Mercy Corps Strategic Brief

Cash Transfers and Social Protection: From Alignment to Integration

As the use of cash transfer programming grows in response to COVID-19, demands on the aid community's own interventions and capacity to support state-led measures continue to grow in equal [measure](#). Originally envisioned as a means of better coordinating parallel and remarkably similar humanitarian and state-led systems, efforts to explore these linkages to enhance impact and scale are understandably now at the forefront. Where no such local institutions exist, non-governmental aid actors are ready and often best positioned to enhance state capacity and directly deliver social protection services.

A large and growing body of research conceptualizes the goals and value of different models of alignment and integration with state-led social protection systems, but learning that documents "how" linkages have been approached in different contexts is relatively sparse and successful practice sparser still. As part of an ongoing effort to contribute, this briefing paper summarises Mercy Corps' approach to establishing social protection (SP) linkages, our understanding of their importance, and the conditions necessary for successful practice. To do this, we draw on lessons from work and research conducted in Iraq, Gaza, Kenya and Colombia.

Our Track Record

Mercy Corps is an International Humanitarian and Development Non-Governmental Organization (NGO) with programming across more than 40 countries. Cash transfers and social protection are at the forefront of our global strategy and our ongoing work. Below are active examples from Mercy Corps' own country programmes where such linkages have been designed or have been established. Together, the lessons we have gleaned from these case studies form the backbone of our approach.

Iraq, through targeting and the PMT:
Through our leadership of the Cash Consortium for Iraq (CCI)[1] and using Proxy Means Tests (PMTs) as a point of convergence, we conducted an overlap analysis to gauge the degree of co-eligibility, or the potential for co-eligibility, within the humanitarian community's and the Government of Iraq's (GoI) federally administered safety net. This was further enhanced through our delivery of a legal assistance service, which offered support to access documentation. Referred to as a 'pseudo-PMT', it is designed to enable accurate, targeted referrals to the GoI's registry and services, and the joint administration of intake surveys in areas where the federal government has limited reach. The approach would enable a more efficient horizontal expansion of the GoI's SSN to

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[1] Comprised of the International Rescue Committee, the Norwegian Refugee Council, the Danish Refugee Council, Oxfam and Mercy Corps as lead

include vulnerable households identified by the humanitarian community as likely eligible for government assistance, with requisite civil documentation, and promote access to longer-term assistance for those most in need.

Gaza, through access to the single registry:

Through access to the Ministry of Social Development's single registry and the shared use and subsequent scaling of a single PMT across the government and aid community, Mercy Corps has ensured the delivery of a consistent service across both government and NGO community, and offers transfers to unserved households that the Ministry cannot assist due to fiscal constraints. This way-of-working ensures coordination, promotes inclusivity, and maximizes the use of resources across both the humanitarian and government systems.

Colombia, through alignment with policy framework:

Through our leadership of the VenEsperanza cash consortium,[2] Mercy Corps has led the effort to collaborate with the Government of Colombia's policy framework on social protection. This has included the harmonisation of transfer values, integration of local actors, organisation and authorities in the referral process, and the redesign of the federal policy to enable lump sum transfers in response to the Covid-19 pandemic. The approach ensures a consistent delivery of cash transfers across different vulnerable populations to promote fairness and inclusivity. Our next step is to develop a PMT to improve targeting, and further strengthen linkages along the model of Iraq.

Pakistan, through support to shock-responsive interventions:

In Pakistan, our flagship cash transfer programme (CTP) is poised to take the lead through alignment with Government of Pakistan efforts to respond to the pandemic using the Ehsaas social protection programme. Pending funding, this will involve strengthening a common shock-responsive approach through harmonised targeting and transfer values, and serving households which the GoP cannot reach through Ehsaas and other schemes, either due to fiscal constraints or limited administrative capacity.

Kenya, through top-up transfers for recipients of the HSNP:

In Kenya, Mercy Corps has designed a nutrition-sensitive CTP designed to offer cash top ups and behavioural counselling to recipients of the Government of Kenya's flagship Hunger Safety Net Project (HSNP). The service offers top-up transfers to a subset of HSNP recipients who are deemed at-risk of malnutrition; it is predicated on shared access to the GoK's single registry, shared use of a PMT, and shared monitoring frameworks. This vertical expansion is designed to eventually enable the HSNP to more effectively respond to more targeted needs.

Our Framework

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[2] Comprised of the International Rescue Committee (IRC), Save the Children, and World Vision; Mercy Corps as lead

Mercy Corps' method of pairing and integrating aid-based cash transfers and social protection institutions is summarised by a simple framework. The breadth of possible approaches ranges from **simple alignment**, where a given Mercy Corps CTP adopts aspects or the full design of a government-run social protection programme, to **integration**, denoting a situation where the two parallel systems (led by Mercy Corps and Government, respectively) are functionally and strategically interoperable, exchange data regularly, and mutually reinforce one another's objectives and services. Integration is, or should be, practiced against the backdrop of a clear, mutually endorsed governing framework. Similarly, as we move from alignment towards integration, the complexity of the task increases, as does the number of prerequisites for all parties.

Alignment

- **Description:** Alignment is when a CTP borrows some or all of the design specifications of a social protection transfer programme, including, but not limited to: the targeting formula, the intake survey, transfer value, monitoring framework, or some combination of those.
- For larger and more complex CTPs, this can also include case management systems and complex triage services, too.
- No actual exchange of data or merging of systems occurs, and information exchange can be done informally and without an explicit governing framework to underpin it. A basic data sharing agreement may suffice or already be covered in existing data protection policies. Any coordination which does occur is typically limited to geography or segregation of caseload, to avoid overlap.
- **Pros and Cons:** Alignment allows for consistency and scale, and remains a prudent method of supporting nascent local institutions without undercutting or detracting from their growth. However, it is ultimately transient and can be challenging, particularly if the design is found to have adverse consequences, or requires adapting.
- **Accountability:** There is no shared dispute resolution mechanism. Alignment in and of itself also does not guarantee the implementing agency (e.g. NGO), nor programme participants as the recipients and end users of the service, any access to design discussions.

Partial Integration

- **Description:** Partial Integration refers to a programme configuration which requires a degree of scale, harmonisation, rigor and formalisation between CTPs and social protection institutions.
- Some alignment between the two systems is understood to be a prerequisite, though the exact nature of that alignment is context-driven. This may include targeting, transfer values or M&E systems, for instance, with targeting typically the most natural and clearly understood point of convergence.
- Data and information exchange is structured and can extend to sharing of caseload data to de-duplicate and limit friction.
- Aligning targeting methods, which are central to any given CTP, allows for easier coordination on other aspects of programme design and delivery, since it means that both programmes are serving the same populations.
- Referrals can take place to top-up services the NGO or the state maintain.
- **Pros and Cons:** Some strengths of this approach are that it allows for coordinated service delivery, including de-duplication and basic referrals for complex needs, but does not compel us to adopt a SP design without prior input.
- **Accountability:** Exchange of data and information between the two systems is more formalised and regulated, but a common dispute resolution or accountability mechanism may or may not exist.

Full Integration

- **Description:** Full integration is a configuration of a CTP and SP which allows for comprehensive interoperability and integration. Key aspects of programme design are standardised, which allows for convergence on populations served, targeting, monitoring, referrals and triage. In some cases, this will extend to direct interoperability between information management systems.
- Data exchange is regulated by formal governing documents such as data sharing agreements and MoUs, and services are complementary and co-designed.
- Aid agencies may offer transfers to unserved SP caseload and vice versa, and geographic targeting is closely coordinated.
- If integration is with a shock-responsive and seasonally elastic SP, NGOs may conduct intake on behalf of the SP if state capacity is limited or diverted to other areas during a crisis.
- Referrals for appropriate services are two-way and co-designed, and cater to multiple, overlapping needs.
- In some instances, this may mean shared access to a common, single registry or database for intake, monitoring and the like.

Prerequisites and Facilitating Factors

The lessons and underlying success factors for NGOs are distilled into four broad themes, including scale, harmonisation, donor support and convening power. These can take varying forms, but the basic tenets remain the same and are transferable across different models and countries. These include **(1) a harmonised and cohesive approach** to delivering cash transfers at scale, often taking the form of cash consortia**, (2) common targeting and quality assurance mechanisms** across the aid community and the SP in question, **(3) the ability to fund and plan long-term transitions, with the donor support to do so,** and **(4) participation by a powerful, established partner like the World Bank or the ILO to mediate the process, engage the government, and couch the transition.**

Including the formation of a consortium and a well-functioning Cash Working Group

Scale

INTEGRATION

Donor Support

Through continuing financial and programmatic support, and improved quality of funding

Harmonised Programming

Through robust targeting, and harmonisation of all programme design across all partners in the collaboration

Convening Power

Via an intermediary like the World Bank, which bridged many of the perceived divides