceive CVA as high risk in terms of diversion, which may lead them to try and prevent its use where non-state groups (who may be designated terrorist groups) are present. This can lead to affected communities being denied access to CVA. With governments in complex protracted crises increasingly interested in assistance modalities, the importance of working alongside them (in a principled way) on CVA programming undoubtedly needs a renewed focus, along with specific skills to strengthen negotiations for appropriate CVA (see also chapter 7 on Localisation).



We need to change the culture and push the sharing of failure and make this an organisational culture. Lots of agencies are making the same mistakes. CWG are much more open than clusters which is good – an environment of informality allows requests for information and support.

Action Against Hunger

Key informants reflected that risk discussions often become linked to concerns about protecting brand and market share, and so actors are reluctant to publicise mistakes (see chapter 6 for more on transparency and learning). That said, it was also noted that CWGs can be perceived as being more open to informal information sharing and support than the clusters. Box 2.9 outlines CaLP's work on perceptions of risk, and how they are planning to address gaps and prepare for possible future scenarios.

Digital risk and data management risk have increased in prominence since 2017

Data management was consistently raised as an important risk which practitioners are increasingly aware of. Whilst some large operational CVA actors (by their own account) are now on top of responsible



The UN SCOPE system does not meet our (INGO) data security standards. This is a massive issue for cash and other sectors as the UN agencies are exempt from GDPR.
Anonymous (INGO)

We don't think enough about the risks linked to the amount of data that we hold.
CaLP

data management (see chapter 6 for more on data management), many CVA practitioners still find this a paralysing topic. Most actors collect more data for CVA than other assistance modalities as the pressure for transparency is greater. In CVA, digital data collection enables end-to-end traceability of funds from donors right through to the recipients at the last mile. Customer Due Diligence (CDD) or Know Your Customer (KYC) processes also drive the need to handle more sensitive personal data on recipients of aid. There are often legitimate and compelling reasons for these data requests, and those collecting data are becoming more aware of the data collection principles and protocols. There

is no shortage of existing guidance, but the challenge of operationalising the guidance and embedding it into practice remains.

In 2017, ICRC developed the Handbook on Data Protection in Humanitarian Action to guide organisations in responding appropriately to data management challenges.⁹ More recently, the 2019 Future of Financial Assistance (FFA) report highlights the need to take data responsibility seriously as humanitarian assistance is digitizing faster than the legal and ethical frameworks governing this shift.¹⁰ **The report proposes that humanitarian actors need to work quickly to understand what ‘doing no digital harm’ looks like.** It goes on to discuss the issue of informed consent which should be an essential component of data and privacy protection for vulnerable and crisis affected people, both from a protection lens and to respect principles of accountability to affected populations. However, practice in this area currently falls short. Aid practitioners expressed concern that as CVA employs new technologies, free and informed consent is not happening. Discussing digital and data risks with crisis-affected people in ways that build true understanding and genuine consent is an area that needs more focus. This is especially pertinent in terms of the ownership of individuals’ digital identity, with data increasingly seen as a human right derived from international regulatory frameworks on personal data and trust in their application.¹¹

BOX 2.10 Evolution in responsible data management in CVA

A key takeaway from Cash Week 2019 was that **‘responsible data management (RDM) is now everyone’s responsibility’**. Understanding of how to treat data responsibly needs to evolve rapidly to keep up with the **volume** of data collected and used. This requires actors to **share incidents and learning**. The key is finding the balance between security and utility, speed and due diligence, under-used data and potential for data misuse. Evolution is occurring, but not fast enough. The following concerns were shared in CVA fora and in key informant interviews:

- a) **There is a significant gap in practical resources to help practitioners marry the ethical standards contained in data responsibility policies with the day-to-day pressure to deliver programmes.** Sector-wide data literacy initiatives would be a welcome next step.
- b) **There are no mechanisms in place to enable collective sharing of, and learning from, critical data incident management cases.** Although awareness of RDM is at an all-time high, a deep understanding of real-life harms to already vulnerable groups through lack of adequate protection of their data and the obligations (legal under GDPR and ethical under the framework for doing no digital harm) is limited. There is need to develop methods and channels for

⁹ ICRC (2017) Handbook on Data Protection in Humanitarian Action. Geneva: ICRC

¹⁰ CaLP and IARAN (2019) Future of Financial Assistance: An outlook to 2030. Oxford: CaLP

¹¹ Ibid.

BOX 2.10 Evolution in responsible data management in CVA (cont)

reporting data-related incidents so that humanitarians can understand harms as they occur both internally within an organisation and as a broader cash and humanitarian community. Data responsibility conversations convened by OCHA in mid-2019 and the guidance note on Data Incident Management published in August 2019 are a good start, however a real culture shift is needed towards a transparent and open handling of data incidents across the system.

- c) **Lower risk appetite in CVA, partially due to AML/CT measures and the political economy of cash, extends into the data management space.** Data responsibility is about managing tensions. These include tensions between using data responsibly versus not, protecting data versus rapid streamlining operations, and recognising what is a real risk versus a perceived one. There is always a trade-off between security and utility, and between due diligence and speed. Risk is currently being transferred to partners and service providers, but it should be shared between actors. Different people see and define risks in different ways (IT specialists versus accountability experts, versus senior management, etc.). There will not be a perfect approach, it will be about trade-offs and context-specificities. The focus of these discussions should be not only on the misuse of data but also its missed use i.e. data that was collected and not used.

Source: CaLP (2020) Data responsibility: let's not wait for another wake up call (Blog post)

Key informants identified some disparities in data security standards between different agencies – for example one reflected that WFP's SCOPE platform (for recipient and transfer management) did not meet their (INGO) data security standards, in part because the UN is exempt from GDPR requirements. Several key informants also highlighted the investment costs associated with better data protection. For example, field teams that want to improve their data management systems but do not have the technology to support this (no computers at field level) outlined that significant hardware investment was needed. Box 2.10 looks at the evolution of responsible data management in CVA.

Looking at how to address some of these issues, the Grand Bargain Cash Sub-workstream on Risk has identified the need for quality standards that align actors' interests on data responsibility issues. It will also further investigate the issue of recipient consent, and training provision for local level staff so that this perceived risk does not undermine the routine consideration of CVA. Discussions during Cash Week in December 2019 also highlighted the **importance of a collective appetite for risk taking and more equitable risk sharing** in general across CVA donors, international and national actors, rather than transferring the risk to local partners (see chapter 7 for more on localisation).

PRIORITY ACTIONS

Continuing the process of mainstreaming CVA in humanitarian programming requires further systemic changes in how CVA is incorporated in assessment and response analysis, and a willingness to address perceptions and ways of working that inhibit these changes. Key actions in this regard are:



All humanitarian actors should support the **strengthening and systematic use of multisector needs assessments and response analysis, underpinned by robust multisector needs assessments**. This should incorporate both multipurpose cash and sector specific CVA as appropriate, within an integrated programming framework which considers household needs holistically.



All humanitarian actors should **support the proposed actions of the Grand Bargain Workstream on Joint Needs Assessment** to improve resourcing, coordination and response-wide commitments and accountability for multisector assessment and analysis. Relevant stakeholders should also continue to engage in shared initiatives between the Grand Bargain Cash Workstream and Joint Needs Assessment Workstream.



All relevant humanitarian actors should work together to **further develop learning and good practice for achieving sector specific outcomes through CVA, including multipurpose cash**. This includes ensuring CVA is routinely considered in sectoral response analysis and making funding available to implement and innovate.



Where **perceptions that CVA is inherently riskier than other types of assistance**, humanitarian actors should **challenge these assumptions** based on the wide body of existing evidence.



Operational agencies and donors should **prioritise digital data risk management** as an area for skills and knowledge development.

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Refugees from South Sudan living in Uganda have received monthly cash transfers from WFP of 45,000 Ugandan Shillings (US \$12.50). One recipient commented, "Life is good here. There are no sounds of guns. There is no-one knocking on your door."
WFP/Hugh Rutherford. June 2017.



3

QUALITY PROGRAMMING

Global objective: Ensure the quality of cash and voucher assistance (CVA)

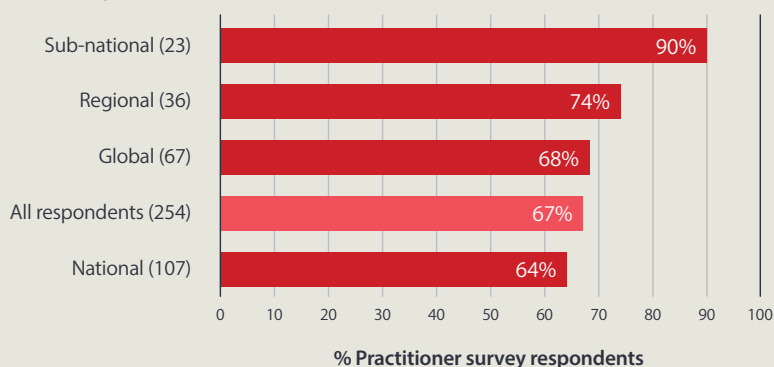
Perceptions of progress are generally positive, with common views on factors enabling improvements to quality, and of how 'quality' should be defined

The 2019 Grand Bargain (GB) annual report notes an overall shift within cash and voucher assistance (CVA) programming in recent years, from a focus on scale towards an increased focus on quality and outcomes.¹ This is reflected in the findings of the research undertaken for this report. The practitioner survey found consistent perceptions of improvements in the quality of CVA programming since 2017. Perceptions were most positive among sub-national actors – encouraging since these stakeholders are closest to affected communities. All 24 key informant interviews shared the perception that in the last two years, the quality of CVA has improved.² Several factors were seen to be driving this improvement, including agencies' capacity building investments over the past few years, the increased knowledge base of what works (best practices), and greater levels of experience.

BOX 3.1 Perceptions on changes to the quality of CVA

Practitioners who agreed that in the last 2 years the policies of their organisation had been effective at increasing the quality of CVA.

Role location of respondent/number of respondents



Quality has increased as a direct consequence of having so much attention on it. **Concern**

It's the improvements with processes and systems – the fruits of institutionalisation. **Independent**

In the last 2 years we've focused on CVA quality, with a country review of quality of implementation based on 15 indicators. Quality was defined as: well thought out design, with clear documentation on targeting, service provider contracting, strong M&E, clear segregation of duties, and including feedback from communities. This showed real improvement. We've also established a quality assurance mechanism to monitor implementation of our Cash Minimum Standards Policy. **Mercy Corps**

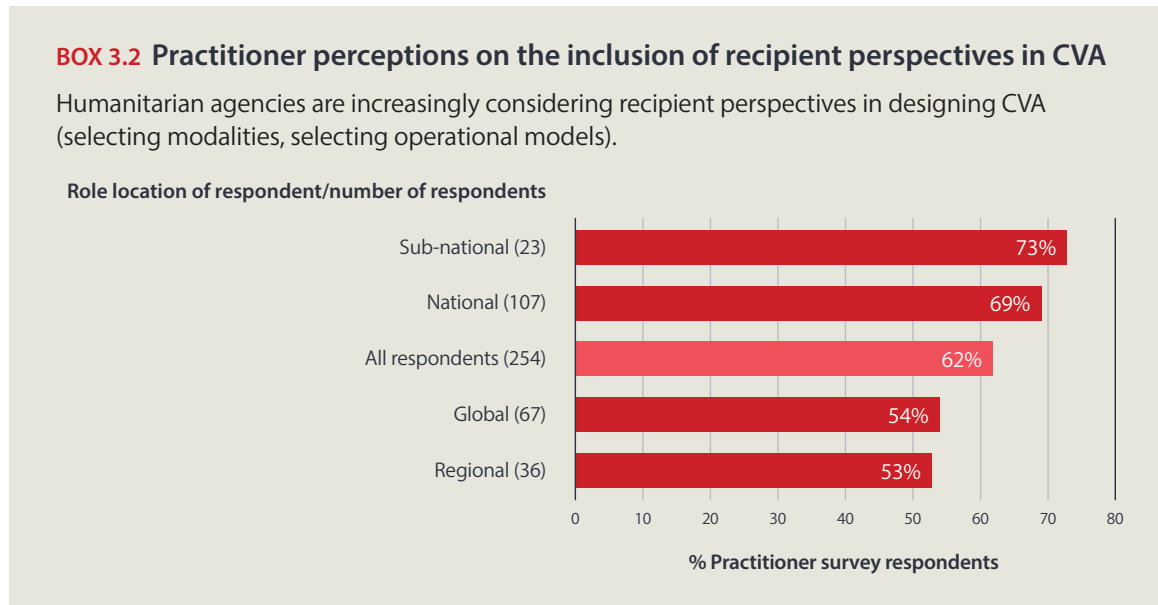
Key informants acknowledged some similar limiting factors as those reported in 2017 – for example, a lack of common metrics to measure 'quality', or robust (especially comparative) evidence of changes over time. However, a clear consensus is emerging on what constitutes 'quality'. Key informants consistently defined the quality of programmes using CVA in relation to notions of efficiency (cost, timeliness), effectiveness (coverage, appropriateness for meeting needs, achieving outcomes as defined by affected communities, collecting evidence, learning from monitoring) and accountability (understanding and acting on recipient perspectives). They cited common examples of changes that they consider demonstrate evidence of increasing quality in CVA. This to introduce list included investments in monitoring, independent evaluation and recipient feedback; increasing demand from countries for support with aspects of programming seen to drive quality (such as response analysis); improved quality of proposals; and greater adoption of common approaches and harmonised designs. There was also an appreciation among key informants of the need to better measure quality. Some organisations such as

¹ Metcalfe-Hough, V., Fenton, W. and Poole, L. (2019) Grand Bargain Annual Independent Report 2019. HPG Commissioned Report. London: ODI.

² Including donors, cluster representatives, implementing agencies and commentators

Mercy Corps have started to do this systematically within their own programmes, to connect and monitor achievement of disparate elements of what constitutes ‘quality’, including communities’ own perspectives.

Efforts to understand recipient perceptions are increasing knowledge, but there is little evidence yet on how these investments are improving quality



Practitioners perceive that some progress is being made to better consider perspectives of affected communities when designing CVA. 88 percent of respondents in the organisational survey stated that

BB To do this well implies a diversity of actors on the ground, which has kind of been reduced in many of these larger programmes. **Relief International (RI)**

It is great that we have such a strong focus on accountability to affected populations. Equally it is one of the deepest signs of crisis that we need to have a project to make ourselves accountable. Accountability should be anchored at the heart of everything we do. **ACAPS**

We need a new set of independent actors that serve as checks and balances to these [large scale cash] platforms. **ACAPS CaLP Cash Week Panel Discussion**

their organisation was taking recipient perspectives into account. Similar findings were reflected in the practitioner survey (box 3.2). Practitioners at national and sub-national levels were more positive than those based globally or regionally – potentially a positive indication since they are more responsible for engaging with affected communities. Consistent perceptions were reflected by the 20 key informants that discussed this topic, as well as by participants in CaLP’s Cash Week 2019. Humanitarian agencies recognise the importance of ‘putting people at the centre’ and are making various efforts to move forward with this in CVA programming. The most common approaches mentioned were collection of feedback and complaints through post distribution monitoring (PDM) and hotlines. The potential for such information, (especially metadata from Complaints and Feedback Mechanisms (CFM)/hotlines on large scale programmes using CVA) to inform programme quality was clearly recognised. Fewer organisations (the Red Cross and certain INGOs) reported more proactive mechanisms such as integrating

participatory research methods on community perspectives into programming to inform CVA (and wider) design (this approach is discussed further in chapter 6).

Key informants noted common challenges. This includes difficulties in resourcing (both the expertise and funds) in order to do this well – to inform programme design, and to ensure that data collected from monitoring and complaints is actually used to inform programme decisions (discussed further below). Some also noted that delivery of ‘cash at scale’, and the operational models being employed to enable this,

are reducing 'last mile' person to person engagement with communities. These challenges were perceived to constrain efforts to put communities at the centre and act on recipient perspectives.

Since 2017 there have been investments in research aiming to capture voices of affected communities on aid, and specifically on CVA.³ Key informants welcomed this and the work of Ground Truth Solutions (GTS) was widely praised. It was however highlighted that the increased focus on accountability reflects the critical gap that still exists in humanitarian programme practices generally (not only CVA).

BOX 3.3 Lessons from research on recipient perspectives of humanitarian assistance and CVA

Studies capturing voices of affected communities on aid, and specifically on CVA, have generated consistent findings, which have implications for efforts to improve quality of humanitarian assistance.

- **Recipients have different perspectives to humanitarian actors on what they value in aid, and on what constitutes 'quality'.** Affected populations tend to prefer cash, or cash combined with other support (see also box 3.4). They generally do not prefer vouchers. Recipients value predictability, timeliness, and accessibility of assistance. Effectiveness is perceived in terms of whether assistance (modalities and value) is sufficient to meet needs. People value face to face communications over hotlines.
- **Agencies' operational design choices on CVA programmes are driven by assumptions rather than evidence about how these design choices will benefit end users,** which are not necessarily borne out in practice. For example, there is often a mismatch between payment systems chosen to deliver CVA and people's previous financial practices or preferences. CVA recipients are generally not against new payment systems, provided these are not difficult to use or they are supported to learn how to use it. Without this support, vulnerable people are left behind, or struggle to access assistance.
- **The lack of information provided about CVA and other aid programmes, especially on targeting, is a major frustration for communities,** and a barrier to accountability to affected populations.
- **Operational models for delivering cash at scale offer potential to improve accountability to affected populations** (use of technological innovations, and harmonisation of assistance) **but also risk undermining it by increasing distance between providers and recipients** and reducing programme flexibility to respond to different needs.

Source: Sagmeister & Pavanello (2018); CCI (2018); Ground Truth Solutions (2019); Smith (2019); Juillard et al. (2020); Ground Truth Solution's 'Cash Barometer'; GTS Key Informant Interview; GSMA (2019)

Some twenty years since the value of participatory methods for aid programming was recognised, the voices of affected communities are still not present in or sufficiently guiding decisions. While the evolution of cash at scale is contributing to this drive for positive change, it was noted that this push for quality should be applied to the whole response. Some recommended that having a response-wide independent accountability function would add value.

³ Including: Sagmeister, E. & Pavanello, S. (2018); CCI (2018); Ground Truth Solutions (2019); Juillard et al. (2020); Ground Truth Solution's 'Cash Barometer'. In Lebanon the CAMEALEON third party monitoring programme has undertaken two research studies capturing the voices of refugees concerning WFP's MPC programme. One on factors affecting accountability to affected populations (AAP), with CaLP (Smith 2019) and another with Key Aid Consulting investigating how operational design of the MPC affects its value for money.

These studies have generated consistent and important findings (box 3.3) that have implications for efforts to improve the quality of CVA, and of aid generally. Two messages, which key informants mentioned, stand out:

- i) The people that humanitarian programmes, including CVA, aim to serve have different perspectives to humanitarian actors on what they value in aid, and what constitutes 'quality'.
- ii) To improve quality of programming for affected communities, these views must be a) understood, and b) acted on and, to the extent possible, given priority in programme design.



I only received US\$44, but my neighbour received US\$141 dollars even though we have the same household size and we started building our houses at the same time. Do you know why? I don't.

CVA recipient in DRC, 25 years old, male (2019)

The aid providers trust their own opinions more than the refugee's opinions.

Female refugee, 46, from South Sudan in Uganda

As I cannot read, I had to rely on my neighbours for information. No one showed me how to use the card.

CVA recipient, Kenya, woman 52 years old (2018)

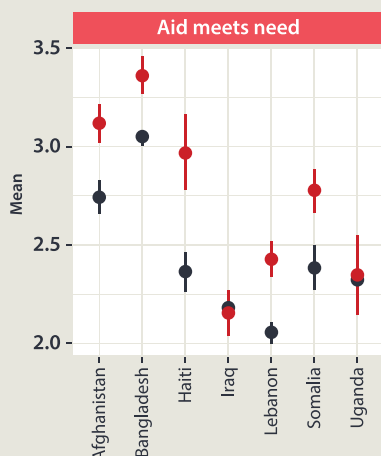
All quotes above provided by Ground Truth Solutions

The actors most trusted by communities may be able to improve these engagements and put communities at the centre of the response. In many cases, this may be local actors and this could be a natural entry point for fostering greater localisation of CVA (see chapter 7 on CVA and local systems).

As indicated above, the issues affecting the systematic collection and incorporation of recipient perspectives into CVA programme design are largely sector-wide issues. While there is limited data on perceptions that are specific to either CVA or other forms of assistance, GTS has been consolidating the data they have collected since 2017, which allows some comparison (for a summary of some key areas of this analysis, covering indicators of quality, see box 3.4). The variations across different countries indicate perceptions on these issues are often context specific. However, without discounting variations and exceptions, it is notable that in most places, **CVA recipients were more likely on average to respond positively than non-CVA recipients**. This might in turn be interpreted as reflecting positively on the relative relevance of CVA interventions from a recipient perspective.

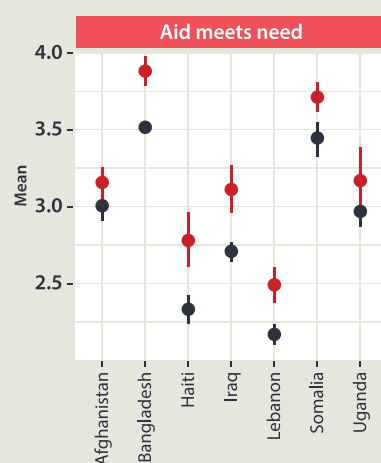
BOX 3.4 Recipient perspectives on CVA versus other forms of assistance (Ground Truth Solutions)

This analysis is drawn from GTS' *Humanitarian Voice Index*, which combines perception data from relevant surveys since 2017. Responses are divided into those who received CVA, and those who did not receive CVA. In both cases respondents also received in-kind aid or services, as there were very few people who received only CVA in the surveyed populations. The first four graphs show mean responses to questions asked using 5-point Likert scale responses ('not at all', 'not really', 'neutral', 'mostly yes', 'yes, very much') comparing CVA recipients (■ red), and non-CVA recipients (■ grey).



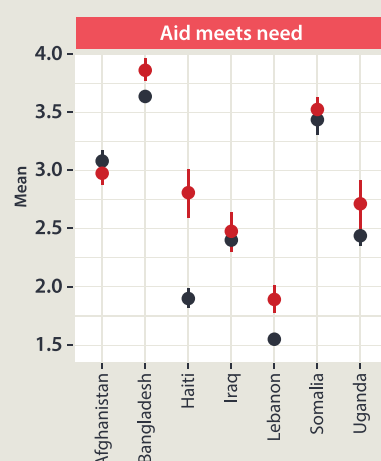
Does the aid you receive meet your most important needs?

- On average people felt that the aid they received was either not at all or not really enough to meet their needs.
- CVA recipients are more positive than non-CVA recipients, except in Iraq and Uganda where there was little difference. In Haiti, CVA recipients responded more positively than non-CVA recipients by the most significant margin.



Does aid reach those who need it most?

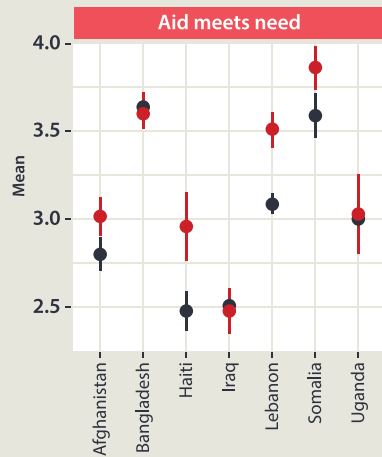
- Responses were slightly more positive overall, albeit with notable variations by country.
- In all surveyed countries CVA recipients are more likely to say that aid reaches those that need it most.
- In Haiti and Iraq, the difference between CVA and non-CVA recipients was the largest. In Afghanistan there was no difference between CVA and non-CVA recipients in terms of their likelihood to say that aid reached those who need it most.



Do aid providers take your opinions into account when providing aid?

- CVA recipients were notably more positive on average than non-CVA recipients in Bangladesh, Haiti, Lebanon and Uganda. In Haiti CVA recipients were over three times more likely to say that aid providers took their opinions into account.
- In Iraq and Somalia there was no notable difference between the two groups. In Afghanistan, CVA recipients were slightly less likely to say aid providers took their opinions into account.

BOX 3.4 Recipient perspectives on CVA versus other forms of assistance (Ground Truth Solutions) cont.

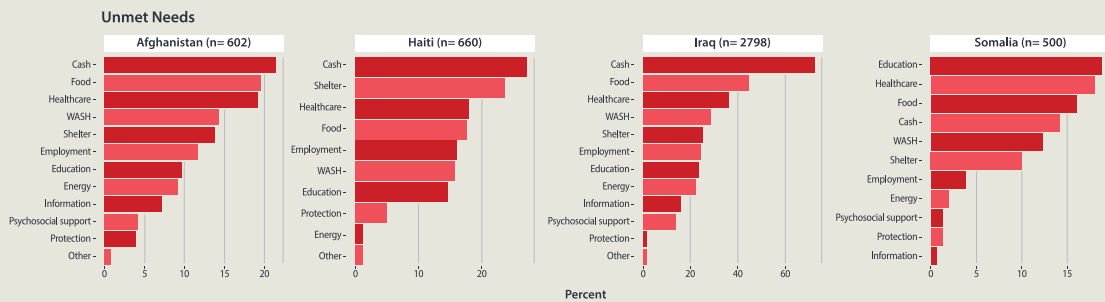


Do you feel informed of the aid available to you?

- Responses to this question varied across the countries examined, with CVA recipients more likely to report they feel informed, on average, in four out of the seven countries. In Lebanon, Somalia, and Haiti, CVA recipients were over one and a half times as likely to say that they felt informed of aid available to them (in Haiti twice as likely).
- In other countries there was little difference between CVA and non-CVA recipients.

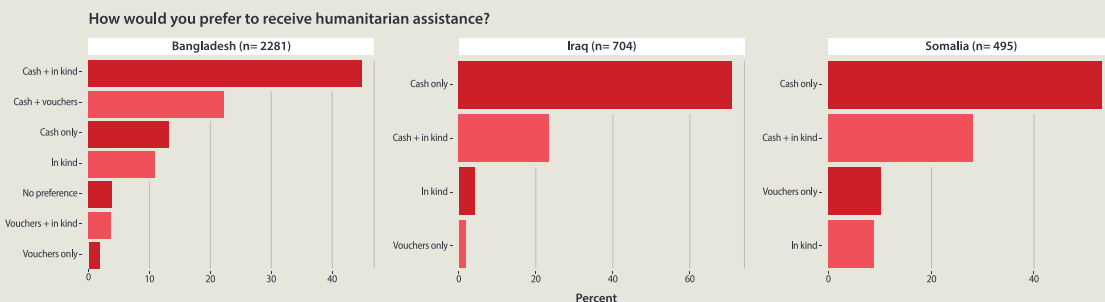
What is your most important unmet need?

In Afghanistan, Haiti, Iraq and Somalia people who responded negatively to the question ‘Does the aid you receive cover your most important needs’ were asked a follow-up question on their most important unmet need. In all instances, cash was in the top four unmet needs.⁴ In Iraq it was the most common unmet need, with over 70% of respondents citing it. In Haiti, 25% of respondents cited cash as their most important unmet need. In Somalia, cash (14% of responses) comes fourth after education (19%), healthcare (18%) and food (16%).



How would you prefer to receive humanitarian assistance?

Data was collected on modality preferences in a sub-set of the countries - Bangladesh, Iraq and Somalia. This shows a clear preference for assistance packages that include some form of CVA in all three countries. In Bangladesh the preference was for a combination of cash and in-kind aid, while in Iraq and Somalia, the preference was for cash only. Preferences on modality may be subject to familiarity bias.⁵

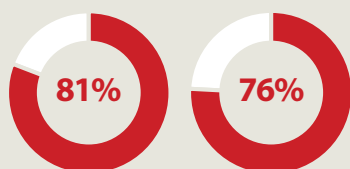


⁴ Though humanitarian actors tend to define cash as a modality to meet needs, GTS consistently has respondents citing cash as a need in its own right.

⁵ Findings from GTS’s User Journey research in Kenya and Iraq showed evidence for this modality familiarity bias: <https://groundtruthsolutions.org/our-work/improving-user-journeys-for-humanitarian-cash-transfers/>

Initiatives to facilitate consistent, quality CVA design and implementation are showing good uptake, though challenges to adopt common guidelines were noted

BOX 3.5 Perceptions on using common quality standards and guidelines



81% of surveyed organisations and 76% of practitioners agree that their organisation has taken steps in the last 2 years to embed common standards and guidelines for CVA.



[The PQTB] is very useful for countries, but country teams find it the most useful when guided by a cash adviser. There's a lot there and it can be overwhelming – I ask teams what they need and act as a guide by screening the tools... In some contexts a 'good enough' approach to quality should be enough. **ActionAid**

reducing the risk of fragmentation, confusion, and duplication of effort. It was however recognised that more work is needed to support this harmonisation, which can be challenging and time consuming to realise in practice. This was also reflected in the practitioner survey, where the main perceived challenges to using common standards and guidelines (box 3.6) are the same as those cited in 2017. To illustrate these challenges, several key informants gave the example of setting MEBs. While there is strong commitment to harmonise this approach among operational agencies, MEBs can be calculated with different methods using varying degrees of rigour or complexity and there is no one recognised 'common' or 'best' approach. In 2020 CaLP published MEB Decision Making Tools to help practitioners decide whether a MEB is relevant and the best approach for the context.⁸

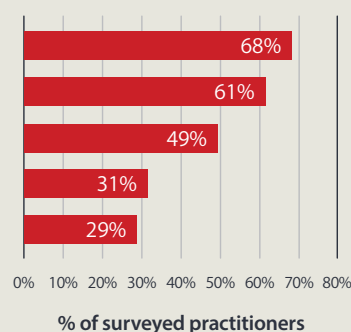
The surveys highlight consistent, and positive, perceptions that agencies are continuing to take steps to make use of common standards and guidelines for CVA (see box 3.5). Key informants discussed the adoption of both the revised Sphere standards and CaLP's Programme Quality Toolbox (PQTB). In 17 key informant interviews the main added value of the Sphere revisions was seen to be giving greater legitimacy to CVA as a tool for quality response, positively influencing trends towards greater consideration of CVA across sectors.⁶ At operational level, these revisions were felt to influence quality in the setting of minimum expenditure baskets (MEBs) and multipurpose cash (MPC) transfer values.

The PQTB was considered instrumental in improving the quality of CVA design and implementation. 19 out of 21 key informants reported making use of the PQTB and were positive about its use. This was in line with survey findings, where two thirds of respondents reported using the PQTB to improve quality of CVA. Key informants had various suggestions for improving the PQTB,⁷ which CaLP is acting on in the 2020 revision.

Key informants and focus group discussion (FGD) participants also reflected that there is now increased commitment to using other common standards and guidelines at response level (facilitated by Cash Working Groups – discussed in chapter 5). This is perceived to be driving quality through greater consistency in approach,

BOX 3.6 Perceived challenges to using common standards and guidelines on CVA

Agencies develop their own standards and guidelines leading to multiple products
Lack of common agreed standards for CVA across organisations
Standards are sectoral but cash is multi-sectoral
CVA guidelines are standalone so not integrated with other standards
Common guidelines are not promoted by management



⁶ Including UN, INGO, RCM, clusters, donors.

⁷ This feedback is consistent with what members of CaLP's Technical Advisory Group shared in 2018.

⁸ Gil Baizan, P. and Klein, N. (2020) Minimum Expenditure Basket (MEB) Decision Making Tools, Oxford: CaLP.

The Grand Bargain Cash sub-Workstream on Efficiency, Effectiveness and Value for Money has spearheaded efforts to enable more consistent cost-efficiency analysis in humanitarian assistance. This has included the



There's a more harmonised approach to cash programming, the efforts to reduce fragmentation have helped – for example, agreeing on common targeting criteria, use of a common payment service; defining collectively an MEB and coming up with an agreed transfer value for all partners. **DG ECHO**

publication of a best practice guidance,⁹ and the ongoing piloting and roll-out of the Systematic Cost Analysis (SCAN) tool which automates the process of implementing practices for cost-efficiency analysis recommended in the guidance.¹⁰ Case study pilots using the tool to analyse NGO CVA programmes are pending. This work constitutes good progress in a complex area, but it is only part of the solution. As SCAN results are gathered, more work is needed to weigh cost-efficiency with data on outcomes to assess cost-effectiveness and broader value for money.

Efforts to harmonise outcome indicators for MPC hold good potential, though more time is needed to see adoption and impact

Quality outcome monitoring data is essential to document the effectiveness of any programme, including CVA. The previous report highlighted that an essential step for efforts to ensure quality of CVA, especially MPC, was the adoption of common outcome indicators across agencies. Practitioners perceive there has been progress over the last 2.5 years, with 81 percent of agencies in the organisational survey stating that their organisation has taken steps to monitor outcomes of MPC. Key informants highlighted the Grand Bargain Sub-Workstream to develop draft common indicators for MPC, led by CRS, USAID and CaLP, completed in mid-2019 (box 3.7).¹¹ In key informant interviews, 23 respondents including donors, UN,

BOX 3.7 GB Sub-Workstream to Develop Common MPC Outcome Indicators

Drawing on the Grand Bargain commitment to simplify reporting, the need to develop indicators for consistent measurement of outcomes to which MPC contributes was identified as a priority for the GB Cash Workstream. Steps in the process included: crowd-sourcing MPC indicators used by and/or recommended by agencies, plus a review of MEBs; shortlisting and revising the indicators; consulting clusters to identify appropriate sectoral indicators; opening the draft to wider consultation before circulating a 'draft for testing'. Indicator development aimed to put affected people at the centre and focus on the outcomes to which MPC can most clearly contribute. It therefore did not seek to capture all potential outcomes of MPC, nor to attribute outcomes to MPC alone. The aim was to agree upon a core set of minimum indicators. These are broken down into crosscutting and sectoral, and mandatory and optional. As of early 2020, work is focused on encouraging uptake of the indicators and gathering feedback on their use.

NGOs and clusters, were positive about the strong potential of this initiative to support improved quality through consistent measurement of a few mandatory indicators, across organisations and responses.



Initially there was a big difference in what people were expecting to achieve and the realistic possible outcomes from the use of MPC. By the end, there was an appreciation for what [MPC] could and could not do. **CRS**

Those involved in the process also commented that it helped build understanding across clusters and cash actors, of the potential and limitations of MPC. This injected reality on which needs are likely to be prioritised and which sectoral outcomes are feasible from cash alone.

Implementation of the common indicators is just beginning, and it remains to be seen what the level of adoption will be. Four implementing agencies reported in key informant interviews having taken steps to roll these out.

⁹ Van der Merwe, R. and Tulloch, C. (2019) Cost-Efficiency Analysis of Basic Needs Programs: Best Practice Guidance for Humanitarian Agencies. USAID/IRC

¹⁰ The IRC, Mercy Corps, Save the Children, Action Against Hunger, and CARE developed the SCAN tool: <https://www.rescue.org/report/systematic-cost-analysis-scan-tool-fact-sheet>

¹¹ Grand Bargain Cash Workstream (2019) Multipurpose Cash Outcome Indicators – Final Draft for Testing (July 2019)

USAID officially adopted the indicators and ECHO is in process of doing so, which respondents felt was encouraging for wider uptake. However, some key informants noted that there is still no agreement from all cluster leads to include these MPC indicators in the humanitarian programme cycle (HPC) monitoring framework. Key informants' feedback shows that this relates to the positioning of MPC as a standalone section in the revised HPC guidance. Reporting on outcomes has historically been through sectors and there are, understandably, concerns about what changing this will mean for accountability and quality. It also reflects the ongoing tensions surrounding coordination of MPC (see chapter 5). On the other hand, some cluster representatives stressed that consistent adoption of these indicators across clusters was important and were hopeful that donors' promotion could secure this.



Most of the shelter sector is fully supportive of trialling these indicators and I personally believe that all sectors should do it, to test if they work and as a true measure – however politics around power and money seem to get in the way of pragmatic solutions to issues that we as the sectors first identified. **Former Chair of Global Shelter Cluster CWG**

To support systematic adoption for quality programming, the global health and shelter clusters recommended clarifying responsibilities for MPC monitoring – such as to what extent clusters and their partners would be involved in measuring specialist sector indicators, whether this would fall to MPC actors, and how capacities would be built. Certain key informants stressed the need to critically examine outcome data that will become available, to inform global discussions on the benefits and limitations of MPC, on the outcomes that it can achieve, and the appropriate use of MPC as part of an integrated response.

Finally, some key informants reflected that the focus on MPC was a driving force that successfully enabled agreement on a common set of multisectoral indicators for the first time, but that this was also a limitation. They perceived that improving quality of programming requires use of common indicators across all types of interventions and measurement at the level of the response. The focus on MPC was therefore also a missed opportunity to improve consistency and quality overall. This is illustrative of a wider issue mentioned by several key informants, that a drive to improve quality of CVA, while commendable, risks siloing cash and diverting the focus from the need to improve the quality of programming in general. This is discussed further below.

Third party monitoring approaches have potential to improve the quality of CVA and wider programming, though more evidence is needed to understand whether the benefits justify the costs

Since 2017, another emerging area of interest is the investments being made in third party monitoring (3PM). This approach can obviously be applied to programming beyond CVA. 3PM had previously been used on CVA programmes in conflict zones, as a solution to the challenge of restricted access, to ensure visibility for donors and programme quality.¹² In the past two years it has been adopted on a range of programmes that include CVA components in a range of emergency contexts including Uganda, Ethiopia, Somalia, Lebanon, Jordan and Nigeria. The role has been conceived and implemented in various ways,¹³ and has evolved from a more audit-related verification role to encompass broader learning and accountability objectives.



3PM is about improving accountability. It moves us away from the idea that a single actor should do all activities in a programme. Segregation of functions gives accountability. **DG ECHO**

This approach is relatively new and evidence from implementation is still emerging. The 3PM process in Lebanon has received greatest attention and a learning review was undertaken in 2020 (box 3.8). Seven key informants made similar reflections on 3PM experiences elsewhere, noting that learning suggests the approach could contribute to the quality of CVA and humanitarian programming more generally. However, the evidence base

¹² NRC (2016) Cash Transfers in Remote Emergency Programming, Oslo: NRC; DFID key informant interview

¹³ Including: an independently funded NGO consortium to monitor a UN programme in Lebanon; the assignment of separate CVA programme functions, including monitoring, to different NGO consortium members in Ethiopia; engaging a private sector agency in Jordan; Somalia; and a consortium of three organisations in Nigeria.

for if/how these investments improve the effectiveness, efficiency or accountability of CVA programmes still needs to be built. Learning reviews and evaluations such as that commissioned by CAMEALEON in



3PM is not a substitute for doing your own monitoring and learning. It can play a complementary additional role, especially from the accountability side. Monitoring in general is too project specific rather than system wide. This is where 3PM could play a useful role and cut across agencies and sectors. **Independent**

Lebanon are therefore welcomed. Beyond this, there is also the question of the value for money of such investments. In contexts of limited humanitarian funding and unmet needs, there is a need to consider whether the benefits from 3PM are worth the additional costs, or whether the approach can best add value in particular contexts (e.g. protracted crises). Applying 3PM systematically at the response level may be able to leverage certain 'economies of scale' and contribute to efficiency gains, but evidence to prove, or disprove, this and enabling or constraining factors, needs to be collected.

BOX 3.8 Experiences from third party monitoring on an MPC programme in Lebanon

The Cash, Monitoring, Evaluation, Accountability and Learning Organizational Network (CAMEALEON) is a consortium of Norwegian Refugee Council, Oxfam and Solidarités International set up to provide a 3PM function with the aim to strengthen effectiveness, efficiency, accountability and learning of WFP's MPC programme in Lebanon, and inform wider sector learning. CAMEALEON is funded by the same donors as WFP's MPC and has been established since late 2017. It differs in important ways from some other 3PM models, such as being an NGO led consortium embedded into the same funding arrangement as a large scale UN cash programme as well as its wider scope of activity (on MEAL rather than monitoring).

In the first two years of the project, the consortium aimed to achieve deliverables under four broad areas i) independent outcome monitoring and evaluation of impact of MPC; ii) value for money analysis; iii) generation of learning and actionable recommendations for programme adaptation and iv) leveraging research and learning to influence national and global policies on MPC. The approach is considered extremely relevant to both national and global contexts, meeting the need stipulated under the Grand Bargain for an 'external' voice in the quality and accountability of large-scale cash.

An independent learning review commissioned by CAMEALEON in 2019, found that the programme has been effective in producing expected deliverables to a high standard. Enabling factors include the consortium structure which leverages the combined influence of 3 well respected NGOs, with established operational presence in Lebanon, and the team's diverse competencies including strong technical and analytical skills, detailed knowledge of the context as well as soft skills like diplomacy, negotiation and adaptiveness. Another factor was the donor's decision to make funding conditional on the inclusion of the 3PM component. The review also highlighted constraints of the model, including CAMEALEON's independence being somewhat limited by WFP's membership in the Steering Committee that governs its work, and CAMEALEON's focus on the WFP MPC programme, as opposed to the wider operational model for MPC, which also includes UNHCR.

WFP has accepted most of the programmatic recommendations coming out of CAMEALEON's research streams to date. An evaluation of CAMEALEON's impact on the quality of the MPC programme, wider cash response and benefits for refugees is planned during the second phase of the programme (2020-2022). Building this evidence is important for understanding whether the benefits, or 'added value' of the 3PM approach justify the costs. Globally there is evidence that CAMEALEON's model is influencing the development of 3PM for CVA in other contexts such as Turkey and Mozambique.

Source: Grootenhuis et al. (2020) plus interviews with DFID Lebanon and CAMEALEON staff.

Evidence from the use of operational models for cash at scale shows there is no automatic 'value for money' in collaboration, and no model that is best for all contexts

Since 2017, recognizing that increased use of CVA implies shifting roles for humanitarian actors and changes in the ways we work together, there have been moves towards more collaborative approaches to the



The debate on operational models needs to move from efficiency and delivering at scale to quality and delivering in an effective, equitable and sustainable manner. **Key Aid Consulting**

We can of course also go too far with harmonisation of operational models if harmonisation translates to centralisation. E.g. a more centralised call centre that's not accessible or that replaces direct interaction with people, will mean an efficiency – effectiveness trade-off. We still need this face to face side. **DG ECHO**

planning and delivery of CVA.¹⁴ 88 percent of respondents to the organisational survey reported collaborating with other agencies to implement CVA. Significant investments in new and collaborative operational models for delivering cash at scale were highlighted in the GB cash workstream annual report.¹⁵ The evidence base on how these operational design decisions can influence effectiveness, efficiency, and accountability of programmes using CVA has grown in the past two years. Learning to date shows that the relationship between the operational model used and the quality of outcomes is not clear cut. Further, it can affect effectiveness, efficiency, and equity (all aspects of 'value for money'¹⁶) in different ways. This highlights the importance of a broad and inclusive definition of what constitutes 'quality', taking into account all these aspects, especially as recipients place importance on specific aspects which are not necessarily driving decisions on the design of these models to date

(see box 3.9). Findings highlight benefits but also challenges inherent in collaborative ways of working in practice, particularly around data sharing, which if not considered can constrain effectiveness.



'Operational model' (OM) refers to the overall structure through which agencies work jointly (through a partnership, consortium or another form of collaboration) to deliver cash transfers, vouchers and/or other modalities of humanitarian assistance, specifically in situation and response analysis, programme design and implementation (CaLP Glossary). There is no agreed taxonomy of different OMs, and this is an evolving space. However, CaLP's OM framework recognises several broad categories, including:

- Consortia and alliances, formed based on the contractual and funding relationships between members
- Shared cash delivery mechanisms entailing collaboration in the financial delivery of cash but not necessarily in other areas
- Broad integration of systems for cash delivery and aspects of the programme cycle, which build on the comparative advantage of each stakeholder
- Single-agency delivery which separates payment processes from other programming aspects
- Collaborative modular approaches which assign activities and competencies in the CVA programme cycle to different actors, such as through the Collaborative Cash Delivery (CCD) Network

Since 2017, two of the new developments in this space were the announcement of the UN's Common Cash Statement (UNCCS) and the operationalisation of the Collaborative Cash Delivery Network (CCD) – see box



The roll-out of the new UN cash system will have significant implications for the humanitarian community as a whole. Open and constructive dialogue will be key to success of this important initiative.

CaLP statement (December 2018)

1.8 in chapter 1 for further details. Key informants (members of these initiatives and others), as well as participants in CaLP's Cash Week 2019, raised consistent points. These initiatives are welcomed in the spirit of fostering greater collaboration, in line with GB commitments, with key informants acknowledging the importance of exploring new ways to increase effectiveness, efficiency and accountability of cash operations and better support those affected by crises. At the same time certain concerns

¹⁴ Including in terms of the number of organisations implementing CVA within particular responses, and consolidation of several sector-specific grants into single transfers.

¹⁵ WFP and DFID (2019) 3rd Grand Bargain Cash Work Stream Workshop – Co-Conveners' Report: Rome, 16th – 17th May 2019. Rome: WFP and DFID.

¹⁶ Commonly understood as comprising economy, efficiency, effectiveness and equity as per DFID's Approach to Value for Money: DFID's Approach to Value for Money

were highlighted. Respondents noted that the agencies involved are experiencing similar challenges to operationalise these collaborations as outlined in box 3.9, including issues with bureaucracy, lengthy set up times, legal and operational issues with data sharing and harmonising internal systems and indicators. The wider humanitarian community, as reflected in feedback from key informants and Cash Week participants, also perceive that there is a lack of clarity, and even different understandings, from member agencies on what these models are, what they seek to achieve, and which organisations can engage in, or with, them. Without clear and measurable objectives, key informants argued it is impossible to generate evidence on their success or added value compared to alternative ways of working. Making clear and measurable statements of intent is a necessary first step to determining how these ways of working influence quality. The lack of clear purpose also contributes to perceptions that these models may be being driven more by a desire to protect member interests and retain their relevance in a rapidly evolving space than by what works best for people affected by crisis. Overall, there was a consensus on the need for transparent and standardized evidence building on the benefits and limitations, or costs, of these ways of working. And for agencies to be willing to give up space where it is clear that an alternative way of working has more value. Two levels of effects were discussed – the need to demonstrate programme level effects (especially as these are perceived by/impact on recipients), and also wider benefits seen at a global level, e.g. from greater information sharing, and joint influence.

BOX 3.9 How operational models for delivering CVA at scale can influence quality – what the evidence shows

Various research studies and lessons learned reviews published since 2017 are building an evidence base on how the choice of operational model can influence effectiveness, efficiency, and accountability of programmes using CVA. This has generated some consistent findings:

- **Operational design decisions affect VfM in different ways, presenting trade-offs between economy, efficiency, effectiveness, and equity.** For example, joint systems have the potential to reduce some costs, and enable programmes to roll out assistance more quickly. But it can increase set up times, and reduce the ability of particular agencies to be responsive to the specific needs of vulnerable recipients. This highlights the importance of considering VfM holistically when discussing quality.
- **Scale drives economy and efficiency but to date not necessarily effectiveness, equity, or accountability.** Implementing cash at scale has contributed to a certain lack of agility in the operational models. It has proved difficult to tailor processes for different (and most vulnerable) groups of recipients, which is essential for overcoming access challenges, mitigating risks associated with and maximising the protective benefits of CVA.
- **Agencies can face legal and operational challenges in harmonising internal systems and sharing data.** Lack of data sharing between agencies that are using collaborative platforms is a significant impediment to programme quality, contributing to delays in programming and meaning use of information cannot be maximised to understand challenges and inform changes in programme design.
- **It has proved challenging to access the data needed to measure aspects such as cost efficiency accurately and consistently.**
- **There is no single ideal model for providing CVA, for all recipients, in all contexts.** Barriers facing some groups means there is a place in the 'whole of cash response system' for other, additional, and agile models.

Source: Smith (2019); Juillard et al. (2020); Juillard and Maillard (2018); Smart (2018b); Nataf (2018); CCI (2018)

Several respondents commented that the focus of the operational models debate in recent years has centred on cash delivery, at the expense of other critical aspects of quality programming such as



[Humanitarian agencies] are still only thinking that the objective is to deliver cash. Whereas the important things are the things we're still not doing well. Yes, there might be a change in who delivers cash, but can this be an opportunity for better ways of working that focus on these other aspects, like multisector analysis.

DFID, CaLP Cash Week Panel Discussion

assessment and analysis, and that these need to be better explored. This same concern was highlighted in the 2017 report. The concept of the 'whole of cash response system' also has relevance here, highlighting the advantages of considering the full range of CVA platforms and interventions (including those which are state-led) in a given country, and the populations that these need to serve. Applying this type of system-wide lens to CVA can be useful in determining what the important roles, and existing gaps, are to achieve better quality responses, how this might be approached, and by whom. Certain key informants highlighted that current incentive structures

in humanitarian aid have, at least partially, driven the focus to date on cash delivery, and that donors must facilitate reorienting agencies towards more niche roles in the whole cash response system. Some respondents saw the Common Donor Approach (see box 1.8 in chapter 1 for more detail) as an important step in acknowledging this, though more action is needed if this is to contribute to changes in practice.

Donors and implementers need to further maximise the use of evidence in CVA programme design decisions, while the challenges and opportunities for overcoming systemic barriers to quality programming are becoming clearer

The investments made to capture recipient perspectives can be a powerful source of information to drive quality CVA programming. Meanwhile, the evidence base on good practices for designing quality



It can be difficult to gauge the extent to which teams on the ground make decisions based on evidence, including how much this applies to modality choice. I think this still often comes down to what they're used to. CARE

programming has grown significantly in recent years. This includes topics such as the effectiveness of different types of assistance (including MPC), and the impact of operational design decisions on effectiveness and efficiency. However, the story of how this information is contributing to quality programming is more mixed. In the organisational survey less than two thirds of organisations reported systematically using evidence on the efficiency and effectiveness of CVA when planning programmes (no change from the previous report).

The surveys reveal commonly perceived challenges that agencies face in their efforts to increase the quality of CVA (box 3.10). Key informants also raised consistent challenges.¹⁷ **These are less about a lack of evidence, and more about systemic barriers to change.** As with many of the topics covered in this chapter, many of these issues highlight **a tension between "quality of CVA", as compared to "quality programming"**. This connects to other broader debates on topics such as risk, standards, response analysis and accountability. Several of the quality challenges identified relate to systemic weaknesses of the humanitarian system and processes, rather than the specifics of cash or vouchers. The increasing use of CVA is shining a spotlight on these issues. In fact, some CVA quality concerns highlight the different standards to which agencies continually hold CVA, compared to other types of aid. The challenge is to **move this debate on quality (and the solutions being developed to these on CVA programmes) to one that focuses on quality of the humanitarian response overall.**

Some of these issues currently limit the ability of agencies to maximise the use of evidence in programme design:

Capacity gaps: Key informants highlighted that limited resources and capacities for M&E and AAP (across all programming, not only for CVA) affects agencies' ability to collect, analyse and act on evidence. This applies also to agencies' ability to act on recipient feedback. WFP, for example, has made global and country level investments in expertise dedicated to AAP, focusing on large cash portfolios, to address this. Key informants mentioned capacities to conduct robust needs and response analysis across sectors as another gap which limits the integration of MPC with wider assistance and services (see chapter 4 for more on capacity).

¹⁷ It was also recognised that there is still a need to continue to fill specific evidence gaps – these are discussed in chapter 6.

BOX 3.10 Perceptions of challenges to increasing CVA quality

Focus on scale: Scaling up cash was perceived to have negatively affected quality in various ways. Firstly, in terms of process – that organisations' efforts to go to scale had necessarily consumed attention and



We see lots of drive for 'using cash'. This alone is not enough. It is not clear that this leads to the choice of the 'right' modality, or best programme design.

Relief International

We should acknowledge the benefits but also the limitations of cash at scale. You can reach a critical mass, and this is important. But for those with specific needs, we need alternative and complementary measures to reach those falling through the cracks.

Relief International

support quality. Taking on niche quality-focused roles could be an entry point for INGOs or local actors (see chapter 7 for more on this) to add value to large-scale cash responses. At the same time, however, the drive for efficiency risks limiting investment in these actions. Some stakeholders welcomed the Common Donor Approach in setting out clear, common benchmarks for quality CVA beyond efficiency, but it is too early to tell whether this will help overcome challenges with quality in practice.

18 Smith (2019); Maunder et al. (2018); Juillard et al. (2020). In Turkey on the ESN, for example, this is done but it comes at a cost.

Barriers due to self-preservation and mandates: There was a widespread perception that agency mandates can influence decisions on modality selection and, given the issues around competition for funding (see chapter 5), this is unlikely to change. Key informants also reflected that agencies have made significant investments in various operational models, and felt that concerns about self-preservation are perceived to be at least partially driving these, meaning that design decisions are not made based on evidence of what is the best approach for recipients. Equally such interests might undermine research findings which should inform future programme design.

Concerns about MPC: While the humanitarian community has fewer concerns about MPC than three years ago, as noted earlier, some concerns remain within clusters and certain sector actors. Primarily these



We have tried to 'put people at the centre' but we are still making assumptions on their behalf. We [humanitarian actors] probably need to go back on some of our dearly held beliefs. **DG ECHO**

Calling cash MPC does not achieve multiple results – food security, nutrition, shelter, health, education etc – if there are no nutrients, dwellings, clinics, teachers etc to buy with the cash. It is critical that that donors not be content to fund cash delivery without also funding the availability of, quality of, and access to basic goods and services where they are not available, adequate, or accessible. We still need to stress context analysis - we can't just default reflexively to, 'phew all is solved because we funded MPC! **WFP**

are regarding: i) implications for accountability, if sector standards are not met, since this is usually the responsibility of the sector leads; ii) whether and how the responsibility is shared between actors leading MPC and wider sectoral programming aspiring towards specific sector outcomes; and iii) how MPC can be integrated into a comprehensive multisectoral response (see chapter 2 for more on sectoral perspectives on CVA). Some stakeholders considered that these debates call into question the validity of the current sector-based results system and that quality should be measured from a recipient-centric perspective. These issues are linked to the coordination challenges around MPC, discussed in chapter 5.

Quality design constrained by limitations to funding:

Acting on findings from recipient feedback requires resources. Key informants felt that, while humanitarian actors may be asking more of the right questions, a big constraint is whether programmes can be implemented to the desired quality (e.g., investing in face to face communication and outreach) in responses where funding is constrained. For example, the CVA response in Lebanon can only reach a third of severely vulnerable households.

In such contexts the additional cost of programming changes which may improve the experience for recipients would impact coverage, presents dilemmas for implementers. Several organisations recognised that limitations observed in achieving outcomes on MPC programmes often result from transfer values which are insufficient to meet needs (i.e. due to limited funding, not inherent limitations in MPC). Some key informants also discussed how funding rules can affect quality. For example, there are still limitations on funding for unrestricted cash from certain donors, which means investment in good assessment and analysis cannot translate into the optimum response, while donor regulations can limit abilities to adapt CVA according to the dynamic needs of affected people.

PRIORITY ACTIONS

Making further progress towards better quality CVA and programming in general will require humanitarian actors to continue to collaborate and explore different ways of working. The evidence generated should be used as the basis for decision-making. Priority actions in this regard are:



Operational agencies and donors should collaborate to further implement different operational models and collect and transparently share learning. They should also discuss and agree **on the benefits and limitations of different operational models in different contexts**, based on emerging evidence and trends.



Donors should require that operational agencies use common indicators and metrics for effectiveness, efficiency, and accountability where available, and develop them where needed. These can build on existing frameworks and research, with the results informing response analysis and programme design.



Relevant humanitarian actors should collaborate to pilot systemic integration of an independent, people-centred approach to capture recipient perspectives, and independent MEAL functions (e.g. third party monitoring) at response level.



Operational agencies, donors and researchers should generate evidence of the benefits and costs of 'quality' components (e.g. AAP mechanisms, investments in 'last mile' activities).



Donors and operational agencies should acknowledge the trade-offs in different aspects of quality (effectiveness, efficiency, accountability) when delivering cash at scale, and engage in transparent discussions. These should consider benefits and constraints, for example in terms of coverage, and serve as a basis to identify solutions.



Donors should revise award guidelines to recognize and support components which foster quality programming, with the right safeguards in place to avoid duplication, and enable agencies to **develop specialized roles**.



Donors in the Common Donor Approach should identify and address challenges to quality programming. For example, in Common Donor Approach pilot countries, fund and test more localised approaches to delivering cash at scale, AAP components, and integrated programming.

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In partnership with ECHO, the Turkish Government and the Turkish Red Crescent (TRC), WFP is implementing the “e-food card programme” to provide unconditional cash assistance to over 1 million Syrian refugees. For this father the wellbeing of his children is the most important thing to achieve in life. ESSN cash assistance helps him to make sure their needs are covered.

WFP/Deniz Akkus June 2017.




4

CAPACITY


Global objective: Build sufficient capacity for cash and voucher assistance programming

Despite progress, capacity gaps remain a challenge to increasing the quality and scale of CVA

BOX 4.1 Organisations capacity building impact in timeliness and scale of CVA

78% 

Organisations agree that capacities built so far have enabled them to increase the scale of CVA

80% 

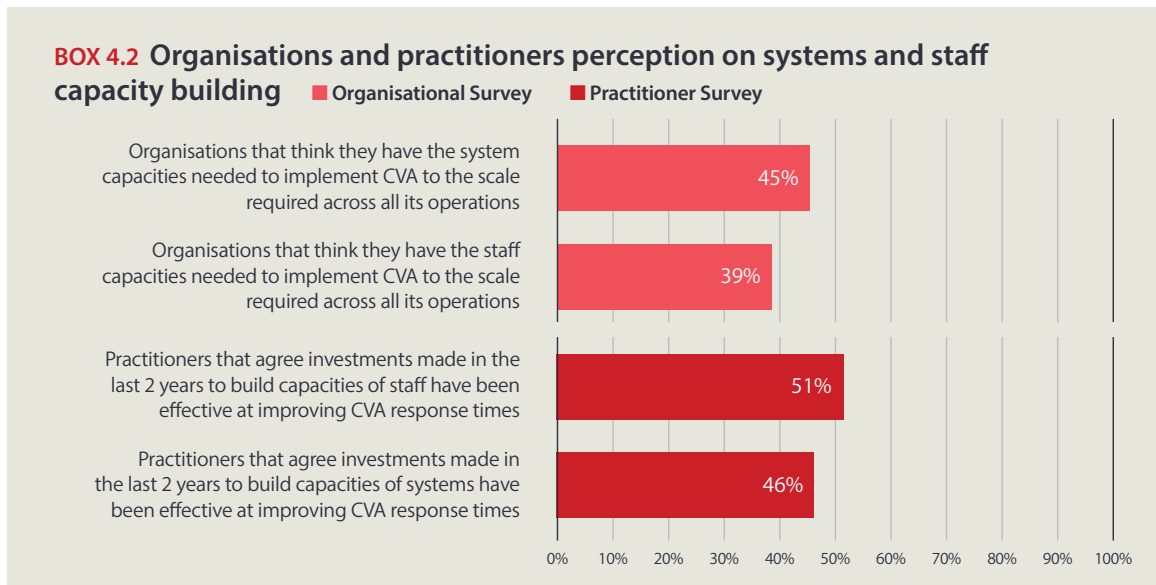
Organisations agree that capacities built so far have allowed them to increase the timeliness of CVA

Delivering more and better CVA depends, to a good degree, on the attitudes and capacities of the people and organisations involved. Feedback shows that progress has been made but more work is needed.

About 80 percent of surveyed organisations felt that the capacities they have developed so far have enabled them to increase the scale and timeliness of CVA (see box 4.1). Feedback from individual practitioners also notes progress but their views are less positive (see box 4.2), with only around half agreeing that capacity development (people and systems) has improved CVA response times over the last two years.

While 24 percent of surveyed organisations cite the lack of capacity among implementing agencies as one of the top three challenges to scaling CVA, this is significantly less than the 56 percent who felt that way in 2017.

When reflecting on themselves, only 45 percent of surveyed organisations agree they have the systems capacities and 39 percent feel they have the staff capacities needed to implement CVA at the scale required across all their operations. Digging deeper, 41 percent of surveyed organisations ranked the lack of capacity for multi-sector assessments and response analysis (which includes system and staff capacities) as the one of their biggest challenges to better quality CVA. 31 percent of practitioners ranked it the third biggest problem.



The positive views about progress, combined with concerns about continuing capacity gaps, likely reflects that demand for skills and systems development is expanding as the use of CVA increases. Capacity goalposts are shifting as the use of CVA evolves and the need for new skills emerge. Overall, many view such capacity gaps as one of the biggest challenges to increasing the scale and quality of CVA, as explored further in chapter 2.

Organisations are investing in the institutionalisation of CVA, but progress is uneven

The institutionalisation of CVA can be looked at in terms of 'cash readiness' i.e. the extent to which organisations are prepared to design and roll-out quality CVA at the required scale across different



Institutionalizing a mindset for CVA across staff and local partners has been one of the biggest challenges. **Danish Church Aid**

For the RCRC Movement, preparedness of national societies is the biggest area of work in cash. It takes a lot of time to be cash ready. **ICRC & IFRC**

operational contexts in a timely manner. Most survey respondents believe that humanitarian agencies are taking steps to build the capacity of their operational systems for CVA – with 78 percent of practitioners and 93 percent of surveyed organisations agreeing this is the case.

Cash readiness varies and is influenced by factors such as an organisation's access to funding, mandate, size, degree of decentralisation and context. Key informants highlighted that some organisations focus their efforts on identified specialisations (e.g. working with specific population groups such as women and girls), specific types

of CVA intervention (e.g. large-scale MPC) or contexts where they believe they can add more value. For example, one INGO noted that in terms of system building for CVA delivery, they focus on contexts where governments lack legitimacy and UN agencies are not as well positioned to deliver CVA at scale.

BOX 4.3 Bangladesh Red Crescent cash preparedness experience

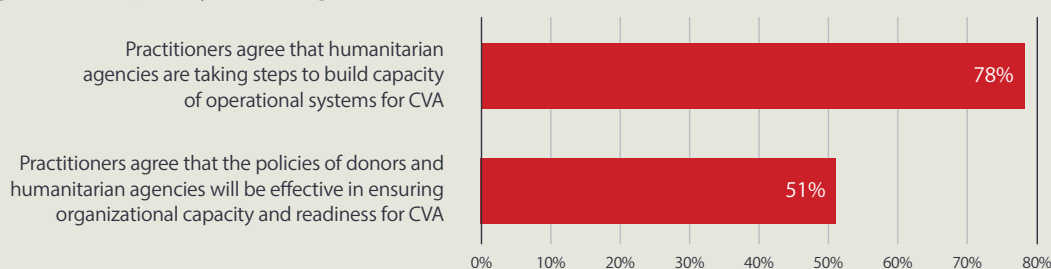
The Bangladesh Red Crescent (BDRCS), as an auxiliary to the Government of Bangladesh, provides humanitarian response before, during and after a crisis. In 2017, BDRCS started a journey – with the support of IFRC and other RCRC Movement partners – to strengthen its cash preparedness using the RCRC National Society Cash Preparedness guidance. Over the next two years they developed the internal structures, systems and procedures needed to deliver cash at scale, at speed and in ways most appropriate to communities in need. Lessons learned along the way include:

- Invest in community engagement and accountability systems to help ensure communities are supported in line with their needs
- Establish a sufficient pool of cash-trained staff and volunteers
- Create a dedicated data management team to switch to digital data collection
- Communicate effectively and coordinate well
- Develop formal agreements with a number of different Financial Service Providers to help maintain flexibility and reach.

Local, national and international actors have developed skills and capacities in CVA but existing disparities in the humanitarian system mean there has been more investment in the capacities of international organisations. Over the last two years, some international organisations have invested more in their local partnerships, both as part of their cash readiness strategy and as a commitment to localisation. For example, the RCRCM developed a two-year institutional support programme to help national societies become cash ready (box 4.3). It has recently evaluated the approach and will be issuing updated guidance based on lessons learned. Equally, World Vision International now includes cash readiness and capacity building analysis in its partnership agreements with local organisations. Overall, however, such efforts are not being undertaken systematically. Effective systemic capacity development cannot happen without more focus on local stakeholders' needs and priorities, with this happening alongside changes in the ways that local, national and international actors work together to deliver CVA, as explored in chapter 7.

The extent of cash readiness is rarely uniform across an organisation. Even where common approaches to institutionalising CVA are used, factors such as context and management buy-in within different teams or offices inevitably influences readiness. Strategic commitments, the skills and interests of senior managers and external trends are also key influencers. In addition resourcing is integral to the pace, breadth and depth of institutionalisation. Several key informants mentioned that the scarcity of internal resources and the lack of dedicated donor funding can limit capacity development options, especially for local actors. This may help explain why only 51 percent of practitioners agree that current policies will be effective in ensuring organisational capacity and readiness for CVA although it is notable that respondents based in national and sub-national offices were more positive on this issue (56% and 82% respectively), than those from from global HQs (41%).

BOX 4.4 Practitioners perception about donors' policies and humanitarian agencies' capacity building



36

During the period of the war, many small CBOs have improved their talent and upgraded their skills and upscaled their operations. There are maybe 20 organisations in the country which can run professional programming. These are eligible to receive funds from OCHA. **Yemen Family Care Association (YFCA)**

CVA capacity evolves depending on previous experience in a given context. CVA is quite new, for example, in Latin America where it is being used in the Venezuela crisis, compared to the Middle East where large scale CVA programmes are well established. Protracted crises, where CVA is widely used, provide time and opportunities for organisations to develop and strengthen their capacities, as highlighted by a key informant in Yemen. As such capacities of all actors need to be analysed on a case by case basis and cash-readiness plans developed accordingly.

Several key informants reflected that building initial capacity for cash readiness requires concentrated effort and a substantial investment of time and money. This can be a significant barrier when organisations first start to engage more fully with CVA. There comes a tipping point however, and once an acceptable degree of cash readiness is achieved the level of investment may reduce. For example, a key informant from UNHCR noted that they are planning to reduce investment and maintain only a small core cash team once their CVA institutionalisation strategy is completed in 2020.

Availability and access to capacity building opportunities has increased, but further inclusion and contextualisation is needed

Access to training materials appears good. 88 percent of practitioners surveyed said they know where they can access CVA training. Results were slightly higher for HQ level respondents (94%) than those at national (86%) or sub-national level (82%). How information is circulated among practitioners and within organisations might explain these differences.

While knowing where to access CVA training is not a significant problem, there are other obstacles to undertaking training courses (box 4.5). Practitioners consider that the most significant barriers are: the lack of time for training (44%) and the cost of face-to-face courses (54%). Respondents in West and

Central Africa ranked the latter particularly high (75%). While there is still scope to improve, 78 percent of practitioners surveyed felt that existing CVA face-to-face and/or online training resources are appropriate to their needs.



Several key informants noted that, over the last two years, there has been greater focus on improving access to e-learning and other online services that support capacity development e.g. training materials, guidelines, best practices, and direct advisory or mentoring support.

BOX 4.6 Key E-learning resources

Kaya, a global learning platform, launched in 2016 and now has over 130,000 registered users. Cash related e-learning courses and training materials, with content in Arabic, English, French and Spanish, are available on CaLP’s Cash Learning Hub which is housed on Kaya. Over 15,000 users, from 185 countries, have accessed a CaLP product since 2016. The most popular e-learning course, “CVA - The Fundamentals”, which is a prerequisite for a number of face-to-face courses, features in Kaya’s top five performing courses, with over 7,000 enrolled users.

BB Training materials are good, but coaching/mentoring really helps to ensure principles are actually translated into practice. That tends to be much more effective than additional training. **Mercy Corps**

E-learning can be flexible, convenient, cost-effective and time-saving, while the trend towards micro-learning¹ can support practitioners to access short, informal, on-demand knowledge and skills. All this can help address some of the barriers highlighted above. However, using e-learning² exclusively could mean some potential loss of “social learning”, with reduced benefit of the discussions, participatory activities and networking that face-to-face training more easily provides.

Adapting CVA capacity-building to systems, organisations and practitioners’ needs should go beyond the face-to-face versus e-learning debate and recognise that capacity building is not only about training. Capacity building is also a process whereby practitioners and organisations learn by doing and, as several key informants indicated, recognition and support of that fact can amplify the benefits.

Mixing face-to-face training and the provision of remote technical assistance by CVA specialists, is an approach numerous humanitarian agencies are using. In scattered areas such as the Caribbean or the Pacific region, regional consultation found it is especially appreciated.

1 Gutierrez, K. (2018) Numbers don’t lie: Why microlearning is better for your learners (and you too). Shift: disruptive E-learning.
 2 Cooke, G. (2020) Online trainings vs face to face learning, Elucidat.

BOX 4.7 CaLP's Building Individual Expertise Programme (BIEP)

This programme involves a one-year cycle of capacity building activities, with specific trainings, individual mentoring and job placement. Participants develop and implement action plans, define individual objectives in line with organisational strategies and objectives, and learning pathways are tailored accordingly. The individual action plans are used as tools to monitor progress and require attentive follow-up and support from the participant and their manager. Two cohorts have completed the programme in West Africa, with positive outcomes.

The programme increased the individual CVA expertise of participants. Through them, it benefited their organisations and the wider community of practice at country level. Peer networks were developed beyond BIEP activities and participants actively contributed to key technical discussions at country level. They have also supported the development of more dynamic coordination in several countries.

As efforts are made to bridge capacity gaps, some key issues to consider are:

- Really effective CVA preparedness requires all actors in a country system (government, national and international organisations, private sector actors) to be cash-ready. **Investment in capacity development with an inter-agency perspective can bring benefits in cash readiness for individual organisations and the wider systems.** The inclusion of governmental stakeholders in CVA capacity development efforts, including work on the development of technical and operational guidelines, is essential. Among other things, this will facilitate debates about CVA and linkages with social protection systems and will lay the foundations for better coordination in this respect. Investing in local systems also means working towards the future and the integration of CVA with longer-term programmes. Several key informants highlighted strengthening CVA local systems and its direct relation with the predictability of funds and obtaining specific funds for preparedness, as did regional consultations.
- **Deployment of CVA experts offer opportunities for capacity development**, even where this is not their primary objective. Ideally, all expert deployments, in addition to providing direct operational support to specific interventions, need to integrate support to systems, organisational and individual capacity development in their objectives. This could mean, for example, being intentional about accompanying approaches and mentoring as well as leading or co-facilitating training.
- Organisations and practitioners are asking for **CVA capacity building processes that involve continued support rather than one-off learning courses.** Practitioners appreciate capacity building through on-the-job training, mentoring, remote support or in-situ technical assistance and seem to be more targeted and adapted to context-specific needs. As an example, see the CaLP BIEP programme³ in box 4.7.
- While CVA programming across organisations and agencies share many common threads, each organisation implements programmes based on their own policies and procedures. For example, UNHCR's internal training package takes account of UN procurement rules. An organisation-centered approach to capacity development, especially expensive single-agency learning management systems, can lead to duplication of content across platforms and organisations. A challenge for the future is **how to consolidate capacity building content development, while enabling tailoring for organisation-specific policies and country-specific contexts.**
- **Tailored CVA guidelines have advantages and disadvantages.** Developing guidelines adapted to a particular organisations' requirements and quality standards can facilitate implementation and transfer of knowledge. On the one hand, this encourages the proliferation of CVA guidelines and manuals. In addition, there are often guidelines developed at the national CWG level which support the adaptation of quality standards and processes to work in the country-specific contexts. Continued work on common standards may help reduce these tensions.

³ More information about the BIEP programme can be found here: <https://www.calpnetwork.org/learning-tools/training/building-individual-expertise-programme/biep-wcaf/>

BOX 4.8 Making training courses more accessible and relevant

Practical suggestions to increase access and adapt training courses for different contexts, languages and stakeholders (based on feedback from key informants, regional focus group discussions (FGDs) and a FGD with CaLP-certified trainers):

- Deliver CVA courses in underserved areas
- Expand efforts to target staff of local NGOs and host government offices.
- Support the CVA capacity development of local trainers
- Train trainers within organisations and specific contexts
- Promote qualified trainers at country and regional levels
- Use pertinent examples and case studies taken from local scenarios to better contextualise courses
- Ensure training materials use simple clear language which can be easily translated to local working languages.
- Encourage on-going personal development rather than one-off training with, for example, mentoring programmes and remote technical assistance
- Increase accessibility through the promotion of online training, using different languages and reducing cost barriers.

Recruiting and retaining skilled staff remains a challenge, particularly as demand for specialised CVA skills increases

Survey data indicates that it has become harder to recruit skilled staff for cash-related roles. In 2017, 33 percent of organisations surveyed said they found it easy to recruit staff for CVA roles, as compared to 17 percent (for international staff) and 24 percent (for national staff) in 2019. This suggests an increase in demand for CVA expertise.

Retaining skilled staff, particularly given the issue of brain drain towards bigger agencies and better paid jobs, was mentioned as an issue in maintaining required capacity. Data indicates that the number of cash specialists employed in head offices has increased, with 97 percent of surveyed organisations reporting they had cash specialists at their headquarters – compared to 87 percent in the 2017 survey. While approximately two thirds of organisations continue to employ between one and five cash specialists, the percentage of organisations employing more than six HQ cash specialists has increased from 19 percent to 29 percent.

BOX 4.9 Organisations perception about recruiting suitable skilled staff for cash-related roles



The State of Humanitarian Professions report (Bioforce, forthcoming) highlights that some organisations do not define the professional skillsets and qualifications required for CVA. This is despite the existence of the Certification in CVA, which PHAP and CaLP developed in 2017, that details the essential knowledge and skills needed for everyone involved in CVA programming.

BOX 4.10 Recruiting CVA professionals

“There is no set qualification used to recruit CVA professionals and the tendency is for organisations to either recruit experienced staff within the humanitarian sector or ‘grow their own’. Very few people are recruited to CVA positions directly from outside of the humanitarian sector, but finance, market assessment, and public or private sector CVA backgrounds can be a way in. Once in a CVA function, there is a tendency for people to remain and specialise in this area of work.”

Bioforce (forthcoming) [State of the Humanitarian Professions Report](#)

The same report also highlights that *“the growth of cash programming has also changed the way many non-CVA staff undertake their work and it is likely that many functions and sectorial specialist roles will progressively need to include more and more CVA related competencies”*. Some key informants wondered whether the specialisation of skills needed within humanitarian programming could end up limiting the overall effectiveness of the design and implementation of CVA. On the other hand, they felt the existence of CVA specialists (with technical skills) should mean that sector specialists do not need to develop high level CVA-specific skills.

Some organisations have designed a range of introductory courses to help people adapt CVA to specific sector requirements. While training will continue to build CVA capacity amongst sectoral experts, as one key informant highlighted, they “won’t be able to do everything and CVA experts will still be needed”. Overall, key informants felt there is still a gap in the availability of people with both CVA and sector specific knowledge – particularly in sectors that have been less engaged with CVA (for example health, WASH, nutrition, protection or education). The process of CVA capacity development can provide opportunities to increase effective ways of working and collaboration between sectoral experts and CVA specialists at both institutional and operational levels, as shown by, for example, CashCap deployments to support various clusters.

Some key informants recognised that a growing number of operational staff (logistics, finance, security and others) have increased their CVA knowledge (by direct experience, internal capacity building processes or by participating in specific external trainings), contributing to increase both organisational and systems CVA capacities. However, further work is required. One key informant noted that their organisation’s biggest capacity gap is amongst their logistics and finance staff.

Surveyed organisations saw the challenge of recruiting, developing and maintaining skilled staff as a feature of the changing nature of CVA programming, and humanitarian assistance more broadly. Many key informants highlighted that, as the humanitarian sector evolves, there is need for new and specialised skills and profiles – many of which are especially relevant in CVA. Indeed, innovations and the rate of change indicate that capacity development efforts must continue to evolve, and yet may consistency struggle to match the pace of change. Key skills gaps highlighted include:

- **Technology, data systems and the digitisation of CVA**, along with the management of associated opportunities and risks. This was, perhaps, the most prominent skills gap cited. As CVA evolves, specialised skills for data management, protection, sharing and interoperability are becoming ever more crucial, along with more general aptitudes for working with digital systems.

- **Social protection** skills and experience are increasingly in demand. This includes understanding of associated policies, data management and delivery systems, working with government counterparts, and the ability to assess if and how humanitarian CVA can link to and/or support existing social assistance programmes (see chapter 8).
- **Accountability, particularly in terms of recipient perspectives**, is increasingly recognised as a critical skill within CVA and one where there is limited specialised capacity (see chapter 3 on CVA and quality).
- **Relationship management, communication and coordination skills** are also seen as key skills in the context of moves towards greater collaboration. As one key informant noted, not everyone is good at brokering relationships, but these types of ‘soft’ skills can be fundamental in the success or otherwise of collaborative approaches.

To fill these skills gaps might require the development of roles which are new to the humanitarian sector and/or new partnerships. In a regional focus group discussion in Latin America, for example, participants



We need to think about the humanitarian workforce of the future and how we can collectively build it. This goes deeper than a training issue. There are whole new profiles of people and new business models for engaging with them. **WFP**

highlighted the need to attract specialist staff from beyond the humanitarian sector. In some cases, more hybrid profiles may need to be developed (e.g. bridging humanitarian and development), while some areas of expertise could be incorporated into more generalist cash specialist profiles (e.g. digital competencies). In addition, many discussions highlighted the importance of demystifying CVA and not seeing it as a complex science, as many aspects of CVA can be integrated into other roles. Going a step further, several

key informants suggested that CVA related skills should be integrated into the roles of all staff working in humanitarian assistance - as is the case with in-kind assistance or services delivery.

PRIORITY ACTIONS

CVA skills are increasing and systems are being strengthened, but more is needed to ensure consistent organisational readiness for scalable quality CVA in different contexts. To make further progress in capacity development at all levels, the following actions are recommended:



All humanitarian actors should consider how their **capacity development efforts can benefit others, not just themselves. A stronger system will enable** sustainable progress in terms of scale, quality, and inclusion. This means understanding the roles of different actors within the system, and ensuring cooperation and investments go beyond individual organizational capacities to benefit other actors, coordination mechanisms, etc.



Donors should **systematically fund capacity development processes** based on clearly **identified needs of individual organisations and shared needs**.



Donors, international and local organisations should **invest in national CVA cash readiness** based on local actors' needs and priorities. This includes investing in preparedness and the institutionalization of CVA for both staff and systems, and ensuring better accessibility, contextualization and tailoring of training opportunities



Humanitarian organisations should develop **more responsive and adaptable approaches to capacity building and** organisational planning **based on changing needs** in terms of skill sets and systems. This could include further mainstreaming of CVA skillsets, reinforcing and increasing competences in specific areas of expertise, developing more mixed profiles in terms of CVA and other technical or operational roles, and identifying where there is demand for skill sets beyond more standard humanitarian profiles.



Course developers and training providers should **adapt training courses to different operational contexts, languages and stakeholders**. They should **reinforce e-learning and self-paced learning** as flexible and accessible approaches. More tailored approaches, like remote facilitated delivery, are needed, as well as ongoing support and networking, to ensure that individual capacity building contributes to a strengthening of the wider CVA community.

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Cash transfers from the Red Cross have allowed this grandmother to pay her grandchildren's school fees, buy medication, buy goats to generate income, and hire labourers to tend her farm. She uses the produce to feed her family and sell at the local market. She works hard to try to keep her family safe, healthy and fed. But it is not always easy to do this in north east Nigeria, where conflict and poor rainfall have pushed 5.2 million people into food insecurity.
IFRC/Corrie Butler. September 2017.



5

COORDINATION

**Global objective: Strengthen
the coordination of cash and
voucher assistance**

Since 2017 there have been some efforts to develop a more predictable global approach to cash coordination, but with limited results

90 percent of key informants reported that the lack of clarity on cash coordination¹ is having real operational impacts, limiting opportunities for collaboration and for improving quality and effectiveness of CVA across the response. Over the past few years, global actors have made various efforts to resolve the key questions of leadership, responsibilities and positioning of cash coordination in the global humanitarian coordination system. For example:

- In 2016 the IASC asked the World Bank to develop a **Strategic Note on Cash Transfers in Humanitarian Contexts** which looks at how CVA should be scaled up, planned, delivered and coordinated in the humanitarian system. It recommended that the CWG function be clarified, that clarity is given on where resource allocation and prioritization decisions are taken, that Response Analysis Groups be developed, and that cash coordination be fully integrated in the humanitarian architecture. These recommendations have not been formally taken forward.²
- In 2018, donors in the Good Humanitarian Donorship group collectively wrote to the IASC Working Group Chair to request that the **IASC “decide upon, and issue clear, actionable guidance on cash coordination leadership”**.³
- A **joint NGO position statement** on cash coordination was sent to the IASC principals⁴ highlighting the **need for predictable, effective, and well-resourced cash coordination**, as well as supporting recommendations from the World Bank Strategic Note.⁵
- The **Global Cluster Coordinators Group (GCCG)** included cash coordination in the **2017 ToRs for Inter-Cluster Coordination Groups**.⁶ These ToRs clarify the role of the ICCG in cash coordination as responsible for “supporting service delivery across clusters/sectors” by “identifying and facilitating the coordination of multisectoral or joint programming such as multipurpose cash (MPC) and ensuring strategic and streamlined cash coordination throughout the response”. They also highlighted that Cash Working Groups (CWGs) should be set up as a sub-group of the ICCG, by the ICCG, and with their coordinators included as a member of the ICCG.
- The GCCG drafted a **model Terms of Reference for Cash Working Groups** which elaborates the CWG functions. However, two years after the process began the draft has not been approved by the GCCG due to disagreements over key issues.
- The GCCG, with technical support of CashCap and CaLP, developed **draft cash coordination guidance for cluster coordinators**, setting out responsibilities of the clusters, ICCG and CWGs in cash coordination. CaLP facilitated extensive country-level consultations on the guidance, this document has also not been approved by the GCCG due to disagreements over key issues.
- The IASC launched **revised humanitarian programme cycle (HPC) guidelines** which include a stronger focus on **more consistent consideration of cash** within and across sectors and identify MPC as an optional separate section of the HRP.⁷
- The **Grand Bargain Cash and Joint Needs Assessment Workstreams** have jointly launched a sub-workstream on Tackling Political Blockages to Effective Humanitarian Action which will attempt to use the political reach of the group to identify **and table key political issues which require a decision, starting with coordination**. The need for a resolution to global cash coordination issues was raised at the Grand Bargain Annual Meetings by various Sherpas in June 2020 but it is too early to know whether action will be taken.

¹ ‘Cash coordination’ is used as a short-hand term in this chapter, although the subject is the coordination of cash and voucher assistance (CVA) as a whole

² World Bank (2016) Strategic Note: Cash transfers in humanitarian contexts - Final draft prepared for the Principals of the Inter-Agency Standing Committee, World Bank. New York: World Bank

³ Members of the Good Humanitarian Donorship Initiative (March 2018) Multi Donor Letter to the IASC Working Group Chair (Correspondence).

⁴ CCD (2018) Cash Coordination in Humanitarian Response – NGO Position Paper. Collaborative Cash Delivery Network.

⁵ World Bank (2016) Strategic Note: Cash transfers in humanitarian contexts - Final draft prepared for the Principals of the Inter-Agency Standing Committee, World Bank. New York: World Bank.; Steets, J. and Ruppert, L. (2017) White Paper on Cash Coordination. GPPI and CaLP.

⁶ ICCG (2017) Standard ICCG TOR Final Version December 2017. ICCG.

⁷ IASC (2019) Revised Humanitarian Needs Overview and Humanitarian Response Plan templates, 2019. IASC.

Global issues with cash coordination remain intractable, causing real operational issues

Efforts made to resolve key questions around cash coordination have resulted in little tangible progress. To date, there has been no response from the IASC to the requests from donors or INGOs, and no official discussion of cash coordination has been tabled. Global clusters have not agreed upon the CWG TORs and guidance after more than two years of effort, despite significant resources being invested in their development.

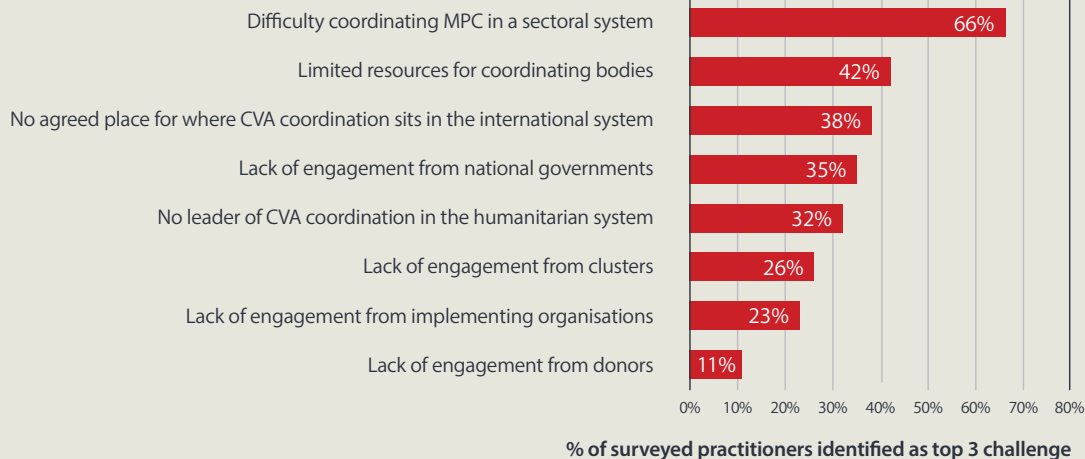


There has been zero progress and lots of wheel-spinning. Considerable time and resources have been invested in making no progress. **Anonymous**

The lack of progress reflects disagreement on a number of fundamental issues which go beyond cash: a) the coordination of assistance which cuts across

sectors, including multipurpose cash; b) how we understand and monitor assistance whose use is determined by users, not by those who deliver it; and c) the relationship between clusters/sectors and response-wide planning.

BOX 5.1 Perceived challenges for effective coordination of CVA in a humanitarian response



These fundamental issues lead to disagreements on some of the most critical questions for those seeking to manage CVA coordination, including leadership and resourcing of CWGs, the role of CWGs’ in strategic coordination activities, coordination of MPC and multi-sectoral response analysis, and who fills the ‘provider of last resort’⁸ function for MPC.

The planning and coordination of MPC remains a particular challenge. While the updated HPC guidance has provided some clarity in terms of the treatment of MPC in humanitarian planning and reporting, the lack of agreement over where the optional MPC section should be used (including pushback from some actors on its use in any context) and how it should be used (e.g. whether it should include a budget line for MPC or simply describe its intended use) means that in practice multiple approaches persist and there is no clear and agreed framework.

Practitioners cited the same perceived challenges for effective coordination of CVA in 2017 as they did in 2019 (see box 5.1).⁹ These largely relate to the continued lack of global agreement on the scope and leadership of cash coordination.¹⁰ This was also reflected in feedback received from CWG coordinators during the CaLP-led regional coordination consultations in early 2019 (box 5.2). Similar findings have been highlighted in various research, evaluations, and learning reviews (box 5.3).

8 The concept that the coordination lead should commit to fill any gaps in the response: <https://bit.ly/3cNVTQU>

9 Note the 2017 practitioner survey did not include the response option about coordination of MPC.

10 Only two out of 20 key informants did not consider that there were serious challenges stemming from lack of global agreement on cash coordination.

BOX 5.2 Findings from CALP's regional consultations with CWG leads

CaLP conducted four workshops in 2019 to gather **feedback on draft GCCG coordination guidance** and CWG ToRs, with cash actors in Kenya, Somalia, South Sudan, the Middle East and North Africa region, and the West Africa region. Participants included cluster coordinators, inter-cluster coordinators, CWG/Basic Needs Working Group leads, CashCap experts, donors and representatives of UN agencies and NGOs.

- Participants **welcomed efforts to provide guidance**, noting that lack of clarity on the roles and responsibilities of CWGs, or guidance to support cash coordination, were significant challenges.
- There was strong feedback that **coordination overall needs to evolve** in response to changing ways of working, that this must be field-driven and put operational needs before mandates.
- There was emphasis on the need for a **strengthened inter-cluster/inter-sector space in the response** to deal with cash and other cross-cutting issues.
- Participants were clear that **lack of dedicated resourcing** is a major issue affecting CWGs, with many groups being led by a person with only a small portion of time dedicated to chairing the group.
- **Lack of clarity on responsibility for cash coordination** emerged as a major issue. Participants felt that assigning responsibility to the ICCG is not clear enough, since (a) the ICCG has a long list of items for which they are accountable and (b) since the ICCG is composed of all cluster coordinators there is no single responsible entity meaning that accountability is diluted.
- Lack of clear **overall responsibility for ensuring quality CVA programming** was a significant concern.
- **Lack of clarity on how MPC** is planned, coordinated and reported, and how the Minimum Expenditure Basket (MEB) is defined, was identified as a major weakness. Participants were clear this is a significant operational issue with no clear answer and one on which they would like clarity.
- **Greater clarity on ways of working between the ICCG and CWG** is needed. Questions arose about the balance of responsibilities and the relationship between the two bodies.

Source: CaLP (2019b) Consolidated Feedback from Field Consultations on the draft Cash Coordination Guidance for Cluster Coordinators and draft Standard ToRs for Cash Working Groups. Oxford: CaLP

Similarly, consultations with global cluster cash focal points¹¹ highlighted the challenges they face when there is no clear coordination mechanism, or clear delineation of responsibilities for the implementation of MPC. This lack of clarity includes confusion about what MPC can cover, who is responsible for coordinating activities such as assessment, monitoring and reporting, and adherence to humanitarian standards.

However, during feedback received as part of Cash Week 2019, several participants noted that the lack of global agreements on the scope and functions of CWGs enabled creativity and flexibility at the country level.¹² They shared concerns that standardisation, especially if based on the rather limited scope that clusters could currently agree to, would force many existing CWGs to contract their activities.

¹¹ Key informant interviews for SOWC2, clusters' cash task team meetings and bilateral meetings.

¹² CaLP (2020) Cash Week 2019 Event Report. Oxford: CaLP

BOX 5.3 Evidence for the impacts of ad hoc and under resourced cash coordination on the quality of humanitarian response

Evidence of the impact of ad hoc and under-resourced cash coordination on the effectiveness of humanitarian response includes:

- Research into the **challenges of cash coordination in Lebanon and the Ukraine** concluded that the lack of a standard model for cash coordination leads to resource shortfalls, delays, gaps in the response, and duplication of activities, while negotiating the structures and leadership creates tensions between agencies (Bailey & Aggiss 2016, Bailey & Harvey 2017)).
- The **Ethiopian government** reportedly suspended the cash response in one region following concerns about the lack of coordination in planning and targeting (CaLP 2018).
- The after-action review of **Cyclone Idai response** highlights that confusion over CWG leadership and rapid turnover led to a slower cash response and duplication of effort (Southern African Technical Cash Working Group 2019). There were similar challenges noted in the evaluation of the cash-based response to the **drought in Somalia** (Daniels & Anderson 2018).
- At the **Asia CWG regional learning event** 2019, participants strongly agreed on the need for a solution to the global coordination debates. Coordination is not adequately resourced anywhere in the region, with a tangible impact on the effectiveness of CWGs' efforts to ensure preparedness, reduce duplication and link humanitarian activities appropriately to the government (CaLP 2019a)

Vested interests and incentive structures are a major barrier to future progress

To move forward in this space, it is first essential to understand which factors continue to inhibit progress, despite the widespread and well evidenced view that changes are needed. In 2016 GPPI published a political economy analysis of barriers to future cash reform – such reform would include increasing the percentage of aid delivered as CVA, increased use of MPC, and consolidation of actors. GPPI's analysis included a focus on the humanitarian coordination system, acknowledging that these reforms would challenge established ways of working.¹³ The report concluded that rational self-interest of agencies is the major inhibitor limiting positive change:

"Simply put, good intentions alone are not enough... where reforms conflict with the self-interests of humanitarian organisations and donors"

"[Where] cash-based programmes would be implemented as large-scale, multi-sector programmes, ... those sectors that are highly amenable to the use of cash would lose relevance, unless they reinvent themselves as a cash sector."

This issue is particularly pertinent when it comes to the coordination of MPC – which the practitioner survey (Box 5.1) highlighted as the biggest perceived challenge with cash coordination. MPC does not fit easily within a system organised along sectoral lines and the growth of MPC poses a challenge for the established coordination architecture and agencies which rely on funding flows through this architecture. There is understandable concern about the implications of this from clusters and large operational agencies. These concerns are legitimate – any organisation will rationally act to protect its own interests.

Sectors are also concerned about whether they would be able to maintain relevant and necessary sector technical expertise if less aid is flowing through the sectors, reducing funding for specialist staff (see chapter 1 on funding, chapter 2 on mainstreaming, and chapter 3 on quality for more on this topic). They

¹³ Steets et al. (2016) Drivers and Inhibitors of Change in the Humanitarian System. Berlin: GPPI.

are concerned that donors will choose to prioritise funding for cash with a sharp focus on efficiency and a reduction in “overheads”, and that funding for other critical parts of the response – and in particular for the technical expertise that makes CVA more effective – will be lost, weakening the overall response. All 15 key informants who discussed barriers to progress, including interviewees from NGOs, CaLP, donors, UN agencies and clusters, shared the perception that the increased use of MPC could create winners and losers among humanitarian actors.

While some stakeholders argue that cash coordination should be conceived separately from cash delivery (i.e. that the coordinator of cash should not be seen as synonymous with the budget holder), in practice, the cluster coordination system tends to foster the consolidation of resources in the hands of those agencies who coordinate sectors. The same consolidation of coordination and control of budget could logically be seen to apply for any actor(s) assigned to coordinate an MPC chapter of the HRP. Some commentators have argued that agencies acting to protect their funding, space and power is a major inhibitor to change. One study argues that the MPC coordination challenge reflects the more fundamental challenge with the current organisation and financing of aid:

“[It] lays bare the strengths and weaknesses of the current system and can therefore be a compelling entry point for systemic change... coordination of all types of assistance must be done differently to foster a more holistic approach to humanitarian relief. But coordination reform which undermines sector-based decision-making, inevitably undermines organisational mandates.”¹⁴

While the lack of engagement of the IASC to date can be criticised, its members all stand to gain or lose from a decision on coordination – which is linked to and rooted in far broader issues related to mandates and business models – reaching agreement is therefore challenging.

A couple of key informants questioned the inclusion of MPC as a ‘standalone’ section of the HRP outside the clusters, on the basis that the coordination system is designed around achievement of specific outcomes and that cash/MPC is a modality rather than an outcome. Many others, however, focused on limitations in design of the system itself, highlighting that segregating outcomes ‘per sector’ is based on the needs of humanitarian actors rather than affected populations. While cash is of course a modality and not an outcome, the cross-cutting nature of unrestricted cash means it is the recipient - not the agency - who defines its use and therefore the outcomes.

Several key informants therefore felt that a chapter, or sector, focusing on broader basic needs or economic security would enable humanitarian actors to capture the impacts of cash without being bound by a purely sectoral lens. Several pointed to the ‘Basic Needs Approach’ adopted under the Refugee Coordination Model which coordinates an economic pillar in the response alongside access to other assistance and services. Several key informants voiced similar opinions, that it is the overall system for coordinating and financing aid which needs to change. Participants at a CaLP-facilitated regional coordination consultation in MENA proposed several models for an improved coordination system,¹⁵ all of which would provide increased inter-sectoral space to treat and manage issues and modalities which transcend sectors.

The IASC cluster system launched in 2005 as part of the Humanitarian Reform Agenda has proved critical in ensuring more coherent and complementary approaches in humanitarian responses, and in identifying ways to work together for better collective results. The cluster approach has also aimed to support a needs-based response.¹⁶ However, as aid has evolved it may be necessary to revise this to ensure that a needs-based response is not wholly defined by sectors but examined holistically, with support of sectors and with more inclusion from a variety of actors.¹⁷

¹⁴ Kerkvliet, E. (2018) Improving the Coordination of Humanitarian Cash Transfers - a Fool's Errand? Thesis submitted for obtaining the Master's Degree in International Humanitarian Action. Uppsala: Uppsala University.

¹⁵ <https://www.calpnetwork.org/blog/cash-coordination-a-proposal-from-members-in-mena/>

¹⁶ <https://www.humanitarianresponse.info/en/about-clusters/why-do-we-need-the-cluster-approach>

¹⁷ For example, there is increased discussion on the potential for reorienting humanitarian coordination around an Area Based Approach: <https://goodpracticereview.org/12/chapter-3/area-based-approaches/>

Considering these structural issues, there are several options for ways forward

Clearly a solution needs to be found and some elements of a standard approach to CVA coordination, including MPC, agreed.

Despite clarity on the problem that needs to be solved, there is no clear agreement on what a solution might look like. Based on the analysis of coordination options set out in the GPPI report, and the reflections of key informants, four main options for the future of cash coordination are presented here (box 5.4). As with so many issues, the implications of and impetus for reshaping coordination are far broader than CVA, but it is CVA that has brought the shortcomings of the current system into view.

BOX 5.4 Cash Coordination: options for overcoming the impasse

Option	Implications
1: Assign leadership for cash coordination at country level to the main cash actor (or actors) in each response	<p>Potential Positive Implications</p> <ul style="list-style-type: none"> ■ Removes the need to set a 'one size fits all' globally, while still ensuring greater predictability. ■ Some key informants think that this could better streamline coordination tasks in some contexts. Where the evolving operational models have consolidated a large portion of the cash response under one organisation (or organisations, in the case of a consortium approach), those same organisations have led cash coordination. For example, it has enabled ease of cash coordination in Lebanon, and Syria, where a few actors deliver 90% of the cash response.¹⁸ ■ A co-lead function could also be defined according to which organisation was best placed to provide additional technical support. <p>Potential Negative Implications</p> <ul style="list-style-type: none"> ■ There is still potential for disagreements on leadership between agencies, and delays, where several actors are leading large-scale cash programmes. ■ In sudden onset disasters or where cash is rapidly scaling up for the first time, or where there are multiple major CVA actors, there may be no clear lead actor. There are several examples of where the lack of clarity and competition over leadership has delayed the setup of cash coordination mechanisms. ■ The lead/co-lead agencies would still need to ensure they invest in good coordination capacities (as well as cash delivery) and resourcing for dedicated coordination roles. ■ There were concerns from some key informants that this approach could reduce transparency or limit engagement for those actors implementing smaller CVA programmes and filling gaps in the cash response. ■ It would not enable predictable support/funding to be channelled through a single 'lead' at the global level.

¹⁸ Note that these include examples falling under the refugee coordination model. Some key informants considered that overcoming the cash coordination challenge was easier in such contexts as coordination of the response as a whole tends to fall under the responsibility of fewer organisations.

BOX 5.4 Cash Coordination: options for overcoming the impasse (cont)

Option	Implications
<p>2: Assign an operational agency to lead cash coordination globally. They would be assigned responsibility for MPC and chair country-level CWGs.</p>	<p>Potential Positive Implications</p> <ul style="list-style-type: none"> ■ This approach is one way to institutionalise cash coordination in the current system, which could be applied in both IASC and refugee coordination models. ■ An agency with staff in responses all over the world, delivering cash, could be a last resort actor and provide clarity of responsibilities. ■ The question about a co-lead function could also be defined in advance. <p>Potential Negative Implications</p> <ul style="list-style-type: none"> ■ Stakeholders raised some potential negative implications about how this could affect the efficiency and effectiveness of cash responses e.g. if it stifled innovation or if there was reduced competition. ■ Concerns about accountability and inclusiveness were also raised by stakeholders, though third-party monitoring could be one possible solution to this.
<p>3: Coordinate cash through the ICCG</p>	<p>Potential Positive Implications</p> <ul style="list-style-type: none"> ■ Theoretically, the ICCG is the most logical place within the present system for enabling coordination of sector-specific and MPC (as already set out in the ICCG ToRs) since it provides a multi-sectoral space in the coordination system and all clusters have a seat on it. ■ A non-operational chair could separate the notion of 'cash/MPC coordination' from 'cash budget holder'. <p>Potential Negative Implications</p> <ul style="list-style-type: none"> ■ During regional coordination consultations, several actors expressed confusion about this model. If ICCG leads, would it mean the ICCG chair takes the final decisions or must all members of the ICCG agree? This should be clarified. ■ Key informants highlight that as ICCGs in many settings are already stretched, this approach would need strong investment.

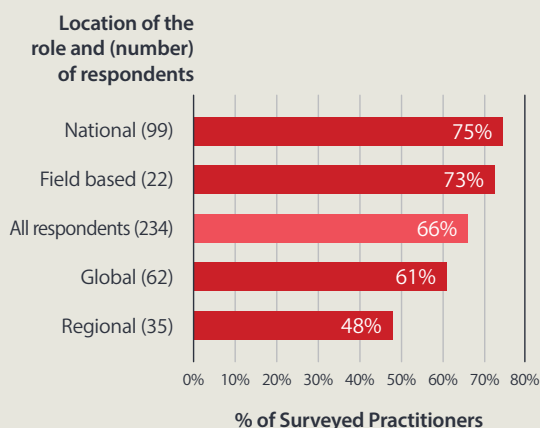
BOX 5.4 Cash Coordination: options for overcoming the impasse (cont)

Option	Implications
<p>4: Redesign the coordination system</p>	<p>Potential Positive Implications</p> <ul style="list-style-type: none"> ■ The cluster system was designed around mandates for a purpose, but humanitarian responses have since evolved. Many key informants, plus wider literature, think this needs to be reconfigured to be fit for purpose. ■ Redesign could enable more multi-sectoral programmes, capturing the notion of addressing economic insecurity/basic needs provision, and linking with national systems, while still retaining the benefits of a system that coordinates wider necessary technical sector expertise and services. ■ This would support effective programming that puts affected populations at the centre. <p>Potential Negative Implications</p> <ul style="list-style-type: none"> ■ This is a medium-term solution but requiring the greatest effort and with many uncertainties around its success given the limitation of mandates. ■ Reconfiguration of funding and incentive structures would be necessary to move forward, as well as to safeguard the necessary technical expertise pertaining to sectors.

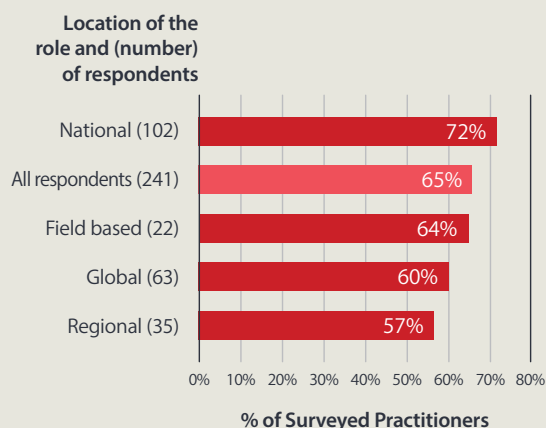
Experience in cash coordination at the field level is growing and strengthening through CWGs, despite the impasse at the global level

BOX 5.5 Perceptions of improvements in cash coordination

Perception that predictability of cash coordination has increased in the last 2 years



Perception that quality of cash coordination has increased in the last 2 years



Although the failure to resolve the global challenges facing cash coordination is a major impediment to progress, the accumulation of experience and the efforts of a broad range of stakeholders in different responses has resulted in tangible operational improvements. The practitioner survey highlights a perceived improvement to the predictability and quality of cash coordination since 2017, as seen in box 5.5. Perceptions of actors at national and local levels are noticeably more positive than those of global actors which suggests that the improvement relates to perceived progress in coordination of CVA at the level of the response. Findings from regional focus group discussions (FGDs) back this up, participants in East and Southern Africa, Asia Pacific, and Latin America and Caribbean regions elaborated a range of examples of how cash coordination has improved locally in the last two years. A consistent aspect mentioned in FGDs, and in all key informant interviews that covered cash coordination, was the important role of CWGs in enabling effective coordination. There are now over 45 active CWGs worldwide – though coordination structures and levels of activity vary. Since 2017 CWGs' scope of work has also changed, including more focus on coordination across the humanitarian-development nexus and 'shock responsive social protection' in several countries.



We see countries where there's a good critical mass of operationally strong partners and these tend to have good CWGs with effective operations. **WFP**

Finding the right people [to lead the group] is essential – success is very dependent on human relationships. **Mercy Corps**

A constraining factor is that there is no provider of last resort – when that person [the cash coordinator] leaves there is no guarantee that agencies will dedicate new people. Quality [of coordination activities] can be unreliable due to lack of resourcing. **DRC**

In the organisational survey, 35 organisations including donors, implementing agencies and cluster representatives consistently reported engaging with CWGs. Key informants, as well as recent lessons learned reviews on cash coordination, highlighted ways in which CWGs are contributing to the efficiency and effectiveness of programming as well as factors that were driving this success. The capacity building efforts of CashCap, which has supported 18 CWGs with 30 deployments in 18 countries since 2017, were frequently mentioned. At the same time common limitations were also identified. Box 5.6 provides a summary of the benefits of CWGs, enabling factors and limitations.¹⁹ Many of the limiting factors are consistent with the constraints listed earlier by CWGs (box 5.2) and stem from the global impasse. Even though progress is still limited, government actors are also increasingly being engaged in CWGs and, in some cases, leading them. Experiences and challenges of local actors and host governments' engagement in CWGs is discussed further under chapter 7 on localisation.

BOX 5.6 Role of CWGs in supporting effective responses

Key activities of CWGs

- Information sharing and 4W
- Joint/harmonised market assessments and monitoring
- Harmonising transfer values
- Calculating MEB
- Harmonising and reducing errors in targeting
- Developing joint understanding of FSP services and capacities
- Advocacy
- Training and capacity building

¹⁹ Based on findings of KIIS and FGDs, as well as recent lessons learned reviews (CaLP 2019b; SATCWG 2019).

BOX 5.6 Role of CWGs in supporting effective responses (cont)**Enabling factors for CWGs**

- Capacity building (see chapter 4)
- Skill sets – group facilitation and management, as well as strategic and technical capabilities
- Developing good personal relationships
- Resourcing a dedicated group lead
- Investing in a co-lead function to spread the workload
- Investing in preparedness planning
- Establishing systems for information sharing

Limiting factors for CWGs

- Extensive variation in abilities geographically
- Lack of resourcing
- Remain outside strategic discussions
- Difficult to keep members engaged / sharing information
- Lack of a full-time coordinator leads to delays and insufficient time to engage with all sectors.
- Challenges with continuity, loss of institutional memory
- Imbalance in capacities and engagement of sector actors
- Limited engagement of local CSOs/host governments

In 2020, in response to calls from CWG coordinators for greater clarity on the functions of and best practice around cash coordination, and in the absence of global guidance, CaLP published a Cash Coordination Tip Sheet based on extensive consultations with cash coordination actors.²⁰ This resource captures emerging best practice, tools and resources and provide clarity on the functions and scope of CWGs and cash coordination, and to serve as a practical resource for cash coordination actors.

PRIORITY ACTIONS

This chapter has outlined options to address the current global impasse in cash coordination. Key actions to make progress in this regard, and to continue to improve cash coordination at response level in the interim, are as follows:



The Grand Bargain Political Blockages Group and Donor Group should **continue to advocate for standardising a predictable approach to cash coordination by international actors**. This includes evaluating options to understand what the most **feasible approach is in the short to medium term** and what **more fundamental changes to the coordination system (not cash specific) may be necessary** in the longer term. Decisions should prioritise what makes most sense for affected populations – what ways of working are necessary to coordinate delivery of high-quality assistance.



The Grand Bargain Political Blockages Group and Donor Group should **approach the IASC again**, with clear options and recommendations.



Donors and other response level decision-makers should **ensure Cash Working Groups (CWGs) are adequately resourced and have strong links to the rest of the humanitarian response**. For example, include resourcing for CWGs within humanitarian response plans, establish dedicated cash coordinators, and advocate with humanitarian country teams (HCTs) and inter cluster coordination groups (ICCG) to include cash (and cash coordinators) in strategic decision making.



CWG leads, members and other relevant stakeholders should ensure more **systematic sharing and capturing of learning between Cash Working Groups**.

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A WFP food voucher recipient prepares a healthy and nutritious meal with the ingredients purchased with this assistance and grown in the community garden. Over the past decade El Salvador has made significant progress in reducing insecurity and malnutrition. However, extremely serious levels of violence, inequality and poverty continue to pose major challenges to development.

WFP/Rein Skullerud. April 2017.





6A

**EVIDENCE,
LEARNING &
INFORMATION
SHARING**

**Global objective: Strengthen the
evidence base and invest in innovation**

Since 2017, CVA research and learning has moved from proof of concept to a focus on programme quality and filling associated evidence gaps

The previous report established that the fundamental case for CVA as an appropriate and effective form of humanitarian aid had been made. In the intervening years, **research and learning has shifted to a**



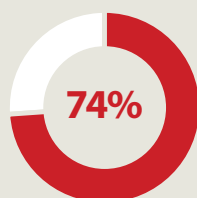
It isn't about evidence of whether cash is a good modality – we are past that. It's evidence to inform nuancing and quality programming that's needed. **DG ECHO**

We are past the stage of generating evidence on the basics, on whether cash is working. Now it's about quality and gaps in evidence. **Action Aid**

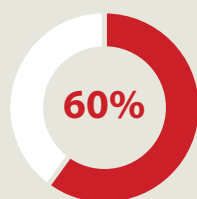
focus on programme quality covering a range of topics, including recipient perspectives, accountability to affected populations, inclusion, multipurpose cash (MPC) and sector outcomes, and data risks and management. On a related note, a review of guidance and tools undertaken to update the **Programme Quality Toolbox (PQTB)** in early 2020 also reflected this focus on 'doing cash better', with fewer gaps than before, and notable progress on protection, gender and child safeguarding. The PQTB review process found that jointly produced tools and guidance on CVA are still uncommon, with no evidence that this type of collaboration has increased since 2017. One reason for this could be that funding specifically aimed at collaboratively developing

tools and guidance, of which ECHO's Enhanced Response Capacity (ERC) facility is a primary example, has reduced in recent years. However, there are multiple platforms for interagency collaboration that could make more contributions in future, some of which are already starting to produce joint learning and/or agendas for doing so. Key examples include the cash sub-workstreams under the Grand Bargain (GB), cash task teams within various clusters, Cash Working Groups (CWGs) and consortia at response level, CaLP, the Collaborative Cash Delivery Network (CCD), and the UN Common Cash System (UNCCS).

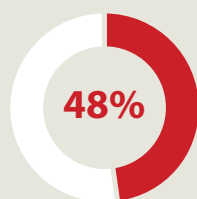
BOX 6.1 Practitioner perspectives on evidence



of practitioners say they have the evidence needed to design quality CVA programmes, and to make the case for CVA



of practitioners say there is sufficient evidence available on the appropriate and effective use of MPC



of practitioners say there is sufficient evidence to inform the selection of different operational models for CVA.

The primary value of CVA evidence lies in its ability to positively influence programming. Almost three quarters of practitioners surveyed agreed that they have the required evidence to support quality CVA programming (box 6.1). This indicates that, for many, evidence (or a lack thereof) is not an immediate inhibitor of quality programming. This corresponds with only 15 percent of practitioners citing a lack of evidence among their top three challenges to improving the quality of CVA. However, questions about evidence are perceived as a more significant issue at the sectoral level. When asked to identify reasons why certain sectors are reticent to use cash, 39 percent of respondents selected a 'lack of evidence of the effectiveness of cash in some sectors' in their top three.

Findings from this research suggest that although CVA is increasingly well-researched, as programming evolves, new topics of interest emerge or come into focus. Practitioner perceptions on the adequacy of existing evidence varies depending on the topic and, to some extent, by region and role. For example, confidence levels in the evidence base for MPC and operational models are lower than for CVA in general (see box 6.1).

There has been some progress in building the evidence base for operational models since 2017 (see chapter 3) with an analysis of survey data showing that perceptions are more positive at field level (60%) as compared to global headquarters (36%), an explanation for this disparity did not materialise in the research. There are also some regional variations, with Latin America and the Caribbean (LAC)

notably less positive (31%) than for example West Africa (56%). Across the survey questions on evidence, respondents from LAC were consistently more likely than those in other regions to report they did not feel enough evidence was available or being shared. The reasons for this are unclear, but speculatively could relate to both limitations on resources available in Spanish, and a relatively shorter period of engagement with humanitarian CVA programming and networks.

Several key informants reflected that **there is no shortage of information being produced on CVA, some of which can be classified as evidence.**¹ Scanning the top 200 publications downloaded from the CaLP library in 2018/2019 provides a snapshot, with documents covering at least 35 different CVA-related topics. Examining any individual topic tends to show both progress and issues remaining and emerging, with variations in terms of the pace and extent of progress.

It was not possible within the scope of this report to undertake a systematic analysis of perceived evidence gaps and related priorities. In discussions with key informants, some subjects were mentioned more than others. Box 6.2 lists those topics which were raised by at least two or three key informants. **The variation and range of topics likely reflects different organisational priorities, programming approaches, operational contexts, and perceptions.** While not showing clear priorities, this list does highlight some of the complexities that organisations are attempting to address in designing quality programming and understanding its impacts. As noted above and in chapter 3, a lack of evidence is not generally seen as being a major barrier to quality programming, but the application of learning in practice can be more challenging. It is important when identifying critical evidence gaps to focus on those that are hindering progress, to understand how and for what purpose evidence would be applied once generated.

BOX 6.2 Topics identified for further learning by some key informants:*

- Cost efficiency and cost effectiveness of different modalities
- Accountability, well-being and recipient perspectives
- Localisation
- Digital payments
- CVA and inclusion (specifically, but not limited to, disability and mental health)
- Community solidarity (sharing of cash assistance)
- Financial inclusion and empowerment
- Metrics for operational models
- Integrated programming
- Impacts of transfer size and frequency on outcomes
- Sectoral CVA (e.g. health, nutrition, WASH, protection)
- MPC (including MEBs, transfer values and outcomes)
- Safety and protection (including physical/sexual abuse)
- Data protection
- Compliance (regulations)

**These topics were identified from key informant interviews – individual topics were generally highlighted by one to three informants only*

More evidence is needed to understand programme effects and how CVA influences outcomes for recipients

A recurrent theme among those interviewed concerned the need to generate more evidence on how CVA influences outcomes for different groups of recipients and contributes to quality programming, including how agencies communicate and engage with recipients. The value of this is generally recognised in principle, but many respondents felt it is something that has not received enough attention in practice, even while acknowledging difficulties in impact attribution are not specific to CVA. Some argued that

¹ Pg.80 of the previous report (2018) highlighted challenges with generating high quality humanitarian evidence, including for CVA, limitations in terms of the availability of rigorous CVA evidence, and a lack of consensus on how precisely what constitutes 'evidence' in relation to CVA. These issues continue to apply despite increases in the amount of learning that is generated.



Are we creating better lives for people as a result of the changes we're making? This is the under-researched part. We know we are giving people stuff at less cost than we used to – that's not interesting. The (learning) agenda has not kept pace with the power of the asset." WFP

What we need is to see if we are applying and improving the knowledge that's generated." CaLP

limited evidence on CVA and outcomes has resulted, in part, from relatively more emphasis on issues of efficiency (primarily cost-efficiency), as opposed to effectiveness, particularly from donors. Despite the level of interest in comparative **cost-efficiency and cost-effectiveness** the evidence base remains weak and fragmented. This is due to several factors, including a lack of shared metrics for analysis (something being addressed in part through initiatives such as SCAN² – see chapter 3), the resources required, and many agencies not being transparent with their budget data.

The Future of Financial Assistance (FFA) report found that **recipients "do not feel listened to [...] their views do not influence humanitarian programming", and that there**

"are no clear signs that this is improving over time". Similarly, several key informants noted that there is not enough evidence on what makes a difference for recipients, including in terms of processes, preferences, and outcomes. Effectively capturing and understanding recipient perspectives may require longitudinal studies, but in the immediate term it is recognized that there is an urgent need to do more to collect and incorporate recipient voices in the design, implementation, and evaluation of programming.

BOX 6.3 MPC: Evidence on factors influencing use and outcomes

The extent to which MPC contributes to achieving sectoral outcomes, and the factors which influence this, including expenditure decision-making, is a key area of interest for many practitioners. There have been efforts to expand the evidence base on this subject, with main findings including:

- **MPC has positive outcomes, including in sectors beyond food security.** However, **inadequate MPC transfer values limit the achievement of outcomes** (sectoral and cross-sectoral) – while frequency, duration and seasonality of transfers also play a role.
- Cash "is usually **spent according to a hierarchy of needs**" – most immediate needs first (e.g. food, basic shelter, primary health) and other needs later (e.g. livelihoods, less essential goods).
- Household **decision-making is influenced by a variety of factors**: context and programme design (e.g. labelling or conditions); household situation (e.g. health); household size and demographics; social and cultural background; and internal dynamics (e.g. gender and intergenerational relationships).
- Protection and **sector specific integrated programming is essential** for the supply of quality services and goods to affected populations, including displaced groups.
- **Technical knowledge, training and behaviour change** are needed to achieve some outcomes.

Source: Harvey, P., Pavanello, S. (2018) Multi-Purpose Cash and Sectoral Outcomes: A review of evidence and learning. UNHCR Global Cash Operations

The evidence base for MPC has increased, but more is needed to support better programming. MPC, in particular the need to understand its associated outcomes, was highlighted in the previous report as a key evidence gap. Findings from this report indicate progress; 60 percent of practitioners agreed, and only 16 percent actively disagreed, that there is now enough evidence on the appropriate and effective use of MPC. Respondents in East and Southern Africa were more positive with 76 percent in agreement. Multiple studies, some global, some response or programme specific, have considered MPC, either as the focus of enquiry or as part of a broader analysis of CVA. This has included analysis of the role of MPC in supporting sectoral outcomes and understanding how and why expenditure decisions are made (see box

² Systematic Cost Analysis (SCAN) tool was developed by the IRC, Mercy Corps, Save the Children, Action Against Hunger, and CARE: <https://www.rescue.org/report/systematic-cost-analysis-scan-tool-fact-sheet>

6.3). Nevertheless, key informants highlighted several topics as important issues to inform better quality programming, such as: understanding and capturing how MPC contributes to well-being, sharing and community solidarity, and recipient choices; and how MPC best supports multiple sectoral objectives. The development of recommended MPC outcome indicators (see chapter 3), published in July 2019, should eventually contribute to building a comparable evidence base across contexts. However, the process of widespread uptake and generation of results will inevitably take time and ongoing promotion.

Global clusters have made progress in identifying priority sector-specific evidence gaps and rolling out plans to systematically address them. While commitment and interest is growing (see box 6.4 for summaries from several sectors), progress varies and there is still some way to go before there is enough evidence on optimal design for sector specific CVA across all sectors. Equally, several key informants noted that momentum and engagement on CVA and associated research efforts is often much greater at the global than the response level. The reticence of many cluster coordinators towards CVA has been attributed to factors such as entrenched attitudes and ways of working, as well as simply not having the time to prioritise and keep up with developments in CVA. Additionally, there can be disconnect in expectations between clusters and cash experts, underlining the need to work more closely together to break down real and perceived barriers related to evidence gaps and applying CVA in practice.

**BOX 6.4 CVA in health, WASH, nutrition, protection and education:
Progress and evidence gaps**

Global clusters are progressing quickly in filling evidence gaps in the use of CVA for their sectors. Some – such as Food Security and Shelter – have already substantially addressed evidence gaps, and others, such as CCCM and Logistics, are focusing on other priorities such as the definition of CVA roles and piloting, and incorporating CVA in assessment tools.

Education: The global cluster is spearheading research efforts focusing on: increasing inclusion of girls, and children with disabilities; CVA for adolescent education; and CVA for preventing disruption, and restoring and maintaining safe access to formal and non-formal primary and secondary education for children affected by rapid onset emergencies (see box 2.6 in chapter 2 for more on work undertaken in the education sector to map and synthesise relevant learning on CVA).

Health: Addressing significant evidence gaps is a priority for the global cluster with various pieces of research and learning under way or planned. Topics include: CVA impacts on health specific outcomes; health-related behavior change; comparative cost-efficiency between different modalities; and the use of CVA for sexual and reproductive health.

Protection: The global cluster, which has established a cash task team, has made significant progress on CVA since 2017, including mapping evidence on CVA for GBV, child protection and housing, land and property (HLP) outcomes. Based on this, priorities for 2020 are to: advocate for practitioners and donors to address evidence gaps and take up best practice; map gaps linked to CVA and remaining areas of protection (mapping related to mine action is ongoing); and broaden access to CVA for protection guidance, tools, trainings and evidence. A stocktaking paper on the state of evidence, gaps and calls to action across stakeholders is under development.

WASH: The global cluster has been conducting an evidence review. It is creating a database of knowledge resources on market-based programming and CVA for WASH, in all five WASH areas as well as on MPC and WASH; evidence maps for water, sanitation, and hygiene; a report outlining evidence gaps; and four reports focused on current practices (MPC and WASH, MBP/CVA in water, sanitation and hygiene areas).

Nutrition: Work on CVA and impacts on nutrition outcomes is still at a relatively early stage. In 2019 the global cluster set up a reference group to work on commonly accepted generic guidance on CVA in nutrition with three case studies to support it. This builds on earlier agency-led research on the impact of cash on nutrition outcomes.

For more on the ongoing work on CVA by different clusters, see [here](#).

There is growing recognition of the importance of situating CVA, including how it is selected, designed, implemented, and evaluated, within the broader framework of humanitarian programming at response



Cash is a tool – it is more interesting to focus evidence gathering on the people needing help and the quality of response rather than on ‘cash’ per se. **Independent**

level (see chapter 3). Several key informants highlighted **the need to build the evidence base on the use of CVA in combination with other modalities i.e. specifically analysing the best use of cash and/or vouchers as part of an integrated programming³ approach.** A review of recent guidance and tools to inform the PQTb also found this topic had not been widely covered, something compounded by the lack of a common understanding of what it is.⁴ There

is also a lack of alignment in the terminology used, with different organisations and individuals using and defining ‘integrated programming’, ‘cash plus’, and ‘complementary programming’ differently. Concerns have been raised about whether ‘cash plus’ (and to an extent ‘complementary programming’) is the best term to use as it implies a presumption or centrality on the use of cash, rather than it being selected as appropriate alongside other modalities through response analysis. Increased understanding of how cash best combines with other components to achieve specific outcomes will be critical to improving programme quality (see chapter 3). This also relates to knowing when to move between different modalities and programming approaches, and how these should be sequenced e.g. moving from basic needs to recovery – something a key informant noted as constituting a significant gap in current understanding.

There has been some limited progress in gathering evidence on this topic since 2017, but examples are somewhat scattered and would benefit from more coordinated efforts to generate and synthesise



We need to go outside our own bubbles to pick up the learning from other disciplines, e.g. making better links across the nexus, with different areas that could be relevant.

CARE

learning.⁵ Although specific research on combining cash with other modalities in humanitarian interventions is limited, there is an emerging evidence base on this topic from longer-term and social protection programming that also has some relevance.⁶ While an inward-looking tendency is not specific to the humanitarian sector, or CVA, several key informants noted the availability of **relevant learning beyond the humanitarian space**, the benefits of tapping

into this, and a widespread failure to systematically do so. This can for example include drawing on learning from development programming, and the private sector.

Gender and CVA (including analysis of gender-based violence and protection issues), identified as a critical evidence gap in the previous report, has seen notable progress, although there are still many gaps in evidence and practice. There has been a big surge in the production of evidence and guidance on CVA, gender and gender-based violence (GBV), something highlighted in the 2019 Grand Bargain Annual Report. CaLP’s 2018 #GenderCash Symposium⁷ in Nairobi formally launched the Agenda for Collective Action to better integrate CVA and gender.⁸ Another instrumental result was the **collection of papers⁹** on gender-responsive programming in humanitarian contexts produced by CaLP members and others. These efforts helped catalyse other actors such as CARE and UN Women, the Grand Bargain Cash sub-workstream leads, and WRC, who focus on policy, practice, and research at the intersection of gender and CVA.

3 An ‘integrated programming’ approach assumes that a combination of modalities and interventions will usually be most effective in achieving better outcomes for recipients, to be determined through good assessment and response analysis. Integrated programming might be implemented by one agency or by multiple agencies working collaboratively. Ideally this will be facilitated by a coordinated, multisectoral approach to needs assessment and programming.

4 Harvey & Pavanello (2018: 21) highlight a useful conceptual framework for ‘cash plus’ for social protection developed by Roelen, K. et al (2017) whereby complementary components can include both those which are delivered alongside cash within the same programme, and those which explicitly link to external services or interventions

5 For example, Harvey, P., Pavanello, S. (2018) Multi-Purpose Cash and Sectoral Outcomes: A review of evidence and learning. Geneva: UNHCR Global Cash Operations; UNICEF (2019) Cost-Efficiency and Cost-Effectiveness Study of UNICEF ‘Cash Plus’ Interventions in Lebanon and the Democratic Republic of Congo. New York: UNICEF. USAID and Save the Children (2019) Multi-Purpose Cash Transfer ‘Plus’: Maximizing impact on children through integrated cash-based programming. Case study of Colombia. Washington D.C.: USAID.

6 For example: Roelen, K. et al. (2017) How To Make ‘Cash Plus’ Work: Linking cash transfers to services and sectors. Florence: UNICEF Office of Research - Innocenti; The Transfer Project; Kurdi, S. et al. (2019) Responding to Conflict: Does ‘Cash Plus’ work for preventing malnutrition? New evidence from an impact evaluation of Yemen’s cash for nutrition program. New York: IFPRI/SFD/World Bank.

7 #GenderCash Symposium organised by CaLP, Adeso, Womens Refugee Council, Norwegian Refugee Council, and Oxfam

8 CaLP (2018) Gender and Cash Based Assistance in Humanitarian Contexts: An agenda for collective action. Oxford: CaLP.

9 CaLP (2018b) Collected Papers on Gender and Cash Transfer Programmes in Humanitarian Contexts. Oxford: CaLP.

Over the last two years, new guidelines have been produced on gender and CVA and efforts have focused attention on synthesising and identifying more robust evidence.¹⁰ Four out of the top 10 most downloaded resources from the CaLP library in 2018/2019 were gender related, which does indicate clear demand and uptake. However, focus group discussion (FGD) participants and others highlighted that while there has been substantial progress globally at the technical level, this has not yet translated into consistent changes in planning, implementation and monitoring. This may not be about a lack of evidence and tools as such, but about access (including language), capacity building needs, and guidance in application. Research also highlighted the importance of contextual analysis of gender issues and associated risks, which is rarely done,¹¹ and being aware that learning from one place may not apply elsewhere. Also, although there has been some progress on gender and protection in recent years, there remain critical gaps in addressing this intersection with an age and diversity lens - in terms of evidence and practice.

The research process for this report also highlighted **CVA and risk**, including the use of CVA in insecure and conflict-affected settings, and the associated topics of **data protection and responsible data management** (see chapter 2), as areas of growing interest. Multiple pieces of research, along with guidance and discussion pieces, have been published on these topics. Interest in **digital payments**, and related topics of **digital and financial literacy** and **financial inclusion**, has also remained high, although the evidence base on financial inclusion and CVA is still thin overall. Research has shown that the enthusiasm for digital platforms for grievance mechanisms, monitoring and payments may fail to take account of community challenges to technology use due to infrastructure, costs of use, ownership, access, literacy, etc. The problem is exacerbated for women, elderly, disabled and the illiterate,¹² issues regarding the digital divide were also highlighted in the Future of Financial Assistance report.¹³ A study by Consultative Group to Assist the Poor (CGAP) on financial inclusion in Lebanon and Jordan, both countries with large-scale digital CVA for refugees, found that “*financial inclusion per se did not materialise*” from these interventions.¹⁴ Similarly, an examination of financial inclusion in Red Cross projects in Kenya found some positive impacts on people’s ability to access and use financial services but noted the limits on demand for new financial services from the most poor and vulnerable.¹⁵ One key informant also highlighted the relevance of research findings from outside the humanitarian sector on these topics.¹⁶

CVA information is perceived to be more systematically shared now than in 2017, but challenges remain, including a reluctance to share learning relating to programming failures

Several key informants raised the point that **generating evidence is of limited value unless learning is translated into practice and influences programming**. A key step towards this is ensuring that information is shared with others. Most practitioners (75%) agreed that there have been improvements in sharing CVA evidence and experiences over the last two years. Similarly, 74 percent of surveyed organisations agree that they systematically share CVA information, as compared to 70 percent in 2017. This does though demonstrate that a significant minority still do not routinely share information. Box 6.5 outlines barriers to systematic sharing of information as reported by surveyed practitioners. The results are very similar to the previous report, with a lack of awareness of common platforms being the main reason cited. Practitioners in country or field roles selected this barrier more often than those in global roles, indicating more could be done to raise awareness at those levels.

In terms of online platforms, key informants acknowledged the CaLP website (parts now available in multiple languages), library and d-groups (English, French, Spanish) as ‘go to’ places for CVA evidence, learning, discussion and sharing. It was noted however that the d-group would benefit from a search function for historical posts, and the CaLP library from more quality control and an improved search

10 Relevant documents include: UN Women (2018) Cash & Voucher Assistance and GBV Compendium Training Modules; CARE (2019) Cash & Voucher Assistance and Gender Based Violence Compendium: Practical Guidance for Humanitarian Practitioners; WRC, IRC & Mercy Corps (2018) Resources for Mainstreaming Gender-Based Violence (GBV) Considerations in Cash and Voucher Assistance (CVA) and Utilizing CVA in GBV Prevention and Response. New York: Women’s Refugee Commission.

11 CaLP (2019) Recommendations and key messages - learning event on risks linked to CVA – Protection of beneficiaries 29 October 2019, Douala, Cameroon

12 GSMA (2019) The Digital Lives of Refugees: How displaced populations use mobile phones and what gets in the way. London: GSMA; GSMA (2019) Bridging the Mobile Gender Gap for Refugees: A case study of women’s use of mobile phones in Bidi Bidi Refugee Settlement and Kiziba Refugee Camp. London: GSMA

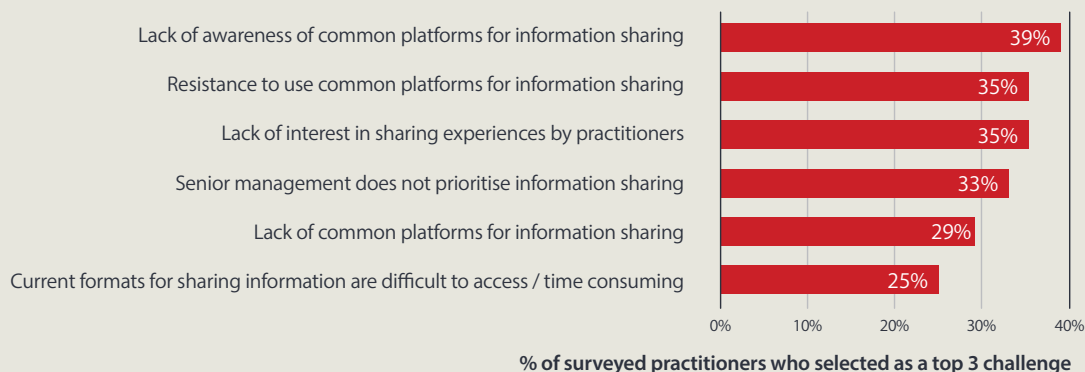
13 “However, access to technology is not equal: gender, age, poverty, legal status and living in underserved rural areas are key factors in the likelihood of an individual having access” (CaLP & IARAN 2019), p.11

14 Chehade, N. McConaghy, P. & Martin Meier, C. (2020) Humanitarian Cash Transfers and Financial Inclusion – Lessons from Jordan and Lebanon. CGAP

15 Hurlstone, A. & Harvey, P. (2018) Humanitarian cash and financial inclusion: Kenya case study. Nairobi: BRC and Kenya Red Cross

16 For example, Mastercard Financial Inclusion Centre, Better than Cash Alliance

BOX 6.5 Main barriers to the systematic sharing of information, evidence and learning on CVA



function (note: this was addressed through the launch of the [new site and library](#) in 2020). Multiple key informants also mentioned information sharing mechanisms within their own organisations (e.g. the [Red Cross Cash Hub](#), which acts as a platform for both internal and publicly accessible resources), along with formal and informal networks and bilateral exchanges. Meetings (including CWGs), conferences, and webinars were also cited as means of accessing learning.

Regional focus group discussions highlighted the need to **adapt knowledge management according to context**, and that online platforms and sharing are not always effective or fully accessible. For example, some participants in MENA reported they find face to face learning and direct sharing more effective, particularly if they lack the time to search online for the most relevant materials. The availability of resources in multiple languages also remains a challenge. There is need for more systematic translation of existing and new publications to address this. A key informant highlighted that sharing learning with partners outside the humanitarian sector (e.g. private sector) is limited and should be addressed to ensure evidence reaches all of those who can influence decision-making.

Given the volume of information produced on CVA, it is near impossible for busy field teams to stay updated and extract relevant findings. In line with this, key informants (including donors, INGOs and sector specialists) underlined the **importance of consolidation of learning and providing short syntheses** that focus on relevant findings for programming. Equally, being mindful where there are **limits to the universal application of learning** is critical. Efforts to generate evidence for topics such as operational models (chapter 3), CVA and social protection (chapter 8), gender, and value for money often underline the **importance of contextual understanding** and the limits on cross-contextual comparisons. This is not



As a sector we don't do enough to aggregate country level learning e.g. if we have seen the same thing in 4-5 different countries, why is this not of interest?

British Red Cross

to say that learning from one context is irrelevant elsewhere, but applicability should be considered. It was also felt that, for example, it would be valuable to pay more attention to where similar findings are coming out of different contexts through aggregate analyses. Several key informants remarked on the role CaLP can play in facilitating better consolidation and cross-referenced analyses of CVA evidence.

There is a continuing reluctance to share learning from unsuccessful or challenging programmes due to issues of funding and competition, which has the effect of slowing down learning. Addressing this requires changes in organisational cultures, as multiple key informants highlighted. Donors' buy-in would be needed to facilitate this change, by rewarding honesty and flexibility and requiring greater transparency from everyone. One key informant also talked about the value of creating 'safe spaces' to share failures and build momentum for greater sharing. As the Future of Financial Assistance report found, humanitarian actors "need to be transparent about what works", which can only effectively happen if both the 'bad' and the 'good' experiences are shared and used as a basis for evaluating impact.

PRIORITY ACTIONS

Generating useful knowledge which can improve programmes for recipients is not only about doing more research, but also building upon existing findings and better integrating learning mechanisms within programmes. Key actions to better leverage evidence and research efforts to support improve CVA programming are:



All humanitarian actors should **ensure greater transparency, treating relevant programme data and findings as ‘public goods’** which are essential to accelerate learning. This will require cultural shifts within and between organizations, and assertive **action by donors to ensure that agencies are not penalized for being open about both successes and failures.**



All humanitarian actors should increase efforts to **understand what influences the outcomes of CVA for recipients** across all types of programmes/sectors, and make systematic use of recipient perspectives in programme design.



Relevant humanitarian actors should collaborate to undertake **more systematic analyses of perceived evidence gaps, and identify which are critical to improving the quality of programming.** This would enable identification of priorities across organizations and contexts, and help assess what can feasibly be addressed, with resources channeled accordingly.



Relevant humanitarian actors should develop **practical syntheses of evidence, tailored to different audiences,** to help ensure that existing and future learning is applied in practice. They should also collate learning from different contexts and explore evidence beyond the humanitarian sector.



Humanitarian organisations, donors and researchers should **increase and improve collaboration and coordination of research and the application of learning,** building on existing networks and platforms at global and response level.

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In Cox's Bazaar, refugee families receive electronic food vouchers that enable them to choose the food they want and need. Food Cards are loaded with a monthly stipend per person and can be used by up to three family members in combination with their biometric fingerprint, which is registered to their card alone.
WFP/Shehzad Noorani. May 2017.



6B

INVESTING IN INNOVATION FOR CVA

**Global objective: Strengthen the
evidence base and invest in innovation**

Practitioners' appetite for and the level of investments in CVA innovation has decreased since 2017, although it continues to be prioritised as an investment area by funders

Since the publication of the previous report, the following trends can be highlighted in the innovation¹ and technology landscape, with direct relevance to humanitarian CVA provision:

- 1) **Continued increase and penetration of mobile-based services and corresponding growth in use of mobile money for CVA.** For the first time since the mobile money industry was established, globally there is now more money circulating (USD \$22bn) than being cashed out (USD \$18bn). In GSMA's 2019 Global Adoption Survey, 60 percent of mobile money providers reported partnering with a humanitarian organisation to deliver CVA. Mobile money may no longer be considered an innovation for humanitarian cash provision, however key informants highlighted that despite overall growth in the level of adoption, implementation challenges remain. Concerted effort is needed in **process innovation** using collaborative and partnership development approaches (see box 6.7 Innovating through better partnering).
- 2) **Continued emphasis on digital identity provision and management as a critical enabler of access to aid and broader financial services.** Donors, researchers, and implementers have invested significant time and effort in this area. This has included pilots of blockchain based ID management platforms that put the aid recipients in control of their data² and noteworthy policy developments around use of biometric technology in registration and ID verification processes.³ These have resulted in thoughtful and considered approaches to the use of sensitive technology across humanitarian programming (including CVA specific use cases). For example, the development of ICRC's Biometrics Policy⁴ included a review of all scenarios in which the ICRC is processing or considering the use of biometrics, an evaluation of the "legitimate basis" and specific purposes for the processing, and the identification of organisational, technical and legal safeguards. In its analysis the ICRC found that a balance could be found that would still allow the institution to leverage the advantages that biometric authentication offers in respect to efficiency and effectiveness and ensure end-to-end accountability in its aid distributions, while minimizing recipients' exposure to risks. This balance rests on operations wishing to use biometric data in the registration and verification of recipients limiting the processing to a token-based system. In practice this means that recipients may be issued with, for example, a card on which their biometric data is securely stored, but that the ICRC will not collect, retain or further process their biometric data⁵ and will not therefore establish a biometric database.
- 3) **Steady growth in disintermediated and token-based financial service models**, is still somewhat hindered by regulatory provisions (see the section below on Libra and Celo).

BOX 6.6 Organizational perspectives on innovation



68%

of surveyed organizations are investing in innovations to overcome challenges in the delivery of quality CVA assistance at scale

The latter two trends (digital identity, and disintermediated financial service models) are set to continue to shape the financial assistance landscape, as reflected in the FFA report,⁶ which also notes the wide disparity in access to technology between contexts. Private sector key informants reported a decreasing appetite for INGOs to engage in CVA innovation. Alongside factors such as contextual nuances in access to and ability to use digital technology, this can also be attributed to increased financial compliance and scrutiny of NGOs, shrinking humanitarian space, the global political economy and, in some cases, increased regulatory control from host governments. At the same time, funders active in

1 Innovation is a broad term used to describe both technology-enabled product-specific innovation (e.g. provision of CVA using Distributed Ledger Technology) and innovation through application of processes (e.g. application of social research techniques in designing a CVA intervention)

2 Humanitarian Innovation Programme (May 2019) Four of Norway's largest humanitarian organisations have come together to help tackle the challenge of providing digital identities in cash programming (Blog post).

3 Hayes, B. & Marelli, M. (October 2019) Facilitating innovation, ensuring protection: the ICRC biometrics policy (Blog post).

4 ICRC (2019) The ICRC Biometrics Policy. Geneva: ICRC.

5 Hayes, B. & Marelli, M. (October 2019)

6 CaLP and IARAN (2019) Future of Financial Assistance: An outlook to 2030. Oxford: CaLP, pp. 37 & 54

humanitarian innovation continue to prioritise both early stage and scale-out/diffusion innovation focused on CVA.⁷ Technology-enabled innovation with relevance to CVA appears to centre around digital identity management,⁸ crypto or token-based currency provision⁹ and data management.¹⁰ The first two heavily lean on distributed ledger technology (DLT), while any experimentation with the latter increases the pressure on partnering organisations to analyse and mitigate significant risks associated with digital trail and metadata.¹¹

Key informant feedback and some secondary sources are aligned on the fact that these trends, whilst positive, all call for **careful consideration of potential real-life harms to individual recipients, greater investment in risk assessment and thoughtful risk management**. Chapter 2 of this report investigates data management as an emerging new area of risk. The FFA report also warns that the amount of digital identification data (including biometric data) collected and stored about vulnerable populations increases their vulnerability to political exclusion/discrimination, persecution, commercial exploitation, and digital criminal attack. Risks are heightened when users do not understand the system, when it is not voluntary (or if there is no other option for obtaining assistance), and when there is inadequate regulation and governance. ID systems require strong rights protections, such as the ability to forego already given consent, so that users can trust the entities managing their data.¹²

BOX 6.7 Innovating through better partnering with the private sector

46% of the practitioners surveyed agreed that humanitarian agencies and private sector actors are developing and implementing effective working relationships in CVA programmes, marking a 9% drop since 2017. This change in perception could be partly attributable to the closure of Electronic Cash Learning and Action Network (ELAN) in October 2018. ELAN played an important role in convening and facilitating an effective dialogue between private sector actors playing a role in emergency CVA and humanitarians. Key informants acknowledged that there is a need to stop looking at private sector actors only as service providers and instead develop true partnerships where they can customise their products and innovate according to need. The research on 'navigating the shift to digital' outlines such a partnership between GSMA and IRC. Key considerations for humanitarian and private sector actors summarised in the guidance from GSMA, and learning from IRC point to the need to:

- Build relationships early to help speed up implementation through dedicated focal points on either side to manage the partnership and invest in standby agreements
- Invest time in identifying how to meet the longer-term aims of both parties, to create a commercially sustainable partnership that can benefit all stakeholders (including end users) in the short and long term.

The research highlights that many mobile network operators (MNOs) are motivated to work with humanitarian organizations not only because of an opportunity to expand the business, but also because the core values of the organisation are to serve their own communities at risk. Humanitarians often overlook this driver and tend to view the relationship with the financial service providers as linear "client/service provider". Alignment is not possible as humanitarian principles govern one party and commercial viability and profitability governs the other. The GSMA research on effective partnerships between MNOs and humanitarian organizations, reiterates the moral imperative and a desire to help communities as one of the key reasons for MNO engagement in the humanitarian sector. GSMA categorises value for MNOs into four broad areas that can come into play when deciding whether to engage with the humanitarian sector: i) increased revenue, ii) competitive advantage, iii) influence and iv) improved reputation. The report also highlights that MNOs and humanitarians often share a user base and common objectives and that partnerships with a well-designed solution can present a win-win-win scenario.

7 e.g. GSMA Humanitarian Innovation Fund

8 Humanitarian Innovation Programme (May 2019) Four of Norway's largest humanitarian organisations have come together to help tackle the challenge of providing digital identities in cash programming (Blog post).

9 Grassroots Economics (2020) White paper: Community Inclusion Currencies (CICs) and Funding SDGs.

10 Porcari, E. (Feb 2019) A statement on the WFP-Palantir partnership (Blog post)

11 Privacy International (December 2018) Practices of humanitarian sector are learning aid recipients at risk, PI and ICRC find (Press release)

12 CaLP & IARAN (2019), p.39

BOX 6.7 Innovating through better partnering with the private sector (cont)

Private sector actors such as MNOs are increasingly spending time and effort working more closely with humanitarian actors on training to ensure frontline staff (agents) are adequately trained on “humanitarian principles” (see [GSMA’s initiative](#) with Alight and MTN Uganda). A joint UNHCR/WFP initiative on Mitigating Risks of Abuse of Power in Cash Assistance has also had a positive impact on the cash recipients experience.

Source: GSMA & IRC (2019) Navigating the Shift to Digital Humanitarian Assistance: Lessons from the International Rescue Committee’s Experience

Key informants also stated a **need for caution against the use of technology for technology’s sake**, instead emphasising the importance of using available technology innovatively to address problems such as insuring the uninsured, digital identity and data management. Many have also highlighted the need to focus on basics, such as the IRC Safer Cash toolkit,¹³ and on collaborative, inter-agency and inter-sectoral approaches. Some key informants also reflected that there is a tendency to conflate innovation and going digital as one and the same thing and the need to avoid “innovation for innovation’s sake”, but instead **invest in understanding and analysis of the innovation from an end-user side**.

Interest in DLT and digital currency in CVA remains high, but real-life application at scale is a long way off

When asked to provide examples of innovation, many key informants cited blockchain, cryptocurrencies and token-based solutions. At the time of this report’s development there were no examples of blockchain-based humanitarian CVA provision that has achieved scale. However, some interesting pilots, such as Oxfam’s UnBlocked Cash pilot project in Vanuatu and white papers proposing use of community currencies based on blockchain¹⁴ had been reported.

Since 2017 efforts to develop an appropriate level of regulation for digital and cryptocurrency have increased,¹⁵ although at least 25 countries (including at least 9 with ongoing large scale CVA) continue to ban them explicitly or implicitly.¹⁶ To this end, the World Economic Forum’s recent announcement of a Global Consortium to develop a governance framework for digital currencies including stablecoin, is a welcome step in the right direction.¹⁷

At the global scale, 2019 saw Facebook announce the launch of its own cryptocurrency Libra, and e-wallet Calibra (see box 6.8: “Libra - What are the potential pros and cons from a Humanitarian CVA perspective”). The announcement received a mixed response from the CVA community with some seeing it as a promising development, while others highlighted significant adoption barriers.

BOX 6.8 Libra – What are the potential pros and cons from a Humanitarian CVA perspective?¹⁸

Libra has potential to connect to the economy and financially include four billion people worldwide who are unbanked or underbanked. For many of these people, Facebook is the only way they access the internet, often for free. Libra was announced as a ‘stablecoin’, pegged to a basket of fiat currencies including the Euro and USD. The aim is for Libra to be an open platform, allowing new players to come on and an opportunity to offer financial services that work better for the poor, with the potential to transform how aid is delivered.

13 IRC & USAID (2019) Safer Cash Toolkit: Collecting and using data to make cash programs safer. New York: International Rescue Committee.

14 Uwantege Hart, S. (September 2019) Betting on blockchain to deliver cash in the Pacific (Oxfam Views and Voices blog post); Grassroots Economics (2020)

15 <https://www.loc.gov/law/help/cryptocurrency/world-survey.php>

16 <https://www.loc.gov/law/help/cryptocurrency/map1.pdf>

17 WEF (January 2020) Governing the Coin: World Economic Forum announces global consortium for digital currency governance (Press release).

18 Box 6.8 sources: <https://futureofgood.co/facebook-new-libra-coin/>; <https://www.mercycorps.org/articles/libra-creating-financial-opportunity-all>; <https://news.nd.edu/news/expert-discusses-pros-and-cons-of-facebooks-new-cryptocurrency-libra/>; <https://www.forbes.com/sites/enriqueadans/2019/06/17/facebook-cryptocurrency-great-idea-wrong-company/#108885f62f98>; <https://www.theguardian.com/technology/2019/jun/18/libra-facebook-cryptocurrency-new-digital-money-transactions>; <https://www.theguardian.com/technology/2019/jun/21/facebook-co-founder-warns-against-libra-cryptocurrency>

BOX 6.8 Libra – What are the potential pros and cons from a Humanitarian CVA perspective? (cont)

Proponents say this could offer a more stable, low-volatility currency, providing more financial stability for people in crisis and thus refuge from inflation. As it relies on blockchain technology, financial institutions could use transaction records to assess creditworthiness and make lending decisions. Given Facebook's ubiquity, the entry barrier would be significantly lower, compared to bitcoin. At its announcement, promises were made that it will use the same verification and anti-fraud processes that banks and credit cards use, implementing automated systems to detect fraud and offering strong customer redress for incidents of hacking and theft from digital wallets.

Opponents argue that Libra would provide Facebook with even more data to exploit. And that it has the potential to disrupt or weaken nation states, threatening governments' ability to manage their own fiscal policy. From an end-user perspective, it will be a huge trade-off between convenience and privacy. At the time of writing, the formal product launch is running behind schedule and has been shifted to the last quarter of 2020, with many high-profile founding members choosing to leave after a significant backlash from regulators.¹⁹

Alternative solutions, such as Celo,²⁰ have also appeared on the market. In a similar fashion to Libra, Celo is a stablecoin platform, although not a centralised issuer, that supports the price pegs with fiat held in banks. Instead, Celo has developed the underlying blockchain and applications that run on top, which offer an unlimited number of stablecoins backed by crypto assets held in reserve. Additionally, Celo allows users to send/receive money to a person's phone number, IP address, email, as well as other identifiers, a feature that removes the need for counterparties in a transaction to share their public keys with each other prior to a transaction.

However, given how difficult some of the operating environments for humanitarian CVA are, with some well-known **barriers to consider** such as access to phones and internet, level of digital and financial literacy, and patchy data protection, we are **unlikely to see large-scale adoption beyond isolated pilots for a while**. Perhaps most importantly, as noted above, there is an ethical imperative to consider, and be driven by, recipient choice rather than agency interests and priorities. We should "experiment in labs, and not on people".²¹

It is not all about technology, people-centred innovation has gained in popularity

The application of social research techniques has opened the door to data collection that focuses on understanding recipient perceptions and aims to create feedback loops between recipients, aid implementers and policymakers. However, this work is still in its infancy and the voices of CVA recipients are still not routinely being heard or informing decisions (see chapter 3). Organisations such as Ground Truth Solutions have introduced new approaches to recipient feedback, the latest being the merging of participatory development thinking with 'the business world's emphasis on customer satisfaction'²² through large scale surveys, key informant interviews and the attempt to create feedback mechanisms. Their goal is to ensure that implementing agencies



We (as a community) went away from people with the focus on tech, on scale, and now coming full circle back to realizing the need to engage with people. We (in CARE) are trying to build relationships with actors to assist with this (researchers, universities etc.) at global level and this is helping. CARE

19 BBC (March 2020) Facebook 'rethinks' plans for Libra cryptocurrency (News item)

20 Forbes (July 2019) As Facebook struggles for blockchain support, a truly decentralized challenger emerges (News item)

21 ICRC (2019b) Symposium Report: Digital risks in situations of armed conflict. Geneva: ICRC.

22 <https://groundtruthsolutions.org/our-work/all-projects/>

and policy makers hear the perceptions and experiences of local partner agencies to create greater accountability. Another example is African Voices who triage feedback calls with the option of speaking to a person for protection related issues.

In key informant interviews CARE and ActionAid discussed the importance of social research methods after realizing that the depth of engagement had to go further than simply asking recipients 'are you satisfied with the assistance?'. The application of social research methodologies, such as behavioural insights techniques applied by Ideas42.org in their work on improving financial health goals of CVA recipients,²³ achieving better outcomes for women through CVA,²⁴ and active listening are regarded as new innovative approaches.

PRIORITY ACTIONS

To continue to develop innovations which are effective in improving programming, the following actions are recommended:



Humanitarian actors, and relevant private sector and research partners, should maintain a **focus on collaboration and long-term partnership development between humanitarians financial service providers, including mobile money**, to ensure solutions are flexible and meet recipient's short and long-term needs.



Humanitarian actors, and relevant private sector and research partners, should continue to **explore and invest in innovations that prioritise quality outcomes for recipients and in which recipients find value**. This can build on a shift from 'tech for tech's sake' towards more inclusive technology and people-centred innovation, drawing from social science and getting the basics of assistance right.



Humanitarian actors should develop **stronger cross-sector collaboration to articulate and agree Data Rights and Governance standards** to ensure that the increasing use of innovations in digital identity and data management comply with the need to **"do no digital harm"**.

²³ Ideas42 (2019) Cash and Change: Using behavioural insights to improve financial health in three cash transfer programs. Ideas42.

²⁴ Ideas42 & CARE (2020) Applying Behavioral Science to Humanitarian Cash & Voucher Assistance for Better Outcomes for Women. Ideas42 & CARE International

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At the Community Health Centre in Nahuizalco, WFP implements the Nutrimos El Salvador project. The project aims to promote good child nutrition and reduce stunting. Thousands of e-vouchers are distributed to people who redeem them for fortified cereals at partnering Super Selectos supermarkets.

WFP/Rein Skullerud. April 2017.



7

LOCALISATION

**Global objective: Support CVA
integration with local systems**

Localisation is increasingly recognised as a priority in CVA, despite lack of clarity about what it means in practice

The Grand Bargain (GB) includes commitments to realise greater localisation of humanitarian aid through the GB Localization Workstream, which supports signatories to meet related commitments.¹ To date it is broadly agreed that, despite some relevant initiatives, progress towards localisation has been more theoretical and policy-based than achieving the practical “system-wide change” required.²

The GB commits to “making principled humanitarian action as local as possible and as international as necessary”.³ This statement is open to interpretation⁴ and there is no single understanding of what localisation is, though there are some common threads. The GB framework, for example, includes agreement that localisation should result in more funding going directly to local stakeholders and the Charter for Change commits to actions that address inequalities in the humanitarian system.⁵ Another valuable reference point is the research undertaken by the Start Network in 2018⁶ which focuses on best practices in localisation and produced the “Seven Dimensions of Localisation” (see box 7.1).

BOX 7.1 The seven dimensions of localisation

- 1 Relationship quality and partnerships:** ensuring less sub-contracting and more equitable relationships.
- 2 Participation revolution:** ensuring participation of crisis affected populations and being inclusive with gender, age and disability.
- 3 Funding and financing:** minimum of 25% of total humanitarian aid to national actors being as direct and predictable as possible.
- 4 Capacity enhancement:** promoting institutional development and stop undermining local capacity.
- 5 Coordination, task forces and collaborative capacities:** promoting greater presence and influence of national actors.
- 6 Visibility:** clarifying and supporting national actors’ assumption of relevant roles, achievement of results and produce innovation.
- 7 Disaster and humanitarian policies, standards and plans:** with national actors having a greater presence in international policy debates.

Source: Start Network’s Disasters and Emergencies Preparedness Programme (DEPP)

There is a growing consensus on the importance of localisation to the future of CVA. But, as with the wider localisation dialogue, this broad agreement is yet to evolve into a common understanding of what localisation means in practice and which aspects to prioritise. Key informant interviews and regional consultations highlighted that **shifting the balance of power would involve international actors:**

- Valuing the **knowledge, skills and experience** of national and local actors
- Ceding **power**
- Working in **true partnership** and recognising the strengths of all involved
- Directly **funding** national and local actors

¹ More information about the Localization Workstream, including main commitments, work plan, resources and other information can be found here: http://media.ifrc.org/grand_bargain_localisation/

² More information can be found in the report of the Localization Workstream Global Meeting held in Brussels on 23-24 October 2019.

³ UN Secretary-General’s Call at the World Humanitarian Summit 2016

⁴ ODI (2018) As Local As Possible, As International As Necessary. HPG Working Paper.

⁵ Ibid

⁶ The Disasters and Emergencies Preparedness Programme (DEPP) was a multi-stakeholder, three-year programme, that invested in building national capacity for disasters and emergencies preparedness in 11 countries.

- Engaging with **national and local governments** and respecting their **leadership** in responses
- Ensuring **diversity** of actors and **effective representation in decision making fora**
- Increasing the **engagement of local stakeholders** in **CVA coordination** fora at local, national, regional and global levels
- Investing more in the CVA **technical and operational capacity** of national and local actors, including **preparedness**
- Involving more local **private sector** actors
- Ensuring a more **community-based** approach.



Integration – routing existing programmes through local partners – is not real localization, it is about inclusion – co-design, mutual learning and thinking about assistance from the local perspective.

Lebanon Red Cross – 2019 GB Report

Regional and country-based consultations also highlighted that localisation is also about contextualisation. This means working with local stakeholders to design and adapt tools and systems to the specific institutional, social and cultural landscape. To do this effectively requires working within the context of an equitable partnership, rather than local organisations being treated as disempowered implementing partners. Developing such partnerships requires commitment and the investment of time and resources on all sides.

BOX 7.2 Localisation in the GB Workstream on Cash

In 2019 GB Cash Workstream identified localization as a critical gap in its work and took steps to address this. Priority was given to building effective and inclusive partnerships with local actors, including the private sector, and increasing their participation in CVA forums. In September 2019, the Sub-Workstream on Cash and Local Partnerships, co-led by Oxfam, SDC, and People's Disaster Risk Reduction Network (PDRRN) from the Philippines, was established. It has an overall objective of aligning the cash workstream with the broader localization agenda, including identifying potential areas for collaboration with the GB Workstream on Localisation. Planned work includes defining how to foster the participation of local and national stakeholders in CVA discussions and platforms at all levels.

The sub-workstream will also serve a knowledge management function for learning and evidence on CVA and local partnerships and it intends to map opportunities, barriers and challenges between CVA and localisation. At the time of writing the sub-workstream has been established for less than a year, but it has ensured some presence in relevant global events, conducted a practitioner survey on challenges and opportunities, and developed its initial work plan.

The GB Cash Workstream recognised the importance of developing partnership models which identify and value the roles of national and local stakeholders in CVA, and acted on this in 2019 by establishing a new sub-workstream on localisation (see box 7.2). This aligns with the GB Localization Workstream and clear linkages now also need to be established with the GB Workstream on participation.⁷

⁷ Referring here to Grand Bargain Workstream number 6: Participation revolution aiming to include people receiving aid in making the decisions which affects their lives. This should ensure that local systems are also integrative with community-based organizations and end users.

Localisation has the potential to strengthen CVA, this requires a shift in power and changes in the system

One key informant warned against setting up duplicate systems and new structures, advocating that the localisation agenda in CVA should drive a more community-based approach and involve handing over, as much as possible, to local stakeholders. At the same time, localisation should include a diversity of voices rather than being dominated by only larger local organisations, potentially replicating INGOs' systems and ways of working.



Localization is about shifting the balance of power in the humanitarian system to communities and local actors – CVA discourse to date has been dominated by UN and INGOs – We must do more to free up space for national and local actors to shape the future of CVA from the bottom up. **Action Aid**

For some key informants localisation represents a double opportunity whereby: i) CVA can strengthen local stakeholders and systems capacities, and ii) local stakeholders and local systems can support the quality and impact of CVA. Ideally, both will occur in parallel, strengthening and complementing social protection

systems where these exist (see chapter 8), and working in collaboration with local organisations for better access, reach and local accountability. Box 7.3 provides a non-exhaustive list of some key opportunities.

BOX 7.3 Localisation opportunities for and through CVA

How localisation can contribute to better quality CVA:

- Increase the **sustainability** of CVA, especially MPC, through linkages with social protection and longer-term development programming with government partners.
- Improve the **timeliness** of responses by ensuring local actors are “cash ready” (building systems and capacities, institutionalisation, preparedness).
- Improve the **extent and quality of last-mile delivery**, including direct contact with recipients and identification of/access to vulnerable populations.
- Increase the **effectiveness** of CVA systems and processes (design, delivery and monitoring) through adaptation to the nature of local humanitarian crises and contexts, including social and cultural specificities.
- Improve **access**, e.g. locations that international agencies cannot reach for security reasons.

How CVA uptake can be an opportunity for more localised response:

- Develop **new partnership models** to support direct access to donor funding, co-design, and programme decision-making i.e. partners as partners, not just implementers.
- Leverage CVA to **strengthen local markets and systems**, with better participation and use of local knowledge, actors and networks.
- Increase the use of CVA as an effective entry point to bring in and build **private sector partnerships**.
- Use localisation processes to progress the ‘**participation revolution**’ to better include recipients and community-based organisations.

Several key informants highlighted concern that CVA could end up replicating the same mistakes as other humanitarian localisation initiatives which lack a clear commitment to shifting power and so risk becoming another “top-down initiative”. As a key informant from a local organisation remarked, the “*decision-making power has been with international actors (UN, INGOs) who sub-contract local organisations, and there is a fear from local organisations to challenge this for fear of losing funding*”.

Such power dynamics underlines that the push for localisation must be an opportunity to help address structural issues of power and influence within CVA and the sector more broadly. As well as impacting the relationship between local, national and international actors, structural change should include efforts to increase local engagement of community-based organisations and aid recipients. Consultation processes and participatory methodologies, which ensure broad and diverse local representation and community engagement in decision informing and making will be important.

Localisation in CVA can offer many opportunities, as Box 7.3 highlights, but many key informants and focus group discussion participants felt that the current focus is primarily on the opportunity to improve



Localisation for us is ensuring inclusivity of local communities and local government.
**Ecosystems Work for Essential Benefits-
ECOWEB, Local organization, Philippines**

the value for money (VfM) of CVA. For many, reducing operational costs and increasing CVA efficiency is a key rationale for supporting localisation strategies. But localisation strategies should be more ambitious and aim to improve the quality of CVA responses. Ensuring local cash readiness and promoting local systems can provide the basis for better quality programming, with the development of innovative, adapted and harmonised

responses. The Turkish Red Crescent (TRC), for example, is a national organisation that has worked in partnership with international organisations, first with WFP and now with IFRC, to implement the Emergency Social Safety Net (ESSN) programme.⁸ As a key informant from the TRC highlighted, their added value as a local partner is, among other things, their close links with the local community – which improves acceptance of the programme – their ability to advocate with the Turkish Government and local authorities for cash assistance for refugees and their field presence which enables effective community engagement and monitoring.

Localizing CVA may also require new approaches to collaborative models. The British Virgin Islands (BVI) Joint Cash Platform, for example, saw the BVI Red Cross, British Red Cross and CRS come together to provide MPC in collaboration with the local government, and with other local partners also having important roles. This, according to an independent evaluation, was a cost efficient and effective model with 86 percent of funds reaching targeted households, although weaknesses were found in terms of community engagement and accountability to affected populations.⁹

Localisation of CVA could also provide opportunities in terms of sector-based programming, particularly for sectors with more experience of working with local partners and coordinating with local authorities, e.g. health, shelter, food, WASH, education. In general, localisation is well established in cluster agendas with, for example, efforts to include national NGOs and other local stakeholders in sectoral CVA discussions. While it is sometimes noted that local organisations could encounter difficulties engaging across multiple sectors due to staff limitations (also a challenge for smaller international organisations) such factors could be a prompt to consider how more inclusive dialogue can be managed.

Key informants from local organisations noted they have a lot to offer in terms of programming across the nexus, linking emergency CVA with development and resilience processes, and that localizing CVA offers opportunities to strengthen this type of work. For example, the People’s Disaster Risk Reduction Network (PDRRN), who play an important role in CVA response in the Philippines and are co-leads of the GB sub-workstream on Cash and Local Partnerships, advocate for using CVA “within more developmental approaches”.

A key informant from an organisation in the Philippines highlighted that community-based engagement can help limit the risk of a CVA programme generating social unrest or negatively affecting community social cohesion. Similarly, several key informants noted that the capacity of local actors to influence public opinion in target communities, a quality that is especially valuable in contexts where assistance is provided to refugee or displaced populations and requires social acceptance from the host community. As another key informant noted, while local staff of international organisations may know the local context, the organisational and social networking of local organisations is important.

⁸ Phase three of the ESSN is €500m programme, funded by the European Commission, providing cash grants for 1.7 million refugees in Turkey.

⁹ British Red Cross & British Virgin Islands Red Cross (2018) British Virgin Islands Joint Cash Platform Evaluation: Building an evidence base on operational models for the delivery of cash transfer programming. BRC.

Private sector engagement is often a missing piece in the CVA localisation agenda. Several key informants recognised that the local private sector could add value in many ways, potentially contributing to more creative, innovative or efficient programming, and providing knowledge of the local context (see chapter 6) but, so far, attention is largely focused on financial service providers and delivery mechanisms. In many cases, local private sector participation in CVA discussions at national level has been rare and, in some cases, it has been difficult to find private sector actors interested in participating in specific CVA programmes.¹⁰

Despite CVA stakeholders' interest in localisation, there is limited evidence of changes in practice with many barriers to address

64 percent of surveyed practitioners considered humanitarian actors took account of the local policy and regulatory environment when designing and implementing CVA compared to 63 percent in 2017. Two years on, 57 percent of surveyed practitioners believe that in the last two years national and local organisations have been increasingly involved in the implementation of CVA, which is similar to the previous report.

Several key informants reflected that some INGOs, UN agencies and donors are trying to further prioritize working with local partners, but progress is slow. There are multiple factors – structural, technical,



As NGOs we need always to pay attention to the NGO code of conduct to make sure that we are always targeting those who are most in need, independent of political and religious affiliation and that goes for both international and local organizations.

Danish Church Aid

contextual, behavioural – influencing the pace of change. While most issues apply to the humanitarian system overall, there are also some CVA specificities. For example, key informants identified the existence of a “CVA and localisation double reticence”, whereby some international stakeholders may be reluctant to push forward with localisation, and some local stakeholders may be unsure about the use of CVA. Other potential barriers to effective localisation highlighted in the research were:

- Although key informants noted improvements, **conservative attitudes towards CVA are not uncommon among local stakeholders**, particularly state actors, but also non-state actors in some countries. 35 percent of respondents perceive that a lack of government support for CVA is a challenge to effective localisation (see box 7.4). While local stakeholders are often willing to use vouchers initially, and then transition to more use of cash, MPC tends to generate more pushback, particularly from governments who might perceive it as a political tool. In some contexts, international actors have concerns about the independence and neutrality of some national and local actors – especially in situations of conflict. This may limit the degree to which they feel able to engage with local CVA systems.
- **A lack of CVA expertise amongst governments and local organisations is perceived by survey respondents as the most significant challenge to effective participation and leadership** (see box 7.4). Practitioners working with international organisations consider this more of an issue than national and local organisations. Issues relating to local stakeholder CVA capacities and strategies to address them are covered in more detail below and in chapter 4.
- In some cases, donors, UN agencies and INGOs have **complex partnership requirements** that can make it difficult to working together effectively. This can be particularly acute in conflict situations where partnership requirements can be more stringent and contextual conditions to meet them are most difficult. A key informant from the Alliance for Empowering Partnership - a global network representing 15 local and national organisations, and increasingly interested in CVA - emphasised that donors' compliance requirements are very high and a lack of structure and funds makes it difficult for local organisations to fully meet them. Several key informants consider it is a matter of finding a better balance between what is asked of local organisations and what they can provide.

¹⁰ Focus Group Discussion with West and Central Africa Regional CWG.

BOX 7.4 Perceived challenges for effective participation and leadership of national government and civil society organisations in CVA



- **Actual or perceived risks** can be a barrier to localisation. For example, 42 percent of survey respondents cited concerns about corruption at the local level and 33 percent considered it an issue with donors' restrictions on directly funding governments and local actors (box 7.5). The reticence of some local actors to use CVA can also be examined through a risk lens: with concerns about lack of control, especially in unstable situations, and a fear that cash may reach the “wrong hands”. This is a matter of perceptions, with similar problems found with in-kind assistance, and can be addressed, in part, through better awareness raising and advocacy. Concerns about CVA were seen as being especially sensitive in fragile political contexts (Anti-Money Laundering and Combating the Financing of Terrorism measures, security situations) and a barrier for effective localisation. For many international organisations, intentionally or not, localisation becomes a risk transfer strategy, whereby risks are ‘down-streamed’ to local actors who are contracted as implementing partners. This is especially sensitive in conflict-affected and insecure areas where the role of local partners is often limited to accessing the region, implementing and justifying activities, without having a relevant role in programme design.¹¹ Local stakeholders can be subject to huge risks in terms of restrictive AML/CTF regulations, insecurity and dealing with formal or non-formal local authorities. Moving from risk transference to risk sharing is key.
- Most local organisations have **limited access to CVA funding**, reflecting structural issues within the humanitarian system. While there is evidence of some progress (e.g. local organisations are increasing their access to pooled funds like those administered by OCHA), the vast majority of CVA funding still goes to international actors. Funding local organisations is also a matter of priorities, requiring investment in systems strengthening and preparedness over time.
- While there is little evidence on the impact of operational models on localisation, key informants highlighted that **existing large-scale operational models involving INGOs and UN agencies tend to exclude local organisations**, as they were designed as a “top-down process and were not done with localisation power lens”. How to design models and approaches that genuinely enable localisation is a critical question to explore. There are, however, some positive examples of consortiums involving local and international organisations, like the Kenya Cash Consortium.¹²
- **Differences in investment in and access to technological platforms and solutions** between international and local actors – including national governments – can be a barrier to localisation if it increases dependence on international partners. Technological innovations need to be adapted to both local contexts and local capacities, with investment in systems and capacity to use them.
- All actors need specific skills and competencies for **responsible data management**, especially in sensitive humanitarian spaces. In partnership arrangements, differences in the data protection requirements of different agencies need to be worked through. Some international agencies have multi-country agreements in place with specific financial service providers and ask local organisations to work within those frameworks, this may require investment in training and systems development.

¹¹ CVA and Risk workshop in Gaziantep (Turkey) organized by CaLP about contextual risks and CVA in the Syria crisis response.

¹² The Kenya Cash Consortium is led by ACTED in partnership with Oxfam, Concern Worldwide, and 6 local members of the ASAL Humanitarian Network: Arid Land Development Focus (ALDEF), Pastoralist Community Initiative Development and Assistance (PASIDA), Pastoralist Integrated Support Program (PISP), Pastoralist Girl Initiative (PGI), Sustainable Approaches for Community Empowerment (SAPCONE) and Turkana Pastoralist Development Organization (TUPADO).

- The **lack of representation** of local actors in CVA discussions and platforms, at national, regional, and global levels, is a major barrier to progress. Key informant interviews and regional consultations reflected on the limited participation of local actors in country-based Cash Working Groups and their marginal participation in key regional and global events, including events related to localisation. Despite some inclusion efforts, progress is hard to detect, begging the question: how can the localisation agenda move without all actors at the table? The following section on coordination explores this issue further.



Local organizations have been absent from the debate on delivering cash at scale. We lack examples of large scale CVA being co-designed by local and international actors. Up till now it has more been about transferring risks to partners than sharing power.
Key Aid Consulting at Cash Week 2019

Several key informants noted that **these challenges are often influenced by context** and affect local capacity and engagement in general, risk management procedures, monitoring and evaluation systems and finally discussions about neutrality and independence. On the other hand, there was also a feeling that **some international organisations simply do not want to change**. It is necessary to **be aware of this and differentiate between general behaviours and context-specific realities**.

Inclusive coordination remains a key challenge

46 percent of surveyed practitioners agree that host government involvement in coordination of humanitarian CVA has increased since 2017. Survey respondents closer to national coordination structures



As a humanitarian actor, how do you engage with a Government involved in an internal armed conflict and therefore perceived as being partial to certain segments of the population? **SDC**

perceive this more strongly, with 61 of respondents at sub national level noting an increase in involvement, compared to 50 percent of country based respondents and only 31 percent of global level respondents – perhaps reflecting the lack of participation of local actors in national and global discussions. See chapter 5 for more about coordination of CVA.

Use of CVA is highly politicized between conflict and natural disasters even when where you are dealing with the same government entities. **Anonymous**

When talking of national government engagement, there is need to differentiate between being involved and leading. Only 28 percent of survey respondents agreed that national governments have taken leadership roles in the design and implementation of CVA since 2017. So even while engagement seems to have improved, in countries with

an established humanitarian coordination structure, there are few examples of national governments leading or co-leading the CVA response. At the time of writing, according to the OCHA country-based cash working group (CWG) database only four national governmental bodies currently co-lead any CWGs, out of the 24 listed (16.7 percent)¹³ and local organisations do not lead/co-lead any. Box 7.5 provides examples of the diversity of government engagement with national CWGs in East and Southern Africa.

When talking about government there is a need to differentiate between national and sub national government structures. Local authorities are more in touch with the community and have key roles to play in facilitating implementation, while national government sets overall policy frameworks. National and regional consultations highlighted that limited local government participation makes it difficult to ensure the complementarity of CVA with local systems and can make exit planning harder. Further, much as stronger engagement with government at all levels is sought, the challenges should be recognised. For example, attitudes to CVA often vary between different levels of government and between ministries, as a result coordination across Government can be difficult. In some cases, risks associated with working with governments were also noted. One example from Iraq was of some municipalities trying to interfere in recipient selection or getting access to sensitive information from recipients.¹⁴

¹³ Database is accessible here. <https://docs.google.com/spreadsheets/d/1jOcdGpMRTe7tqzJTPIEyaToZhZwNtDXMNinbLV2qDU/edit#gid=1523972502>

¹⁴ Country based Focus Group Discussion with CVA practitioners in Erbil (Iraq)

BOX 7.5 Government engagement in CWGs in East and Southern Africa

Examples of the involvement of national governments in CWGs, highlighted during regional consultations:

- Government of Kenya leads Kenya’s CWG, through the National Drought Management Authority. It is co-led by the Kenyan Red Cross. The social assistance unit, which falls under the Ministry of Labour and Social Protection, is a member of the MEB workstream of the CWG.
- Madagascar’s CWG is led by the Government and co-chaired by UNICEF. The humanitarian agencies supporting the government’s strategy supports the CWG.
- Burundi’s CWG sits under the Social Ministry, with WFP and IRC as co-chairs. With the CWG being under the Social Ministry, discussions are focused mainly on development activities – related to social protection – with little time for issues related to humanitarian coordination.
- WFP and the Somali Cash Consortium co-chair Somalia’s CWG. The CWG and government communicate with each other to facilitate cross-learning between government actors and humanitarian actors. A social protection law was signed in March 2019, and in April 2019 the federal Government of Somalia unveiled the first nationwide social safety-net programme funded by the World Bank that will be delivered by WFP through the SCOPE platform.
- WFP and Save the Children International co-chair Ethiopia’s CWG. There is little contact between the CWG and the Productive Safety Net Programme (PSNP), including on issues related to transfer values and targeting.

Much as challenges are highlighted, 48 percent of organisations surveyed consider they are working with government to implement CVA and 32 percent consider they have been building the capacity of governments to lead the delivery of CVA. When it comes to CVA, there are multiple points of engagement with government including, but not limited to, disaster management units, ministries of social protection (see chapter 8 about CVA and social protection), and ministries of labour, education and more – providing opportunities for broader engagement than is often considered.



Here, the army doesn’t want us to do cash. The Government is concerned that they don’t have control over CVA. **INGO**

Governments and local authorities often perceive cash as different to in kind, and they tend to care more about the ‘ownership’ of this. With NFIs they didn’t mind humanitarian actors coming in and distributing, whereas cash is perceived to be more valuable and can be used as political tool. They often want increased association or ownership over this.

Anonymous

While more effective coordination with national governments is sought, it is not always feasible. Several donors who were interviewed felt that host government opposition to the use of CVA could be a major barrier to localisation. In most cases when the political situation is stable, CVA coordination with government is much easier than in unstable and conflict contexts (e.g. Northern Nigeria and Syria), including working with refugees in host countries, as in the case of Bangladesh.

Where governments have opted to ban CVA interventions (in general, or particular types of CVA, or provided by specific types of organisations), some stakeholders (for instance large INGOs, UN agencies, and donors) may have more power of negotiation than others (for example small INGOs or local organisations), and joint advocacy could facilitate the overall CVA space. In situations where

governments are not keen to facilitate CVA activities, their presence in the coordination structures can reduce different stakeholders’ participation and information sharing. National government engagement may also vary within a country depending on the type of crisis that is affecting its population. For example, in the Philippines CVA is used as part the response to natural disasters such as Typhoon Haiyan, but rarely used as part of the response to in-country conflict situations such as after the siege of Marawi.

In regional and country-based consultations, the limited participation of other non-state local actors in CVA coordination structures was also highlighted. An array of issues that discourage participation were noted including:

- Limited effort of some CVA coordination structures to be inclusive, despite agreement about the need to increase local engagement
- Lack of clarity about where CVA stakeholders fit in the humanitarian architecture
- Perceptions that coordination systems are foreign and local actors are not welcome
- Limited opportunities, beyond basic participation, to engage or lead
- Lack of understanding of CVA specific terminology
- Use of working languages that are not mastered by all
- Local organisations may be scattered in the territory (at a sub-national level) and/or do not have the capacity (people and funds) to attend face to face meetings
- Limited number of staff, due to lack of funding, involved in or dedicated to coordination functions.



Feedback we almost always get is the question of language and the coordination in its broadest sense to get local actors to engage with foreign coordination systems. **GFFO**

In discussions Oxfam has had with local partners, one issue that comes up regularly is the cash coordination system specifically the role of cash working groups, who leads and participates in them, and how they sit within the humanitarian system. **Oxfam**

When we go to working groups, we don't need capacity building, we need learning by doing, we need bigger organizations to take us into projects with them. **Yemen Family Care Association (YFCA)**

There are positive initiatives which have increased inclusivity in some places. The Haiti CWG, for example, reported increased engagement from local organisations and interest in partnership for CVA following the development of a decentralised capacity building strategy. The CWG ran the CaLP CVA Fundamentals Course for local NGOs and staff from several departments of local government, which resulted in increased knowledge about CVA as well as demystifying the role of the CWG.¹⁵ The development of sub-national CWGs has also demonstrated good results and increased local stakeholders' involvement in CVA coordination structures in some contexts. For example, the participation of local organisations in the Somalia CWG has improved since 2018 when a) meetings were moved from Nairobi to Mogadishu, and b) sub-national CWGs were strengthened. Local NGOs currently lead two of the five subnational CWGs.

There are also cases where the creation of platforms for local organisations to collectively advocate and engage with government can provide an added value as compared

to doing so individually. For example, the National Anti-Poverty Commission - Victims of Disaster and Calamities (NAPC-VDC) in the Philippines has been able to bring together many local stakeholders and influence policies – including advocacy for CVA consideration – at a national level. The primary challenge to sustain these types of coordination bodies is the lack of dedicated funding.

Capacity continues to be a barrier to localisation, requiring medium to long- term strategies to develop cash readiness

Local stakeholder's capacity has not significantly improved since 2017 and survey respondents still perceive that the lack of CVA expertise is the main barrier to effective local participation and leadership (box 7.5). Several key informants argued that such



perceptions may not be accurate and, rather, they are used to justify international humanitarian agencies' added value in CVA responses globally. On the other hand, a key informant from a local organisation felt that some

There will always be an intended lack of local capacity so international actors don't lose their role. **A4EP**

perceptions may not be accurate and, rather, they are used to justify international humanitarian agencies' added value in CVA responses globally. On the other hand, a key informant from a local organisation felt that some

¹⁵ CaLP (2020) Winds of Change: Lessons and recommendations on the use of Cash and Voucher Assistance (CVA) for the Caribbean Atlantic Hurricane Season (Webinar, 19th of May 2020).

local stakeholders have a negative perception of their own capacities and potential role in CVA, creating a further barrier to change. These perceptions of local capacity, which may or may not reflect reality depending on the case, pose a challenge to integrating local stakeholders in operational models for scaling the delivery of CVA, at least in the short term. There may be need to further analyse these views on a case-by-case basis and better define capacity gaps and what is needed to fill them. Alongside this, according to another key informant, local cash readiness may require a concrete policy shift from donors towards investment in local capacity development as a priority.



We need to increase our visibility to donors and our direct communication with them – not through the international partner – so they know the work we are able to do.

Jago Nari “Fighting for Women Empowerment”, local organization, Bangladesh

Let's put credit where credit is due and fully acknowledge the role of national actors.

IFRC

Several local organisations' key informants highlighted that their CVA role is normally very “field centred”, and that they are demanding more visibility and direct communication with donors. This is seen as a means to increase donor acknowledgement of local capacities and work that international partners may otherwise overshadow, and could positively impact direct funding to local organisations.

Addressing local CVA capacity issues requires mid- to long-term strategies. Many donors, UN agencies, the RCRCM and INGOs have strategies and initiatives to increase local partners' CVA preparedness. However, as also noted in the previous report, training processes targeting local stakeholders continue to be mainly related

to implementation, without covering more strategic aspects like response analysis, CVA coordination structures or strategic decision making. This approach could mean ongoing dependence on international partners for design, planning and access to funds.

Ultimately, as highlighted in one key informant interviews, cash readiness requires policy and operational understanding to shift from a paradigm of local actors being implementing partners working at the instruction of international agencies to one based on full partnership, which includes handover of power, responsibilities and funding.

PRIORITY ACTIONS

Achieving localisation is a process which requires significant changes in terms of roles, systems, and resourcing. To make progress in localising CVA, the following actions are recommended.



All humanitarian actors should agree **on clear, measurable, and shared priorities for localisation of CVA**, and commit to action.



All humanitarian actors should recognize that progress on CVA localization will mean **shifts in power, as well as changes to funding processes, systems, and requirements to enable the systematic consideration and strengthening** of local systems and structures.



Donors should **increase predictable funding to local structures and systems for CVA planning and delivery.**



All humanitarian actors should **make changes to ensure the meaningful participation and visibility of local actors in CVA** discourse at national, regional and international levels.



Humanitarian actors should **make changes to CVA coordination platforms to ensure effective participation and engagement of local stakeholders.**



Local stakeholders, international agencies and donors should **build true alliances, including for strategic planning and decision-making**, acknowledging the trade-offs that localisation may require in the short to medium term.

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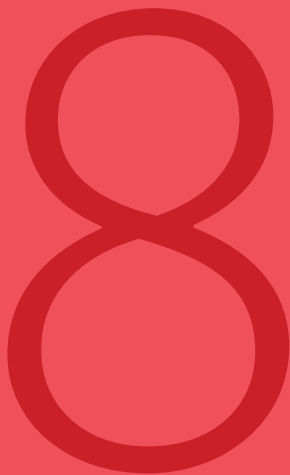
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The community of San Andres in El Salvador has been affected by droughts over the last five years. WFP has implemented cash assistance in the area, paying community members to grow their own community orchard. This has enabled recipients to buy food and other basic items with the cash received.

WFP/Elio Rujano. July 2019.

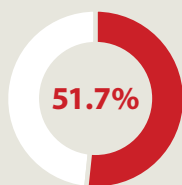


CVA & SOCIAL PROTECTION

**Global objective: Build appropriate
and effective links between cva and
social protection**

There has been increasing activity in this space, with trends in the types of actors involved and a diverse range of activities emerging, especially more strategic pre-shock engagement

BOX 8.1 Organisations linking social protection systems and CVA



of surveyed organisations (n=28) have worked with governments in the last two years and used national social protection systems to deliver CVA

Social protection has emerged as one of the main conduits for strengthening the humanitarian-development nexus. It provides an entry point for crisis response linked to development programmes and systems, while addressing underlying poverty, building resilience and supporting localisation of humanitarian action.

Since 2017, action by humanitarian practitioners in this space has grown. Fourteen Grand Bargain signatories who responded to the organisational survey reported working with governments and linking CVA and social protection (box 8.1).¹ Key informant interviews, as well as recent mapping activities and wider literature on linking CVA and social protection highlight clear trends in how action has evolved in the past two years.²



Change is certainly needed given that social assistance provision in crises is deeply problematic. Too many people in need are getting no assistance, or assistance that is unreliable or irregular. This stems from a number of factors: an insufficiency of funding in many contexts; the inappropriateness of using humanitarian aid in lieu of formal social assistance to address chronic needs in protracted crises; too little development financing in fragile contexts; and multiple types of exclusion faced by vulnerable people.” **Humanitarian Outcomes (2020)**

Trends in types of activities: At country level, most experiences documented in the previous report (up to 2017) were of linking CVA and social protection after a shock had already happened. While similar post-shock examples have emerged since then (especially in Asia, the Pacific and the Caribbean), the last few years has seen more strategic engagement, for example in terms of preparation and design. Actions are going beyond implementation of response – with a focus on pre-shock feasibility assessment and options analysis, preparedness planning, capacity building/system strengthening and coordination (box 8.2 provides an example).

BOX 8.2 Preparing for early action to climatic shocks with the government of Mongolia

In Mongolia, climate change is increasing the frequency and severity of cyclical winter shocks, contributing to the growing economic insecurity of nomadic herder households and impacting on children’s education and health. The government, humanitarian, and development partners recognise the need for systems for preparedness and early action through cash assistance to buffer children against such effects. There is interest, therefore, in Mongolia in mainstreaming shock response into the national social protection system. In 2019, UNICEF commissioned a preparedness assessment to identify options for linking humanitarian response to social protection systems in Mongolia. It found strong potential for developing shock responsive social protection (SRSP) mechanisms as cash based social protection programmes are well developed across the country. These have strong implementation systems which confirm using existing systems will be faster and less expensive than providing CVA through a parallel system. The assessment identified the Child Money Programme (CMP) as the best option as it has almost 100% coverage of households with children in herder areas. Based on the assessment recommendations, UNICEF is financing and supporting the government to implement a pilot programme providing emergency top up payments to CMP recipients in areas affected by winter climatic shocks in 2019-2020. This includes i) a winter preparedness top-up for households living in high risk areas, and ii) an early action top-up for households experiencing winter shocks, to avoid negative coping strategies.

Source: Adapted from UNICEF’s cash for education business case (forthcoming)

Such action has been a core focus for both donors (such as DFID’s BASIC Framework and ECHO’s Technical Assistance Facility³) and implementers (box 8.5 provides details of UNICEF and WFP’s work). Globally there has also been action, with the creation of the Grand Bargain Cash Workstream Subgroup on Linking Social Protection and CVA, co-chaired by IFRC, UNICEF and DFID. In April 2019, the subgroup, in consultation with members, set a list of priorities for global level action focusing on mapping activities, fostering greater coordination, identifying common positions, knowledge development and sharing, and common guidance. To date, this workstream has commissioned several webinars to facilitate knowledge sharing between humanitarian and social protection stakeholders and showcase examples of the role of humanitarians in leveraging social protection systems. UNICEF has also published [guidance on shock responsive social protection](#).

Trends in the types of organisations engaging: This work is still predominantly ‘agency driven’, although there are increasing examples of governments proactively engaging in the space of ‘shock responsive’ or ‘adaptive’ social protection and requesting support for this. Most engagement from operational agencies since 2017 has been from UN agencies and the Red Cross Red Crescent Movement (RCRCM). In some countries and regions including Iraq, Malawi and in the Sahel, NGOs have played a more active role and the Collaborative Cash Delivery Network (CCD) (see box 1.8 in chapter 1) is now seeking to engage more in this space.

Limited space to engage. Some organisations – including various NGOs and also the RCRCM⁴ – expressed concerns that certain international actors (bilateral and multilateral donors and UN agencies) are dominating discussions and actions in this space at global and country levels and others risk being excluded. Research for this report highlights a trend over the past few years towards more prominent, and often joint, engagement of UN and donors compared to INGOs and other local actors including the RCRCM. This is not to say that other actors do not wish to engage – for example, the CCD has linking with social protection as a priority focus⁵ and linking is also a key part of Oxfam’s new strategy.⁶ Meanwhile some national governments interested to explore these linkages are actively approaching RCRC national societies,⁷ for example in Namibia.

Key informants for this report, and in the studies and strategy documents noted above, reflected on what these trends mean for quality CVA programming. It was acknowledged that this is a crowded space, and that to move beyond uncoordinated activities and pilot projects to a more strategic country approach will involve a certain degree of rationalisation of actors (at least in terms of implementation). In some contexts, the UN agencies can be well placed to lead dialogue with government given their mandate and wider focus on social protection, respondents acknowledged. However, there were concerns raised about the implications of this for effective and accountable programming, if a role for civil society actors (well placed to hold governments to account and to ensure inclusion of the most vulnerable) is not considered. Clear examples were highlighted where NGOs have added value, including in conflict settings where the UN cannot engage, and in providing critical analysis to improve the design of emerging social protection targeting systems, etc. There were also concerns that the debates do not sufficiently include a focus on localisation or acknowledge the role of RCRC national societies as auxiliaries to the government. Turkey, where the IFRC was awarded the contract to implement phase two of the Emergency Social Safety Net (ESSN), was cited as an example of where maintaining the engagement of a wider pool of potential actors outside the UN has been important for improving efficiency of programming and fostering further localisation.

1 In practical terms, experience to date has focused on linkages with social assistance in the form of cash-based social transfers (and the related operational systems and institutions underpinning these).

2 This includes BRC and LSE’s mapping exercise in 2018; UNICEF’s mapping of KML needs and DFID’s mapping of GB member activities on behalf of the Grand Bargain Subgroup 2019-2020; EUD (2019) Social Protection Across the Humanitarian-Development Nexus: A game changer in supporting people through crises. Tools and Methods Series Reference Document No 26. EUD; CaLP’s high level briefing paper on the ‘state of play’ of linking CVA and social protection in 2020 (CaLP, 2020), and various syntheses of case studies and lessons learned (Gentilini et al. 2018; WFP 2019).

3 Under the BASIC framework, DFID has funded mapping and options analysis and multi-stakeholder engagement in Lebanon, Yemen and Jordan, as well as investing in dedicated donor coordination roles in Yemen and Lebanon. From 2017-18 ECHO funded WFP to lead a Technical Assistance Facility, operational in nine countries facing protracted crises. The aim of the Facility is to explore how social protection systems can be strengthened in fragile and forced displacement contexts, to address humanitarian needs in a more cost-effective, efficient, and predictable way. Projects were designed and managed in-country by a partnership of UN agencies and donors.

4 Mentioned by KIs for the first report as well as those in the GB consultations; also highlighted in some of the country case studies under the WFP-ECHO TA Facility.

5 CCD (2019) Inclusive Social Protection in Humanitarian Response – Is there a role for CCD? Collaborative Cash Delivery Network.

6 Oxfam (2019) Humanitarian Strategy for Inclusive Social Protection. Nairobi: Oxfam.

7 Key informant interview with British Red Cross, for the Grand Bargain social protection subgroup consultations

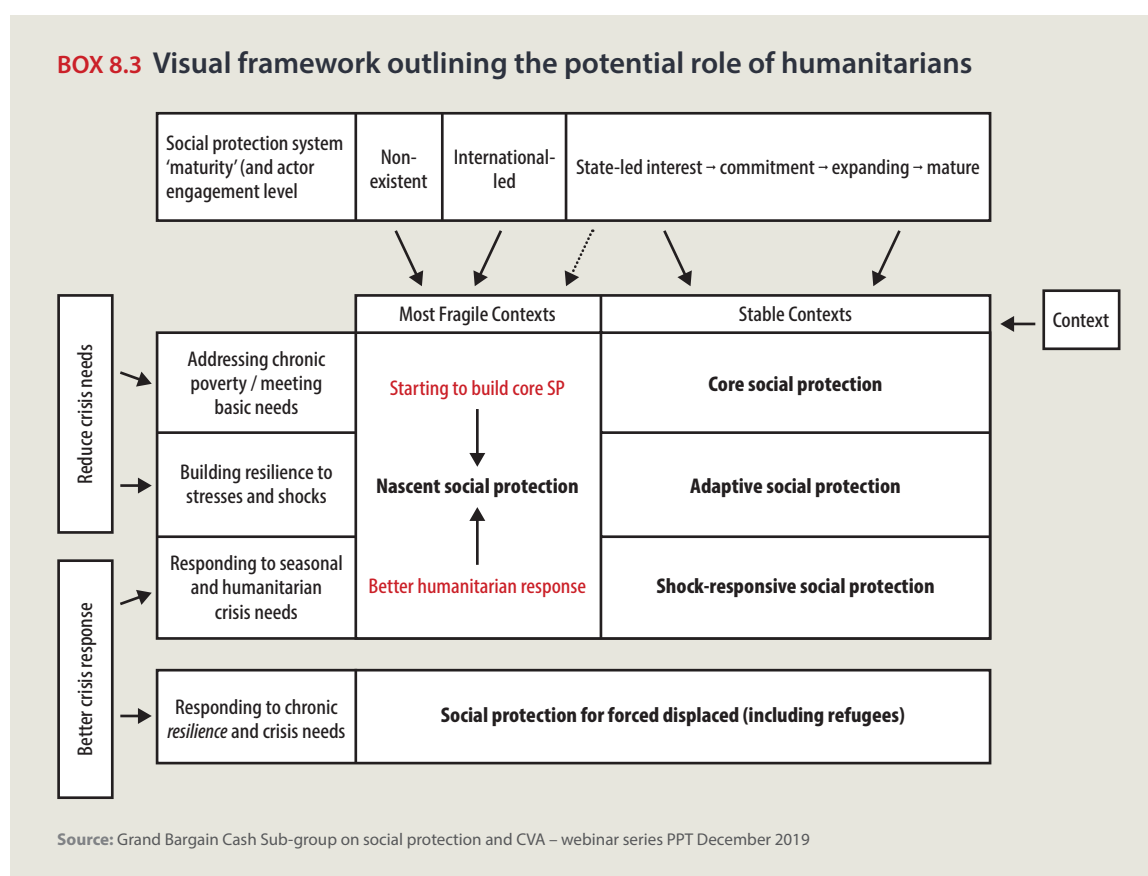
The roles of different stakeholders, and the actors best placed to lead this approach, are likely to vary by context. There is a need for more strategic, and inclusive, discussion, at the level of a response, on the added value for different humanitarian actors. As seen in CVA programming more generally, the challenge of linking social protection and CVA implies the need to redefine roles – away from traditional roles as ‘implementers’, towards supporting capacity development of appropriate national systems and programmes, technically sound design, and ensuring accountability.

More evidence on the benefits of this approach is needed, but experiences since 2017 highlight common lessons to inform decision making

In the past 2.5 years, humanitarian practitioners have developed consistent expectations about what linking humanitarian CVA with social protection can achieve. In 2019, the Grand Bargain (GB) Cash Workstream Subgroup on Linking Social Protection and CVA hosted a workshop bringing together GB signatories with social protection practitioners. This generated consensus that establishing linkages between these areas of programming should:

- Support the most vulnerable to meet basic needs at times of crisis
- Address long-term drivers of poverty and vulnerability by finding better ways of responding to recurrent crisis
- Build on crisis response to create long-term national solutions.⁸

The sub-group captured these aspirations in a visual framework, shared in the GB Sub-workstream webinar series (box 8.3).⁹ These aspirations are consistent with expectations cited in the policy literature and guidance documents published since 2017.¹⁰



⁸ This includes the concepts of using social protection programmes and systems to respond to shocks (also referred to as ‘shock responsive social protection’) as well as building household’s resilience to shocks (also referred to as ‘adaptive social protection’).

⁹ Webinar recordings: Linking Cash and Voucher Assistance and Social Protection: Demystifying the entry points for humanitarians; Building Blocks: entry points for humanitarians when linking cash and voucher assistance in nascent Social Protection systems

¹⁰ Such as: WFP (2019); EUD (2019); World Bank (2020); UNICEF (2020); FAO, UNICEF, WFP and WHO (2019); CaLP (2020); ECHO (2019); Bene et al. (2018).

Strengthening and leveraging social protection systems in crisis settings is perceived to add value in terms of greater efficiency and effectiveness of aid provision while building nationally owned, sustainable



There is emerging but still limited evidence on 1) why the interaction between humanitarian CVA and SP matters; and 2) the operationalization of linkages in practice. **Holmes (2019)**

solutions. The evidence base to substantiate, or disprove, these assumptions, however, is still being built. Pilot activities and programmes have often not been rigorously evaluated and there is still little evidence to compare the added value of this approach to alternative ways of working. In 2018, DFID commissioned research investigating how linking with existing social protection systems influenced the value for money (VfM) of CVA, which partially fills this gap (the report is due to be published in 2020 and

some illustrative findings are summarised in box 8.4). Rather than confirm definitive 'added value' of this approach over alternative delivery models, the findings highlight that context plays a huge part and that linking with social protection systems can influence VfM of programmes in different ways.

BOX 8.4 How linking with existing social protection systems affects value for money of CVA – evidence from research

- Context plays a huge part in the extent to which the decision to link with social protection will affect the VfM of CVA. This includes the type and scale of the crisis, the social protection system context, wider enabling environment, and the way of linking.
- Linking encapsulates multiple operational design decisions, which vary depending on the approach that is chosen. For example, it will influence the choice of payment mechanisms, contractual relationships, and the extent to which underlying operational systems and processes are used. Each of these decisions can affect the VfM of assistance, in different ways.
- Linking can affect different elements of VfM (economy, efficiency, effectiveness, and equity) in varying ways, presenting trade-offs that must be understood. For example, where they are robust, making use of pre-existing operational systems and processes can improve timeliness and cost efficiency of delivery. This can then have knock on positive effects on effectiveness if it means assistance can be provided quicker or can cover more households. However, this may also require time for coordination and negotiation which can increase set up time. Linking with social protection systems can also bring additional political pressures to bear on the setting of transfer values which could undermine effectiveness unless measures are taken to resolve this.
- Programmes linking with social protection often aspire to strengthen the national system and/or to improve access to social protection. While these are desirable, experience also shows that these take time to achieve and must be carefully planned for and resourced.

Source: Juillard, H., Smith, G., Maillard, C., Jourdain, J., Vogel, B., Shah, V. and Weiss, L. (2020). Cash assistance: how design influences value for money. Paris: KAC

Nevertheless, from documented experiences of linking to date,¹¹ there are common lessons emerging to inform the future direction of this programming – several of which key informants also highlighted.

A typology of options for how existing social protection systems can be used is becoming clear. What this means in terms of 'actions' to enable this, needs more crystallisation. In 2018, OPM published a 'typology of options' that described four ways in which existing national social protection programmes and systems may be used to provide assistance to people during crisis. This guidance has been widely disseminated and has helped humanitarian actors to define what 'using social protection systems for shock response' might look like.¹² However, as experience grows it is becoming clear that i) there are a range of

11 Including: WFP (2019) and accompanying case studies; EUD (2019) and accompanying case studies; World Bank (2020); CaLP (2020); ECHO (2019); Seyfert et al. (2019); CaLP (2018); Juillard et al. (2020); Goodman et al. (2019); Smith (2019); Maunder et al. (2018); Morey and Seidenfeld (2018); and published and unpublished feasibility studies.

12 O'Brien, C., Scott, Z., Smith, G., Barca, V., Kardan, A., Holmes, R., Watson, C., and Congrave, J. 2018b. Shock-Responsive Social Protection Systems Research: Synthesis Report. Oxford: Oxford Policy Management.

different pathways and processes through which such end goals can be realised and ii) there are different entry points for humanitarian actors to engage in these processes, beyond putting funds through national systems.

Both the UN and independent key informants raised concerns that some agencies were interpreting the typologies too simplistically without having the skills required for a broader systems approach. For example, agencies might focus on the design elements of vertical expansion without looking at the related policy implications. Recent analyses have begun to make progress in breaking down these pathways and the respective roles of national and international agencies¹³, but more work is needed on this. From experience to date it is also clear that MPC is the main, though not the only¹⁴, entry point, since for the most part social protection programmes aim to make a fungible contribution to a household's budget.

The theory of change for how humanitarian actors can link with, and contribute to, building emerging national systems needs more attention. OPM's typology included a fifth option: alignment, defined as aligning elements of social protection (or disaster risk reduction) and humanitarian interventions with one another, for influencing future social protection system development and/or integration of the humanitarian caseload. While there are different ways that existing social protection systems can be used, and rationale for doing so, are clear and tangible, 'alignment' remains ill-defined. It has become a catch-all term for a range of activities that could contribute to system building, however, it is not always clear what is being aligned, or for what purpose. Initiatives described under alignment incorporate a huge range of activities (box 8.5). Both humanitarian actors and those working in long-term social protection¹⁵ would benefit from greater clarity on how these areas of programming can be brought together and what these actions can expect to achieve.

BOX 8.5 Aligning humanitarian assistance and social protection – how this was conceptualized in different ECHO TAF countries

- **Iraq:** Identifying opportunities to transition the chronically poor and vulnerable from humanitarian CVA to assistance under national schemes.
- **Afghanistan:** Bringing humanitarian actors together in a more systemic approach, as a starting point for developing the nascent social protection system.
- **Somalia:** Consolidating and transferring specific systems to government (recipient data and MIS).
- **Niger:** Aligning NGO programmes alongside the social safety net to fill gaps in the food security response.

Source: WFP (2019)

'Good social protection' is an essential pre-requisite. For social protection to be effective at building the resilience of, or responding to any additional needs of people affected by crises, national social protection systems must be:

- a) well designed
- b) have good coverage of populations in need
- c) provide adequate levels of support
- d) have systems and processes that function well in normal times and
- e) continue to function during disasters.

¹³ Seyfert, K., Barca, V., Gentilini, U., Luthria, M. and Abbady, S. (2019) Unbundled: A framework for connecting safety nets and humanitarian assistance in refugee settings. Social Protection and Jobs Discussion Paper No. 1935. World Bank

¹⁴ For example, the Conditional Cash Transfer for Education programme in Turkey is designed as a cash for education intervention.

¹⁵ Including government departments, UN, NGOs, and development donors.

All this requires investments that ensure longer term financing and strengthen the long-term capacities and systems of national social protection schemes. Development actors generally lead these activities, however humanitarian actors have an important role to play in this space, to ensure a crisis lens is applied to the design and implementation of these strategies (see box 8.5 for UNICEF and WFP's experiences).

Preparedness planning is key to understanding entry points and constraints before a crisis occurs.

The research for this report highlights the importance of acting in advance of an emergency. Preparation



It is all about preparedness. If we do pre-crisis mapping and assessment, focused on government system and local actors it saves time when the crisis hits and allow a better informed decision making on the choice of implementation model, including how to build a continuity between a short term and longer term approaches. It also requires donors to fund preparedness as a priority. **UNICEF**

Almost everywhere where linking CVA with social protection has worked, activities started before the crisis. **CaLP**

is necessary because of the time needed to understand the entry points for and constraints to linking social protection and humanitarian systems, to build relationships, and develop the policies, procedures, expertise, and systems needed to make social protection programmes and systems both resilient and crisis-responsive. Preparedness is wide ranging and has included assessing national social protection systems, analysing, and comparing policy options, investing in human resources and systems, developing standard operating procedures, and making links to early warning systems. Some of the most successful programmes have engaged in preparedness and reached agreements prior to a crisis (see box 8.5). Humanitarian actors' engagement in preparedness actions should be undertaken in a systematic and coordinated way to ensure a strategic approach which avoids confusion and duplication of efforts. A recent report on the assessment of learning/knowledge gaps on linking CVA and social protection

also highlighted this, revealing a need for more joint assessments of social protection systems and more transparency on the findings.¹⁶

Simplicity and flexibility in systems and design leads to success. Where national social protection programmes and systems have been effectively scaled up or used to deliver assistance following a crisis, a consistent feature of success has been the ability to adapt or simplify regular processes to accommodate the new realities and constraints of the emergency, as well as the different needs and constraints of the groups affected by the disaster.

Government buy in and leadership is critical for going beyond options analysis to mobilising action.

National governments are the rightful duty bearer for social protection and own the underlying processes and systems. While some programme approaches linking with social protection will continue to be designed and managed by humanitarian organisations outside government, access to and use of any underlying data or systems must still be authorised by government. There are various actions that can help to generate this buy in – such as government engagement from the outset; guaranteeing support from donors to reduce the risk that government will be left holding the bill; and joint action planning. Turkey is a good practice example of early engagement, where the government and UN agencies worked collaboratively to design the refugee response linked with the existing social protection system. Further, WFP and UNICEF, as well as the World Bank, have been engaging with various governments on assessments and joint action planning.¹⁷

Coordination is essential, on multiple levels. The actors involved in social protection, and linking social protection and humanitarian action, are much more diverse than in CVA. Coordination is needed between siloed humanitarian and development mechanisms and funding streams. This includes coordination between:

- Government departments working on social protection programmes, social registry management, disaster risk management and early warning systems
- Government and international actors

¹⁶ Pelly, I. and Rizvi, Z. (2019) The Assessment of Learning / Knowledge Needs on Linking CVA and Social Protection. Report commissioned by UNICEF on behalf of the Grand Bargain Cash Workstream Sub-group on Linking Social Protection with Humanitarian Cash.

¹⁷ Including for example Jamaica, the Philippines, Armenia, Kenya, Iraq, etc.

- National actors at central and local levels
- Agencies and donors working in humanitarian and development (long-term social protection) fields.

At a strategic level, coordination is needed to develop a common vision; to build a coherent and systemic approach and to have full appreciation of the trade-offs involved and negotiate compromises. Operationally, coordination is required to support joint assessments, data sharing, system interoperability, harmonised design, and gap filling within the whole of cash response (WCRS). There is no 'one size fits all' solution to linking humanitarian response to national social protection systems and collaboration will vary according to context¹⁸. The current sector-based humanitarian coordination system does not easily allow for coordination on linking with social protection, which is often inherently multisectoral. Within these constraints Cash Working Groups (CWGs) are emerging as a useful forum for bringing together some of these disparate actors, as seen for example in Nigeria.

BOX 8.6 Linking CVA and social protection – the approaches and experiences of UNICEF and WFP

Since 2017 both UNICEF and WFP have made strategic commitments to linking humanitarian assistance and social protection, where feasible and appropriate. For WFP, social protection is a key means for engaging with the GB commitments to localisation and supporting national governments and is aligned with their global organisational strategic plan (2017-21) for achieving zero hunger. Meanwhile for UNICEF, which engages on social protection policy and programming as a core sector in development settings, social protection approaches in emergencies are now embedded in their core commitments for children and included in annual reporting frameworks. While each organisation is pursuing a strategy linked with its mandate and expertise, there are several areas of convergence:

Internal capacity building: Both organisations are actively investing in the internal expertise, guidance and systems needed to expand focus on linking social protection, including creation of new dedicated roles and developing global guidance and training.

Assessment and preparedness planning: Since 2017, UNICEF has developed a social protection system readiness assessment tool and guidelines, to support country offices and national governments in assessing feasibility and analysing options for linking CVA and social protection. This also identifies opportunities for linking in integrated or multisector programming across sectors. This has been piloted in 9 countries globally and is due to be launched in 2020. Between 2017-18 WFP conducted nine country studies, with ECHO support, exploring how social protection systems can be strengthened in fragile and forced displacement contexts. This work helped to frame the organisation's current thinking and strategic approach. WFP has developed a SRSP Basic Capacity Assessment Tool to assist countries with response analysis in this area.

Governments at the centre: Both tools focus on identifying ways to support national efforts rather than simply humanitarian organisations using national systems. WFP's also includes a focus on how to orient future activities to fill gaps. They see their added value in enabling the move from internationally led responses to nationally led responses.

Working together: WFP and UNICEF are working closely together in several countries on linking CVA and social protection (including Kenya, Dominica, Malawi, Turkey). Both are currently in high level discussions on the possibilities of harmonising their tools and approaches for SRSP to avoid lack of coordination and duplication at country level.

¹⁸ Gentilini, U., Laughton, S. and O'Brien, C. (2018) Human(itarian) Capital? Lessons on Better Connecting Humanitarian Assistance and Social Protection. Social Protection and Jobs Discussion Paper No.1802. World Bank.

BOX 8.6 Linking CVA and social protection – the approaches and experiences of UNICEF and WFP (cont)

Lessons learned:

- The importance of **working together** with governments and other key stakeholders.
- Investing in 'good social protection' – programmes and systems - is an important foundation.
- Preparedness is key to SRSP, and causal and response analysis is key to preparedness.
- The importance of cross-government engagement (Ministries of DRM, social protection, finance, sector leads, etc) to ensure effective coordination and political buy-in.
- Assessments and strategy development should be supported by multi-disciplinary teams.
- This is a long-term investment: Institutionalisation and rollout of approaches across the organisation has taken time, while moving from assessment to concrete actions requires time and resources.

Source: Gentilini et al. (2018); UNICEF (forthcoming); and Kilis with WFP and UNICEF.

Linking will not always be appropriate and where it does take place it will not meet all needs.

Identifying the best approach to using or strengthening social protection systems must be based on in-depth country level analysis and linking should not be done for the sake of it, but because it is

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 We need to identify the places where this approach makes a huge amount of sense –where government are leading, engaged, committed. And accept that perhaps in other places it won't work. **CaLP**

expected to provide the same or a higher quality response than can be achieved through a parallel system. To date, it is not possible to tell whether linking is equal to or better at meeting needs, ensuring greater coverage of the population, improving timeliness of response, ensuring accountability to affected populations, ensuring predictability of support, reducing duplication of effort, or contributing to strengthened capacities and systems. Even in the most enabling of contexts, it has not been possible for

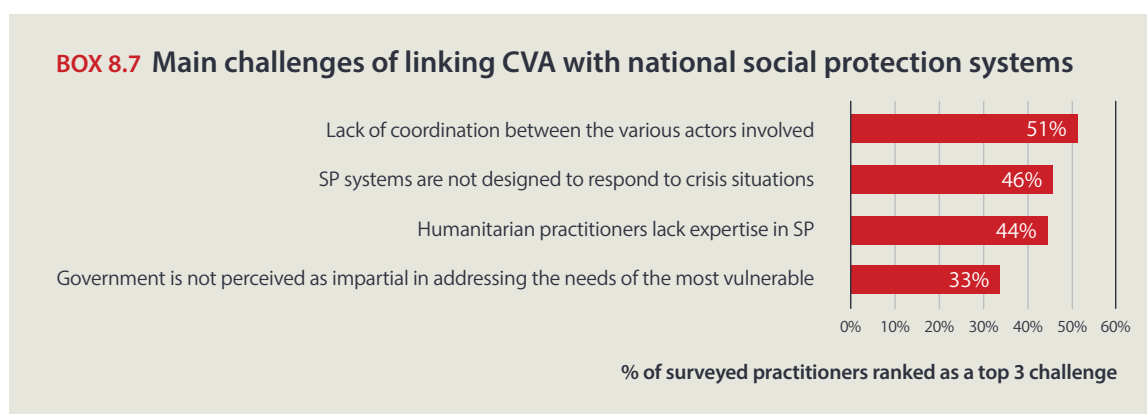
social protection to meet all cash-related needs. In many cases, it will be necessary for humanitarian and development actors to continue to work through parallel systems in the coming years as ways of working in this space continue to evolve. Linking CVA with social protection needs to find its place in whole cash response system and must be well coordinated with the wider work of humanitarian cash actors to complement and fill gaps in any social protection response. Box 8.6 looks at the work that UNICEF and WFP have been doing on this.

In fragile states and with protracted conflicts, the goal should be working towards systems that can deliver more predictable, efficient, and less fragmented transfers than humanitarian efforts alone. Such systems should provide the building blocks for future state-led programmes. In situations of protracted displacement, the goal should be to ultimately integrate internally displaced people (IDPs) and refugees into national social protection systems where they exist. UNHCR, for example, have synthesised key considerations required for aligning humanitarian cash assistance for refugees to national social safety nets.¹⁹ For refugees to fully access the social protection system, that is, for complete 'alignment', preconditions such as the right to work and supportive legal and regulatory frameworks need to be in place. For many countries this is not currently an option.

¹⁹ UNHCR (2019) Aligning Humanitarian Cash Assistance with National Social Safety Nets in Refugee Settings. Key Considerations and Learnings. UNHCR.

Challenges that humanitarian actors face in institutionalising this approach require global and local strategic action

The findings of the practitioner survey (box 8.7) show that the main perceived challenges of linking CVA with social protection systems remain the same as in 2017. These challenges concern difficulties in working across disciplines and organisations, and of maintaining adherence to humanitarian principles when programming through, or linked with, a system that was not designed for this purpose. As mentioned in the previous report, such approaches can raise issues in relation to the accuracy of targeting humanitarian caseloads and leaving no one behind, establishing transfer values based on humanitarian needs, and maintaining impartiality and neutrality. Literature, key informants, and consultations with the GB cash workstream sub-groups²⁰ all raised similar issues.



Lack of common understanding between humanitarian and development actors (and between different humanitarian actors) has been identified as a persistent challenge for conceptualising the linkages between CVA and social protection, including what actions are included and the terminology used. Going forward, this is a priority area to address under the workplan of the Grand Bargain Cash Workstreams' Subgroup on Social Protection, with development of a common glossary and briefing papers, and a planned workshop to bring key stakeholders from both disciplines together to finalise them.

Capacity gaps risk vulnerable groups' exclusion from assistance. Linking CVA and social protection requires skills and competencies that go beyond those commonly used in the humanitarian sphere.

BB

CaLP should play an important role in defining what that (SRSP) profile could look like, those that would be most fit to engage with social protection and develop the adequate capacity building support to meet the gap. **Independent**

This includes technical experience in social protection programming, as well as competencies to engage with governments in policy dialogue. For example, several documents²¹ highlight concerns about using poverty targeting in shock responsive social protection. If technical expertise to critique the use of poverty targeting is not brought into discussions on shock responsive social protection or attempts to link, there may be a risk that vulnerable groups are excluded from assistance. The GB report on learning and knowledge needs for linking CVA

and social protection²² identified the need for people with a 'mixed profile' combining humanitarian and social protection competencies, which is currently extremely limited within organisations or amongst consultants and other independent actors. The siloed approach within organisations is seen as a clear impediment to more effective linkages. The report concludes that knowledge management and learning efforts should aim to build this 'mixed' profile, by bringing humanitarian and social protection actors together, and upskilling existing staff. Key informants for this report similarly identified concerns about the continued reliance on consultants to support linking efforts, and the need to better institutionalise these capacities.

²⁰ Including Holmes (2019), Humanitarian Outcomes (2020), the on-going consultations of the GB Sub-Group membership being funded by DFID BASIC, to develop a common work plan for the group, and the GB workstream on localisation led by Oxfam and SDC.

²¹ Maunder et al. (2018); Smith (unpublished).

²² Pelly and Rizvi (2019)

There are also different levels of understanding and experience of what this linking means among different humanitarian organisations, with some organisations still requiring support to understand the foundational concepts. In addition, there are capacity issues to resolve for national social protection actors. This raises the question of whose capacities need building and where investments should be made, to support greater localisation of this approach. While the Grand Bargain Subgroup Workstream on Linking Social Protection and CVA made recent progress in mapping the knowledge and learning needs of its members, some stakeholders point out that this is very much the perspective of international humanitarian agencies, excluding those organisations and departments that are arguably some of the most important for putting discussions into practice. That international organisations and governments still lead such activities, reflects a wider challenge for ensuring governments and local actors are placed at the centre – something certain key informants for this study and the GB subgroup consultations mentioned.

In 2020, CaLP commissioned a review of the latest developments in social protection and CVA linkages to understand both development and humanitarian perspectives on progress and bottlenecks.²³ The review argued that certain unhelpful assumptions underlie approaches at present: that linkages are nearly always the right thing to do, that linking is achievable if only the right concept and technical solutions were to be identified and that different approaches to the state are more important than recognised. The authors conclude that development and humanitarian actors need to go 'beyond the basics' and focus on the outcomes they want to achieve rather than the process. So, efforts at linking might go beyond:

- Ministries of social protection – to find new and different institutional partnerships e.g. ministries of education, health, DRR, etc.
- The usual countries – to capture a broader range of contexts, particularly in fragile and conflict-affected situations (FCAS) and low income states (this would help avoid any tendency to extract best practice from particular contexts to apply elsewhere without taking enough account of contextual differences)
- Focusing on technical capacity and hard skills – to developing functional capacity and soft skills, so that better training and technical assistance would include secondments, coaching and peer-to-peer learning approaches.

There is a need to **move away from siloed and agency-specific projects and initiatives towards more strategic country level dialogue, planning and coordination across agencies and disciplines.** Some

BB

We are working on social protection in Jordan, but we were not aware of and have not seen the DFID BASIC ToR for developing options for linking CVA and social protection in Jordan. **Respondent in the Grand Bargain consultation**

good recent progress was recognised, such as the various country-level efforts under DFID's BASIC framework and ECHO's TAF, to support collective identification of options and strategic planning. At the same time, stakeholders noted examples of humanitarian and development actors forging ahead on their own activities in the same country with no coordination or overall strategic approach. Different agencies are also developing in house analytical tools rather than common tools, while assessments that have been

conducted have not been widely shared. There are exceptions, for example, UNICEF is due to make its Social Protection System Readiness Assessment Tool and guidance publicly available in 2020.

Improving coordination is a key priority of the Grand Bargain (GB) Cash Workstream Subgroup on Social Protection's workplan. This GB subgroup, the Social Protection in Crises group on socialprotection.org, and CaLP are in discussions to move towards a shared workplan which would include a mapping of linkage programming and the development of case studies, guidance documents and tip sheets, amongst other activities.

Wider agency concerns can influence programme direction at the expense of quality. Some key informants highlighted the perception that the decisions of agencies to link CVA and social protection are



There is a lot of jumping on the bandwagon because of a fear of being left behind. A great example is the cyclone Idai response in Malawi. One agency was proposing to work through the social protection system and provide top ups to existing beneficiaries. But these beneficiaries were not in the areas worst affected by the floods. The desire to link got in the way of good response analysis.

Anonymous

Vested interests create disincentives to progress. There are competing platforms operating in Somalia that organisations have invested heavily in and may, understandably, be reluctant to relinquish.

WFP (2019b)

not always being driven by evidence of what works best for people, but by agency concerns to retain their relevance in a competitive and rapidly evolving space (see chapter 3 for more on this in relation to the design of operational models). Operational agencies can perceive donor interest and trends towards this way of working (even though the evidence base is not yet built) and see it as important to carve out a niche in this space. This self-interest can be a barrier to more strategic coordination and detrimental to programme quality since it reduces information sharing and leads to competing agendas.

Unrealistic horizons for planning, supporting, financing and exit.

Linking CVA and social protection is a process, not a discrete timebound activity. Experiences to date, even where government capacity exists, show how long things can take to move beyond an assessment, or pilot programme, to institutionalisation. Lessons learned from the WFP-managed ECHO Technical Assistance Facility show that such support, while crucial, is just the starting point, and a longer-term commitment from humanitarian and development actors, and especially donors, is needed to

achieve any tangible progress. WFP and UNICEF raised concerns that current financing does not incentivise the system strengthening that is required for shock responsive social protection. Humanitarians need to better understand the funding mechanisms and channels for social protection at country and global levels, from both government (considering different funding mechanisms between ministries) and external sources. Some key informants, and literature, highlight the need for greater realism about the challenges of such complex approaches and the need for medium to long term technical and financial assistance. The efforts of donors to finance across the nexus were welcomed but more is needed (for example, in Lebanon – EU Trust Fund). The Global Social Protection Week at ILO in December 2019 recommended establishing multi-donor trust funds and working through ministries as a possible approach.

PRIORITY ACTIONS

Determining if linking CVA to social protection is appropriate, and how this can be done effectively, is a complex process requiring engagement from a broad range of stakeholders, who may not have prior experience of working together. To make further progress, the following actions are recommended:



Humanitarian and social protection actors should **start from a focus on outcomes for affected people** when considering if, how, where, and when to link CVA and social protection. They should also recognise that linking CVA to social protection will not always be appropriate, may not meet all needs, and that the right mix of programming will depend on the context.



Humanitarian and social protection actors should build on, collect, and share evidence systematically to develop a better **understanding of the different options for linking, using, or developing the systems that support linking CVA and social protection.**



Humanitarian and social protection actors should base decision making on the **efficiency, effectiveness, accountability, and sustainability** of different approaches on evidence, recognizing the inevitable trade-offs.



Donors should develop and fund **longer term funding frameworks** that encourage cooperation and coordination between humanitarian and development actors and greater programming flexibility.



Humanitarian and social protection actors should ensure **better coordination between social protection, disaster risk management, other national stakeholders, and humanitarian agencies:**

- **At country level**, to support government engagement and leadership, collective response, and agreement on the added value and roles for different actors – leading to stronger preparedness, strategic engagement, and clear financing.
- **Globally**, to strengthen sharing of tools and response analysis, analyse the **added value of humanitarian actors** and influence the discussion on **engagement and leadership.**

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A recipient waiting for her turn to buy some groceries with WFP urban cash transfers. WFP in Republic of Congo launched food assistance by cash transfers in urban areas (5 boroughs of Brazzaville) in May 2020.
WFP/Alice Rahmoun. May 2020





9

COVID-19 and CVA

Impacts and Implications of
the Crisis and Response

Note for readers: This chapter was written in July 2020, a few months into the COVID-19 pandemic. **The analysis is speculative and forward-looking in nature, attempting to identify and explore a number of “windows of opportunity” for positive change in cash and voucher assistance (CVA) and the broader humanitarian system,** as well as highlighting risks that need to be managed. This chapter, like all others in the report, may be read as a standalone.

Introduction

As the writing of this report got underway, the world went into lockdown, implementing unprecedented restrictions on movement along with other surveillance measures in an attempt to curb the spread of COVID-19. As of early July 2020, over 11.6 million cases¹ of COVID-19 have been reported worldwide and the virus continues to spread, with the rate of infection accelerating in most countries². The economic impacts of the pandemic on the world’s poorest are already outstripping the public health impacts with, for example, an estimated 130 million³ additional people facing acute food insecurity by the end of 2020, and projections showing that up to half a billion people could be pushed into extreme poverty⁴.

The COVID-19 pandemic is having an extraordinary human cost and gives us few reasons to be optimistic. However, as some commentators have pointed out, **there may, potentially, be some positive, as well as negative, impacts on the way humanitarian actors work.** Since late March, there have been many attempts at predicting how the crisis might evolve over the next 18 to 24 months, including what this evolution might mean for the humanitarian system:

- IARAN developed COVID-19 preliminary scenarios⁵ for the humanitarian ecosystem, with an outline of the potential implications for the humanitarian community as a whole.
- HERE Geneva⁶ convened humanitarian leaders and influencers to reflect on what the pandemic might mean for the future of humanitarian response.
- The New Humanitarian offered its own analysis⁷ highlighting the potential for this crisis to act as a boost for localisation and a shift towards more truly networked approaches across the humanitarian/development continuum.

While it is too early to know whether any lasting transformation will be achieved, the disruption caused by the pandemic presents **an unprecedented opportunity to redefine the humanitarian system to better serve the needs of crisis-affected people.**

What do we know so far?

The pandemic response has led to **a scale-up in the use of cash transfers.**⁸ Both immediate responses⁹ to COVID-19 and calls for new funding to support economic recovery have prioritized cash – along with safeguarding livelihoods and kick-starting long term economic recovery – as the most effective way to ensure basic needs are met.¹⁰ The IRC estimates that \$1.7 billion in additional cash assistance¹¹ is needed by the end of 2020 to limit the number of people going hungry in countries affected by fragility, conflict and displacement.

Governments are leading the way on the cash response. According to the World Bank’s weekly data on global COVID-19 social protection responses, cash-based social transfers from governments have reached 1.2 billion additional people since the start of the response.¹² The scale-up has been staggering

1 COVID-19 Dashboard by the Center for Systems Science and Engineering (CSSE) at John Hopkins University

2 The Pandemic is Still Gathering Pace in Most of the World, The Economist

3 WFP Chief Warns of Hunger Pandemic as COVID-19 spreads, UN Security Council statement

4 COVID-19 fallout could push half a billion people into poverty in developing countries, Wider Press Release

5 COVID19 Scenarios for the Humanitarian Ecosystem, IARAN

6 HERE Geneva COVID19 and the Future of Humanitarian Response (webinar recording)

7 This global pandemic could transform humanitarianism forever. Here’s how, The New Humanitarian

8 COVID-19 – It’s time to take cash to the next level, Devex

9 COVID-19 and CVA: How are operational actors responding?, CaLP blog

10 Markets in Crisis, Statement on COVID-19

11 Cost of living: COVID-19 humanitarian cash transfers to prevent hunger and hardship, The International Rescue Committee

12 SP Links June 12, Weekly Social Protection Links

both in terms of coverage and spend, but is weighted towards better off countries with functioning social protection systems. As a result, this scale up does not reach many of the poorest people in the most fragile countries in the world (e.g. Yemen, Syria, Central African Republic) who continue to rely on humanitarian aid. Even in non-fragile contexts, those in the informal economy, the 'uncounted middle' who are some of the most heavily impacted, are seldom included in government assistance programmes.

As of 1 July 2020, the revised Global Humanitarian Response Plan¹³ was calling for an additional \$7.32 billion for 63 priority countries (i.e. those already facing other crises, and/or which have requested international assistance), with the need for cash assistance highlighted. This plan covers only the most acute needs and is just a small part of the estimated \$90 billion required¹⁴ to support the most vulnerable 10 percent of the global population.

At time of writing, only 21% of the funding¹⁵ needed for the Global Humanitarian Response Plan for COVID-19 had been received. **The gap between needs and resources, worsened by the pandemic, is likely to widen over the coming months, increasing pressure on how available funding is spent.**

The likely global outlook over the next 18 to 24 months for CVA actors

The above analyses offers several common insights that will likely characterize the operating environment for CVA over the next 18-24 months.

- Across the globe the pandemic has cemented **the central role of governments**.¹⁶ Governments are - in many cases - best positioned to provide large-scale social protection programmes but they are also able to implement emergency powers, including severe restrictions on freedom of movement and other related measures. Even as phased exits from lockdown take place, restrictions on cross-border and in-country movements are likely to continue to be used as containment strategies.
- A **shift towards remote**¹⁷ and **digital channels for registration, delivery and monitoring** has taken place. The adjustments to CVA delivery in the early days of the pandemic are likely to become the "new normal", bringing opportunities and requiring careful consideration of risks.
- There is a **risk that expansionary fiscal and social protection responses will be followed by austerity policies**. UNICEF's recent rapid review¹⁸ of economic policy and social protection responses to health and economic crises warns that there is a high risk of austerity policies to control budget deficits and consolidate debt in the medium to long term, making social protection spending vulnerable to later cutbacks.
- A **shift away from complex targeting towards blanket, universally leaning, approaches** is likely. Given large numbers of newly poor people, including previously excluded groups such as informal workers and immigrants, many implementers recommend blanket targeting by geography (e.g. urban slums) – where possible – to avoid exclusion errors. But, in the most fragile contexts, such universal provision is unlikely to be attainable while the technical complexities of accurate poverty targeting are challenging.
- An **overall reduction in Overseas Development Assistance (ODA) is likely** as donor countries struggle with the economic fallout of the pandemic at home. Among donor countries, even for those that have pledged to protect the 0.7 percent of GNI as aid spending, shrinking GDP will lead to lower value contributions.
- **Assuming funding reduces, so will response capacity**. Staff structures are already being slimmed down¹⁹ and ways of working (e.g. home working, balancing work with childcare) changing rapidly. Even if funding levels start to rebound, it is not certain that agencies will have the human capacity to respond rapidly.

13 Global Humanitarian Response Plan, April -December 2020

14 Remarks by Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, Mark Lowcock: Release of the Updated COVID-19 Global Humanitarian Response Plan

15 Response plan appeal snapshot

16 This mirrors the "Control" scenario in CaLP and IARAN's Future of Financial Assistance report

17 Remote Market Assessment and Monitoring, CaLP microlearning video

18 A rapid review of economic policy and social protection responses to health and economic crises and their effects on children, Lessons for the COVID-19 pandemic response, UNICEF, June 2020

19 Oxfam to close in 18 countries and cut 1500 staff amid coronavirus pressure, The Guardian

- **Global remittances are falling and projected to decline by about 20 percent in 2020.**²⁰ This fall, which would be the sharpest decline in recent history, is largely due to the loss of employment and wages of migrant workers, who tend to be more vulnerable to economic crisis than host country workers. The loss of remittances will directly impact vulnerable and previously coping households and remove a critical support system in countries like Yemen and Somalia.
- All the above has the potential to **accelerate efforts for new and innovative partnerships between international actors and local civil society** to counter the potentially exclusionary and marginalizing effects of state-led assistance provision. In many cases, the responses of international actors have already seen a shift towards engaging local actors/networks for registration, delivery, monitoring, and sensitization activities. We are also likely to see emergence of **new networks** and **coordination structures**, bringing together technical expertise, data analysis and funding provision. **So far, there is little indication of direct funding to local actors increasing** – despite calls for change²¹.

Although these trends appear to have some predictive validity at the time of writing, we are in the early days of this crisis and its impacts are still unfolding. As we consider what COVID-19 might mean for the recommendations of this report, we should adopt a “no-regrets” attitude – **acting fast to save lives and livelihoods – alongside a mindset that allows us to pivot and adapt as we understand better the impacts of the pandemic over time.** To paraphrase Keynes, when the facts change, we must change our minds.²²

There is a significant scale-up in CVA, but the gap between needs and resources is growing rapidly

Lack of funding may turn out to be a key characteristic of this response. The onset of this crisis has seen several plans developed to support the mobilization of funds (box 9.1). However, at the time of writing, received funding is only a small proportion of the requested amount. Given the predicted long-term socio-economic impact of this crisis on all countries, it is highly likely that the COVID-19 response and recovery will remain drastically under-funded.

Cash assistance is being prioritised within funding requests. For example, both the GHRP and the UN COVID-19 Multi-Partner Trust Fund (MPTF) are explicit about the need for an immediate scale-up of cash transfers to help mitigate the socio-economic impacts of the crisis. This builds on existing trends to increase the amount of CVA used in humanitarian responses.

BOX 9.1 Overview of funding for COVID-19

COVID-19 humanitarian funding requested so far includes:

- \$7.3 billion for the remaining months of 2020 via UN GHRP, of which \$1.6 billion has been funded to date.
- The UN COVID-19 Response and Recovery Fund (**UN COVID19 MPTF**) has a target of \$2 billion with \$1 billion needed in the 9 months of the operation (\$44m received so far).
- \$3.1 billion requested by the RCRCM (raised so far: IFRC = \$128 million; ICRC = \$124 million)
- \$675 million initial request by WHO
- \$100s of millions requested through individual agency appeals e.g. Save the Children appealed for \$100 million

Significant contributions towards relief efforts, financial assistance and debt relief include:

- The FAAMG (Facebook, Amazon, Apple, Microsoft, and Alphabet (Google)) contributing \$113 million to relief efforts (with a total COVID-19 response at \$1.25 billion)
- The World Bank - \$160 billion over 15 months (of which \$50 billion is in grants/concessional loans, with \$1.9 billion disbursed in the first round to 25 countries)
- IMF - \$20 billion in loans so far

Information and analysis of ongoing humanitarian and development funding flows is also available from the [Centre for Disaster Protection](#)

As detailed in chapter 1, **the scale of CVA has increased annually since 2015**, both in volume and as a percentage of overall international humanitarian assistance - reaching **a provisional total of \$5.6 billion in 2019**. With the COVID-19 response favouring CVA, it seems safe to assume that CVA volumes will grow significantly. However, at this point, it is unclear if this growth will be sustained beyond the initial phase, how it will be distributed across agencies, and whether the current system will be ready to respond at the scale required. In recent years, the relative share of CVA delivered globally by UN agencies and their implementing partners has increased year on year reaching 63 percent in 2019 (see chapter 1). Given what is known²³ about funding allocations to date for the COVID-19 response, it is anticipated that this trend (of relatively more funding going to fewer agencies) will continue and may increase during the pandemic response.

At this early stage of the response, **we have not seen evidence to suggest that the scale-up of cash in a context of remote programming is impacting quality**, but it is hard to predict what will happen over the medium term. The shift towards remote and digitally-driven methods in assessment and monitoring in CVA (and broader programming) has **potential implications for accountability, quality and protection**. Cash Working Groups and CVA practitioners in West Africa have, for example, shared concerns that with more digital delivery and delegation to the private sector, humanitarian organizations will progressively lose direct contact with recipients for monitoring and feedback. This is unfortunate since we have clear evidence that many people have a strong preference for providing feedback in person. For example, Ground Truth Solutions (GTS) recent Cash Barometer work in Nigeria²⁴ found that only 8% of cash recipients used remote feedback mechanisms to address issues. A related challenge is how to ensure **safe programming** in an era of reduced face to face interactions, so that agents involved in last mile delivery and at cash out points and markets do not abuse the power they hold and recipients are protected.

Chapter 3 of this report argues that, *“there are trade-offs in different aspects of quality (effectiveness, efficiency, accountability) when delivering cash at scale”*. Experiences adapting to COVID-19 underscore this tension and difficult design choices need to be made – an example from Lebanon is given in box 9.2. Within the context of limited budgets, quality comes at a cost and the pressure to demonstrate value for money might mean compromising investments in accountability systems that are effective at scale. On the other hand, we hope the push for greater flexibility in programme funding and design to adjust to the new realities of COVID-19 (e.g. switching modalities, combining multiple transfers into one transfer, etc.) becomes part of the ‘new normal’.

BOX 9.2 Adapting multi-purpose cash programme to COVID-19 in Lebanon and recipient feedback

In Lebanon, SMS messages to Syrian refugees regarding the availability of their multi-purpose cash (MPC) are being staggered to help address risks related to COVID-19 and the economic crisis, including minimizing over-crowding and money shortages at ATMs. **A survey of MPC recipients** conducted by the CAMEALEON network highlighted that MPC programming in Lebanon was proving to be resilient despite the challenging external context, and that programme adaptations were enabling the majority of recipients to continue to withdraw assistance successfully and safely. However, some recipients said they wished they could go back to receiving the MPC on the same day near the beginning of each month to give them more predictability, especially in the repayment of debt at the grocery store or pharmacy, and to pay rent.

Source: Cash Monitoring, Evaluation, Accountability and Learning Organisational Network (CAMEALEON)

20 World Bank Predicts Sharpest Decline in Remittances in Recent History

21 The Impact of Covid-19 on African Civil Society Organisations

22 John Maynard Keynes quote

23 Humanitarian Financing is Failing the COVID-19 Frontlines, Center for Global Development blog

24 Ground Truth Solutions Cash Barometer

The COVID-19 response has the potential to act as a catalyst for change in a number of critical areas

1. Localisation

The inability during this crisis to deploy the usual international surge capacity has presented an enormous **opportunity for a real breakthrough in localisation**. We have seen a number of statements, notably from the Inter Agency Standing Committee (IASC)²⁵ and donors, that acknowledge the role of local actors who, whilst also constrained by COVID-19 preventative measures, are well placed to maintain and potentially scale up operations – provided “they are given the means to do so”²⁶.



In COVID-19 responses, pre-existing community knowledge and local networking is key for effective assistance to most vulnerable populations... This allows for better targeting and a better sense of dignity for individuals and families.

Local actor, Philippines

However, as the Center for Global Development²⁷ has pointed out, current practices slow down the response. For example, while the Global HRP explicitly acknowledges the role of local leadership in the response, 95% of the funding requested through the HRP goes to UN agencies in the first instance. That said, UN agencies report that an increasing proportion of their implementing partners are local organisations. For example, UNHCR in its initial phase of the COVID response, delivered 12% of its CVA through partners, of which 70% was delivered through local partners, including local governments.

As well as challenges related to funding models, there are a number of other barriers to overcome to increase localisation. As this report finds (see chapter 7), key barriers include inflexible and inequitable approaches to partnerships by donors and UN agencies, downstream risk transfer from donors and international organisations to local partners, limited access to direct funding for CVA, lack of clarity about engagement in the international humanitarian system and cash coordination, lack of representation for local actors in key cash forums, limited CVA capacity, and in some cases, conservative attitudes about CVA from local, and particularly, state actors.

Building on the recommendations in the localisation chapter, **the COVID-19 response presents a number of opportunities for local organisations** including:

1) Opportunities to develop **new partnership models** that support direct access to donor funding, programme decision-making and co-design. A recent ODI webinar²⁸ highlighted that local stakeholders recognise they need to lead the COVID-19 response, and that there are opportunities to change existing ways of working. In the Philippines, for example, National Anti-Poverty Commission – Cictims of Disaster and Calamities (NAPC-VDC) contributed to successfully advocate for the use of CVA as a response modality with the local government. At the same time, some local organisations face institutional and psychological barriers in taking up leadership roles as they are used to implementing for international organisations rather than taking the lead and so may have had few opportunities to directly access funding to lead, design and coordinate CVA programmes.



As a ‘women for education’ local organization, we are able to support specific targeting of vulnerable women for multipurpose cash in response to COVID-19 emergency through our community-based network in most of the country. **Women’s Right to Education Programme, Local organisation, Nigeria**

2) Opportunities to **leverage CVA to strengthen local markets and systems**, with better participation and use of local knowledge, actors and networks. At times, where international presence is reduced, local actors have been able to mobilize timely and appropriate responses. The Women’s Right to Education Programme, a Nigerian local organisation, for example, was able to move rapidly to use local private funds to provide cash assistance to women economically affected by COVID-19.

²⁵ Localization in the COVID-19 response, Interim Guidance, IASC

²⁶ ibid

²⁷ Humanitarian Financing is Failing the COVID-19 Frontlines, Center for Global Development blog

²⁸ Global Crisis, Local Action – A humanitarian reset in response to COVID-19?, ODI

3) Opportunities to **build or strengthen “cash-readiness”**. Learning by doing and gaining experience during a response is an important part of developing CVA capacity. For example, CaLP was recently approached by **Community World Service Asia**, a humanitarian and development organization registered in Pakistan, head-quartered in Karachi and implementing initiatives throughout Asia, to provide orientation and training on CVA for the COVID-19 response for its network of partners and local organisations,

While opportunities exist, **sustained effort and an acceptance of changing ways of working will be required across all actors in the humanitarian ecosystem to address barriers and achieve a true power shift towards locally led CVA.**

Committing to localisation requires valuing differently what the Global Mentoring Initiative²⁹ (GMI) calls the “life force” of organisations: their clarity of purpose; connectedness and accountability to the people they serve; their ability to be critical and propositional; their capacity to collaborate towards shared objectives and negotiate; and, finally, their self-confidence.

In the current crisis and in the recovery that follows, the added value and role of all actors involved should be reconsidered. International organisations will need to learn how to be better intermediaries³⁰.

2. Could COVID-19 provide the momentum necessary to address long-standing challenges in cash coordination?

From the outset, the nature and scale of this crisis has required a shift towards more collective action and sharing of best practices. Existing coordination systems adapted fast, with a number of clusters releasing guidance in the early days of the crisis for the safe use of CVA, including MPC, as a response modality. Equally, Cash Working Groups (CWGs) proved their value by responding quickly to support CVA actors operating in a dynamic and uncertain context including by:

- Developing shared analysis of risks and impacts³¹ of COVID-19 for CVA
- Developing joint Standard Operating Procedures (SOPs) and guidance³² on safe and/or remote delivery
- Rapidly mapping available delivery mechanisms³³, adapting MEBs, and conducting and sharing market assessments
- Strengthening links with social protection systems, including advocating with the government for both horizontal and vertical expansion of existing social protection programmes to include those without valid means of identification³⁴, and much more.

But while much has been done, structural barriers to cash coordination (see chapter 5), continue to present major challenges for CWGs, especially around lack of resourcing, weak links to the broader response architecture, and in engagement between CWG leads and clusters (see box 9.3, for examples from West and Central Africa).

²⁹ Localization – Holistic Perspectives are Urgently Needed, Global Mentoring Initiative

³⁰ Guidance Notes on Arrangements between Donors and Intermediaries, Grand Bargain Localization Workstream

³¹ Statement on Likely Impacts of COVID-19 on Humanitarian Cash Transfers in Yemen, Yemen Cash Working Group

³² CVA and COVID-19 Guidance for Syria, Syria Cash Working Group

³³ <http://calp.sbx.so/fr/publication/cartographie-des-prestataires-de-services-financiers-en-afrique-de-louest-et-du-centre/>

³⁴ e.g. in the Dominican Republic

BOX 9.3 Structural cash coordination issues present challenges: examples from West and Central Africa

1) Mapping and negotiations with financial service providers (FSPs)

In DRC and Nigeria, where CWGs benefit from full-time dedicated technical staff, FSP mapping was completed and negotiations progressed. In contrast, in Burkina Faso, Mali, and Niger, where the CWGs do not have dedicated staff capacity, the groups did not have time to lead collective negotiations with FSPs (discussions with those able to provide e-vouchers was especially needed, given price volatility and COVID-19 transmission risk reduction measures). To fill this gap, a mapping was pulled together in three days by the Regional CWG, thanks to full time efforts from the Chair and quick responses from FSPs. But, even with this, the country CWG leads had no legitimacy to direct members to the modality nor to lead collective negotiations with the FSPs. As a result, uptake of appropriate mechanisms was low and the response slower.

2) Guidance for adapting CVA to the COVID-19 crisis

The development of collective guidance to adapt CVA to the crisis was delayed in some countries due to a lack of technical support through the CWG. Despite support provided by CaLP and HQs, most organisations made individual adaptations, rather than working together through the CWG to pool expertise and rapidly adapt existing guidance. In CAR and Mali, this resulted in delays in operations and suspension of activities for weeks. In contrast, in DRC, the presence of a full-time coordinator meant it was the first country in the region to develop guidance that was collectively taken up by the CWG members.

3) Joint market analysis

Across West Africa the weakness of CVA coordination in many countries meant that there was no joint or coordinated market analysis. Regional market assessments described some price volatility but more detailed country-level analyses were needed to inform response options analyses.

Source: Feedback from CWGs during the Geneva CWG meeting in May featuring global CWG representatives

Members of CaLP's Technical Advisory Group (TAG) also highlighted how the COVID-19 pandemic – and the need for rapid and effective coordination – has increased the urgency of unblocking global cash coordination issues.³⁵ The pandemic is highlighting existing problems in the system – underscoring the need for dedicated resources for cash coordination and for more institutional support for CWG leads, including stronger links with the broader humanitarian response. All too often progress by the CWG is not able to influence the overall response, and CWG leads are not adequately supported. These issues were emphasized by participants in a learning exchange between global, regional and country CWGs organised by CaLP and OCHA in April 2020, they also stressed the need for increased capacity for market analysis, and further guidance on coordinating engagement with national social protection systems.

At the global level, the newly-launched Grand Bargain Cash sub-workstream on Tackling Political Blockages to Effective Humanitarian Action, a shared initiative between the Cash and Joint Needs Assessment Workstreams, has identified key political issues in need of resolution, including cash coordination. In June 2020, at the Grand Bargain Annual meetings, the need to resolve cash coordination was raised by various Sherpas; it is, however, too early to know what the outcomes will be.

3. How might COVID-19 impact on linkages between humanitarian CVA and social protection?

The case for social protection to help people cope with shocks, and for humanitarian assistance and social protection to be closely linked has long been clear - and never more obvious than during the current COVID-19 crisis. Social protection instruments (social assistance, social insurance and labour market interventions) have been used widely to respond to the pandemic in high income and middle income

35 Feedback provided in a CaLP workshop with TAG members to discuss and validate content of this chapter on COVID-19 (June 2020)

countries.³⁶ However, in lower income and fragile and conflict affected contexts, linking social protection and humanitarian assistance in responding to COVID-19 remains a complex area of programming.

From a shock typology angle, COVID-19 has no precedent in the social protection literature. The situation is evolving fast so there is an ongoing lack of clarity in understanding the likely primary and secondary impacts, particularly in the medium and longer term. Some impossible choices³⁷ have become apparent regarding the impact of lockdown on livelihoods and the challenges of emerging safely from lockdown. The negative impact of lockdown on household consumption and wellbeing could, ideally, be mitigated by stronger programming linking social protection and humanitarian assistance.

The operational challenges for the work on linkages pre-COVID still apply, i.e. navigating political economies, funding, coordination between development and humanitarian actors and technical complexities regarding timeliness, targeting, aligning transfer values, data sharing and data protection. COVID-19 has also brought new difficulties such as how to identify the 'missing or uncounted middle' who are newly in need of support.

This crisis response has already generated incredible momentum for discussion and provision of resources at the global level between social protection and humanitarian CVA practitioners. For example, the SPACE (Social Protection Approaches to COVID-19: Expert advice helpline) team have compiled a living guide of COVID-19 and Social Protection Materials³⁸, focusing on many aspects of social protection provision, including linkages and coordination with humanitarian systems (see box 9.4: Three core messages of the SPACE COVID-19 Expert Advice Helpline).

BOX 9.4 Three core messages from SPACE (Social Protection Approaches to COVID-19: Expert advice helpline) have been:

- a) Focus on the outcomes we are collectively trying to achieve (across sectors)**, working together to better meet people's needs by extending the coverage, adequacy and comprehensiveness of assistance, via an approach that addresses the needs of vulnerable/affected households by ensuring timeliness, cost-effectiveness, accountability to affected populations, predictability and sustainability compared to the status quo and compared to any alternative, using tools such as the **Strategy Decision Matrix**. Who 'leads' on this and what systems are leveraged will depend on the context, requiring coordination across several programmes and actors playing different functions and meeting different needs.
- b) Embrace the fact that the delivery of cash follows very similar processes (no matter whether social protection or humanitarian led)**, offering many opportunities to collaborate flexibly along the delivery chain, building on existing systems where relevant, with tools to support **mapping** of available delivery systems.
- c) Do all it takes to ensure gender and broader social inclusion** considerations are integrated at every level of the COVID-19 response.

Source: SPACE Team

According to key informants, **the COVID-19 response has aspired to prioritise universally-leaning targeting approaches that enable efficient and speedy responses for humanitarian and social protection interventions**. The goal is to view the response holistically and select a combination of strategies that focus on outcomes which actors can aim for collectively, e.g. improved food security and nutritional outcomes, decreased mortality, decreased negative coping strategies. In addition, it is critical to advocate with governments and donors to ensure social protection programmes extend provision to include groups that are often excluded, such as refugees and migrants; such inclusion remains a serious challenge and should be prioritised.

³⁶ <https://www.ugogentilini.net/>

³⁷ Impossible Choices: Questioning assumptions behind lock-down in low income and fragile countries, CaLP blog

³⁸ SPACE Useful COVID-19 and Social Protection Materials

There has been variability in the success of scaling up existing programming. Where relationships had been built pre-crisis with government social protection actors, as was the case for Save the Children in Nepal, moving fast with both horizontal and vertical expansion of caseloads has worked well. In other contexts, such as Kenya, while agreements on principles and release of funding to support the initial response through the Kenya Cash Consortium happened quickly, there are ongoing delays with the operationalisation of agreed exclusion/inclusion criteria for targeting, and transfer values.

Anecdotally, it seems that **in some contexts a “waiting game” is playing out**. This has taken several forms, for example, where humanitarian actors have waited for social protection programmes, likely designed pre-COVID-19, to scale or launch, and have hesitated in their response. Another element in the “waiting game” has been the need for careful nuancing on targeting. For example, key informants suggest that Governments may find it easiest – where they have existing social protection systems, funding and political will – to scale-up and provide support for large sections of those who were formerly above the poverty line, especially where universal approaches to targeting are chosen e.g. as in South Africa, Namibia, and Peru. But as most routine social protection packages do not cover informal labourers, reaching them in the COVID context is neither easy nor obvious in terms of the selection of systems to be used.³⁹ Humanitarian agencies may be better prepared to respond in the short term as they are able to use different and more flexible targeting methodologies. The drawback is that these programmes are likely to be temporary and not contribute to system building.



Even within the same agency’s country office, humanitarian and social protection experts have not been talking to each other. **Independent**

Come together, sequence, harmonize reach – this is the theory; at present I don’t see the change happening that is needed structurally, or the incentives and the political will that are needed. I see some green shoots of good collaboration examples; but on the political side in country, it is the same old turf wars. **Independent**

Despite significant collaboration between social protection and humanitarian CVA actors at the global level, in many cases, in-country responses continue to be impeded by siloes and competitiveness, with discussions centering around who takes on which caseload, instead of looking holistically at the capacity needed and how actors might leverage each other’s strengths to respond best e.g. who has the registration capacity, who holds the data, or who could deliver cash.

In some cases, CVA and social protection actors still have to spend time and energy demonstrating the appropriateness and efficiency of financial safety nets and CVA⁴⁰ instead of focusing collective efforts on operationalization and program quality.

Despite these challenges, there are some good examples of linking CVA and social protection systems in the COVID-19 response. In DRC, WFP was able to use social registry data that was slightly out of date and verify it through door to door registration to deliver urban cash transfers. Data was recorded in a format that would keep it aligned with the requirements of the social registry. Encouragingly, social protection practitioners have also greatly benefited from the guidance that humanitarians have shared on ‘COVID-proofing’ last mile operations, in terms of protection of recipients and front-line staff.

Quantity and types of funding are also likely to be an issue. Funding for social protection interventions, certainly from the World Bank side, has been mostly in the form of loans and has prioritised sustainability, i.e. investments to support long-term system building, over timeliness. Funding has also been released by the World Bank directly to assist countries managing the immediate shock, which has also inevitably impacted on the ability to align with and coordinate between humanitarian CVA and social protection actors.

The gradual convergence of different approaches brings new challenges in terms of the sector’s ability to monitor progress and outcomes in the context of COVID-19. As the medium to long-term response has rightly prioritised social assistance measures, there is an increased rationale to review the parameters of (humanitarian) CVA to determine if and how social assistance spending is included in tracking. To date, CVA tracking has generally been limited to interventions funded through international humanitarian funding

³⁹ Informal Workers and Social Protection, SPACE Guidance Note

⁴⁰ A call for action - Increase the uptake of cash transfers to ensure rapid response in case of shocks By the Regional Platform on Social Protection and the Regional Cash Working Group for West and Central Africa

streams and has, for example, excluded World Bank funding for safety nets in fragile contexts. This may seem like a minor issue, but in this complex crisis that has already demonstrated how nebulous



There needs to be an urgent acceptance that COVID-19 is likely to return, aggravate underlying vulnerabilities, and intensify other shocks as they hit (seasonal food insecurity, floods, locusts, recessions). Therefore: act short term, think long term. Build shock-responsive social protection systems from day one, in a modest and targeted way. Avoid tunnel vision and focus on common purpose. **Webinar presenter, Lessons Learned and Opportunities: Linking SP systems to Humanitarian Cash in a Pandemic**, https://www.youtube.com/watch?v=teThgR4B_X4

the humanitarian/development nexus is, it is important to be able to track financial flows to understand where and what type of interventions are having an impact on recipient outcomes.

Given that the COVID-19 crisis is going to come in waves⁴¹, humanitarian and social protection actors should now, ideally, be jointly planning for the current response and preparing for the next wave. Preparations should include establishing mechanisms for stronger coordination, and for monitoring and analysing the impact of current measures. While we lack evidence for which approaches are working best and what information is needed to guide future phases of the response to move beyond cash into integrated programming and economic inclusion, much of the intellectual work has been done. From now on the pressure is on country-level humanitarian and social protection actors to invest time in coordination and collaboration with a focus on outcomes for affected people.

4. Has COVID-19 exposed a critical gap around understanding and working with markets?

The COVID-19 response has **highlighted the need for a stronger markets analysis, and for a better understanding of how humanitarian responses can strengthen market systems**. The early months of the crisis have demonstrated the value of organisations who are able to undertake rapid market systems monitoring, such as Impact Initiatives (REACH), WFP and others, as well as of networks such as Markets in Crisis (MiC). But the crisis has also exposed a lack of capacity among humanitarian practitioners to do market analysis well, sometimes resulting in weak analysis of the overall system so that market volatility is neither properly understood nor managed. In some cases, such analytical failures have resulted in a tendency to revert to in-kind assistance.

As we know this crisis will come in waves, here too it is important to **act short term, but think long term**. MiC's Statement⁴² on COVID-19 calls for all actors to consider market recovery strategies in their programme design in the immediate term, while ensuring that the crisis is also used to build back better - redoubling efforts to connect humanitarian and development actors in market-based programming.

5. Will COVID-19 accelerate a permanent shift to digital delivery and communications?

As highlighted earlier, **remote and digital channels for registration, delivery and monitoring in CVA delivery are likely to become the 'new normal', bringing opportunities and requiring careful consideration of risks**. For many actors, digital-first remote CVA delivery has proven to be one of very few options available to quickly reach people in need. Out of the box digital solutions that may have been inappropriate for other shocks make sense in this crisis because a much greater section of the population is affected and there is a lot more awareness and information sharing. For example, Thailand registered 22 million people online in two weeks leveraging informal workers' organisations. However, while going digital can bring many advantages (speed, efficiency, scale), the increased use of digital tools puts even more onus on organisations to manage **the risks in their data management practices**. These heightened risks are noted in the analyses of options for the rapid expansion of social assistance caseloads⁴³ in light of COVID-19, namely that *"routine data protection risks are heightened in crisis contexts, and particularly where contact tracing approaches are being used, and need explicit management to ensure populations are not exposed to increased vulnerability"*. These considerations also apply to the expansion of humanitarian caseloads.

41 Pfister D, Omtzigt DJ, Hill Anticipating the Impact of COVID-19: Pathways and Timing of Household Welfare Shocks, Centre for Disaster Protection (June 2020)

42 Markets in Crisis, Statement on COVID-19

43 Options for rapid expansion of social assistance caseloads for COVID-19 responses, SPACE guidance

Cash Working Groups across the world have flagged **two challenges with quickly going both digital and remote**: a) the **impact of existing Know Your Customer (KYC) requirements** in being able to target those without a formal ID and b) **safe handling of vast amounts of sensitive data** with financial service providers and/or between responding agencies. Regarding KYC, alongside movements from regulatory bodies such as the Financial Action Task Force (FATF) to simplify due diligence processes⁴⁴, other adaptations have been possible – for example, the use of a one-time PIN for cardless ATM withdrawals as seen in Ecuador. For the safe handling of sensitive data, reported adaptations include disabling the use of fingerprint biometrics (Bangladesh and other contexts) to reduce transmission risk, while introducing an alternative contactless biometric verification.

In the hype surrounding the rapid digitization of CVA in view of COVID-19, challenging aspects of doing CVA well (targeting, monitoring, and accountability through feedback mechanisms) become even harder to get right.⁴⁵ **Even where digital delivery is technically feasible, issues that were barriers pre-COVID, such as digital and linguistic literacy, access to a mobile device, and having formal identification, have not disappeared.** Good quality programming, for CVA and in general, must therefore consider what complementary interventions and alliance-building might be needed to address the digital divide, digital literacy and getting participation and feedback processes right – especially for those who face the greatest barriers to access⁴⁶ (women, the elderly, people with disabilities, etc.).

44 COVID-19 Sanctions, Counter-terrorism Financing and CVA, CaLP blog

45 CVA Response – Privacy, Carrots and Open banking, CaLP blog

46 Gender and Inclusion in Social Protection Responses to COVID-19, SPACE guidance

'NO-REGRETS' ACTIONS CVA ACTORS CAN CONSIDER IN THE COVID-19 CONTEXT

Beyond the themes explored above, there are many more areas of CVA programming where we might see change over time as a result of the COVID-19 crisis, but at this point in the response and with scarce data available, exploring these in any depth would be too speculative. For example, will the COVID19 response result in **more flexible multi-year funding**⁴⁷ for humanitarian CVA? Will there be an increased uptake of MPC as a preferred response option? And considering the broader long-term implications, is this a watershed moment for humanitarian aid and CVA to collectively build back better or will things largely return to a pre-crisis normal?

Whilst much is still unknown and the crisis continues to unfold, **here are some actions that CVA actors can take now that no one will later regret:**



Do not overestimate the complexity of linkages with the social protection sector. There are many simple entry points along the cash delivery chain that can make a big difference – from registration and delivery systems, to knowing what the country's social protection strategy is and aligning to that, or through providing capacity for functions that tend to be under-prioritised by governments, such as accountability to affected populations.



Continue with advocacy around coordination, both to resolve structural barriers that existed pre-crisis and to ensure there is space in the system for effective cash coordination in the nexus.



Continue with capacity building within organisations and work with others to create a win-win situation where cash actors throughout the CVA ecosystem are cash-ready. This might mean traditional humanitarian CVA actors learning how to become better intermediaries.



Consider what complementary interventions and alliance building might be needed to address issues such as digital literacy, potential exclusionary effects and getting participation and feedback processes right when going digital. Also, **actively look for opportunities for response modalities to work on empowerment of crisis affected individuals,** specifically through digital, mobile, and financial technology.



Act short term but think long term. Always have building back better in mind.

⁴⁷ A Win-Win: Multi-year flexible funding is better for people and better value for donors, IRC blog

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ANNEX 1: GLOBAL FRAMEWORK FOR ACTION

The Global Framework for Action (GFA) was first developed by CaLP in 2017 as a consolidation of the key policy commitments to cash and voucher assistance (CVA) that had been made in initiatives and statements such as the Grand Bargain, ECHO's 10 Principles and many more. For the development of this report, we took the original GFA and updated it to incorporate relevant Priority Actions from the first State of the World's Cash Report (2018) and added two new objectives on localization and social protection, again drawing on international commitments. Some further minor adjustments were made during the research process, with the final version shown here.

Global Objective	Supporting Actions
Global Objective 1: Ensure sufficient funding is available for cash and voucher assistance	1.1 Increase the use of cash and voucher assistance, where appropriate 1.2 Develop and agree common tracking and reporting data on CVA, and integrate into organizational and inter-agency reporting systems at global and response levels 1.3 Sustain and support high-level policy commitments to CVA
Global Objective 2: Ensure cash is routinely considered, alongside other tools	2.1 Embed contextual analysis and response analysis into humanitarian programme cycles and funding decisions 2.2 Ensure that decision makers consider CVA as an option at all stages of humanitarian response, throughout programme and funding cycles. 2.3. Donors should work together to ensure appropriate consideration of CVA. 2.4 Identify and address barriers, challenges and risks to increasing the use of CVAs
Global Objective 3: Ensure the quality of cash and voucher assistance	3.1. Integrate CVA into existing mechanisms and tools for managing the quality of humanitarian action (e.g. standards, guidelines, frameworks, initiatives...) 3.2. Ensure appropriate monitoring and evaluation mechanisms are in place for CVA, using common indicators and approaches where possible 3.3. Design and implement CVAs (including response modalities and operating models) on the basis of the best available evidence, beneficiary preferences and considerations of efficiency, effectiveness and accountability and strategic outcomes. 3.4. Identify how CVA can achieve the best results in different technical sectors and across sectors 3.5. Invest in developing new operational models which can be used to increase the quality and scale of CVA. This includes new partnerships with the private sector and other actors
Global Objective 4: Build sufficient capacity for cash and voucher assistance	4.1 Integrate CVA into organisations' strategies, systems, processes and staffing on a cross-departmental basis, including through structured approaches to capacity strengthening and preparedness 4.2. Increase the number of competent staff available for strategic, technical and operational functions required for CVA (building individual and organisational competencies). 4.3. Make best practice training materials and programmes on CVA widely accessible and tailor them to a range of audiences (building individual competencies).

Global Objective	Supporting Actions
Global Objective 5: Strengthen coordination of CVA	5.1 Develop a predictable approach to strategic coordination by international actors, and implement it where necessary. 5.2 Actors actively participate in strategic and operational coordination mechanisms, share information, use common approaches and collaborate with each other as much as possible. 5.3 Integrate CVA into existing mechanisms for coordinating humanitarian action. 5.4 Support and engage with Cash Working Groups (and CVA coordination supporting stakeholders)
Global Objective 6: Strengthen the evidence base and invest in innovation	6.1. Strengthen the evidence base about the costs, benefits, impacts and risks of CVA in different contexts and sectors. 6.2. Maintain a comprehensive overview of the evidence base and gaps on CVA, across all sectors, and promote new evidence across all relevant organisations. 6.3. Make best practice tools and support available to decision makers, to help them consider the appropriate use of CVA. 6.4. Proactively share information about experiences of CVA. 6.5. Strengthen common platforms for building, sharing and using knowledge about CVA. 6.6. Invest in innovations which can be used to increase the quality and scale of CVA. This includes new partnerships with the private sector and other actors.
Global Objective 7: Support CVA integration with local systems	7.1 Host governments should play a leading role in strategic coordination of CVA throughout a response, where possible and consistent with humanitarian principles. 7.2 Design and implement CVA delivery mechanisms to facilitate localization and build on local systems and infrastructure where possible. 7.3. Fund and support national organisations to build their capacity and leadership for CVA.
Global Objective 8: Build appropriate and effective links between CVA and social protection	8.1 Build links between humanitarian programmes and existing social protection systems, legislation and infrastructure where appropriate 8.2. Explore linkages with other government and partner agencies e.g. disaster risk response for effective and efficient response and improved outcomes

ANNEX 2: METHODOLOGY

The research for the State of the World's Cash 2020 drew on primary and secondary sources and sought to reach a representative range of stakeholders from different operational contexts and with roles at global, regional, country, and local levels. Primary data collection started in September 2019 and continued to March 2020, involving 80 key informant interviews, a practitioner survey that elicited 254 responses, a survey of 34 organisations, and 15 focus group discussions around the world. The process gathered feedback from a broad range of actors including national and international NGOs, UN agencies, the Red Cross and Red Crescent Movement, independent experts and, to a lesser extent, host governments, the private sector and others. The perspectives of thousands of aid recipients were incorporated into the research with the support of Ground Truth Solutions, drawing on accumulated analysis from their Humanitarian Voice Index and Cash Barometer. The process also drew on an extensive review of literature published in the last two years, since the first State of the World's Cash report was produced in 2018. Given the large number of CVA publications, secondary research was necessarily selective (based on searches and recommendations from key informants and advisory group members) and conducted on a rolling basis throughout the research and drafting period. Bibliography is included at the end of each report chapter.

2.1 PRACTITIONER AND ORGANISATION SURVEYS

Surveys were open from mid-October until mid-December 2019. The design of the practitioner and organisational surveys followed the same rationale and structure as for the first State of the World's Cash report to enable comparative analysis and assess progress, though a significant number of additional questions were added to capture new trends.

2.1.1 PRACTITIONER SURVEY

Design. The practitioner survey was designed to gather the opinions of practitioners in the field of Cash and Vouchers Assistance (CVA) regarding the current state of humanitarian CVA programming, progress towards global commitments, challenges and gaps to address, and future trends.

The survey was structured around the objectives defined in the updated Global Framework for Action and included three types of questions:

- Likert Scale: Practitioners were asked to rate their responses on a five-point scale from “Strongly Agree” to “Strongly Disagree”; or to select “No Basis” if they felt unable to respond to the question.
- Top three reasons/barriers: Practitioners were asked to select up to three reasons/barriers, from a list of options, that they considered the most important in relation to the question. This section also gave a “No basis” choice.
- Qualitative: The survey encouraged respondents to provide qualitative inputs at the end of each section.

Data collection. The survey, in Arabic, English, French and Spanish, was distributed via the CaLP D-groups, mailing lists and through social media. With 254 respondents, the sample size for the practitioner survey is approximately 10 percent larger than for the previous report. The sample size for the organisation survey is similar to the last report. Response rates varied across stakeholder groups as noted in the data analysis.

Responses were analysed in aggregate, and broken down by characteristics of the respondent's profile in terms of the respondent's organisation, their role, their geographical location and their location within the organisation i.e. HQ, regional, national or sub-national.

Data analysis. Survey data was analysed as follows:

Likert Scale: Responses were collected on a five-point scale: 'Strongly agree', 'Agree', 'Neutral', 'Disagree', 'Strongly Disagree'. Respondents could also indicate 'No basis' where they felt they were not in a position to answer a question. For the purpose of analysis, 'No basis' responses were removed from the calculation and other responses were combined as follows:

- Practitioners agree statements: These statements combine the number of respondents that 'Agree' and 'Strongly Agree'.
- 'Practitioners disagree' statements: These statements combine the number of respondents that 'Disagree' and 'Strongly Disagree'.
- 'Practitioners do not agree' statement: These statements combine the number of respondents that 'Strongly Disagree', 'Disagree' and were 'Neutral'.
- 'Practitioners do not disagree' statement: These statements combine number of respondents that 'Strongly Agree', 'Agree' and were 'Neutral'

Top three reasons/barriers: Questions were used to represent top reasons/barriers for an issue in an aggregate manner after excluding "No basis" responses.

Survey responses are presented in an aggregated manner or split by one/many of the respondent profile categories. Responses are not attributable to any specific individual.

2.1.2 ORGANISATION SURVEY

Design. The organisation survey was designed to gather inputs from CVA implementing agencies and donors. The survey was mostly used in conjunction with an organisation interview (see Annex 2.3.1).

The survey had two sections. The first gathered data related to the volume of CVA programmed by the organisation. This contributed to the 2019 CVA volume calculations (see Annex 2.4). The second section, like the practitioner survey, gathered perceptions structured around the objectives of the Global Framework for Action. Perceptions related to respondents' views of their own organisation with respect to CVA programming, evidence of progress towards global commitments, gaps to address and future trends within their organisation.

Data collection. The survey, in English, was sent to over 50 of the major implementing agencies and donors involved in humanitarian CVA. A total of 34 organisations responded.

Data analysis. Data was analyzed following the same method as for the practitioner survey. Responses were aggregated and are not attributable to any specific organisation.

2.2 FOCUS GROUPS DISCUSSIONS

Objective. Focus group discussions (FDGs) were conducted to gather the qualitative perspectives of practitioners working at country and regional level. The discussions built on the results of the surveys and Key Informant interviews.

Design. Each FDG lasted 60 to 90 minutes and involved 10 to 20 participants with the exception of the consultation with the Regional Pacific CWG technical advisors (two participants) and with the Asia and Pacific Regional CWG Co-leads (4 participants). A guide was developed and used by a CaLP staff member or the lead of a Cash Working Group to moderate the discussion. The guide included questions that followed the Global framework for Action and was adapted and contextualized to the region/country, time available and participants. The questions were qualitative and open-ended, designed to promote discussion. Identities of individuals were kept confidential and responses anonymized.

Distribution. 15 FDGs were organized between November 2019 and April 2020, seven were regional, seven country based and one was with CaLP certified trainers. Some were face to face and some conducted remotely. Participants were representative of the range of organisations (national and international), functions and sectors involved in CVA.

Regional FDGs

1. West and Central Africa – Senegal - 6 November 2019
2. Regional Pacific CWG technical advisor – Vanuatu - 9 November 2019
3. Asia and Pacific Regional CWG Co-leads – Thailand - 10 November 2019
4. Latin America and Caribbean - Panama - 21 November 2019
5. Middle East – Jordan - 27 November 2019
6. Quarterly RCRCM Cash Coordination meeting – Kenya - 4 December 2019
7. East and Southern Africa – Kenya - 5 March 2020

Country Based FDGs

1. Iraq - 24 October 2019
2. Jordan, Risk Workshop - 27 November 2019
3. Somalia CWG - 5 December 2019
4. Kenya CWG - 11 December 2019
5. Ethiopia CWG - 19 December 2019
6. Nigeria CWG – 12 February 2020
7. South Sudan CWG - 20 February 2020

Other FDGs

1. CaLP certified trainers - 12 December 2019

Data analysis. FDGs were transcribed along with key messages emerging and used to triangulate data gathered through surveys and interviews.

2.3 KEY INFORMANTS INTERVIEWS

There were two types of key informants interviews: i) those with CVA focal points who provided information based on their organisational perspectives and ii) interviews with thematic experts. In total 80 key informant interviews were completed with people from various organisations as follows: 30% INGO's, 18% UN Agencies, 17% donors, 8% local organisations, 6% RCRCM, 6% consultancy firms, 5% CaLP staff, 5% independent consultants, 4% private sector/FSP and 1% research initiatives.

2.3.1 ORGANISATIONAL INTERVIEWS

First Name	Last Name	Organisation
Syed M	Aftab Alam	Plan International
Sarah	Bailey	Independent
Francesca	Battistin	Save the Children
Elena	Bertola	GOAL
Rachid	Boumnijel	Action Aid
Geraldine	Brick	CRS
Stephan	Bumbacher	SDC/HA
Emanuela	Burrelo	Concern Worldwide

Joanna	Burton	ICRC
Thomas	Byrnes	DRC
Paola	Castiati	Tear Fund
Dana	Cristescu	UNICEF/ CashCap/Global Wash cluster
Kenn	Crossley	WFP
Chloe	De Soye	ECHO
Emma	Delo	BRC
Etienne Juvanon	Du Vacha	FAO
Sabah	Fara	Relief International
Louise	Gentzel	OCHA
Paul	Harvey	Independent
Elodie	Ho	WHO / Global Health cluster
Caroline	Holt	IFRC
Rosie	Jackson	DFID
Chister	Laenkholm	Danish Church Aid
John	Lamm	USAID – OFDA
Juliet	Lang	OCHA
Tenzin	Manell	World Refugee Commission
Claire	Mariani	UNICEF
Calum (Malcolm)	McClellan	ECHO
Tim	McInermy	NRC
Laura	Meissner	USAID – OFDA
Karen	Peachey	CaLP
Holly	Radice	CARE
Angela	Schwarz	GFFO
Vicky	Singmin	Global Affairs Canada
Celine	Sinitzky	Action Against Hunger
Annika	Sjoberg	UNHCR
Kristin	Smart	Oxfam
Alexa	Swift	Mercy Corps
Mette	Tangen	Norwegian Ministry of Foreign Affairs
Belete	Temesgen	WVI /Global Food Security Cluster lead
Raquel	Tomas	AECID

Elizabeth	Tromans	IRC
Ruco	van Der Merwe	USAID FFP
Jake	Zarins	Global Shelter cluster

2.3.2 THEMATIC INTERVIEWS

First Name	Last Name	Organisation
Mmidoo	Achakpa	Women Right to Education Programme
Nabil	Alkumaim	YFCA
Duke	Amin	Jago Nari
Nanette	Antequisa	A4EP /ECOWEB
Philip	Bato	REACH
Courtney	Brown	Red Rose
Elsa	Carnaby	Oxfam Australia
Nadine	Cehade	CGAP
Wendy	Fenton	ODI
Orhan	Hacimehmet	Turkish Red Crescent
Mulugeta	Handino	WFP Regional Asia and Pacific Cash Working Group co-lead
Sandra	Hart	Oxfam Australia Regional Pacific Cash Working Group Technical Advisor
Liz	Hendry	NRC
Rosie	Jackson	DFID
Hélène	Juillard	Key Aid Consulting
Maha	Khan	GSMA
Anna	Kondakhchyan	CaLP
Nupur	Kukrety	UNICEF
Sarah	Laughton	WFP
Julie	Lawson Mc Dowall	CaLP
Esteban 'Bong'	Masagca	PDRRN, and co-lead of the GB cash sub-workstream on cash and local partnerships
Lars Peter	Nissen	ACAPS
Clare	O'Brien	WFP
Smruti	Patel	A4EP/ Global Mentoring Initiative

Isabelle	Pelly	Independent
Jimena	Peroni	CashCap /NRC
Niklas	Rieger	Development Initiatives
Gianluca	Rigolio	IFRC
Tom	Russell	DFID
Louisa	Seferis	Ground Truth Solutions
Ric	Shreves	Mercy corps
Amelie	Sundberg	ALNAP
Kathryn	Taetzsch	World Vision International/ CCD
Sophie	Tholstrup	CaLP

2.4 CVA VOLUME DATA COLLECTION AND ANALYSIS

Global CVA data is collected and calculated annually by Development Initiatives in partnership with CaLP. Data is collected via a survey of agencies implementing CVA, and supplemented, and cross referenced with data extracted from OCHA's Financial Tracking Service (FTS). Key points in this methodology include:

- Agencies are asked to provide a) values for CVA transferred to recipients, disaggregated by cash and vouchers, and b) associated overall programming costs. Most agencies can provide the values transferred to recipients, but not associated programming costs, particularly where CVA has been delivered as part of wider programming and extrapolation of CVA specific costs is not feasible. Conversely, some agencies are only able to provide overall CVA programming costs, some of which includes some non-CVA components.
- The global CVA volume has been calculated in terms of overall programming costs (i.e. actual transfers plus all associated costs). Where agencies provided the value of CVA transferred to recipients only, an average programming cost of around 23% was applied to the respective organisational total. This average was calculated based on data submitted by organisations who were able to provide both the amounts transferred and associated CVA programming costs.
- Multiple agencies noted that their systems are not always able to capture either complete or wholly accurate data, which can lead to both under and over reporting. The accuracy of reporting systems tends to improve over time.
- Agencies are also asked to provide data on CVA sub-grants received or disbursed to other agencies. This is used to help remove double counting, with relevant CVA amounts attributed in the calculations to the organisations that implemented them, rather than the organisation providing the sub-grant.
- Data is collected based on the calendar year (January to December). Some organisation's fiscal year reporting does not align with the calendar year, requiring adjustments to be made to take account of this.
- Data extracted from FTS is cross referenced with the data submitted directly by organisations via the survey, with relevant data that is not captured in the survey added to the calculation of the totals.
- All data presented in the graphs is rounded up or down to the nearest decimal point e.g. 4.57 would be presented as 4.6, or 2.33 as 2.3. Given the size of the figures involved, this means that the constituent elements might not appear to add up exactly to the total in all cases.

Data for 2019 is provisional. The timeframe for data collection meant that multiple organisations were unable to submit data, submitted incomplete data, or included estimates. FTS data has been used where possible but this is not comprehensive and gaps remain. Overall, CVA data is more likely to be have been under-reported rather than over-reported, so while adjustments may be made a decrease in the totals overall or per organisation type is not anticipated.

Note on data comparing CVA to overall international humanitarian assistance (IHA):

- Calculations of CVA as a percentage of IHA use the annual IHA totals as per the 2020 Global Humanitarian Assistance Report (Development Initiatives). For the CVA calculations, the global total is used, subtracting any elements which would not be included within IHA. In practice this meant subtracting domestic American Red Cross CVA (i.e. to recipients in the USA) from the total.
- This is a comparison between inputs to, and outputs of, the international humanitarian system that are collected from two very different sources: donor data for international humanitarian assistance (for IHA totals) and implementing organisation data (for CVA totals). A lack of reporting to interagency tracking platforms on how assistance reaches affected populations – in the form of services, CVA or in-kind assistance – means there is no data in between what donors contribute to humanitarian responses and how implementing organisations deliver assistance.

Note on the calculation of the percentages of cash and vouchers within CVA:

- The percentages presented in box 1.5 are based on an analysis of available data that is disaggregated by cash and vouchers. This comprises data from 13 organisations in 2017, and 19 in 2018 and 2019. Much as this is not comprehensive of all CVA, it does include the largest providers of CVA and so deemed reasonably representative - but this caveat on the limitations of this data should be considered.

2.5 COMPARATIVE ANALYSIS OF CVA AND NON-CVA RECIPIENT PERSPECTIVES

The comparative analysis of recipient perspectives on CVA and other aid modalities contained in box 3.4 in Chapter 3 was provided by Ground Truth Solutions (GTS), drawing on data consolidated in their *Humanitarian Voice Index*. Responses are divided into those who received CVA, and those who did not receive CVA. In both cases respondents also received in-kind aid or services, as there were very few people who received only CVA in the surveyed populations. The country data included in this analysis was taken from the following data collection exercises undertaken by GTS.

Field Perspectives on the Grand Bargain¹: GTS worked with DFID and the OECD Secretariat from 2016-2019 to track perceptions of the Grand Bargain reforms. This research covered 7 countries: Afghanistan, Bangladesh, Haiti, Iraq, Lebanon, Somalia and Uganda. In each country samples were designed to achieve a 50:50 gender split, using a representative approach for target populations where relevant and possible given security and access constraints. Participants were selected at random from within targeted populations or groups and face-to-face interviews completed by trained enumerators using data collection tablets. Somalia was the exception to this, as respondents were interviewed by phone. Interviews were conducted in respondents' native languages by enumerators fluent in those languages.

- **Afghanistan:** survey respondents were documented and undocumented Afghan returnees, internally displaced people (IDPs) and Pakistani refugees across seven regions of Afghanistan.
- **Bangladesh:** the cluster sample focused on Rohingya refugees across 23 sites in Ukhia and Tekna, Cox's Bazaar. Data collection began in 2018 (during the second round of the project).
- **Haiti:** the survey focused on people affected by recent natural disasters who had received humanitarian assistance, with a balance of urban, rural and coastal communities.
- **Iraq:** the survey focused on IDPs and returnees, covering 11 governorates in the first round and three in the second, to focus more deeply on the governorates with significant numbers of the target population.
- **Lebanon:** the groups surveyed were Syrian refugees, Palestinian refugees displaced from Syria and Palestinian refugees in Lebanon. The survey collected responses from across five regions.
- **Somalia:** the survey focused on both IDPs and residents affected by crisis across 17 regions. The survey was carried out by phone through a locally contracted data collection company.
- **Uganda:** the survey focused on South Sudanese refugees in Bidi Bidi, Rhino and Kiryandongo, with the sample constructed following OPM population data.

¹ For the full reports and methodology notes on this project see: <https://groundtruthsolutions.org/our-work/tracking-the-grand-bargain-from-a-field-perspective/>

Systematic feedback for Rohingya and host communities in Bangladesh²: This dataset includes three rounds of data collection from a sample population that included both Rohingya refugees and Bangladeshi host community. Data was collected across 30 camps in Ukhia and Teknaf subdistricts of Cox’s Bazaar. Households were selected at random from a sitemap of each camp, with enumerators speaking to the first person they encountered who was willing to participate. Ground Truth trained IOM NPM enumerators in Rohingya and Chittagonian, and they conducted the face-to-face interviews.

Mixed Migration Platform³: Data from this project was collected from refugees and IDPs in Iraq and Lebanon across two rounds of data collection in 2017.

- **Iraq:** The survey sample included respondents in four locations across northern Iraq, in both camp and non-camp urban settings.
- **Lebanon:** Interviews were conducted across five regions of Lebanon, targeting Syrian refugees from Syria, Palestinian refugees displaced from Syria and Palestinian refugees in Lebanon.

2.5 GOVERNANCE AND REVIEW PROCESS

Strategic and Technical Steering Committee: To support the State of the World’s Cash 2020 research process and ensure quality outputs/outcomes, as well as provide support for external uptake, CaLP established a Steering Committee that provided both strategic advice and technical supervision. Members were selected based on their experience and expertise in CVA and related topics, as well as to provide a representative cross-section of stakeholders.

Name	Organisation
Lama-Crys Al Chamaa	Oxfam /ex Lebanese Red Cross
Jo Burton	ICRC
Wendy Fenton	ODI
Maha Khan	Ex GSMA
Tim McInerney	NRC
Kirsten Mildren	OCHA
Dina Morad	WFP
Isabelle Pelly	Independent
Ruco Van de Merwe	USAID

The Steering Committee provided strategic and technical perspectives, related to:

- i) The main strategic CVA discussions that should be taken into consideration during the data collection and analysis and reflected in the report
- ii) Early results validation and drafting/report recommendations
- iii) Support in the design and planning of the external uptake strategy
- iv) Review and support in the report drafting and dissemination

Ways of working between CaLP team and the Steering Committee included four remote meetings and reviews of documents.

Review process. In addition to reviews by the Steering Committee, chapters were reviewed by a wider group prior to finalization, with inputs from members of the CaLP Technical Advisory Group, CaLP staff, Development Initiatives and other external experts. Feedback, comments and suggestions from reviewers were collected and consolidated to develop the final version of the report.

² For the full reports and methodology notes on this project see: <https://groundtruthsolutions.org/our-work/feedback-rohingya-bangladesh/>

³ For the full reports and methodology notes on this project see: <https://groundtruthsolutions.org/our-work/tracking-perceptions-of-people-on-the-move/>

ANNEX 3: STATE OF THE WORLD'S CASH 2020 – PRIORITY ACTIONS

Chapter 1 – Funding, Policies, Volume and Collaboration

- 1.1 All humanitarian actors should **push for improvements in the quality CVA across the humanitarian system**, including at local level. They should put ambitions for more and better CVA into practice, building on initiatives such as the Common Donor Approach.
- 1.2 Donors should provide **more flexible, multi-year funding, enabling better integrated programming** to address basic needs, including supporting sector-specific activities where needed. Operational agencies should be more propositional and transparent about what effective programming looks like and costs.
- 1.3 All humanitarian actors should build towards **more cross-coordination and partnership between different collaborative delivery initiatives**, and include a broader **range of stakeholders**, including national and local actors.
- 1.4 All humanitarian actors should **commit to and work towards the minimum requirements for tracking CVA**. Donors should support the **strengthening of systems for programme and financial management and reporting**.

Chapter 2 – Mainstreaming CVA – Progress; Risks and Challenges

- 2.1 All humanitarian actors should support the **strengthening and systematic use of response analysis underpinned by robust multisector needs assessments**. These should incorporate both multipurpose cash and sector specific CVA within an integrated programming framework.
- 2.2 All humanitarian actors should support the proposed actions of the **Grand Bargain Workstream on Joint Needs Assessment** to improve resourcing, coordination, and accountability for multisector assessment and analysis.
- 2.3 All relevant humanitarian actors should work together to further **develop evidence for achieving sector specific outcomes through CVA, including multipurpose cash**, and routinely consider sectoral CVA response options.
- 2.4 Where there are **perceptions that CVA is inherently riskier than other types of assistance**, humanitarian actors should challenge these assumptions based on the wide body of existing evidence.
- 2.5 Operational agencies and donors should **prioritise digital data risk management** as an area for skills and knowledge development.

Chapter 3 – Quality Programming

- 3.1 Operational agencies and donors should **collaborate and share learning on operational models and agree on the benefits and limitations of different models in different contexts**.
- 3.2 Humanitarian actors should **develop and use common metrics** to assess effectiveness, efficiency, and accountability.
- 3.3 Relevant humanitarian actors should collaborate to pilot **systemic integration of an independent, people-centred approach to capture recipient perspectives**, and **independent MEAL functions** at response level.
- 3.4 Operational agencies, donors and researchers should generate **evidence of the benefits and costs of 'quality' components** such as third-party monitoring.

- 3.5 Donors and operational agencies should **acknowledge the trade-offs between quality and scale and agree on what is possible in different contexts.**
- 3.6 Donors should revise award guidelines **to recognize and support components which foster quality programming**, enabling agencies to **develop specialized roles.**

Chapter 4 – Build Sufficient Capacity for Cash and Voucher Assistance

- 4.1 All humanitarian actors should consider how their **capacity development efforts can benefit others, not just themselves. A stronger system will enable** sustainable progress in terms of scale, quality, and inclusion.
- 4.2 Donors should **systematically fund capacity development processes** based on clearly **identified needs of individual organisations and shared needs.**
- 4.3 Donors, international and local organisations should **invest in national CVA cash readiness** based on local actors' needs and priorities.
- 4.4 Humanitarian organisations should develop **more responsive and adaptable approaches to capacity building and** organisational planning **based on changing needs** in terms of skillsets and systems.
- 4.5 Course developers and training providers should **adapt trainings to different operational contexts, languages and stakeholders.** They should **reinforce e-learning and self-paced learning** as flexible and accessible approaches

Chapter 5 – Coordination

- 5.1 The Grand Bargain Political Blockages Group and Donor Group should continue to **advocate for standardising a predictable approach to cash coordination** by international actors. Decisions should prioritise what makes most sense for affected populations.
- 5.2 The Donor Group and Grand Bargain Political Blockages Group should **approach the IASC again, with clear options and recommendations.**
- 5.3 Donors and other response level decision-makers should **ensure Cash Working Groups (CWGs) are adequately resourced and have strong links to the rest of the response** architecture.
- 5.4 CWG leads, members and other relevant stakeholders should ensure **more systematic sharing and capturing of learning between CWGs.**

Chapter 6A – Evidence, Learning and Information Sharing

- 6.1 All humanitarian actors should ensure **greater transparency, treating programme data and findings as 'public goods'.** Donors should not penalize agencies for being open about failures.
- 6.2 All humanitarian actors should increase efforts to **understand what influences the outcomes of CVA for recipients**, and make systematic use of recipient perspectives in programme design.
- 6.3 Relevant humanitarian actors should collaborate to undertake **systematic analyses of perceived evidence gaps and** identify which are **critical to improving the quality of programming.**
- 6.4 Relevant humanitarian actors should develop **practical syntheses of evidence**, collate learning from different contexts and explore evidence beyond the humanitarian sector.

- 6.5 Humanitarian organisations, donors and researchers should **improve collaboration and coordination of research and the application of learning**, building on existing platforms.
- 6.6 All humanitarian actors should ensure that **evidence is used to inform programme design**.

Chapter 6B – Investing in Innovation for CVA

- 6.7 Humanitarian actors, and relevant private sector and research partners, should maintain a **focus on strengthening collaboration and building long-term partnerships between humanitarians and financial service providers, including mobile money** to ensure solutions are flexible and meet recipients' short- and long-term needs.
- 6.8 Humanitarian actors, and relevant private sector and research partners, should continue to **explore and invest in innovations that prioritise quality outcomes for recipients and in which recipients find value**. This should build on a shift from 'tech for tech's sake' towards more inclusive technology and people-centered innovation.
- 6.9 Humanitarian actors should develop **stronger cross-sector collaboration to articulate and agree Data Rights and Governance standards** to ensure that the increasing use of innovations in digital identity and data management comply with the need to **"do no digital harm"**.

Chapter 7 – CVA Integration with Local Systems

- 7.1 All humanitarian actors should agree **on clear, measurable and shared priorities for localisation of CVA**, and commit to action.
- 7.2 All humanitarian actors should recognize that progress on CVA localization will mean **shifts in power, as well as changes to funding processes, systems and requirements to enable the systematic consideration and strengthening** of local systems and structures.
- 7.3 Donors should **increase predictable funding to local structures and systems for CVA planning and delivery**.
- 7.4 All humanitarian actors should **make changes to ensure the meaningful participation and visibility of local actors in CVA** discourse at national, regional and international levels.
- 7.5 Humanitarian actors should **make changes to CVA coordination platforms to ensure effective participation and engagement of local stakeholders**.
- 7.6 Local stakeholders, international agencies and donors should **build true alliances, including for strategic planning and decision-making**.

Chapter 8 – Linking CVA and Social Protection

- 8.1 Humanitarian and social protection actors should **start from a focus on outcomes for affected people** when considering if, how, where, and when to link CVA and social protection.
- 8.2 Humanitarian and social protection actors should build on and collect further evidence to develop a clearer **understanding of the different options for linking, using, or developing the systems that support CVA and social protection**.

- 8.3 Humanitarian and social protection actors should ensure **better coordination** in response analysis, preparation, sharing of tools, and allocation of roles **between agencies working on social protection and disaster risk management**, including national stakeholders, development, and humanitarian agencies.
- 8.4 Donors should develop and fund **longer term funding frameworks** that encourage cooperation and coordination between humanitarian and development actors and greater programming flexibility

Chapter 9 – ‘No Regrets’ Actions for CVA Actors in the COVID-19 Context

- 9.1 **Look for opportunities to link with social protection systems** where appropriate. There are many simple entry points along the delivery chain that can make a big difference, and there is need to fill coverage gaps and functions which may not be prioritised by governments.
- 9.2 **Work with others to build capacities** to create a win-win situation where cash actors throughout the CVA ecosystem are cash-ready.
- 9.3 When moving quickly to digital and remote programming, consider **complementary interventions and alliance building to address potential exclusionary effects, digital literacy and to get participation and feedback processes right**.
- 9.4 **Act short term but think long term**. Always have building back better in mind.



The Cash Learning Partnership

The first State of the World's Cash Report, published in early 2018, provided the definitive benchmark analysis of Cash and Voucher Assistance (CVA), setting out the actions needed to ensure continued progress in the quality of aid provided to people in need. CVA is now a well-established humanitarian response tool which continues to save lives and livelihoods, and which continues to challenge stakeholders to think differently and deliver better. It has implications for the roles and added value of humanitarians and the balance of power between provider and recipient.

The State of the World's Cash 2020 report examines progress, changes, and challenges in the use of CVA within the rapidly shifting humanitarian landscape over the last two and a half years. It includes insights from hundreds of CVA practitioners across the globe. It was commissioned and developed by CaLP, a global network of humanitarian actors engaged in policy, practice and research on CVA. CaLP currently has over 90 members who collectively deliver the vast majority of CVA in humanitarian contexts worldwide.

Funding for this report was provided by the German Federal Foreign Office (GFFO), the Swedish International Development Cooperation Agency (Sida) and the Swiss Agency for Development and Cooperation (SDC). The views expressed in this publication are the authors' own and are not necessarily the views of the donors who funded it, or members of the CaLP network.

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