

November 2023

The State of the World's Cash 2023

An Overview



Increasing the use of cash and voucher assistance is a people-centred issue – it is the form of assistance people in crisis usually want. It is also about more effective aid. This report details progress and challenges and identifies what needs to happen to achieve better CVA. Fundamentally, this report is about how to design and deliver better aid.

The *State of the World's Cash report 2023* is packed with analysis and reflections; it pulls together the views of people involved in CVA policy and practice from around the world; synthesises research from the last three years; and cross references findings with what the evidence tells us about the perspectives of people in crisis. The report finds that substantive changes have taken place in some areas, with little or no movement in others.

The journey of CVA has challenged the humanitarian system, especially over the last decade, requiring changes in the way aid is thought about and managed. Every percentage increase in the use of cash has required multiple changes in ways of thinking and working within and between organizations. Systemic change needs to continue.

This report reflects on issues discussed in previous editions, highlights emerging issues, and draws attention to those that are gaining more traction. Much as the CVA ecosystem is large and complex, it is not an island – it exists as part of and within the wider humanitarian system, within financial and political systems, and many others. Understanding the context within which CVA is evolving is important, with some of the key drivers of change being external to the humanitarian system.

With a wealth of information, this neutral and authoritative report is for anyone, and everyone involved in CVA, from policy makers, practitioners, donors, and academics to CVA champions and advocates. It can be used to inform strategic thinking, influence policy, and act as a reference point for those seeking to deepen their understanding of CVA trends. It is a data-rich resource with the key arguments and recommendations needed to inform progress towards more effective and people-centred aid. Each chapter has a one-page overview, with summary recommendations. Looking at the findings overall, three overarching themes emerged.



More and better CVA: the use of CVA has increased, the quality improved but there's still a long way to go

Most people in crises prefer cash over other forms of assistance, so maximizing the use and the quality of CVA is about responding to people's preferences – it's also about achieving greater aid efficiency and effectiveness. The use of CVA has increased but is still far from what is possible. Quality improvements have been made and there is an increasing commitment to people-centred CVA. With an expanding evidence base of how CVA can be used to achieve a myriad of outcomes, attention needs to focus on the uptake of guidance and engagement of people in crisis to tailor work according to needs, context, and preferences. Unlocking the full potential of quality CVA requires systematic context-based analysis, innovative approaches, collaborative efforts, and constant questioning.

Digging deeper:

- 1. The use of CVA is increasing but progress is slowing.** In terms of volume, there have been year on year increases in the use of CVA since 2015. US\$10 billion of aid was directed to CVA in 2022 and it now accounts for 21% of international humanitarian assistance (IHA). However, it is far from the estimated 30% to 50% of IHA that is possible if CVA is used wherever feasible and appropriate, and progress is slowing.
- 2. Large-scale CVA entails inclusion trade-offs** between standard design and tailored approaches to meet differentiated needs. Perspectives on the trade-offs between coverage and transfer values vary, with crisis-affected people often preferring more people to be assisted with smaller transfers, while humanitarian actors focus on giving more support to the most vulnerable.

3. **The focus on large-scale CVA risks embedding bias into policy** by reinforcing the 'forgotten' status of responses with large funding gaps or crises that go underreported. CVA in these contexts tends to generate less analysis and so learning opportunities are lost, and the experiences of affected people risk being excluded from learning, policy debate and guidance development.
4. **The commitment to people-centred CVA is growing but change is slow.** Quality improvements have been made, but the perspectives of people in crisis still need more attention as does the uptake of evidence-informed guidance. While feedback mechanisms have increased, there is questioning about the degree to which information is being used to inform CVA design. Engaging with crisis-affected people in design processes is crucial to strengthening CVA. Quality CVA requires systematic context-based analysis of differentiated needs and response options. It requires flexible and adequate funding, with a willingness to innovate in ways that are informed by crisis-affected people and humanitarian actors. Pathways to better reaching the 'most vulnerable 20%' in any crisis include developing specialized CVA to address the additional needs of specific groups, and improving linkages to other services. More appropriate and measurable targets are needed for participation, accountability, and inclusion, alongside systematic monitoring of the perspectives of people receiving CVA and a commitment to act on feedback.
5. **Adoption of CVA is happening but progress comes with risks.** Some feel that the use of CVA is now accepted and the 'battle is won'. This is risky. There remains huge potential to increase the volume of CVA and to make it more people-centred. CVA will not reach its potential unless further substantive changes are made to the underlying structures, mindsets, and day-to-day processes of the humanitarian system. This requires ongoing collective effort and commitment from all stakeholders.



Constant adjustment: Needs are changing and perspectives evolving

The use of CVA has increased and it is seen as a flexible and efficient tool in a rapidly evolving world. Humanitarian needs are changing, with longer-term, complex crises and more people on the move than ever before. Operating contexts are evolving with, for example, economic volatility identified as a greater concern than in previous reports, and the increasing frequency and intensity of the impacts of the climate crisis. As things change, new capacity and preparedness gaps are emerging – including major needs in relation to digitalization and data. As CVA evolves and technical processes are adopted, there is recognition that some processes risk being excessive in comparison to the problems they are seeking to resolve. The coming years require strategic thinking and agile programme design to adapt CVA to anticipate and respond to pressing issues such as economic volatility, the climate crisis, and financial inclusion.

Digging deeper:

1. **Increasingly CVA offers a means of meeting needs in multiple contexts** and supporting the resilience of crisis-affected people. CVA can be used to respond to needs in a myriad of situations including the needs of the growing number of people on the move, communities facing recurrent climate-based shocks, people in contexts of chronic crisis, and the financially excluded. The COVID-19 pandemic underscored the versatility of CVA, as governments and humanitarian agencies around the world used cash as a central part of their response.
2. **Technical processes can be at odds with people-centred CVA.** It is increasingly recognized that overly technical processes and approaches can lose sight of what affected people want as the central principle, and can be inefficient as a result. Regular sense checking is needed to ensure that processes are fit for purpose and do not have unintended consequences.
3. **The current framing of financial inclusion in CVA is too narrow**, focused exclusively or primarily on formal financial services. This risks not giving due consideration or support to the informal financial

mechanisms that many crisis-affected people already use, and/or that may be better suited to their current requirements. Informal mechanisms have the potential to connect with CVA, and link to formal financial services as relevant and requested.

4. **Digital technologies present opportunities and risks for people-centred CVA**, but there are major gaps in the capacities of humanitarian organizations to effectively manage them. Technology needs to be designed and managed to avoid risks linked to exclusion, data and cybersecurity; this requires better collaboration across humanitarian actors, the private sector, and governments. Progress in payment and accountability technologies raises the possibility of increasing recipient choice and supporting financial inclusion, particularly where design is strongly informed by the needs and preferences of crisis-affected people.
5. **The focus on climate and the environment is increasing, with recognition that CVA can play an important role** in anticipatory action, post-shock response and recovery, adaptation, and resilience. To achieve this potential, CVA actors need to collaborate with others beyond their usual partnerships to engage with different government offices, plus agencies involved in development, social protection, and climate sectors.
6. **Preparedness and capacity needs are changing** and critical gaps emerging. Strategic investments are needed in digitalization and effective data management, amongst other areas. New thinking, investments and partnerships are required to address preparedness requirements in relation to anticipatory action, economic volatility, climate and environment, and financial inclusion.



Structural constraints: Greater systems change needed for CVA to meet its full potential

There is some change at the level of the humanitarian system, with agreement about a new cash coordination model, emerging models of locally-led response, much greater focus on linkages between CVA and social protection and more. Much of that change has been slow and strides are often greater in terms of commitments and policies, than in practice. There is little improvement in terms of the visibility in the reporting of implementing partners. There is need for more progress in terms of working more effectively across different areas of work. Mindsets as well as systems and funding streams need to change to enable faster and more substantive progress towards maximizing the potential of CVA and increasing its effectiveness.

Digging deeper:

1. **There has been movement on cash coordination** with the new cash coordination model widely considered a success that could facilitate increased and more effective use of CVA. On the other hand, some see this as a missed opportunity to facilitate wider reform to support a more people-centred approach to aid, as well as better realizing the potential of CVA.
2. **Progress towards locally-led CVA continues to be slow.** Faster progress will depend on wider structural and systemic changes to humanitarian funding mechanisms, partnerships, due diligence requirements, and how aid is designed and organized overall. Such change requires a willingness to substantially shift power and resourcing within the system.
3. **Evolving operational models may facilitate an increase in locally-led CVA.** Some equate the capacity to deliver large-scale CVA as requiring a replication of existing operational models, but this starts from an international perspective of how aid is managed and reflects prevailing power dynamics. Large-scale locally-led CVA is being approached differently in some contexts based on the strengths and potential of local actors. Locally-led CVA offers potential for stronger linkages to social protection systems and context-appropriate approaches to financial inclusion.

- 4. The role of implementing partners is still not visible in CVA reporting.** UN agencies and their partners continue to deliver an increasing percentage of CVA, but the roles of hundreds, if not thousands, of implementing partners, many of them local actors, are largely invisible in reporting. This lack of visibility was highlighted in the last report, but little progress has been made to resolve this issue.
- 5. Operational, funding, and programmatic structures continue to inhibit progress.** Strong linkages between CVA and other forms of financial assistance, including social protection, offer the potential for greater efficiency and effectiveness. However, the divides between humanitarian and development thinking and practices offer major barriers to change. Issues such as potentially conflicting principles, funding streams, coordination models, skillsets, mindsets, and issues related to responsible data management and interoperable systems need to be addressed.

In summary, there is a clear need for concerted and collective efforts across the system to improve the scale and reach of CVA as part of an overall drive to improve aid effectiveness.

Ghulam Mustafa is based in Sanghar, Sindh, Pakistan. He has set up a small roadside shop using the multi-purpose cash that he received from Oxfam. Ghulam says that many people in the area have used some of the support they have received to set up small businesses.
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Summary

Introduction and Methodology

Since the last *State of the World's Cash Report* was published in 2020, the use of cash and voucher assistance (CVA) has grown in volume terms and as a proportion of international humanitarian assistance (IHA). However, the pace of growth as a proportion of IHA is now starting to plateau. There have been substantive improvements in the quality of CVA in many ways, but limited progress in others. This new report examines progress, changes, and challenges over the last three years – all set against a backdrop of a rapidly changing context, where needs are evolving and the number of people in need is increasing.

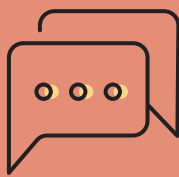
This summary report gives you the headlines. The full report provides more detailed analysis and more nuanced discussions.

The report provides:

-  A neutral and critical analysis of the current state of CVA globally, including the extent to which it is contributing to outcomes for people in need.
-  An assessment of progress since the 2020 *State of the World's Cash* report, identifying notable changes, opportunities and challenges which may affect further progress.
-  Practical actions which can be applied – individually, organizationally and collectively – by stakeholders to support further progress and address challenges.

Methodology

Primary research:



99

key informant interviews.



21

country, regional and global focus group discussions.



860

respondents to the practitioner survey in 4 languages.

Secondary research:



Review of key documentation published since 2020.



Analysis of CVA volume data from the Financial Tracking Service (FTS), provided by Development Initiatives.

Summary: Chapter 1

People-centred CVA

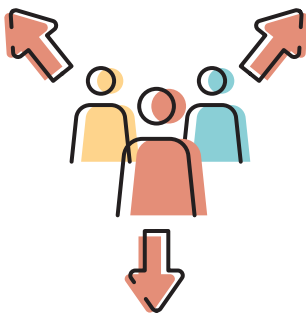


Key Findings

- ✓ There is a growing commitment to putting people at the centre of CVA.
- ✓ Challenges remain with communication, participation, and feedback.
- ✓ Increased attention is being given to inclusion, with more focus on people with disabilities; gender, particularly the needs of women; and displaced populations and people on the move.
- ✓ Organizational capacities; mindsets; donor policies; and digital technology are both enablers and challenges to progress on people-centred CVA.
- ✓ Better assessment, measurement, and monitoring of people-centred CVA is needed.
- ✓ Perspectives differ on how large-scale CVA impacts on people-centred CVA.

Taking into account the diverse needs and constraints of different groups within the target population at all stages of the programme cycle.

Seeking and acting on recipients opinions, preferences, priorities, as well as feedback received during implementation.



Ensuring active engagement and participation of affected populations in design decisions.



Strategic debates

- ❓ What needs to be done to make greater progress towards people-centred CVA?
- ❓ What are the best ways to reach and serve the 'most vulnerable', who are a heterogenous group with different needs and interests?



Priority actions

- ❗ **Donors and implementing organizations should** increase investment in well-designed, independently-led consultation and feedback studies to understand how CVA is working from the perspective of recipients. Such investments would amplify CVA recipients' voices and contribute to redefining power dynamics between aid providers and recipients. **Humanitarian actors should** be held accountable to act on findings.
- ❗ **Humanitarian actors should** agree on structures and processes for ensuring accountability to people affected by crises in CVA.
- ❗ **Implementing agencies should** put people at the centre of the digital transformation of CVA. They should make best use of digital technology, maximizing potential benefits while minimizing risks.
- ❗ **All actors should** continue to invest in needs assessments, response and other analyses underpinning CVA, disaggregating data and analysis by gender, age, and disability.



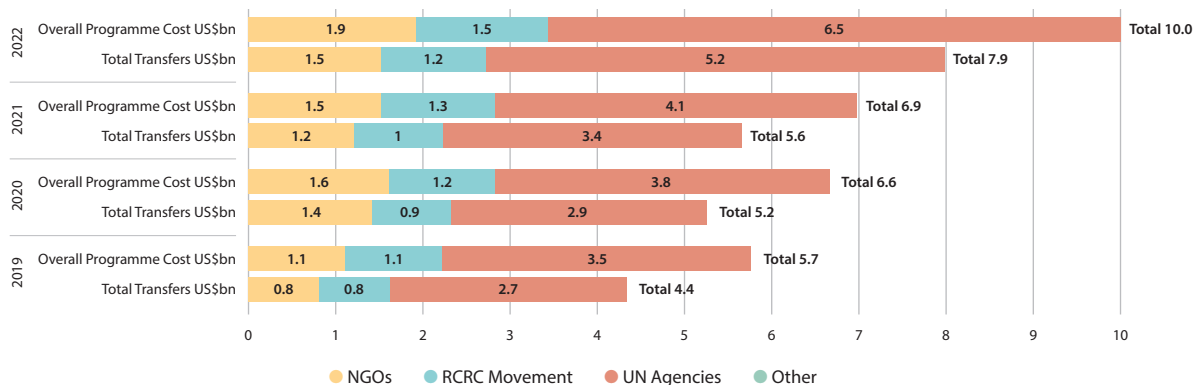
Summary: Chapter 2

CVA Volume and Growth



Key Findings

✓ The global volume for CVA programming expenditure increased by 41% from 2021 to 2022 to US\$10.0 billion, with US\$7.9 billion transferred as CVA to crisis-affected people. The large-scale use of cash in the Ukraine response was a key driver of growth, but other crises also saw increases in CVA.



- ✓ CVA represented 21% of international humanitarian assistance (IHA) in 2022, compared to 20% in 2020. As a percentage of IHA, growth in the use of CVA is plateauing.
- ✓ If used wherever feasible and appropriate, CVA could account for between 30% to 50% of IHA. CVA funding to UN agencies is increasing but the visibility of implementing partners remains limited.
- ✓ Cash increased relative to vouchers as a proportion of CVA from 72% to 81% between 2021 and 2022.
- ✓ Issues affecting the growth of CVA are evolving. Economic volatility is now considered one of the most significant challenges.
- ✓ Challenges persist with consistent and timely global and response level tracking and reporting of CVA.



Strategic debates

- ❓ Is there a risk that a focus on large-scale CVA reinforces the ‘forgotten’ status of some crises?
- ❓ What should be done to realize the full potential of CVA to address humanitarian needs?
- ❓ Would more systematic collective tracking and reporting of CVA increase transparency and accountability, and improve coordination of activities?
- ❓ Is there a need to track financial assistance overall?



Priority actions

- ❗ **All stakeholders should** work together, across organizations, sectors, and responses, to leverage opportunities to increase the use of CVA where feasible and appropriate.
- ❗ **Implementing organizations should** report their programming (both CVA and other modalities) to interagency platforms, prioritizing IATI, making the necessary investments to ensure this happens.
- ❗ **The global Cash Advisory Group should** assign responsibilities for tracking CVA within the new cash coordination model. Sufficient resources should be identified to support CVA information management functions.

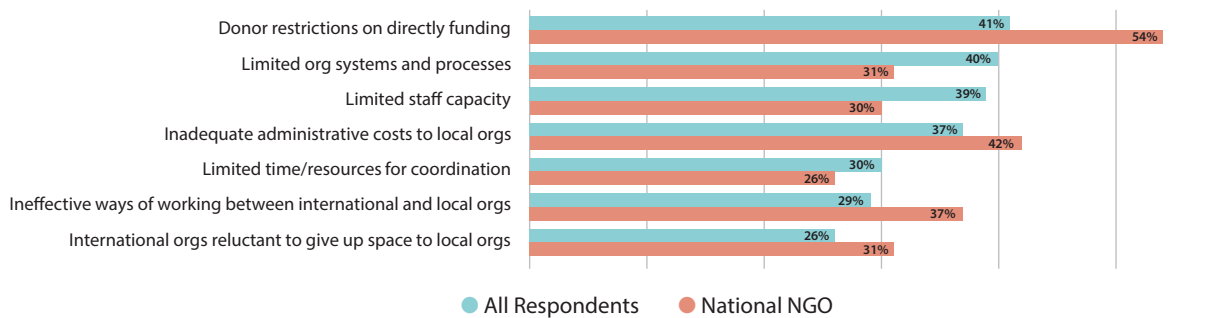
Summary: Chapter 3

Locally-led Response

Key Findings

- ✓ Local and international perspectives on what locally-led response means are often fundamentally different.
- ✓ There has been some progress towards locally-led response, but major change is lacking.
- ✓ Barriers to progress in locally-led CVA reflect issues in the wider system.
- ✓ The perceived tension between scaling and localizing CVA is solvable.
- ✓ Emerging models and different entry points offer new ways of working and important lessons for locally-led CVA.

Main Challenges that Local and National Actors Face in Scaling up CVA



Strategic debates

- ❓ Can arguments that present large-scale CVA as being in opposition to locally-led response be overcome? How can CVA models led by international actors be changed to facilitate locally-led response?
- ❓ Can international actors adapt their mindsets and ways of working to align with and support local contexts and stakeholders?
- ❓ How should funding models and mechanisms be adjusted to increase locally-led CVA?

Priority actions

- ❗ **Donors and intermediaries should** increase investment in local and national actors, to help address capacity gaps and improve funding access. This includes risk sharing and making compliance requirements proportionate.
- ❗ **Donors should** explore options to increase quality CVA funding for local and national organizations, including supporting equitable partnerships and contributing more to relevant funding mechanisms.
- ❗ **INGOs and UN agencies should** increase intermediary funding to local and national organizations, and facilitate locally-led CVA, with equitable sharing of overheads. Donors should ensure this happens.
- ❗ **Donors and international actors should** fund and support the meaningful engagement and leadership of local and national actors in CVA coordination mechanisms and policy forums.
- ❗ **All stakeholders should** continue to advocate and accelerate practical changes to CVA models and ways of working to enable a 'locally-led first' approach where appropriate.
- ❗ **International actors should** support the adaptation of institutional mindsets, strategies and operations to local contexts and capacities.

Summary: Chapter 4

Cash Coordination



Key Findings

- ✓ There has been progress on cash coordination.
- ✓ It is too early to know if the new cash coordination model will deliver on ambitions.
- ✓ Views on the extent of donor commitment towards cash coordination are mixed.
- ✓ The increased focus on locally-led cash coordination is welcomed but faces challenges.
- ✓ Some feel an opportunity for a transformational solution has been missed.



Strategic debates

- ? Will the new cash coordination model deliver effective change?
- ? Is more radical change needed to achieve the potential of CVA?



Priority actions

- ! **The CAG should** prioritize efforts to complete a strategic resourcing plan, with an overview of the resources needed for the coordination model at country level, including support to national actors, and the CAG itself.
- ! **Donors should**, once priorities are agreed upon, commit funding to support the new cash coordination model so it can achieve its objectives of predictable, accountable, people-centred and locally-led coordination of CVA.
- ! **CWG, CAG, HCTs and other relevant stakeholders should** ensure systematic sharing and learning about cash coordination between responses. This includes with non-IASC settings.
- ! **CWGs and the CAG should** harness opportunities to engage with wider humanitarian reform processes to further strengthen cash coordination, including the current ERC's Flagship Initiative.
- ! **The CAG, CWGs, donors, local actors and other interested stakeholders should** harness the opportunity of the planned review of the cash coordination model (in 2024) to strengthen coordination linkages with other reform processes, increase linkages with social protection, and strengthen the leadership of local actors.

Summary: Chapter 5

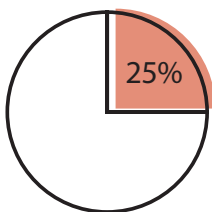
Preparedness and Capacity



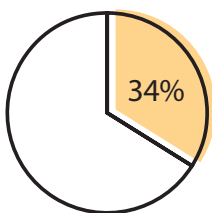
Key Findings

- ✓ **CVA preparedness and capacity remains a priority but needs are changing.**
- ✓ Economic volatility has emerged as a challenge for CVA preparedness.
- ✓ Adapting CVA in contexts of high inflation and depreciation requires inter-agency planning and preparedness.
- ✓ Resources should be targeted to address priority capacity gaps identified in this report.
- ✓ Different stakeholders have different perspectives about the challenges faced by national and local organizations in scaling up CVA.
- ✓ The new cash coordination model should mean that CVA is considered as part of overall humanitarian preparedness planning.
- ✓ Most humanitarian organizations invest in CVA preparedness and capacity development although the degree and emphasis of investments vary.
- ✓ There is need to increase focus on the uptake of CVA tools and guidance.

The need for further investment in preparedness remains a priority



25% of survey respondents perceived that limited capacity of organizational systems and processes was the biggest challenge to increasing the quality of CVA



34% of survey respondents believed that strengthening organizational systems and processes offers one of the biggest opportunities for growing the use of CVA



Strategic debates

- ? What are the priorities for CVA preparedness and capacity development, given changes in the humanitarian system and in the operating context?
- ? Does the new cash coordination model offer an opportunity to improve CVA preparedness and capacity?
- ? What is the right balance of investment in preparedness for CVA and in-kind assistance?



Priority actions

- ! **Donors and humanitarian leaders should** seize opportunities to engage with strategic discussions around funding and innovative financing to increase investment in system level CVA preparedness and capacity.
- ! **The CAG and CWGs should** foster coherent approaches to CVA preparedness and capacity. Opportunities within the Humanitarian Response Plans should be harnessed and linkages with Social Protection advanced. **Donors, implementors and researchers should** continue to identify good practices on the use of CVA in contexts of economic volatility.
- ! **Communities of practice on CVA preparedness and capacity should** be established at country, regional and global level to progress collaborative initiatives.
- ! **All actors should** advocate for predictable, multi-year funding for CVA preparedness and capacity development. International actors that receive preparedness funding, should prioritize the capacity needs of local partners.
- ! **Donors should** support CVA preparedness and capacity development to increase the scale and effectiveness of CVA. Investments should prioritize funding to local actors where possible.

Summary: Chapter 6

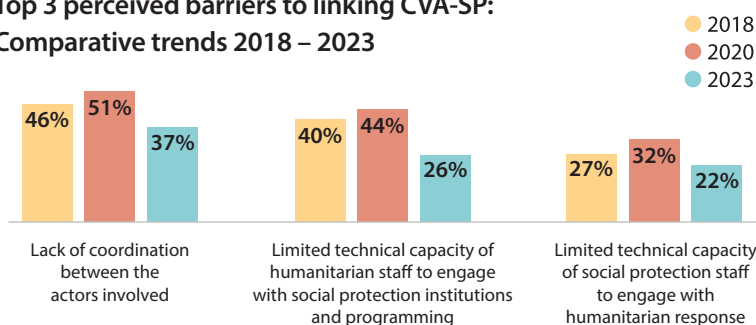
Linkages with Social Protection



Key Findings

- ✓ There has been progress on approaches for linking CVA and social protection, with COVID-19 accelerating interest and activity in this area.
- ✓ Donor interest is increasing; funding instruments now need to be adapted.
- ✓ Barriers to progress include limited technical capacity of staff; a lack of coordination between actors; and limitations in the interoperability of data and systems between governments and humanitarian organizations.
- ✓ Social protection systems should be adapted to enhance their role in crisis response.
- ✓ There are many ways that social protection and humanitarian CVA can be better linked, with pathways informed by context.
- ✓ There are opportunities and challenges with linkages in conflict settings.

Top 3 perceived barriers to linking CVA-SP: Comparative trends 2018 – 2023



Strategic debates

- ❓ How can conflicting humanitarian and development principles be balanced, so that CVA and social protection are linked effectively?
- ❓ What considerations should guide principled action on linking CVA and social protection in conflict settings or where governments are not fulfilling their role as duty bearers?
- ❓ How can humanitarian and development actors better work together to support social protection system strengthening?



Priority actions

Recognizing that approaches to linking CVA and social protection should necessarily vary widely by context:

- ❗ **Humanitarian and development actors should** engage at country level in systematic, context-specific assessments to identify entry points for appropriate and meaningful CVA and social protection linkages.
- ❗ **Humanitarian and development donors should** come together during emergency preparedness planning to discuss financial strategies between humanitarian and development programmes.
- ❗ **Humanitarian and development donors should** set incentives for linking CVA and social protection recognizing that approaches need to vary widely by context.
- ❗ **Humanitarian and social protection actors should** increase linkages or integration between government-led crisis coordination structures, international humanitarian coordination architecture, and social protection. The UN Resident/HCOs or related authority in a country should enable this on the humanitarian side, to lead more strategic but also operational and technical groups.
- ❗ **All actors should** consider investing more in structured capacity strengthening of humanitarian stakeholders on social protection, and of development counterparts on humanitarian action to facilitate mutual understanding and joint ways of working.

Summary: Chapter 7

Data and Digitalization



Key Findings

- ✓ The use of digital payments is increasing.
- ✓ More action is needed on data responsibility.
- ✓ Cybersecurity is a risk that few talk about in the humanitarian space.
- ✓ Biometrics are better understood than before; blockchain pilots have expanded and multiplied.
- ✓ The concepts of interoperability and portability continue to be explored.
- ✓ Technology for remote targeting and accountability can complement existing CVA processes but can also amplify risks and introduce new ones.
- ✓ There are high levels of investment in Management Information Systems by the largest organizations.
- ✓ Artificial Intelligence provides new opportunities and risks.
- ✓ Skills gaps and underinvestment are impeding digital developments in many humanitarian organizations.



Strategic debates

- ? Can technology increase recipient choice?
- ? How can new technologies be piloted without increasing risks to vulnerable communities?
- ? Can CVA and payment technologies support locally-led response?
- ? What are the cybersecurity risks faced by CVA stakeholders?
- ? How can humanitarian organizations and the private sector work together better in relation to CVA?



Priority actions

- ! **Humanitarian organizations should** embrace the opportunities presented by developments in the digital payments space which can offer recipients a choice of CVA delivery mechanisms, as well as allowing faster and more efficient disbursements.
- ! **Humanitarian organizations should** recognize that successful technological innovations are more likely to scale if they are drawn from communities and the programme teams who regularly interact with them.
- ! **Humanitarian coordination channels should** harness existing data responsibility guidance and support its uptake in CVA. **Humanitarian organizations should** prioritize the implementation of guidance to ensure effective management of data and mitigation of risks.
- ! **Humanitarian organizations should urgently** make investments to ensure strong digital skills and understanding across their staff teams. Cyber-security capacity needs to be developed by staff involved at each stage of the CVA project cycle. Recipients should be supported to understand digital risks and how they can be mitigated.
- ! **CVA implementors should** work together to advocate to governments and regulators for improvements to policies and regulations that impact CVA recipients.
- ! **Humanitarian organizations should** always consider a multi-channel approach when deploying any technology, giving recipients choices in the ways they interact with programme systems and processes.
- ! **Humanitarian organizations and the private sector should** agree on approaches and develop a roadmap that will support interoperability and portability initiatives.
- ! **Donors should** continue their efforts to catalyze action to improve data responsibility.

Summary: Chapter 8

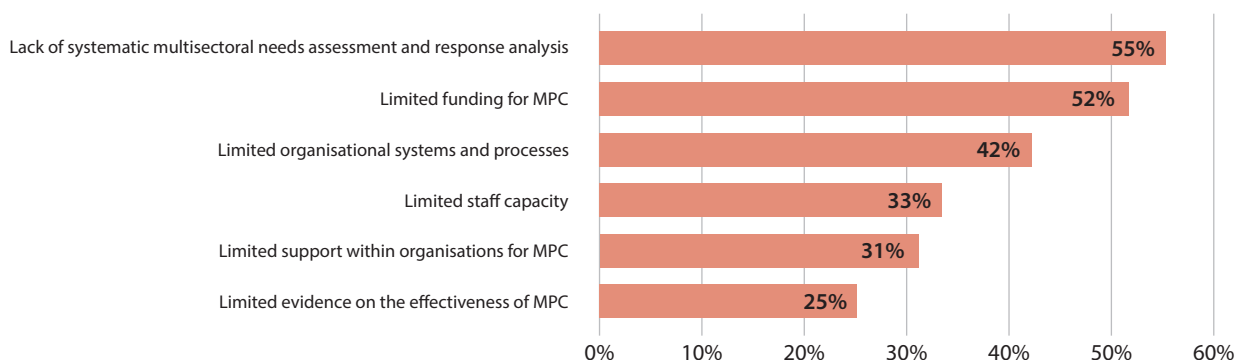
CVA Design



Key Findings

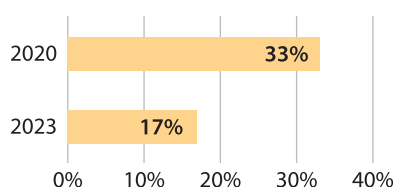
- ✓ The use of MPC has increased but not to the extent anticipated.
- ✓ The lack of multisectoral needs assessments and response analysis remains a barrier to increasing MPC.
- ✓ Concerns remain regarding the degree to which MPC achieves sector-specific outcomes.
- ✓ The limitations of standardized transfer values are increasingly recognized.
- ✓ Technical processes can hinder rather than support people-centred CVA.
- ✓ Consideration of CVA has increased across all sectors.
- ✓ The lack of sector-disaggregated CVA data is a barrier to quantifying progress.
- ✓ Modality choices are unduly influenced by habits, perceptions, organizational inertia and donor preferences.

The biggest challenges to increasing the use of multi-purpose cash (MPC) interventions

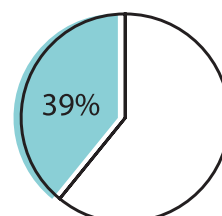


- ✓ Terms, concepts, and implications of cash plus, complementary, and integrated programming are debated.
- ✓ Complementary programming is not being systematically adopted.
- ✓ Cash plus is well documented in the social protection sphere, offering learning opportunities.
- ✓ User-centred design is needed if CVA is to help achieve financial inclusion.
- ✓ Discussion of financial inclusion and CVA focuses on formal structures, a wider view is needed.
- ✓ Collective efforts are needed to overcome barriers to financial inclusion.

% of respondents that consider 'sector outcomes not being achieved' to be one of the biggest risks associated with CVA



39% of respondents think that increasing sector-specific CVA is one of the biggest opportunities to grow CVA within existing funding levels






Summary: Chapter 8

CVA Design (continued)











Strategic debates

-  Can an effective relationship between sectoral programming and MPC be developed?
-  How should technical priorities be balanced with recipient preferences?
-  Can CVA be designed to facilitate financial inclusion?



Priority actions

-  **Humanitarian actors should** track sectoral CVA and MPC, to enable more effective understanding of the assistance provided.
-  **Operational agencies, CWGs and clusters should** engage in multisectoral assessment and analysis processes.
-  **Sectoral stakeholders should** increase cross-sectoral learning to overcome barriers to the uptake of CVA.
-  **CWGs and clusters should** use MEB processes to facilitate understanding between sectors and cash actors, avoiding overly technical and time-consuming processes that risk not supporting people-centred CVA.
-  **Humanitarian actors should** use agreed metrics and tools to monitor and evaluate MPC and sector-specific CVA.
-  **CWGs, donors, and intersectoral/sectoral representatives should** work together to agree guidelines on the respective functions of and relationships between MPC and sector-specific CVA.
-  **Humanitarian actors should** assess the effectiveness of complementary programming.
-  **Humanitarian actors should** incorporate feasibility analysis for financial inclusion into CVA design.

Summary: Chapter 9

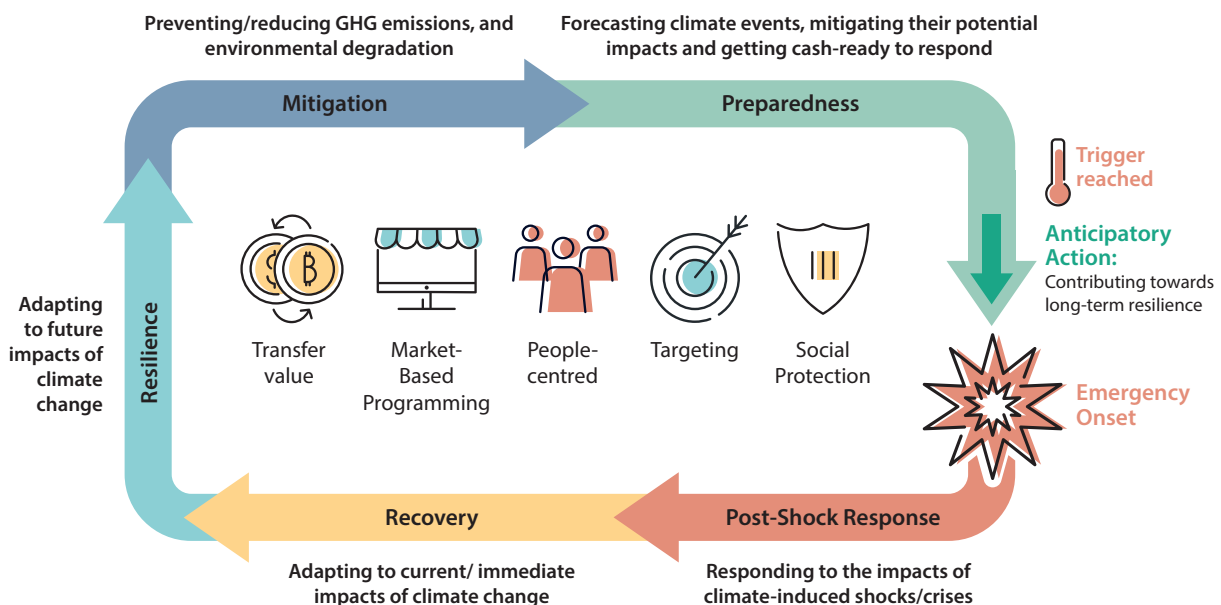
Climate Change and Environmental Considerations in CVA



Key Findings

- ✓ Climate change and the environment are now pressing concerns for the CVA community.
- ✓ Clarity is needed on how CVA can address needs effectively and contribute to greener programming.
- ✓ CVA is widely considered to be 'greener' than in-kind assistance. Various approaches have been identified to help mitigate the environmental impacts of CVA.
- ✓ The environmental impacts of digital payments are not generally well understood or considered in programme design.
- ✓ Social protection can provide a mechanism to address multiple vulnerabilities associated with climate change and environmental degradation.
- ✓ The use of CVA as an effective tool to support anticipatory action is receiving increasing attention. The potential to leverage social protection systems to institutionalize anticipatory action is documented but has not yet been operationalized at scale.
- ✓ There is limited evidence of environmental factors being incorporated into MEBs.
- ✓ Human mobility is increasingly recognized as an effective climate adaptation strategy. The portability and flexibility of cash makes it a suitable means of assistance along migration routes.
- ✓ Adaptation and resilience building are longer-term processes, with a critical role for cash-based social protection.

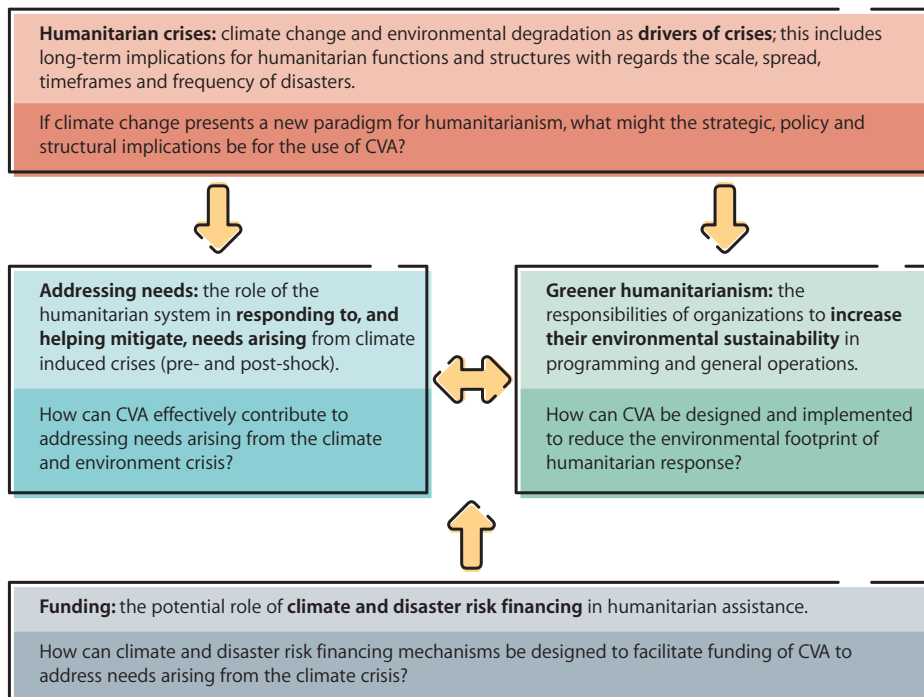
Use of CVA in the Climate and Environment Response Cycle



Summary: Chapter 9

Climate Change and Environmental Considerations in CVA (continued)

Policy, practice, and debates linking climate change, the environment and humanitarianism often relate to several broad, interlinked categories, with associated questions and possibilities for the use of CVA



Strategic debates

- In relation to the climate, what might cash at scale in anticipatory action look like?
- Can CVA be designed to support and link to longer-term, holistic approaches to addressing the climate crisis?
- How can the environmental footprint of CVA be measured and minimized?



Priority actions

- Humanitarian actors should** identify how the humanitarian system needs to change to better face the challenges of the climate crisis, including for the most effective use of CVA.
- All actors should** work together to identify and build the strategic and operational relationships required to link climate-sensitive humanitarian CVA across governments, civil society, disaster risk reduction, development, climate action and financing, and meteorological and forecasting agencies.
- Donors and implementing agencies should** integrate a climate lens into the planning and implementation of CVA in all contexts as a matter of urgency.
- Implementing agencies and researchers should** use ongoing and upcoming programming to build learning and evidence on the best use of CVA in relation to the climate crisis.