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PROGRAMME COMMITTEE

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Evaluation of FAO's Cash and Voucher Assistance

Management Response

Queries on the substantive content of this document may be addressed to:

Mr Rein Paulsen
Director, Office of Emergencies and Resilience
Tel: +39 06570 52061
Email: OER-Director@fao.org

Documents can be consulted at www.fao.org

I. Introduction

1. Management would like to express appreciation for the comprehensive thematic evaluation of FAO's Cash and Voucher Assistance (CVA) portfolio, the first of its kind globally since FAO started to use cash transfer and voucher modalities in the implementation of field projects in 2001. The collaborative nature of this Evaluation, with the involvement of key stakeholders in multiple Decentralized Offices, Divisions and Offices in FAO headquarters, as well as external partners, has been fruitful.
2. Management appreciates the findings of the Evaluation, particularly as they confirm that *"Cash and vouchers are increasingly recognized as highly relevant and flexible tools to achieve FAO strategic objectives in emergency and development settings"* in line with the FAO Strategic Framework 2022-31; that *"FAO has a clear comparative advantage where CVA intersects with livelihoods in agriculture, livestock, forestry, and fisheries"*; and *"FAO also has a comparative advantage in linking CVA with social protection systems"*. In terms of the CVA modalities most used by FAO, the Evaluation confirms there is strong evidence that unconditional cash transfers (UCT) and cash-for-work (CFW) effectively support food and other basic needs; and that *"Vouchers and seed fairs have been effective in encouraging the adoption of improved agricultural practices and supporting market development"*, with examples of FAO pilot projects with electronic vouchers having been successfully scaled up by governments.
3. Management welcomes and agrees with the conclusions and recommendations, the implementation of which, within the current biennium and beyond, should contribute to further institutionalize the use of CVA across the Organization, strengthen capacities and preparedness to undertake CVA at country level, including through shock-responsive social protection systems, for anticipatory action and for longer-term development and investment programmes, and generate evidence to support strategic and operational decisions. As reflected in the Management Response, some recommendations will require the repurposing or reallocation of existing resources, or resource mobilization before they are able to be fully implemented, which reflects Management's partial acceptance in the matrix below.
4. It is worth noting that the recommendations require the involvement and active contribution of a significant number of FAO Divisions, Offices and Units: Digital FAO and Agro-informatics Division (CSI), Finance Division (CSF), Procurement Service (CSLP), Data Protection Unit (DPU), Rural Transformation and Gender Equality Division (ESP), Office of Evaluation (OED), Office of Emergencies and Resilience (OER), Project Support Division (PSS), Partnerships and UN Collaboration Division (PSU), and other relevant divisions, in addition to Decentralized Offices. This reflects and supports the need for a corporate approach and a strengthened senior management leadership to contribute to FAO's successful implementation and scale up of CVA across the humanitarian-development-peace (HDP) nexus. In line with the Evaluation finding that *"The duration, size, timeliness, and frequency of cash and voucher transfers are critical factors influencing the effectiveness of CVA in achieving results"*, this also calls for stronger internal and external coordination to simultaneously consider and address the strategic, programmatic, administrative, digitalization and learning dimensions when designing and implementing CVA.
5. It is also important to note that the implementation of most recommendations would require the allocation of dedicated resources, in the current biennium and beyond, through the repurposing of existing resources and additional resources to be mobilized, especially since the recommendations call for FAO to focus its efforts on corporate institutionalization of CVA and related areas of work (including, but not limited to, global positioning, preparedness, digitalization, evidence generation and partnerships) that have not or insufficiently been prioritized in recent years.

II. Response by recommendation

6. In relation to the specific recommendations, Management would like to offer the following comments:

7. **Recommendation 1. Develop a vision and strategy. FAO needs corporate leadership for CVA to be impactful and delivered efficiently and in compliance with existing FAO policies.**

1.1 – Develop cross-functional mechanisms (such as a task force and a senior management-level steering committee) to formulate and implement a CVA strategy as recommended in 1.2. These mechanisms should bridge institutional siloes; enhance linkages between OER and technical division workstreams (including social protection); and, once approved, execute, monitor and report on the strategy.

1.2 – Develop a corporate strategy on the use of CVA across the nexus – namely, to respond to emergencies, build resilience, enhance agricultural productivity and sustainable development, including of value chains. This should promote synergies between social protection and rural development, and gender transformative and socially inclusive programming. The strategy should incorporate theories of change that elaborate the pathways through which different CVA modalities are expected to contribute to stated objectives, leverage comparative advantages of FAO, and address FAO’s global positioning in global cash-related networks.

1.3 – Develop results indicators to monitor and demonstrate effective delivery of the strategy and develop and implement an approach to reporting that ensures accountability at country and regional level for delivering on the strategy.

8. **Response:** Management accepts sub-recommendations 1.1, 1.2 and 1.3. It is proposed that corporate strategic guidance on the use of CVA will be prepared by OER and ESP, in close consultation with other stakeholders.

9. **Recommendation 2. Build capacity and preparedness. FAO cannot meet demand for capacity building and needs to prioritize resources for capacity building and technical support.**

2.1 – Develop a plan to build capacity in Country Offices to use CVA, select priority initiatives to begin implementing the plan in 2026 and identify how resources will be mobilized, prioritized and allocated to support implementation. The plan may include, for example:

- a) specific activities (such as strengthening existing guidelines including for response analysis, training for employees at all levels using internal and external resources);
- b) investments (such as key preparedness actions, recruiting specialists for regional or country offices to increase in-house expertise, establish standard metrics for ‘cash readiness’ across countries); and
- c) target countries to support gradual scale up while increasing quality in programming.

2.2 – Accelerating the roll-out of the IDEA MIS tool, in conjunction with reviewing and revising data protection and privacy guidelines and conducting pilot Privacy Impact Assessments to assess compliance with data privacy and data protection standards.

2.3 – In consultation with Country Offices, review and simplify Manual Sections 702 and 704 to maximize utility and efficiency.

10. **Response:** Management accepts sub-recommendation 2.3, and partially accepts sub-recommendations 2.1 and 2.2 as the suggested actions would require mobilization of additional resources to implement. The sub-recommendations will be implemented in close collaboration between CSI, DPU, OER, PSS, PSU and other relevant divisions.

11. **Recommendation 3. Invest in evidence generation. The evidence base of CVA has critical gaps (such as limited evidence of the impact of Cash+) that must be filled to support strategic and implementation decisions.**

3.1 – Develop a learning agenda that:

- a) identifies learning priorities;
- b) lays out a roadmap for country office teams to collaborate with relevant teams (monitoring, knowledge management and evaluation teams) to facilitate successful and well-coordinated generation of learning (from project design to data collection, analysis, review and reporting); and
- c) promotes the uptake of learning by decision makers to influence impactful use of CVA.

3.2 – Pilot new approaches to delivering CVA, including use of CVA as a substitute to in-kind assistance for various objectives and sub-sectors as appropriate.

3.3 – Prioritize opportunities to contribute rigorous evidence of effectiveness and efficiency of FAO's CVA interventions and, in consultation with OER, consider planning a follow up global assessment of FAO's use of CVA.

12. **Response:** Management accepts sub-recommendation 3.3, and partially accepts sub-recommendations 3.1 and 3.2 as additional resources (corporate as well as extrabudgetary) will be required for both the piloting of new CVA approaches and the rigorous evidence generation of FAO interventions. The overall recommendations and OED's support to contributing to filling the gaps highlighted by the Evaluation in the current evidence base of CVA, particularly when it comes to Cash+, is most welcome.

13. **Recommendation 4. Strengthen partnerships for preparedness. Effective partnerships are essential for delivering CVA. Potential partners include governments, other technical agencies and networks, civil society, and private sector organizations.**

4.1 – To support the delivery of CVAs, institutionalize good practices for preparedness to take advantage of operational partnerships at country level rapidly and effectively. These may include establishing pre-agreements with financial service providers in priority countries, leveraging existing contracts of other UN agencies, and establishing country-level rosters of pre-qualified implementation partners.

4.2 – Accelerate data sharing agreements with governments and other agencies to facilitate efficient implementation (for example, by providing access to data in beneficiary, social and farmer registries). Collectively analyse risks and possible mitigation measures to inform FAO's partnership and data sharing agreements.

14. **Response:** Management accepts sub-recommendation 4.2 and partially accepts sub-recommendation 4.1, as the suggested actions would require mobilization of additional resources to implement. OER will continue to work with CSF and CSLP to institutionalize and replicate cash and voucher preparedness good practices, as well as strengthen collaboration with DPU and ESP in view of accelerating ongoing efforts to sign and operationalize data sharing agreements which are critical to facilitate collaboration and partnerships on CVA at both country and global levels.

Evaluation of FAO's Cash and Voucher Assistance – Management Response Matrix

Evaluation Recommendation (a)	Sub-recommendation	Management response Accepted, Partially Accepted or Rejected (b)	Management plan			
			Management Actions to be taken, and/or comments about partial acceptance or rejection (c)	Responsible unit (d)	Time frame (e)	Further funding required (Y or N) (f)
Recommendation 1: Develop a vision and strategy. <i>FAO needs corporate leadership for CVA to be impactful and delivered efficiently and in compliance with existing FAO policies.</i>	1.1 – Develop cross-functional mechanisms (such as a task force and a senior management-level steering committee) to formulate and implement a CVA strategy as recommended in 1.2. These mechanisms should bridge institutional siloes; enhance linkages between OER and technical division workstreams (including social protection); and once approved, execute, monitor and report on the strategy.	Accepted	FAO commits to develop cross-functional mechanisms, by dedicating appropriate human resources to the task force/steering committee. FAO will ensure appropriate linkages with relevant divisions, at both the management and technical levels, to execute, monitor and report on the corporate strategic guidance.	OER and ESP	31 March 2025	N

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	1.2 – Develop a corporate strategy on the use of CVA across the nexus – namely, to respond to emergencies, build resilience, enhance agricultural productivity and sustainable development, including of value chains. This should promote synergies between social protection and rural development, and gender transformative and socially inclusive programming. The strategy should incorporate theories of change that elaborate the pathways through which different CVA modalities are expected to contribute to stated objectives, leverage comparative advantages of FAO, and address FAO’s global positioning in global cash-related networks.	Accepted	Sub-recommendation 1.2 is accepted. FAO commits to collaborate in developing corporate strategic guidance in line with the FAO Strategic Framework 2022-31 on the use of CVA across the nexus. A first step towards the development of the corporate strategic guidance will be the planned FAO scoping paper on Cash+ and social protection for resilient agricultural livelihoods and women’s economic empowerment.	OER and ESP	31 July 2026	N
	1.3 – Develop results indicators to monitor and demonstrate effective delivery of the strategy and develop and implement an	Accepted	FAO will develop results indicators (in line with the corporate results framework) to monitor and demonstrate effective delivery of the corporate	OER and ESP	31 July 2026	N

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	approach to reporting that ensures accountability at country and regional level for delivering on the strategy.		strategic guidance and develop and implement an approach to reporting.			
Recommendation 2: Build capacity and preparedness. <i>FAO cannot meet demand for capacity building and needs to prioritize resources for capacity building and technical support.</i>	2.1 – Develop a plan to build capacity in Country Offices to use CVA, select priority initiatives to begin implementing the plan in 2026 and identify how resources will be mobilized, prioritized and allocated to support implementation. The plan may include, for example: <ul style="list-style-type: none"> a) specific activities (such as strengthening existing guidelines including for response analysis, training for employees at all levels using internal and external resources); b) investments (such as key preparedness actions, recruiting specialists for Regional or Country Offices to increase in- 	Partially Accepted	FAO will develop a plan to strengthen capacities in Country Offices on the use of CVA, prioritize initiatives and identify how resources will be mobilized. Furthermore, FAO will work towards the gradual scale up of the voucher modality for which FAO has clear comparative advantage. FAO agrees to explore possible engagements with the private sector and other partners in capacity development related to CVA. FAO agrees to: <ul style="list-style-type: none"> a) develop a “How-to” guide on how Social Protection Systems can support FAO programming; b) document and disseminate best practices on linking social protection and CVA with the support of its Knowledge Platform on Emergencies and Resilience (KORE); and 	OER with inputs from PSU and other relevant divisions	31 December 2025	Y

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	<p>house expertise, establish standard metrics for ‘cash readiness’ across countries); and</p> <p>c) target countries to support gradual scale up while increasing quality in programming.</p>		<p>c) continue to build the technical capacity and expertise of both CVA and social protection profiles within FAO.</p> <p>Progression of this sub-recommendation is dependent on sourcing an approximate one-time investment of USD 75 000 to cover the cost of funding 6 months of support from a Capacity Development expert.</p>			
	<p>2.2 – Accelerating the roll-out of the IDEA MIS tool, in conjunction with reviewing and revising data protection and privacy guidelines and conducting pilot Privacy Impact Assessments to assess compliance with data privacy and data protection standards.</p>	Partially Accepted	<p>FAO will continue the roll-out and standardization of the Identification Delivery and Empowerment Application (IDEA) system (currently used in ten countries) which will be further strengthened and developed to improve its performance and facilitate a more autonomous use by Country Offices.</p> <p>FAO will work on ongoing IDEA migration, hosting and re-architecting exercise on FAO (Amazon Web Services) public cloud resources to improve its performance, resilience, availability, sustainability and data integrity.</p> <p>Furthermore, FAO will work on evolving IDEA into a sustainable corporate solution for all the CVA projects</p>	OER jointly with CSI, DPU, and PSS	31 July 2025	Y

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			<p>operation modalities, identifying and leveraging IT platforms that would best fit with the overall integrated FAO projects operation, monitoring and evaluation ecosystem.</p> <p>OER will coordinate with DPU to assess the entire CVA lifecycle, and in particular each step that involves the collection and processing of beneficiary data (e.g., pre-registration, registration, verification, validation, enrolment, cash/voucher provisioning, grievance handling, monitoring, reporting, etc.). OER will liaise with DPU to undertake a Data Protection Impact Assessment (DPIA) on IDEA, focusing on both IDEA functionality, for keeping the data secure, and functionality to support the processing activities taking place outside the MIS, such as consent recording.</p> <p>Progression of this sub-recommendation is dependent on sourcing an approximate USD 750 000 yearly to double the current speed deployment, through doubling the existing capacities of the team.</p>			
	2.3 – In consultation with Country Offices, review	Accepted	FAO welcomes the Evaluation sub-recommendation and considers that it is	PSS	31 December 2025	N

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	and simplify Manual Sections 702 and 704 to maximize utility and efficiency.		<p>already addressed with regards to Manual Section 702 (MS702), as it was reviewed, revised and simplified after the Evaluation was completed (in December 2023), in close collaboration with Country Offices and headquarters stakeholders.</p> <p>An equivalent review process will be conducted for MS704 after completion of the internal audit in early 2025. Both Manual Sections then will continue to be refined subject to feedback from users and other stakeholders.</p>			
<p>Recommendation 3: Invest in evidence generation.</p> <p><i>The evidence base of CVA has critical gaps (such as limited evidence of the impact of Cash+) that must be filled to support strategic and implementation decisions.</i></p>	<p>3.1 – Develop a learning agenda that:</p> <p>a) identifies learning priorities;</p> <p>b) lays out a roadmap for country office teams to collaborate with relevant teams (monitoring, knowledge management and evaluation teams) to facilitate successful and well-coordinated generation of learning</p>	Partially Accepted	<p>FAO will develop its learning agenda and will use it as an input for OED’s learning agenda. Specifically, OED will provide comments and inputs to the OER learning agenda to identify well-timed opportunities where OED could coordinate with project monitoring teams, knowledge management teams and (decentralized) evaluation teams. Examples of good opportunities for coordination include: project design, development of logic models or theories of change, and baseline data collections.</p>	OER-led, with inputs from OED	31 December 2024	Y

Evaluation Recommendation (a)	Sub-recommendation	Management response Accepted , Partially Accepted or Rejected (b)	Management plan			
			Management Actions to be taken, and/or comments about partial acceptance or rejection (c)	Responsible unit (d)	Time frame (e)	Further funding required (Y or N) (f)
	(from project design to data collection, analysis, review and reporting); and c) promotes the uptake of learning by decision makers to influence impactful use of CVA.		Progression of this sub-recommendation is dependent on sourcing an approximate one-time investment of USD 75 000 to cover the cost of funding 6 months of support from a Learning Expert.			
	3.2 – Pilot new approaches to delivering CVA, including use of CVA as a substitute to in-kind assistance for various objectives and sub-sectors as appropriate.	Partially Accepted	Sub-recommendation 3.2 is partially accepted. FAO will continue to advocate for the use of cash transfers to complement and even substitute, where possible, direct provision of agricultural inputs. Where feasible, in line with Evaluation findings, OER will also advocate to implement stand-alone cash transfers or vouchers in response to crises to restore pre-crisis livelihoods. Progression of this sub-recommendation is dependent on sourcing an approximate USD 900 000 to implement the six pilots.	OER	31 December 2025	Y
	3.3 – Prioritize opportunities to contribute rigorous evidence of effectiveness and efficiency of FAO's CVA	Accepted	As mentioned in the FAO Evaluation Strategy 2023-2025, OED seeks to generate evidence and recommendations that inform thinking, deliberations and, ultimately, decisions of FAO, Members,	OED, in consultation with OER	31 December 2027	N

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			Management Actions to be taken, and/or comments about partial acceptance or rejection (c)	Responsible unit (d)	Time frame (e)	Further funding required (Y or N) (f)
	interventions and, in consultation with OER, consider planning a follow up global assessment of FAO's use of CVA.		<p>donors, partners and other actors. In particular, OED will prioritize work that aligns with the following principles:</p> <ul style="list-style-type: none"> a) it is useful to stakeholders – generating actionable evidence to inform decisions; b) it adds value to the knowledge base – avoiding unhelpful duplication; and c) it complements work of others in the field – through knowledge management and coordination. <p>Based on these principles, OED will engage with OER to:</p> <ul style="list-style-type: none"> a) better understand evidence gaps concerning the effectiveness and efficiency of FAO's CVA interventions; and b) identify evaluation needs and evaluation products that could be useful. <p>OED is building capacity to conduct a wide range of evaluations, including impact evaluations, cluster reviews/assessments, and syntheses.</p> <p>Leveraging this new capacity, OED is already conducting a longitudinal</p>			

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			evaluation of impact of cash-based interventions in Somalia (expected to be completed in the 4 th quarter of 2027, though reports and papers which will be released as data collections are completed every year).			
<p>Recommendation 4: Strengthen partnerships for preparedness.</p> <p><i>Effective partnerships are essential for delivering CVA. Potential partners include governments, other technical agencies and networks, civil society, private sector organizations.</i></p>	<p>4.1 – To support the delivery of CVAs, institutionalize good practices for preparedness to take advantage of operational partnerships at country level rapidly and effectively. These may include establishing pre-agreements with financial service providers in priority countries, leveraging existing contracts of other UN agencies, and establishing country-level rosters of pre-qualified implementation partners.</p>	<p>Partially Accepted</p>	<p>FAO will dedicate time and resources to its fulfilment by 31 December 2025. Of note some significant work has already been done as CSF has conducted an Invitation to bid for global financial service providers for mobile money (where available) and cash. Contracts are expected to be signed by mid-2024 responding directly to sub-recommendation 4.1.</p> <p>FAO partially accepts this sub-recommendation, noting that the most appropriate procurement and contracting strategy will be determined, considering the local contexts and the market situation/dynamics in the country. Consequently, best practices such as establishing pre-agreements with financial service providers or establishing country-level rosters of pre-qualified implementation partners may be effective in some countries but might</p>	OER jointly with CSF and CSLP	31 December 2025	Y

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			<p>not be the best strategy in other countries.</p> <p>FAO will also liaise with DPU to:</p> <ul style="list-style-type: none"> a) support country-level preparedness, including the lining up of service providers and partners, and cooperation with other UN agencies; b) develop a standard data protection vetting process for potential service providers (such as financial service providers [FSPs]), that would screen for service provider data protection preparedness; c) develop a draft template data sharing agreement for the Country Offices to use with their service providers (to include user instructions for the Country Offices); and d) prioritize specific training for Country Office personnel to streamline data protection aspects. <p>Progression of this sub-recommendation is dependent on sourcing an approximate USD 180 000 yearly to fund a dedicated P-4 position.</p>			

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	<p>4.2 - Accelerate data sharing agreements with governments and other agencies to facilitate efficient implementation (for example, by providing access to data in beneficiary, social and farmer registries). Collectively analyze risks and possible mitigation measures to inform FAO's partnership and data sharing agreements.</p>	Accepted	<p>FAO will support Country Offices in accelerating the signature of data sharing agreements with governments and other agencies enabling access to existing datasets and to inform programming.</p> <p>Robust data sharing agreements require prior risk and compliance assessments. OER will liaise with DPU, in consultation with the Legal Office (LEG) as appropriate, to develop a self-assessment tool, to be used in the field, whenever a data sharing relationship is contemplated, whether with governments, partners, or service providers. When (appropriately) completed, this self-assessment should be able to pin-point the main data protection risks involved in such data sharing, and if these risks are high and seem to require mitigations, whether a DPIA would be appropriate.</p>	CSI, DPU, ESP, OER	31 December 2025	N