



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

Finnish Red Cross / Ville Palonen. March 2020.



2

MAINSTREAMING CVA – PROGRESS; RISKS & CHALLENGES

Global objective: Ensure cash is routinely considered alongside other tools

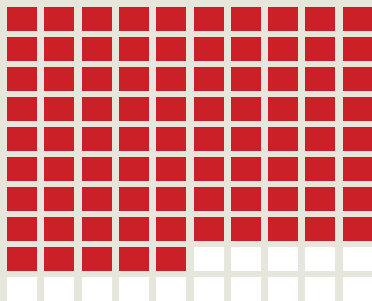
Most practitioners now routinely consider the use of CVA, while barriers to this have evolved since 2017

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

BOX 2.1 Routine consideration of CVA



85% of practitioners perceive that there has been more systematic consideration of CVA over the last two years



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

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

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

Multipurpose cash is increasingly considered in response analysis

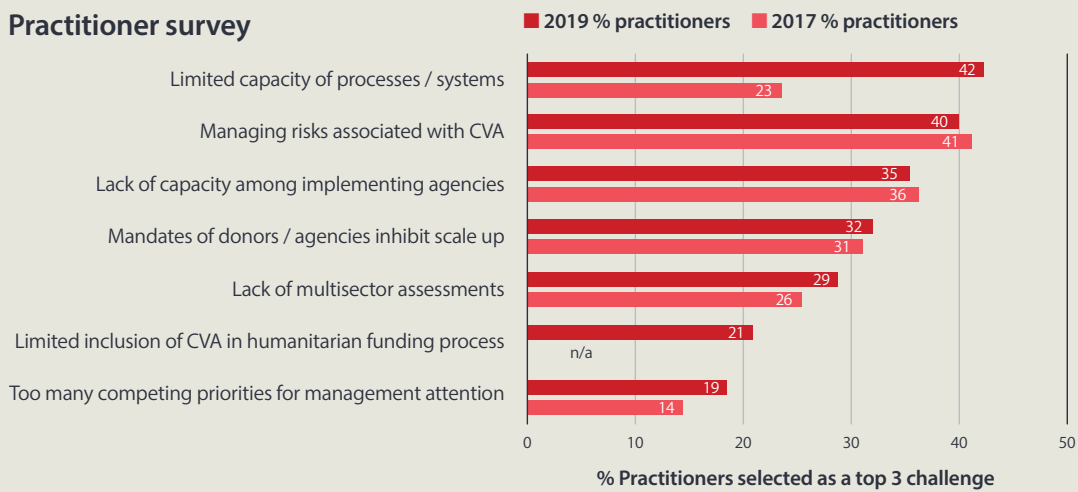
In the previous report, it was noted that the routine consideration of MPC was more limited than sector specific CVA. Key informants perceive that this has improved since 2017, which is also suggested by the wider data. Two thirds of surveyed organisations agreed that their organisation now routinely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

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

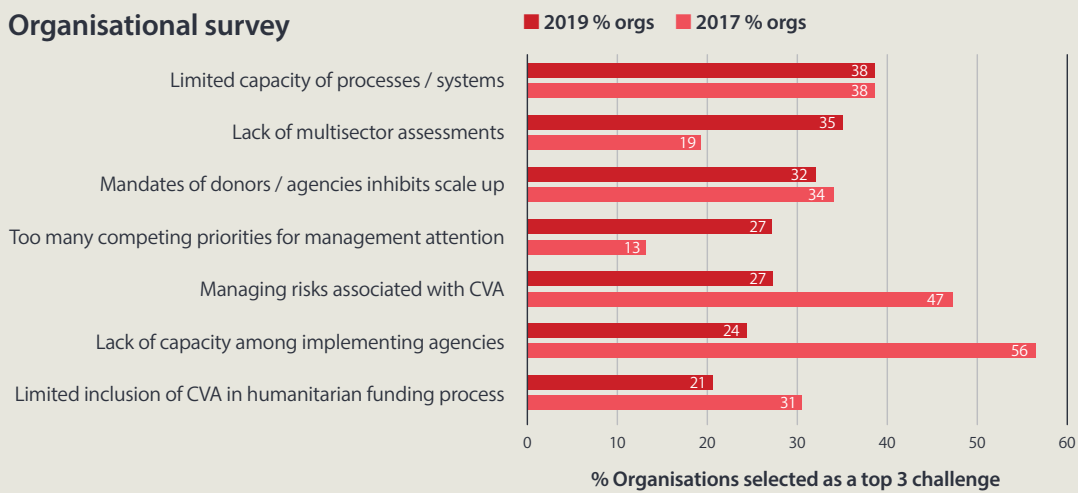
² Inter-agency scoring team (GPPI in consultation with IOM, OCHA, UNCHR, UNICEF, WHO, ECHO, DFID) analysis of 2020 HRP data from 20 countries (Afghanistan, Burkina Faso, Burundi, Cameroon, CAR, Chad, DRC, Ethiopia, Haiti, Iraq, Mali, Myanmar, Niger, oPt, Somalia, South Sudan, Sudan, Ukraine, Zambia,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

BOX 2.2 Perceived challenges to the scale-up of CVA

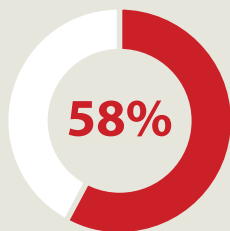
Practitioner survey



Organisational survey



BOX 2.3 MPC in response analysis



of surveyed organisations are routinely considering MPC as a response option

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

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

BOX 2.4 Funding allocations for CVA in HRP

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

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

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

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

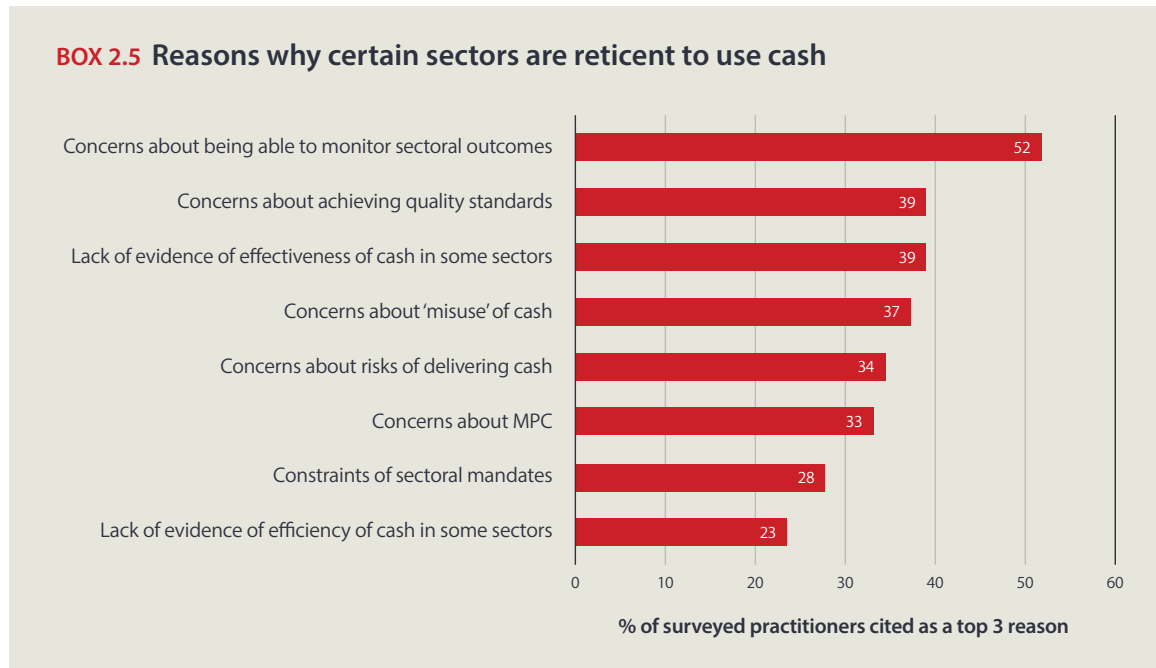
Several key informants commented that multisector market assessments were under-utilised, insufficiently collaborative and territorial in the sharing of data. Others observed that they do not have the scope to look at sectoral level analysis in sufficient depth and this makes for challenging resource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

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

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

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

Sectors have made progress with CVA, but specific challenges remain



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

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

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

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

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



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

Global Cluster Cash Focal Point

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

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

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

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

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

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

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

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

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

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

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

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

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



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



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

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

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

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

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

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

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

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

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

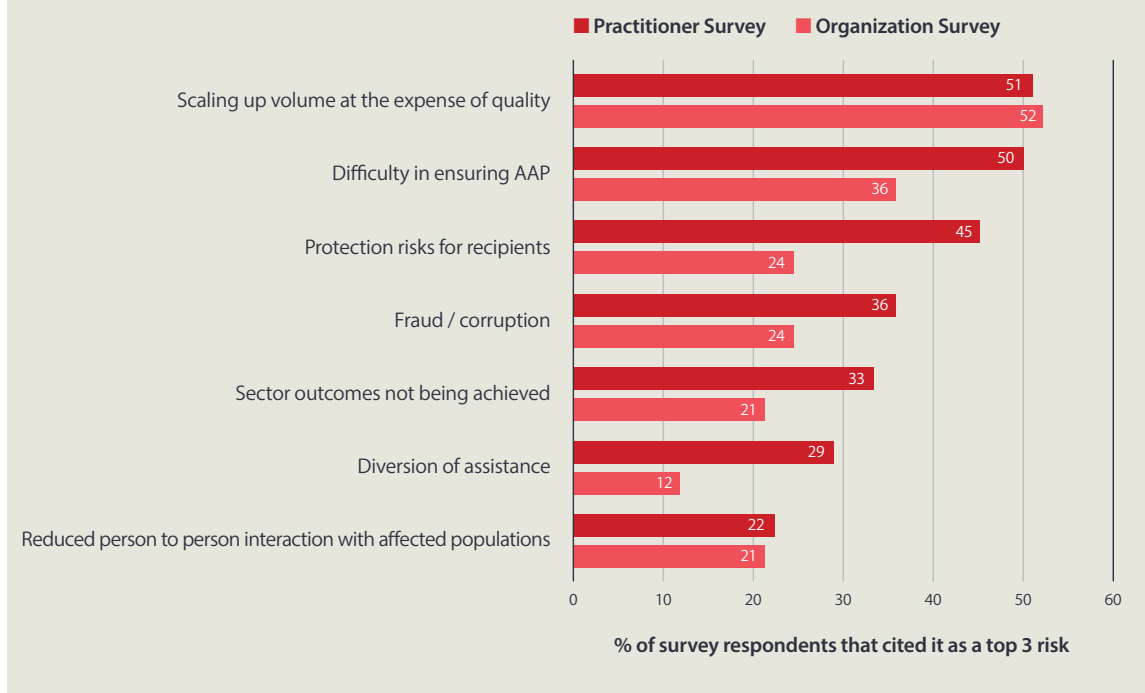
Examples of the UN and RCRCM's consolidated CVA delivery at scale have had an impact on other actors. Key informants recognised that, for example, INGOs acting independently as 'end to end' suppliers of cash assistance will, in some contexts and cases at least, become unsustainable. Equally it was noted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

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

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

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

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

BOX 2.8 Biggest perceived risks of scaling up CVA

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

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

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

BOX 2.9 Perceptions of risk

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

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

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

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

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

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

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



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

Action Against Hunger

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

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

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



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

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

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

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

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

BOX 2.10 Evolution in responsible data management in CVA

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

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

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

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

¹¹ Ibid.

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

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

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

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

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

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

PRIORITY ACTIONS

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



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



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



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



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



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

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