Evaluation of FAOs cash and voucher assistance

Annex 5. Global learning from external literature on the use of cash and voucher assistance
1. This annex presents trends in global policy and programming in cash and voucher assistance (CVA) within the evaluation period, and global learning and evidence, in thematic areas that are pertinent to this evaluation.

Global trends in use of cash and voucher assistance

2. Factors in the external environment influence the global growth of CVA. CALP’s recent research on policy trends in CVA1 found several external factors contributing to driving the increasing use of CVA in humanitarian programming during the evaluation period. These include the position and influence of donors (several are now adopting a ‘cash first’ policy); the increasing generalised acceptance of CVA within the humanitarian community based on growing evidence that CVA is effective, has clear benefits to affected populations and risks can be mitigated; and the expansion of digital communication networks and digital financial services. Another influential factor has been the scale and nature of new significant crises - the COVID-19 pandemic (with lockdown and restriction on movement) and the war in Ukraine (with access issues in country and mass cross-border displacement) for which CVA is a highly relevant response modality.2

3. CVA is increasing in volume in humanitarian assistance year on year. CALP’s SOWC report 2023 reports that in 2022, USD 7.9 billion was transferred as cash or vouchers to crisis-affected people – a 41 percent increase from the year before. CVA now accounts for 21 percent of international humanitarian assistance, an increase of 7 percent since 2017.3 Development initiatives reports that three quarters of CVA transfers to recipients globally in 2021 were in the form of cash, up from 69 percent in 2017, and one quarter as vouchers, with early 2022 data indicating that a further shift towards cash is underway.4

4. There has been a growth in the use of digital solutions in CVA, which are creating both benefits and risks. Examples of the growing use of digital solutions in CVA include the use of online registration tools during COVID-19 and in the Ukraine response, increasing digital delivery of payments and management information system for management of CVA beneficiary data. A variety of studies5 highlight that the expansion of digital solutions offers clear benefits in term of increasing the efficiency, effectiveness, security, reach, accountability and interoperability of CVA. At the same time there is growing acknowledgement of the risks, that need to be understood and managed – including concerning data protection/data sharing and safeguarding; exclusion due to the digital divide and reduced line of sight with beneficiary. While CVA programmes, as the locus for technological innovation, is where such risks are being identified, these are risks that are inherent to the provision of aid more generally.

5. There is consensus on good practices needed to enhance AAP on CVA programmes, which is a priority for improvement. People centred programming is a policy principle increasingly stressed by donors, the United Nations (UN) and non-governmental organizations (NGOs) in their cash policies. But regardless of the strength of the expressed commitment, this principle has not yet fully been put into practice. Areas for improvement identified on CVA include: building programme design based on people’s preferences and opinions; establishing accessible, impartial and responsive grievance and feedback mechanisms; and more efforts to understand user journeys (how beneficiaries experience delivery systems and their participation in a CVA programme) to improve effectiveness.

6. While localisation of humanitarian assistance is unequivocally supported, progress to date (in general and in CVA) has been slow and patchy. One constraint to localisation noted is with donor due diligence and risk averseness for procurement which set the bar too high for partnerships with national/local actors. Another is with the increasing end-to-end delivery of large scale cash programmes by UN agencies which is reducing the involvement of on the ground partners. Experiences of responses during COVID-19 and recent conflicts in Afghanistan, Ethiopia, Myanmar and Yemen are highlighting the valuable role for local actors for securing access, managing risk and identifying and communicating with populations.

Learning on CVA supporting livelihood recovery and resilience in crisis settings

7. Evidence on use of humanitarian CVA for livelihoods outcomes in crisis settings is still emerging; experience to date indicates a range of modalities are possible, as well as promising practices for effective programming. With increasingly frequent and protracted crises, and constraints on humanitarian funding, there is increasing interest among humanitarian practitioners to identify ways to more effectively utilize CVA to foster livelihoods recovery and self-reliance whenever possible. Recent research, from the International Rescue Committee (IRC) and the Office of the United Nations High Commissioner for Refugees (UNHCR), highlights the pathways through which CVA can support livelihoods recovery: i) supporting access to food and other basic needs (which in turn also increases a household’s ability to invest time in their livelihoods as it reduces the need to search for daily wage labour; ii) enhancing access to or recovering livelihoods-related

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6 Seen in CALP (2020); CALP (2022); Seferis and Harvey (2022).
7 CALP (2020); CALP (2022) This goes beyond CVA, being echoed in the Grand Bargain annual report 2022 that overall, progress in relation to the ‘participation revolution’ remains very limited.
8 GTS research shows that Affected populations tend to prefer cash, or cash combined with other support. They generally do not prefer vouchers. Beneficiaries value predictability, timeliness and accessibility of assistance. Effectiveness is perceived in terms of whether assistance (modalities and value) is sufficient to meet needs. They value face to face interaction with programmes and for providing feedback/dealing with question (see CALP 2020).
9 Seferis and Harvey (2022).
10 CALP (2020; 2022).
12 IRC. 2019. Beyond basic needs: Using Cash and Voucher Assistance to support the transition from basic survival to livelihoods recovery in a resource-strapped world. https://reliefweb.int/report/world/beyond-basic-needs-using-cash-and-voucher-assistance-support-transition-basic-survival
assets; iii) enhancing access to training, financial services, or other services linked to livelihoods; and iv) (re)developing community assets that can support livelihoods recovery when linked to cash for work (CFW).

**Multi-purpose cash**

8. As highlighted in CALP’s research on the State of the World’s Cash, and ECHO’s cash policy, there is now widespread agreement that unconditional, unrestricted cash (so-called multi-purpose cash) is typically more appropriate than conditional, restricted assistance for achieving basic needs objectives.\(^{14}\) This is supported by evidence from a range of research and studies.\(^ {15}\) In emergency settings, this modality can be used according to recipients’ own priorities which provides an efficient and effective way to address a wide range of needs, compared to the alternative of providing a household with multiple restricted, sector-specific modalities. Research by CALP and Ground Truth Solutions highlights how beneficiaries also appreciate the choice and dignity that this modality provides.\(^ {16}\) Evidence from UNHCR shows that, typically, survival (food and health) needs are met first, with other expenditures including livelihood investments prioritised after such basic needs are met\(^ {17}\). Furthermore, especially in complex humanitarian contexts, people can struggle to participate in livelihoods-oriented activities such as vocational or business trainings, extensive job searches and apprenticeships, or to keep a business going until it is profitable, if their household is struggling to meet their basic survival. In such cases, MPC complements economic recovery activities to maximize their impact. The study by UNHCR\(^ {18}\) highlights promising practices emerging, through which such unrestricted cash for basic needs can also help to support households to recover, or improve, livelihoods:

i. Providing support of sufficient duration to fill the gap households face in meeting basic needs for the period until livelihoods recover or until a new productive livelihood is established.

ii. Where assistance is provided for more than a couple of months, ensuring predictability of payments for basic needs, allowing recipients to plan ahead is shown to facilitate increased investments in livelihood-related assets or services.

iii. Providing adequate support to ensure recipients can cover both basic sustenance needs and (larger) livelihood expenditures.

iv. Combine CVA support with other support (legal, advocacy, financial services, training, livelihoods inputs...) to address the multiple, specific, barriers that people face in achieving economic recovery.

**Sector-specific CVA (unconditional cash transfer, conditional cash transfer or voucher)**

9. There is learning emerging on the design features of CVA that can influence livelihood outcomes. Whereas MPC is best suited to address basic sustenance needs that are recurrent, stable and

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\(^{17}\) Harvey and Pavanello (2018).

\(^{18}\) Harvey and Pavanello (2018).
predictable, research by IRC and UNHCR highlights that larger, and/or ‘one-off’ expenditures related to livelihoods may be better met through separate sector-specific CVA transfers, tailored to the specific livelihoods investments.\textsuperscript{19} IRC’s study also highlights learning on how specific CVA design features can influence outcomes:

i. **Conditionality**: IRC report that while practitioners often assume that imposing conditionalities and restrictions may be more appropriate and effective for achieving livelihoods objectives such as recovery of livelihoods-related assets, the evidence on this is inconclusive.\textsuperscript{20} Soft conditions or sensitization on the intended use of cash could also be explored.

ii. **Attention to needs**: To ensure cash is spent as intended, CVA programmes focused on sector specific objectives must also assess needs more broadly and ensure that the household is not facing a gap in basic needs. If they are, households’ basic needs should be supported – directly or through referral to another agency leading on food assistance/MPC.\textsuperscript{21}

iii. **Timeliness of distributions**: To facilitate livelihoods recovery, CVA distributions must be provided at the right time for livelihoods investment, and payment schedules should minimize disruptions to livelihoods activities.\textsuperscript{22}

10. The World Food Programme (WFP) led a systematic review of evidence from evaluations of humanitarian CVA in 2021\textsuperscript{23} which highlights the dearth of truly comparative evidence about different modalities, and the importance of context. The study examined evidence on the effects of unconditional cash transfer (UCT), CFW and vouchers, as well as food assistance, in humanitarian settings. It finds that the evidence base concentrates on basic needs outcomes, such as food security, food and non-food expenditure, and coping strategies followed by household assets. A main finding is that there are still gaps in the evidence base on how choice of modality, as well as other design features such as transfer duration, size, and frequency of transfers - influence results, since there are few actual comparative studies. Furthermore, it cautions that the relative effectiveness of different modalities cannot be generalized or predetermined since their respective performance can vary depending on the programme objective, the profile of the targeted population, implementation costs, and local market capacity, among others. In examining effectiveness this review also did not factor in any consideration of beneficiary satisfaction with or preference for modalities (which globally is generally in favour of unrestricted cash as mentioned above). The review was able to draw some general conclusions round modalities:

i. **Asset accumulation**: There is evidence that UCT, voucher and CFW modalities can improve household asset accumulation in humanitarian settings. Lump sum cash transfers are more effective than multiple smaller payments for generating assets.

ii. **Going beyond food security to meet other basic needs**: Unrestricted cash tends to increase non-food expenditure more than other transfers. This includes agricultural inputs.

\textsuperscript{19} IRC (2019); Harvey and Pavanello (2018).

\textsuperscript{20} IRC (2019); extensive learning about use of conditionalities on CVA in other sectors outside of livelihoods is similarly inconclusive, where UCT can also achieve sectoral outcomes when well designed.

\textsuperscript{21} IRC (2019); there is similar learning from other sectors outside of livelihoods where large sector-specific cash transfers have been made (e.g. shelter).

\textsuperscript{22} IRC (2019).

\textsuperscript{23} WFP (2022).
iii. Attention to markets: There is a risk that the use of vouchers, if this effectively creates a monopoly, can result in inflated prices as well as unavailability or poor quality of commodities. It is important to have sufficient choice of traders and for careful monitoring and oversight.

11. Measurement of livelihood outcomes of CVA programmes (whether MPC, sector specific, or more long term resilience-building ‘graduation’ programmes) needs to improve. There is a wealth of evidence on the effectiveness of humanitarian CVA for enhancing food security and reducing (short term) reliance on negative coping strategies, and some measurement of accumulation of assets and repayment of debt. There is measurement on outputs such as trainings completed/business start-up support received. The above mentioned WFP systematic review and several other recent reports highlight that there is still little data collected, and therefore limited evidence, on productive outcomes/self-reliance such as accumulation of savings, ability to generate income/livelihood productivity, or labour market participation. In late 2019 a workstream under the Grand Bargain rolled out common outcome indicators for MPC programmes, for piloting. These include an optional livelihood-oriented indicator measuring Livelihoods Coping Strategies but doesn’t go beyond this.

12. Use of cash modalities for seed security is a growing area of interest among some practitioners and donors working in farmer food security and evidence suggests risks can be addressed. While historically, direct seed distribution (DSD) has dominated agricultural responses in emergencies, these have recognised challenges - causing supply-side issues by distorting the markets through large seed procurements, benefiting large suppliers rather than more local, typically smaller seed suppliers, providing varieties that are not aligned with local preferences, being provided late, and still being at risk of quality issues (all of which can cause risk of harm for farmers). Since access, not availability, is the typical seed-related constraint for vulnerable or disaster-affected farmers, practitioners and researchers are advocating for more market-based approaches to address seed system issues. In 2019 the Catholic Relief Services (CRS) and the United States Agency for International Development (USAID) invested in research examining barriers and opportunities for cash transfers to address seed security in humanitarian situations. This approach, while still nascent, is growing among agricultural practitioners (especially within specific NGOs – there is still no major UN presence in the examples provided) and that when appropriately applied and well-designed it is beneficial, providing farmers with greater choices to make decisions about their seed needs and preferences and providing timely support. Risks to seed quality (which are not specific to cash) can be addressed through various measures. The CRS-USAID study advocates for the need to have a multi-stakeholder perspective on quality aspects (taking into account not only the views of external agencies/governments but necessarily and importantly farmers themselves). It concludes that cash transfers are a viable option that should be considered systematically alongside direct distribution and vouchers. This, and USAID’s complementary study on possibilities for market-based approaches to seed security, identify several good practices for effective design which mirror those of any other typical CVA programme and include:

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24 WFP (2022); IRC (2019); Lind et al. (2022) - evaluation of ‘graduation’ programmes is very patchy and mostly focused on immediate and short-term impacts. rigorous and impartial evidence is missing.


26 Keane, J., Brick, D. and Sperling, L. 2019. Study on cash transfers for seed security in humanitarian settings. A Feed the Future Global Supporting Seed Systems for Development activity (S34D) report. The cases span an array of organizations and countries include Iraq, Ethiopia, Nigeria, Uganda, Zambia, Zimbabwe, Malawi, Madagascar and Guatemala.

i. Seed market assessments of both informal and formal seed markets to understand local availability of commodities, barriers to accessing seed on the supply and demand side, and potential of CVA to influence these.

ii. Robust needs assessments to understand people’s most urgent priorities for cash and how these will be covered. If needs assessments show that basic needs are a concern, addressing this can be built into the program design or by partnering with others.

iii. Response analysis to systematically consider and compare the respective benefits and limitations of different modalities.

iv. Adoption of mixed modalities (cash and vouchers, or cash and DSD) where appropriate to broaden crop choices.

v. Quality screening of locally available seed; the quality of seed is important to organizations and project participants.

vi. Risk analysis to identify risks to provisions of CVA to achieve seed security objectives and identify mitigation measures.

vii. Supply side ‘market support’ interventions to bring quality seed markets ‘closer’ to project participants is also a promising practice that it is recommended is more systematically considered along with demand-side (CVA) interventions.

13. The ‘cash plus’ model to livelihood promotion is increasingly being piloted in fragile and crisis settings and is identified as a priority for further testing and learning. Graduation programmes typically provide a comprehensive package of interventions to poor households alongside a core component of predictable medium term cash assistance. The graduation model was developed and implemented by BRAC in Bangladesh and adopted more globally by the Consultative Group to Assist the Poor (a global partnership of 34 organisations). In more complex or protracted crises and contexts of forced displacement, where the trajectory for livelihoods recovery (or establishing new livelihoods) is less clear, for livelihoods outcomes CVA support is more likely to need to be combined with other activities and provided for longer periods. A desk study in 2022 by the BASIC research team is highlighting a trend in similar approaches being tested in contexts of fragility, protracted emergencies and recurrent crises with the dual aim of protecting lives while supporting more productive and sustainable livelihoods and building self-reliance. This includes both medium-to-long-term humanitarian CVA programmes with ‘cash plus’ interventions and embedding rural livelihoods promotion activities within government-led social assistance programmes. The plus activities to date have commonly comprised skills training, especially in climate sensitive agriculture and irrigation, animal health care, business development, and financial literacy/business planning. Other frequent components included agricultural extension service, inputs, and agricultural assets, as well as access to micro finance (credit and savings).

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28 This is similar to market support interventions being seen now in the WASH sector.
29 Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor (CFPR/TUP) programme. Broadly speaking, all graduation programmes have two levels of outcomes that are sequentially achieved. The first level relates to food security and basic needs provision – typically measured in terms of consumption or other poverty indicators. Once this has been achieved, then the second-level outcome becomes improvement in livelihoods, health, and opportunities for the household (for specific cash-plus programmes). The second level requires that beneficiaries can productively use the complementary package of support available to them, and the core cash pillar partially enables this, providing breathing space for the household to invest time to participate in the cash plus activities.
14. There is limited evidence to support assumptions that CVA programmes can be a gateway to enhancing financial inclusion: While digital payments can provide an entry point to facilitate financial inclusion, CALP and IRC’s studies find that the theory that CVA provided through digital payments can enhance beneficiaries’ access to additional formal financial services, for more resilient livelihoods, is not yet borne out by the evidence. Especially in humanitarian contexts beneficiaries typically withdraw the full amount of assistance right away, and little room is given for complementary activities that are needed to meaningfully contribute to financial inclusion. This requires understanding of existing financial behaviours and beneficiaries’ own requirements for financial services, to identify services that fit these needs as well as sensitization on the features and benefits of digital finance. Furthermore, CVA that is provided for short durations provides little opportunity for this in practice.31

15. The CALP and IRC studies32 highlight challenges to overcome, to mainstream the use of CVA as tools for livelihood recovery and resilience in emergencies: One issue raised is the need to overcome organisational siloes in emergency and recovery programming, where CVA specialists predominantly focus on programmes supporting households to access basic needs, separately from teams working on economic recovery and livelihood opportunities. Another challenge to overcome is the reluctance of livelihoods technical sector specialists to use CVA (especially unconditional and unrestricted cash).33 A main concern to overcome here is the perceived risk of undermining sector quality standards for agricultural inputs. There remains a tension between the acknowledgment of cash providing flexibility and choice on the one hand concerns that this choice could undermine desires objectives (or even cause harm) on the other.34 Another finding is that these perceived risks with CVA are not necessarily based on evidence, more on assumptions, are not always risks that are specific to CVA, and can be addressed with risk mitigation.35

Collaboration and coordination in the use of CVA

16. Evidence from the use of joint operational models between agencies for delivering CVA shows there are several possible ways of working and that these can have advantages but also limitations. Several donors are in favour of implementers finding more harmonised, collaborative, or joint, ways of working on CVA, to enhance efficiency and reduce duplication of effort. The Joint Donor Statement voices a clear preference for single payments where possible. Since 2018 there has been trends towards a range of collaborative ways of working and significant investments in new operational models36 for delivering cash at scale.37 The evidence base on how these operational design decisions can influence efficiency, effectiveness and accountability of CVA is

31 IRC (2019); SOWC (2020).
32 IRC (2019); SOWC (2020).
33 This is similarly seen in other technical sectors – shelter, health, education.
34 Similar to concerns seen in other sectors (health, wash) where public health concerns have been raised.
35 Walsh and Sperling (2019); again this is the same in the other technical sectors where shelter, health, education.
36 ‘Operational model’ refers to the overall structure through which agencies work jointly (either through a partnership, consortium or another form of collaboration) to design and/or implement CVA. The different models used to date diverge, to varying degrees, from the ‘traditional’, or ‘business as usual’ way of working on a humanitarian assistance programme model. There is no commonly agreed taxonomy and this is a constantly evolving space, CaLP’s framework for operational models recognises several broad categories including i) consortia and alliances, formed based on the contractual and funding relationships between members; ii) shared cash delivery mechanisms across actors and programmes; iii) broad integration of systems for cash delivery and aspects of the programme cycle, which build on the comparative advantage of each stakeholder; iv) single-agency delivery; and v) a collaborative modular approach which assigns different activities and competencies in the CVA programme cycle to different actors. The UNCCS’s workstream on joint procurement has further elaborated ways that payment processes can be shared by UN (and other) agencies on CVA programmes (CaLP 2020).
37 CaLP (2020).
emerging. Learning to date shows that the overall ‘added value’ of joint/collaborative approaches compared to standard separate ways of working can be difficult to ascertain. They have benefits but also certain limitations compared to traditional ways of working. For example, use of joint systems has potential to reduce some costs, or enable programmes to roll out assistance more quickly, but at the same time it is more complex to set up. Agencies have faced legal and operational challenges in harmonising procurement and internal systems and continue to face difficulties in sharing data.\textsuperscript{38} Furthermore, it has proven difficult to evaluate the benefits or limitations of approaches because of the complexities of shared systems and costs, and because some benefits (joint approaches to problems, shared thinking) are not easily measurable.\textsuperscript{39} Lack of data sharing between agencies that are using collaborative platforms has been noted as a significant impediment to programme quality, contributing to delays and meaning information cannot inform changes programme design. This is a priority to be addressed under the United Nations Common Coding System (UNCCS) but is proving challenging (see below). In September 2022 the Donor Cash Forum launched a Joint Donor Statement on Guiding Principles on Interoperability of Data in Humanitarian Cash Programming which aims to focus attention on this issue.\textsuperscript{40}

17. At country level there is growing evidence that inter-agency coordination of cash responses (and coordination of CVA-SP) is enhanced through establishment and participation in CWGs. CALP’s SOWC report highlights a perceived improvement to the predictability and quality of cash coordination among donors and practitioners during the evaluation period. The important role of CWGs in enabling effective coordination was consistently highlighted. There are now over 45 active CWGs worldwide – though coordination structures and levels of activity vary. The scope of work being undertaken by CWGs has also changed, including more focus on coordination across the humanitarian-development nexus and linking CVA-SP especially since COVID-19. When it comes to supporting design, their scope still tends to focus more on food and basic needs than sector-specific coordination needs.

18. At global level there are a number of forums and frameworks which aim to enhance global collaboration and coordination for improving CVA/CVA linked with SP. This includes the Social Protection Inter-Agency Cooperation Board SPIAC-B,\textsuperscript{41} which FAO participates in, and which has increased focus on the area of linking CVA-SP since COVID through creation of a sub-working group. Another forum in the social protection space is the Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals (USP2030) launched in September 2016. This aims to support realisation of the global commitment to implement nationally-appropriate social protection floors (SDG 1.3) by 2030 by supporting countries to design and implement universal and sustainable social protection systems. Priorities for the Partnership from 2021\textsuperscript{42} included advocacy to achieve progress around the financing of USP, adaptive social protection and building effective digital systems. FAO, WFP and UNICEF are members. The main forum on the humanitarian side is the new Cash Advisory Group. Humanitarian actors have long

\textsuperscript{38} Similar challenges at country level noted in the UNCCS 2021 Progress Report on the roll out of joint ways of working: Limited capacities, staffing and resources are in place for UNCCS activities where mainstreaming of cash assistance is already challenging. Ensuring ownership of operational and technical workstreams (procurement, data interoperability) at country level can be demanding for staff, who are already overstretched.

\textsuperscript{39} CALP (2020).

\textsuperscript{40} \url{https://www.calpnetwork.org/publication/donor-cash-forum-statement-and-guiding-principles-on-interoperability-of-data-systems-in-humanitarian-cash-programming/}

\textsuperscript{41} \url{https://www.ilo.org/wcmsp5/groups/public/@dgreports/@nylo/documents/genericdocument/wcms_644769.pdf}

\textsuperscript{42} Agreed in the 2\textsuperscript{nd} member conference in March 2021.
identified the lack of institutional home for CVA within the global coordination architecture as a challenge for effective coordination of CVA since it undermines consistency of approach, limits resourcing and leads to duplication of effort. In March 2022 the IASC Principals endorsed a Global Cash Coordination Model which has established a global Cash Advisory Group (CAG) to support country level cash coordination technically and in terms of capacity. FAO is not a member but is represented by IOM. Finally, within the UN system the UN Common Cash Statement signed between UNICEF, WFP, UNHCR and OCHA commits to jointly pursue three operational goals to improve CVA: i) collaborative procurement of financial services; ii) data interoperability and systems development and iii) harmonized programming for cash assistance. Within these pillars the UNCCS made commitments to provide and deliver cash through common systems that avoid unnecessary parallel payment systems and duplication of efforts and payments to beneficiaries, to collaborate on procurement and contracting of financial services, including leveraging existing contracts with either one of the three operational agencies in emergencies; and to harmonize data management through interoperable systems and data sharing agreements that ensure data protection to achieve common assistance tracking and access to beneficiary identification, avoiding duplication of assistance. FAO engages intermittently on specific streams.

**Linking social protection and the use of CVA**

19. There has been an exponential increase in efforts to link CVA-SP in the evaluation period. Shock responsive social protection (SRSP) refers to ways in which social protection systems can be used to mitigate the impact of large-scale, or covariate shocks. It encompasses the adaptation of routine SP programmes and systems to cope with changes in context, and demand, following shocks. ‘SRSP’ and ‘linking humanitarian CVA and SP’ are informed by the same conceptual frameworks, they are effectively ‘two sides of the same coin’. It was already highlighted in various international commitments, such as the 2030 Agenda for Sustainable Development, the Grand Bargain, and the New York Declaration for Refugees and Migrants. There has been high level support for this expressed from both development and humanitarian communities, including both the humanitarian and development donors. From the development community, a joint statement provided by SPIAC-B members (see section three for list of its members) to the World Humanitarian Summit (WHS) in 2016 advocated that this was a way to bridge the development-humanitarian divide. From the humanitarian community, stemming from the WHS, the Grand Bargain (see section three for details on signatories) recommended that cash assistance provided through the humanitarian system should consciously align with, build on, complement, and fill gaps in national social protection programmes and systems, where appropriate, taking into account humanitarian principles. The concept of linking CVA-SP was further endorsed by humanitarian donors under the Humanitarian Donor Cash Forum which states that “Donors expect to see cash programmes use, link to or align with local and national mechanisms such as social protection systems, where possible and appropriate”.

At the onset of the COVID-19 pandemic, SPIAC-B the Grand Bargain cash workstream and the Donor Cash Forum produced statements advocating for linking humanitarian assistance with national social protection responses. In the global social protection responses to COVID-19, November 2020, 209 countries adopted 1 568 social protection measures in response to COVID-19. 54 percent of these measures were new emergency programmes and 46 percent adjustments of pre-existing contributory and non-contributory social protection programmes. Social assistance accounts for 60 percent of

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44 [https://interagencystandingcommittee.org/grand-bargain](https://interagencystandingcommittee.org/grand-bargain)
these measures and over 50 percent are cash-based transfers.46 While social protection delivery can be fragmented across ministries, predominantly it has been ministries responsible for social welfare, social development and labour that have assumed the lead roles. This is also becoming a crowded space for partners, with multiple humanitarian actors scaling up their interest and ambition in this area.47

20. Experiences are crystallising the possible options for how social protection systems can be ‘linked’ with and used to provide CVA, or how CVA can contribute to building social protection systems, as well as a diversity of roles for humanitarian actors. Options can be considered along a spectrum, which are suited for different degrees of maturity of, or degrees of integration with the SP system and imply different levels of ownership/leadership between governments and humanitarian agencies. Even where social protection systems are still emerging, or where they have been disrupted by the shock, evidence is showing that humanitarian responses can be aligned with SP to preserve elements of the system until such time as government recovered capacities, or contribute to future strengthening of the system. These different ways of working are not mutually exclusive, and evidence shows that a combination of options can be important for an adequate, inclusive and comprehensive response. Recently, global guidance and tools have been developed to help governments and humanitarian actors identify workable pathways. Instead of framing the humanitarian-SP links as an ‘either-or’ choice, these encourage a more granular analysis of how collaborations may emerge around selected programmatic ‘functions’, as well as the ‘degrees’ of possible connection between national and international support within a given function. Increasingly a range of hybrid approaches are being realised, where humanitarian actors can contribute through financial resources, technical assistance, transfer of systems, or through a direct role in implementation, to assist government’s efforts.48 Humanitarian actors also have a role in coordinating wider CVA around government-led responses to fill gaps.49

21. Experience is highlighting the need to be clear on objectives for linking and to systematically analyse and compare options to make informed/evidence-based decisions on expected added value. Linking CVA-SP is not an end in itself and should have demonstrable value, compared to other ways of working. This is highly context specific and while there may well be benefits to be gained, experience is showing that there will also be trade-offs to consider. CALP’s report summarises the global learning of linking CVA-SP to date.50 This highlights that on the one hand, approaches have potential to enhance household’s resilience to shocks, improve response times, reduce costs of delivering emergency assistance, reduce fragmentation and improve coordination of emergency assistance, and contribute to national system building. At the same time, on the other hand there are limitations to consider. For example, social transfer programmes may be a way to quickly and cheaply reach certain households but may exclude some of those that are most vulnerable to disasters. Where national systems are inflexible, processes bureaucratic and systems and institutions lacking in capacity, or where there is a lack of political willingness, this can create barriers to effective programming. Where systems are still emerging there might be

47 This is central to WFP’s new SP strategy; and the delivery model of choice for UNICEF’s humanitarian cash. Other organizations are also mentioning this in strategic approach (IFRC; Oxfam; CCD of NGOs; UNHCR; ILO).
48 In some government-led cash responses to COVID-19, partners have been directly implementing systems for, or providing technical assistance on market analysis, accountability mechanisms, management information systems, payment systems, and monitoring.
50 CALP (2023).
potentially large longer term benefits for social protection system strengthening but difficulties for achieving more immediate humanitarian goals. A range of helpful frameworks and tools to guide such analysis have been published within the evaluation period. All take similar approaches, considering strengths and weaknesses of different components, or ‘building blocks’ of social protection and humanitarian systems (policy, programme design and administration/delivery), to understand the entry points and barriers to linking and compare pros and cons of different options.

22. Experiences have reinforced the need for greater investments in routine social protection system strengthening, to enhance resilience and provide a strong foundation for any scale up. The COVID-19 pandemic shone the spotlight on the critical role of social protection and social protection floors, in protecting from shocks. It also highlighted the challenges faced in LICs and MICs with under coverage and underinvestment. Social protection responses, while hugely important, struggled with problems of coverage and adequacy. A critical gap in social protection systems in LICs and MICs worldwide is the lack of coverage of people of working age, especially those in the informal sector which makeup some 60 percent of the labour force (so called ‘missing middle’). While there is some limited degree of overlap between working age adults and social assistance (from safety nets targeting poor households, or disability grants for example), this group of the population tends to be excluded from social assistance while also not being adequately reached by contributory social security. Only 18.6 per cent of unemployed workers worldwide have effective coverage for unemployment to receive unemployment benefits. This remains the least developed branch of social protection. Another critical gap is in data systems – for those not enrolled in social assistance beneficiary registries or other social or civil registries, identifying those in need of assistance ex-post is a challenge, again this particularly affects those people of working age, and especially those in rural areas. Other challenges include low capacities of institutions and systems to facilitate registration and case management and poor institutional coordination across government. This has led to renewed focus on and calls to action for greater investment in ‘universal social protection’ and digital data systems.

CVA and social protection in fragile and conflict affected states

23. Growing recognition of the challenges of continuing social protection in conflict settings, as well as emerging practices for supporting continuity of SP/CVA in conflict. While there has been extensive interest, and activity, in the area of SRSP/linking CVA-SP, this has focused primarily on natural disasters and there is less well documented experience of these approaches in FCAS. Furthermore, while such efforts have focused on scaling and expansion of assistance to meet new needs during shocks, until recently there was much less of a focus on service continuity during shocks. Ongoing research commissioned by FCDO in Ethiopia has been aiming to advance learning on ways that CVA have been implemented in conflict settings and measures that could be used to continue social protection in conflict settings. A range of promising practices is

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51 The building blocks are set out in the SPACE Delivery Systems Matrix. The SPACE guidance note on linking humanitarian assistance and social protection sets out the key considerations for linking at each step, as well as suggested actions for humanitarian actors and practical examples.

52 For example, as highlighted by SPIAC-B in their statement on the need to prioritise social protection in the global COVID-19 response https://www.ilo.org/secsoc/press-and-media-centre/statements/WCMS_740551/lang--en/index.htm

emerging from countries including Ukraine, Ethiopia, Yemen and Sudan, including roles for humanitarian actors.

CVA, climate change adaptation and anticipatory action

24. Growing interest in the linkages between CVA, climate change and anticipatory action: given strong evidence that early response is more effective and efficient than late response, anticipatory action is a growing priority for humanitarian donors and implementers. While not tested extensively at scale there is increasing interest in the potential of CVA systems (particularly when linked to government) to be used as a mechanism for realising effective, rapid, anticipatory action. Practical expression of the linkages is still being explored, but includes, for example, inclusion of CVA/SP in early action protocols and contingency planning; forecast based financing for ‘no regrets’ response through CVA; building linkages between institutions and systems for early warning and CVA delivery; and links to disaster risk financing. Multiple actors, aside from FAO, are working on anticipatory action, including The Red Cross-Crescent Movement and WFP. The Red Cross has implemented or is working on anticipatory approaches for CVA in 12 countries. Governments and international agencies are exploring early warning and forecast-based mechanisms to trigger large-scale anticipatory action through social protection systems in countries such as Dominican Republic, Bangladesh, the Philippines and the Sahel.

25. There is recognition that CVA and SP can play a greater role in CCA to enhance climate resilience and reduce future reliance on humanitarian aid, though progress in key areas is needed to realise this potential. As highlighted in FCDO’s study, there is increasing recognition of the multiple ways in which CVA, or social protection (‘ASP’) has potential to contribute to enhance management of climate risk. Pathways include supporting households to better prepare for and cope with climatic shocks; building adaptive and transformative capacity through improving livelihoods or enhancing management of natural resources; enhancing access to climate insurance, and compensating for or incentivising measures that support societal transition to a climate-resilient future and a green economy. The IFRC has calculated that “determined and ambitious action” on climate resilience, including policies that increase access to income support through cash

54 Studies firmly demonstrate that early response is far more cost effective than late emergency response. A recent study found that a package of early humanitarian response and social transfers is about 30 percent more efficient than typical humanitarian aid (Potter et al. 2017. Efficiency and Inefficiency in Humanitarian Financing. Washington, DC, USAID). A 2016 economic analysis estimated that the annual savings that would accrue to the Philippines as a result of introducing SRSP instruments compared to traditional disaster response would be USD 6.6 billion (Hallegratte et al. 2016. Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters, Climate Change and Development series, Washington, DC, World Bank). Economic analysis found that, relative to typical humanitarian assistance, an early humanitarian response in east Africa would save an estimated USD 2.5 billion in humanitarian aid costs over a 15-year period. Social assistance programmes would save USD 3.5 billion per episode over the cost of a late response, or an average of USD 231 million per year. A combined, resilience-building scenario (early humanitarian response + safety nets) could save USD 4.3 billion, or an average of USD 287 million per year. In other words, every USD 1 spent on safety nets or resilience programming results in net benefits (savings) of between USD 2.3 and USD 3.3, respectively (Cabot-Venton. 2018. Economics of Resilience to Drought – Kenya Analysis. Washington, DC, USAID; Cabot-Venton et al. 2012. The Economics of Early Response and Disaster Resilience: Lessons from Kenya and Ethiopia. London, DFID).


56 E.g. WFP’s R4 Rural Resilience Initiative which enables poor farmers to access crop insurance by participating in risk reduction activities and a cash-for-work programme. While the insurance protects farmers against extreme climate events, activities under the cash-for-work programme help them build assets and invest in natural resources management (see Costella et al., 2021).
transfers, would reduce the demand for humanitarian aid by 2030 to one-third of today’s figures. More visible links to the role of social protection are now being made in global policy forums focused on climate change adaptation. However, attempts to integrate social protection with climate change adaptation measures remain mostly small-scale, ad hoc, and short-term, hindering outcomes in this space. Evidence highlights specific gaps to fill:

i. CVA/social protection programmes need to better integrate climate risk and vulnerability analysis into their design, to address the future large-scale challenges that climate change will entail.

ii. Inclusion of climate vulnerability data in social protection data systems, to inform decisions on coverage for routine social protection benefits and also better guide decisions on scaling up social protection at times of shock.

Gender and inclusion in CVA

Gender and inclusion are receiving increased attention in CVA, with experiences to date highlighting good practices, though more progress is needed to mainstream these. The Grand Bargain noted challenges with integration of gender equality and social inclusion (GESI), especially in large scale CVA programmes, where scale and a focus on challenges of delivery have limited agencies’ attention on nuancing or diversifying design and implementation features to account for the different needs and constraints of different population groups. While the original Grand Bargain document does not entail explicit commitments to gender equality and the empowerment of women and girls (GEEWG) in crisis settings, gender indicators have been integrated in the annual reporting documents and in 2020 the gender workstream developed global guidelines for gender equality on CVA. Meanwhile research funded by FCDO to collate learning from cash assistance programmes in the COVID-19 response has distilled key GESI considerations to ensure that the delivery of CVA programmes are at a minimum gender-sensitive, equitable, inclusive, and where possible, transformative. These include:

i. Conduct a gender-sensitive and inclusive needs/ vulnerability analysis to understand specific priorities, constraints and perspectives of women and girls, men and boys, people with disabilities and other populations.

ii. Involve gender experts, and solicit feedback from women’s organizations, disabled person’s organizations.

iii. Consider whether cultural issues constraint women’s ability to manage larger cash amounts or constitute risks to women if named as beneficiaries.

57 IFRC, 2019, in Costella et al. (2021).
58 Costella et al. (2021) - case studies in Kenya and Tanzania suggest that those most affected by climate shocks are not always those traditionally considered vulnerable under a social protection approach. Shock-responses based on existing social protection programme coverage may not adequately cover all those affected by a climate shock.
iv. Consider duration – short timeframe is not conducive to transformation.

v. Take account of specific barriers to exclusion during enrolment, registration and delivery of benefits for vulnerable population groups caused by constraints such as levels of literacy, language and communication barriers, mobility constraints, time constraints, inadequate infrastructure, reduced access to information, or social stigma and discrimination.

vi. Address these barriers through simplifying administrative processes, bringing them closer to communities, or handholding / help to navigate administrative processes.

vii. Consider the pros and cons of digital payment mechanisms which can have important transformative benefits promoting the financial inclusion of women but inequalities in ownership, access and knowledge of new technologies can risk excluding some population groups.

viii. Put in place robust grievance redress mechanisms (GRMs) and measures to monitor risks of GBV, and SEA.

ix. Ensure that monitoring and evaluation indicators should capture the different programme experiences and outcomes for women and men.

27. There is also growing discussion around, but as yet limited evidence on practical approaches, for how use of social protection/CVA can achieve the ‘triple nexus’ (peace building, social cohesion and stability): the DAC Recommendation on the humanitarian–development–peace nexus 2019 has been influential here, particularly in the context of protracted crises – firstly since it is a legal instrument on which signatories are held to account through the Organisation for Economic Co-operation and Development Assistance Committee (OECD/DAC) peer review, and secondly since linking humanitarian assistance with social protection is providing a clear and tangible entry point around which to mobilise for realisation of these commitments. However, there is little concrete experience of practice and projects to date have tended to mention such objectives only in vague terms. Key challenges noted are in the development of a theory of change – what are the tangible entry points for how CVA actively contributes to peacebuilding – and how to measure and demonstrate success. FAO was embarking on research in 2021 to explore whether and how social protection can contribute to sustaining peace or improving the prospects for peace in fragile contexts.