



# ENHANCED HPC APPROACH

## Cash and Voucher Assistance (CVA) in the Humanitarian Response Cycle 2021

### Background

The use of Cash and Voucher Assistance (CVA) to meet needs in humanitarian contexts is expanding rapidly. In recognition of its inherent benefits, notably to offer a flexible and efficient response that transfers decision-making power to those affected by disasters. A range of humanitarian agencies, donors and governments have committed to more consistently considering the use of different modalities and to scale their programmes and funding for CVA, where feasible and appropriate. This is in line with the commitments made by OCHA and its partners regarding the systematic consideration of CVA in responses and use of Multipurpose Cash (MPC) for a multi-sector response, including under the Grand Bargain and the DFID Payment by Results (PbR) framework<sup>12</sup>

The enhanced 2020 Humanitarian Programme Cycle (HPC) approach offers a unique opportunity, through its focus on producing a joint inter-sectoral analysis, to provide a holistic understanding of the relationship between needs in the Humanitarian Needs Overview (HNO). Additionally, the strengthened focus on response analysis during the preparation of the Humanitarian Response Plan (HRP) should enable more systematic inter-sectoral discussions about required multisectoral response approaches, which could include multipurpose cash assistance to meet basic needs, and to identify the complementarity/ integration with national social protection systems.

The below guide offers an overview of how considerations around response modalities have been integrated into the new HPC guidance, as part of the process outlined in the *Step-By-Step Practical Guide* and the templates for the Humanitarian Needs Overview (HNO) and Humanitarian Response Plan (HRP).

### Considering Cash and Voucher Assistance (CVA) in the HPC Process and HNO/ HRPs

#### Cash and Voucher Assistance (CVA) in the Step-by-Step Practical Guide: Recommended considerations by section

Step 1- Agree on the Scope of the Analysis and Costing Approach	As part of the development of the joint analytical framework and plan, <b>market access and functionality</b> for basic goods and services should be taken into consideration when (a) taking stock of achievements, existing response gaps, and implementation approach; (b) considering their influence on the overall crisis and (c) their influence in specific geographical areas or population groups.
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<sup>1</sup> DFID's PbR Programme represents a £684m investment in core funding to seven UN agencies over four years (2017- 2021). It includes a performance-based element, designed to incentivize collective reforms in the humanitarian sector. 30% of each partner's funding will be contingent on all partners working together to jointly deliver against agreed indicators and annual targets.

	<p>It may be that specific indicators on market analysis are of relevance and should be highlighted. Wider considerations required to ascertain the <b>feasibility of different response options</b> should also be included in the scope of analysis, to be analysed and addressed as part of the strategic planning component. As such, when identifying the data and information required for the selected population groups, geographic areas and/or thematic issues, ensure that in addition to relevant aspects of market access and functionality, issues such as the capacity of financial service providers, views of government and beneficiary preferences and the capacity of implementing partners are included in the analysis. Information on Social Protection mechanisms in country and potential or actual linkages can also be mentioned here.</p> <p>Consider relevant actors, such as the Cash Working Group (CWG), the Inter-Cluster Coordination Group (ICCG) task teams, social protection working groups, FSC and operational / technical partners, when identifying the sources of data, information, and indicators.</p> <p>Potential role of the CWG: Technical Working Groups such as the CWG are responsible for the development of the joint analysis plan for the HNO</p>
<p>Step 2 – Undertake Secondary Data Review/ Step 3 – Collect Primary Data/ Step 4- Conduct Joint Inter-Sectoral Needs Analysis</p>	<p>As part of the joint inter-sectoral analysis, the market analysis should inform the identification of the living standards consequences, or the effects of the crisis on lives and livelihood.</p> <p>Try to present access of diverse groups to different critical markets, and the barriers in place; price trends; availability of key commodities; and other market services. Charts or maps can be helpful.</p> <p>Include CWG experts in the data collection (primary and secondary) and in the joint inter-sectoral analysis. Include all relevant stakeholders in the consultation on available data (secondary) and to formulate primary data.</p> <p>Potential role of the CWG: Technical Working Groups, such as the CWG, are:</p> <p>Step 2: Responsible for revising existing data and identifying gaps.</p> <p>Step 3: Responsible and accountable for contributing to data and information-gap filling.</p> <p>Step 4: Responsible and accountable for joint inter-sectoral analysis.</p>
<p>Step 5 – Define the Scope of the HRP and Formulate Initial Objectives/ Step 6 - Conduct Response Analysis Step 7- Finalize Strategic and Specific Objectives</p>	<p>Review ongoing and planned responses, including the delivery of cash through national social protection programmes and/ or some integration, complementarity, or alignment (a reflection on principled action, where relevant, can be included).</p> <p>When identifying indicators to monitor the achievement of strategic and specific objectives, avoid developing modality specific indicators (e.g. how many people received cash) in favour of indicators that identify whether the intended change in people's condition has been achieved, i.e. outcome indicators. For MPC activities consider including the GB suggested indicators<sup>2</sup>.</p>

<sup>2</sup> These can be found here: <https://www.calpnetwork.org/wp-content/uploads/2020/03/multipurpose-cash-outcome-indicatorsfinal-draft-for-testingjuly-2019-1.pdf>

and Indicators and Prioritise	<p>Based on evidence around the feasibility and appropriateness of different response options, determine the combination of cash, voucher, in-kind and service, including options for MPC. Include participatory risk assessments for CVA where possible.</p> <p>Review the response analysis information on CVA and revise the objectives and indicators accordingly.</p> <p>Potential role of the CWG: Technical Working Groups, such as the CWG, are:</p> <p>Step 5: Responsible for reviewing HNO results and proposing the population groups/sub-groups and geographic areas to prioritise.</p> <p>Step 6: Responsible for analyzing response options and, strategic and specific objectives, monitoring indicators, and response approach and modalities, and targeting figures.</p> <p>Step 7: Responsible for identifying monitoring requirements, roles, and responsibilities.</p>
Step 8 – Formulate Projects/Activities and Estimate the Cost of the response plan	<p>When uploading projects with a sectoral CVA component, use the regular sectoral dropdown list, indicate the use of restrictions/conditions, and specify the percentage of the project composed of cash and voucher assistance.</p> <p>When uploading a multipurpose cash project and the use of an MPC chapter has been agreed, use the MPC option in the dropdown list. The project will be vetted by the entity agreed at country level.</p> <p>Potential role of the CWG: Technical Working Groups, such as the CWG, will be:</p> <ul style="list-style-type: none"> <li>• consulted on clusters/sectors activities that are aligned with strategic and specific objectives;</li> <li>• informed of estimated cost of activities;</li> <li>• responsible for drafting the HRP,</li> </ul>
Step 9 – Conduct after action review	<p>Potential role of the CWG: Technical Working Groups, such as the CWG, will be consulted and encouraged to provide feedback and information.</p>

## Cash and Voucher Assistance (CVA) in the HNO 2021 Template:

### Recommended considerations by section

Part 1: Crisis Impact and Humanitarian Consequences	<p>When describing the impact of the crisis, include information relevant to determining factors driving need, such as losses and damages to assets and capital, impact on livelihoods, income, debt, coping mechanisms (both food related and livelihoods). Impact on functioning of and access to critical markets of goods and services should be included and baselines referred to if these are available. Information on delivery mechanisms should also be included and how these have been affected. Impact on National Social Protection mechanisms can also be included here.</p>
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	<p>Also include an understanding of obstacles or challenges for people in need to access relief actors, for relief actors to access people in need and other physical/ security related constraints. Preferably this should include gender, age, disability, etc.</p> <p>Support a solid joint-intersectoral analysis, identifying the effects of the crisis on the physical and mental wellbeing and living standards of the selected population groups and geographic locations.</p>
Part 2: Risk Analysis and monitoring of situation and needs	As part of an analysis of contextual factors and risks, consider the impact on market access and performance of critical goods and services, as well as the availability, accessibility and quality of services and the response by national institutions
Part 3: Sectoral Analysis	Include critical market information on the sector relevant goods and services to be provided. Including cost, prices and trends, access to markets by different crisis affected groups.
Part 4: Annexes:	Any CVA related information can be added to the annexes.

## CVA in the HRP 2021: recommended considerations by section

Part 1: Strategic Response Priorities	<p>When reviewing ongoing or already planned responses, include government responses through national social protection systems and safety nets.</p> <p>When examining the potential for multi-sectoral responses and a cash transfer modality is considered, explain the linkages and synergies between multipurpose and sectoral cash responses, where applicable.</p> <p>Review the feasibility of different response modalities, whether cash, vouchers, in-kind or mixed, including information on operational capacities of partners and financial service providers, access to and functioning of markets, acceptance by the government and preferences of beneficiaries, potential risks to beneficiaries (by gender, age, disability, socio-economic group. etc.) and response implementors, etc.</p> <p>Support the identification of appropriate, 'SMART' outcome-based monitoring indicators.</p>
Part 1: Strategic Response Priorities. Optional: Use of Multi-Purpose Cash	<p>Where MPC is planned for, use the optional section on the use of MPC. Where this is not being used nor planned include information on why this is the case, including feasibility and appropriateness. Cash feasibility information can be included as part of the response analysis under Part 5: Annexes.</p> <p>This section consolidates the use of MPC across relevant Strategic Objectives (SO) and the Specific Objectives, including an overview of budgets, and coordinated response approaches that underpin them. Include information on how MPC is coordinated and how it relates to the use of other modalities, considerations of feasibility, any applicable standards and calculations, such as the development of the Minimum Expenditure Basket (MEB), the consolidated financial requirements, partners involved in the coordinated use of MPC, and the use of coordinated delivery platforms. Reflect How MPC has been used</p>

	<p>by affected populations in the past, including lessons learnt, as well as how protection, gender, age is being mainstreamed and specific information on AAP, related to MPC.</p> <p>Consider including a table with key information and budgets, population targeted with MPC per SO:</p>
Part 2 - Response Monitoring	As part of community-based perception indicators, include beneficiary preferences towards different response modalities. Include any information collected by third party organizations on cash and voucher assistance.
Part 3 - Sectoral Objectives and Response	Clarify which response modalities will be used to deliver planned programmes. Include information on evidence used to determine response modalities and state the percentage of the response delivered by the respective modalities. Include outcome-based, non-modality specific indicators for the monitoring of sector-level objectives.
Part 4 – Refugee Response Plan	Include any response using CVA, including MPC, and a brief cash feasibility information, budget, PiN targeted and objective of MPC.
Part 5 – Annexes 5.1- Response Analysis	Outline further details on other elements taken into consideration to select (or adjust ongoing) response approaches and modalities. Include the detailed cash feasibility information under this annex if possible.

### Before you write an HNO and HRP

- Reference to CVA should be mainstreamed throughout the document, reflecting the sector, multi-sector and multi-purpose objectives of the assistance modality for different strategic objectives.
- The CWG in country should engage in this, as well as sectors, via ICCGs.
- Final decisions as reflected in the HRP should be discussed with all relevant stakeholders including those who will take a strong leading role, through the coordination structures.
- Ensure the HRP is used to specifically highlight to donors and partners where CVA is most appropriate and feasible. Also, to highlight barriers to implementation of CVA if this could be an appropriate advocacy message to trigger change.
- Note in the HRP that needs and context are evolving and will change over time, hence modalities might too. Post HRP release iterate your approach and communicate diversions from the original plan. For example, if CVA for NFIs was planned and then in-kind is used instead