



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

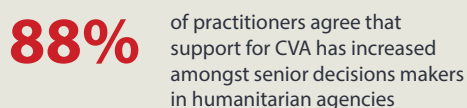
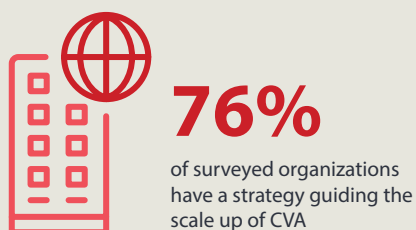
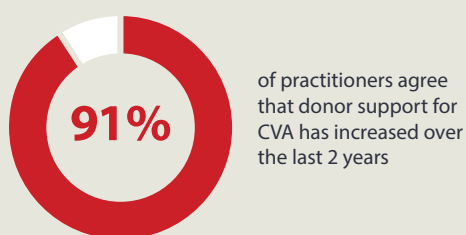
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**Global objective: Ensure sufficient  
funding is available for CVA**

## 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)<sup>1</sup>, including the Grand Bargain (GB), ECHO's 10 Principles, the High-Level Panel report<sup>2</sup>, and the Strategic Note on Cash Transfers.<sup>3</sup> 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



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.

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

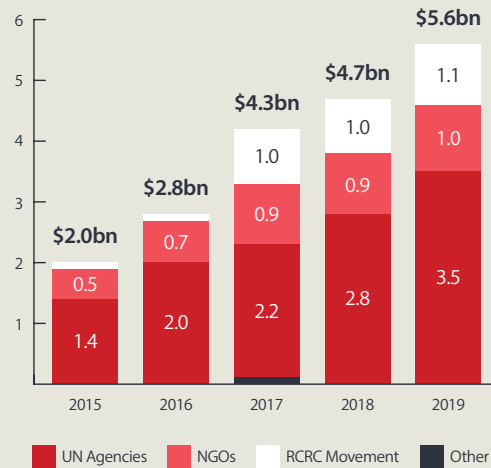
<sup>2</sup> ODI (2015) Doing Cash Differently: A Report on the High Level Panel for Cash Transfers London: ODI..

<sup>3</sup> 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.<sup>4</sup> 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)<sup>5</sup>, reaching 17.9 percent in 2019 (box 1.3). This remains significantly below the Global Public Policy Institute’s (GPPI) estimate in a 2016 study<sup>6</sup> 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.

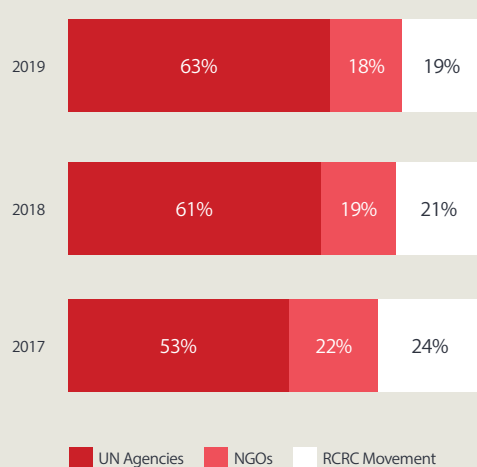


**IMPORTANT NOTE ON 2019 CVA DATA:** Data for 2019 is provisional. In addition to the usual caveats (see footnote and the section on tracking CVA, below), the timeframe for data collection meant that multiple organizations were not able to submit data at all, submitted incomplete data, or included projected 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.

<sup>4</sup> **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.<sup>7</sup> 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

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

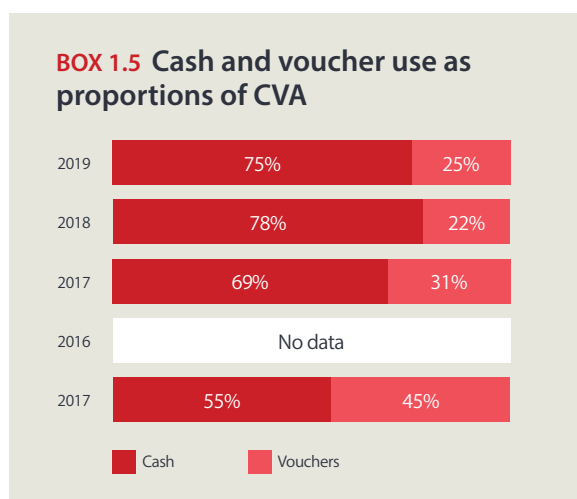
<sup>6</sup> Steets, J., Binder, A., Derzsi-Horvath, A., Kruger, S. and Ruppert, L. (2016) Drivers and Inhibitors of Change in the Humanitarian System. Berlin: GPPI.

<sup>7</sup> 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.<sup>8</sup> 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%).<sup>9</sup>

<sup>8</sup> 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.

<sup>9</sup> 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) 2016-2019<sup>10</sup>**

	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.<sup>11</sup> 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.

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

<sup>11</sup> 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,<sup>12</sup> 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,<sup>13</sup> 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

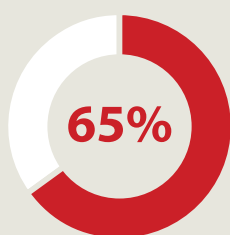
<sup>12</sup> CalP Glossary definition of CVA: CVA refers to all programs where cash transfers or vouchers for goods or services are directly provided to recipients. In the context of humanitarian assistance, the term is used to refer to the provision of cash transfers or vouchers given to individuals, 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).

<sup>13</sup> 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.<sup>14</sup> 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

<sup>14</sup> 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.<sup>15</sup> 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.<sup>16</sup> 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.”*<sup>17</sup>



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

<sup>15</sup> 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.

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

<sup>17</sup> 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**<sup>18</sup> 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.

<sup>18</sup> 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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