CERF Cash Allocation Review: 2020-2021
Averting hunger and promoting the use of cash during Covid-19

November 2021

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¹ Louisa Seferis, an independent consultant, conducted the review with the guidance of the CERF Secretariat. The findings and recommendations generated through this review are entirely attributed to the consultant and do not necessarily reflect the views of CERF. Contact: lmseferis@gmail.com
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<tbody>
<tr>
<td>AAP</td>
<td>Accountability to Affected Populations</td>
</tr>
<tr>
<td>ALNAP</td>
<td>Active Learning Network for Accountability and Performance (part of ODI)</td>
</tr>
<tr>
<td>CaLP</td>
<td>The Cash Learning Partnership Network</td>
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<td>CBPF</td>
<td>Country-based pooled funds</td>
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<td>CERF</td>
<td>United Nations Central Emergency Response Fund</td>
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<tr>
<td>CVA</td>
<td>Cash and voucher assistance</td>
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<tr>
<td>CWG</td>
<td>Cash Working Group (most used term)</td>
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<tr>
<td>CMWG</td>
<td>Cash and Markets Working Group</td>
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<tr>
<td>CVWG</td>
<td>Cash and Vouchers Working Group</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of the Congo</td>
</tr>
<tr>
<td>ECMEN</td>
<td>Economic Capacity to Meet Essential Needs (WFP monitoring indicator)</td>
</tr>
<tr>
<td>ERC</td>
<td>Emergency Relief Coordinator</td>
</tr>
<tr>
<td>FAO</td>
<td>United Nations Food and Agriculture Organisation</td>
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<tr>
<td>FCS</td>
<td>Food Consumption Score (global monitoring indicator)</td>
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<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
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<tr>
<td>FSIN</td>
<td>Food Security Information Network</td>
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<td>FSC</td>
<td>Food Security Cluster</td>
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<tr>
<td>GB</td>
<td>Grand Bargain (humanitarian reform commitment framework)</td>
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<tr>
<td>HC</td>
<td>Humanitarian Coordinator</td>
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<tr>
<td>HCT</td>
<td>Humanitarian Country Team</td>
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<td>HRP</td>
<td>Humanitarian Response Plan</td>
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<td>IASC</td>
<td>Inter-agency Standing Committee</td>
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<td>ICCT</td>
<td>Inter-Cluster Coordination Team</td>
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<tr>
<td>IDP</td>
<td>Internally displaced person</td>
</tr>
<tr>
<td>IPC</td>
<td>Integrated food security Phase Classification</td>
</tr>
<tr>
<td>KII</td>
<td>Key Informant Interview</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring &amp; Evaluation</td>
</tr>
<tr>
<td>MEB</td>
<td>Minimum Expenditure Basket (CaLP definition [here])</td>
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<tr>
<td>MPC(A)</td>
<td>Multi-purpose cash (assistance)</td>
</tr>
<tr>
<td>NCE</td>
<td>No-Cost Extension</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
</tr>
<tr>
<td>NRC</td>
<td>Norwegian Refugee Council (international NGO)</td>
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<tr>
<td>OCHA</td>
<td>United Nations Office for the Coordination of Humanitarian Affairs</td>
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<tr>
<td>ODI</td>
<td>Overseas Development Institute</td>
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<tr>
<td>PDM</td>
<td>Post Distribution Monitoring</td>
</tr>
<tr>
<td>RC</td>
<td>Resident Coordinator</td>
</tr>
<tr>
<td>RR</td>
<td>Rapid Response (CERF funding window)</td>
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<tr>
<td>SEEP</td>
<td>Small Enterprise Evaluation Project (network / community of practice)</td>
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<tr>
<td>SPACE</td>
<td>Social Protection Approaches to Covid-19 Expert Advice Service</td>
</tr>
<tr>
<td>TCCTR</td>
<td>Total Cost to Transfer Ratio (% of aid that goes directly to affected populations)</td>
</tr>
<tr>
<td>TPM</td>
<td>Third Party Monitoring</td>
</tr>
<tr>
<td>UFE</td>
<td>Under-funded Emergencies (CERF funding window)</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>VAM</td>
<td>Vulnerability Analysis and Mapping (of the World Food Programme)</td>
</tr>
<tr>
<td>WASH</td>
<td>Water, sanitation, and hygiene</td>
</tr>
<tr>
<td>WFP</td>
<td>United Nations World Food Programme</td>
</tr>
<tr>
<td>WG</td>
<td>Working Group (humanitarian coordination body)</td>
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</tbody>
</table>
1. Executive Summary

1.1 Background

1. The United Nations Central Emergency Response Fund (CERF) provides rapid funding for humanitarian crises globally and supports humanitarian action in underfunded, neglected crises. These objectives are achieved through two funding modalities, the Rapid Response (RR) and Under-funded Emergencies (UFE) Windows. Over the past 15 years, CERF has contributed to humanitarian responses across the globe in an effort to save lives and reduce the negative impacts of humanitarian crises on the most vulnerable segments of the population.

2. The CERF continued its rapid allocation of humanitarian funding during the Covid-19 global pandemic. The secretariat saw an urgent need to respond to the food security related effects of the pandemic, notably the threat of famine in many humanitarian contexts. The Emergency Relief Coordinator (ERC) therefore allocated $100 million from CERF’s Rapid Response Window to help stave off famine in high-risk countries, of which $80 million was to support cash and voucher assistance (CVA) in 6 countries. The contexts (Afghanistan, Burkina Faso, the Democratic Republic of Congo, Nigeria, South Sudan, and Yemen) highlighted in the CERF allocation of November 2020 are amongst the most food insecure contexts in the world. The Covid-19 pandemic further exacerbated their precarious economic situations and disrupted food-related market systems, resulting in higher risks of famine in many areas, especially those facing existing and complex conflict or displacement-related humanitarian crises.

3. Following the announcement, the ERC invited the Humanitarian Coordinators (HCs) in Afghanistan, Burkina Faso, the Democratic Republic of the Congo, Nigeria, South Sudan, and Yemen to submit 1-2 project proposals each, focusing on existing, scalable cash and voucher activities, with a preference for the use of unrestricted, multipurpose cash programmes where possible. The allocation also encouraged RC/HCs to use the funds to complement Country-Based Pooled Funds (CBPF) allocations where relevant and feasible.

1.2 Cash allocation review

4. The main objective of the review was to assess the value added of the $80M CERF CVA allocation towards its dual objectives, to respond to rising hunger in the six affected countries and promote cash as an emergency response modality (in particular MPC interventions). Since the allocation was the first of its kind to focus exclusively on one specific assistance modality across multiple crises, identifying best practices, lessons learned and areas for improvement will help orient future allocations. The review also examined CERF’s overall support to cash programming and whether it could be further improved. The review questions (please see the annex to this report) integrated the relevant Grand Bargain commitments and work stream priorities as benchmarks to better understand how the CERF cash allocation contributed to CVA programming and coordination.

5. The review was conducted remotely using qualitative methodologies, including a desk review, in-depth key informant interviews (8 at global level and 38 across the six contexts), and country case studies (debriefings and analysis). There were limitations to the review approach due to Covid-19 restrictions and the review occurring concurrently with allocation implementation. While the remote modality allowed a more comprehensive review of all 6 countries within the allocation, the independent reviewer could not travel to the countries to observe programmes first-hand, conduct interviews and workshops in person, or speak directly with cash recipients. The review therefore relies on information provided solely by humanitarian actors and as such, should be corroborated by external data. The review was conducted at the same time as the allocation was implemented, $20 million were set aside for anticipatory action for drought and food insecurity in Ethiopia.

3 According to the “2020 Global Report on Food Crises,” Global Network Against Food Crises, Food Security Information Network (FSIN), and International Food Policy Research Institute (IFPRI), online.
and so focussed on process and decision-making questions; the review could not fully integrate data from third-party or internal monitoring because it was not yet available. This report includes key learning questions for future analysis.

1.3 Key findings and learning

6. Key findings: Allocation design and process

Allocation design

- The CERF cash allocation was key to promoting the use of cash (especially MPC) in emergency famine responses:
  - It signalled a preference for MPC that increased its use, alongside other modalities.
  - The allocation encouraged conversations about increasing the use of MPC and expanding to new areas.
- Key informants (country operations and implementing agencies) perceived a “double constraint” because the allocation specified the response focus (food insecurity) and the modality (CVA with a preference for MPC interventions). The CERF Secretariat did not perceive the allocation as exclusively for food security, but the emergency nature of CERF funds and the objective of averting hunger meant it was understood as such.
- As a result of the allocation specifications, WFP was selected as the implementing agency for much of the allocation across the six contexts, with complementary FAO projects in Afghanistan and DRC (please see Figure 1). Most country operations felt the call for MPC at scale to avert hunger was “designed for WFP.”

Allocation process

- WFP emerged as the best-placed agency for this allocation across all 6 contexts, but processes in-country differed. The level of interagency engagement in the application process varied greatly, which led to different perspectives on whether processes were conducted efficiently. A key process issue was when and how interagency coordination bodies, and in particular Cash Working Groups (CWGs) were engaged in the allocation process.
  - In some contexts, the allocation specifications dissuaded interagency discussions about priority areas and approaches, because it was seen as “pre-determined” that WFP would use the allocation for its existing programmes (Yemen) or expand MPC to new areas (Nigeria).
  - Key informants felt the process worked well when interagency coordination structures such as Cash Working Groups (CWGs) and Food Security Clusters (FSCs) were engaged early, because it improved buy-in and collaborative decision-making (Burkina Faso, DRC, South Sudan). However, for some it was unclear if their feedback, such as technical inputs from CWGs about MPC feasibility concerns or project design elements, actually informed allocation decisions.
- Identifying partners was a key component of ensuring sufficient capacity to provide MPC at scale. If the allocation intended to scale up existing programmes, partner selection could have been shared earlier with the wider group of stakeholders in-country. In other cases, expanding MPC to new areas was an opportunity to develop different partnerships. Country operations acknowledged the trade-offs between collaborative partner selection at interagency level to increase ownership and capacity across CVA actors with project delays due to the heavy process that accompanied it (see Burkina Faso case study below).

Learning

Although most stakeholders agreed that the double constraint of sectoral focus plus modality was restrictive to ensure the response objectives were met, there were also varying views on whether the top-down directive was constructive.

- Contexts like Burkina Faso, where the use of MPC to meet basic needs was already a strategic priority, appreciated the ERC’s directive for a specific type of intervention—key informants felt this encouraged
other donors and stakeholders (such as government or NGOs) to adopt MPC as the default response option. This was also echoed by cash coordinators across the responses, who felt that MPC was by nature multisectoral and therefore should not be limited to one cluster or sector.

- In contrast, several WFP country offices felt if an allocation focused on food security, the modality selection should be entirely up to the in-country actors, based on rigorous assessments and contextual analysis.

By and large, key informants wanted to see more consistent involvement of coordination structures in the design of the allocation to determine priority areas, as well as collectively assess (and potentially identify) implementing partners earlier in the process.

7. Key findings: Contribution to outcomes

- Although it is still too early to understand the allocation’s contribution to outcomes for certain at this point in time, the allocation offered a crucial boost in funding for cash-based responses in food insecure contexts.
- The CERF allocation was an important signal to other donors that MPC was relevant and effective for famine response, even in volatile contexts with fluctuating markets, such as Afghanistan and South Sudan.
- People at the highest risk of food insecurity were prioritized insofar as MPC was a feasible response option in those areas. MPC could largely support those assessed as the most vulnerable in most contexts.
- The MPC outcome indicators developed through the Grand Bargain cash workstream and recommended by the CERF for this allocation were already in use across the six contexts; the allocation went beyond interagency minimum indicators to promote greater monitoring and use of the MPC indicators.
- Preliminary findings from post-distribution monitoring (PDM) demonstrate that providing cash to the most vulnerable households improved their food security (via the food consumption score), since most people spent the cash on food, and enabled them to better respond to economic shocks.
- Questions remain about how long the effects of positive food security outcomes will last, and how cash recipients’ feedback will inform future cash-based responses. There are also broader questions about how CVA design parameters influence a project’s ability to meet its objectives that evaluations should seek to answer going forward. While these types of evaluations are beyond the remit of CERF allocations, data generated through CERF-funded projects can contribute to this evidence base.

Learning and remaining questions

Top-level findings indicate that the allocation was successful in promoting the use of MPC to improve the food security of vulnerable families in priority areas, and preliminary results demonstrate that projects were able to contribute to positive outcomes in the immediate term. The harmonisation and use of MPC outcome indicators across all six contexts also offer promising ways to track project performance through the final reports. Going forward, it will be key to connect these broader results with more granular data on project performance. Due to the concurrent timing of the review and allocation implementation, the review could not fully answer some questions related to allocation contribution to outcomes. Specifically:

- Based on an analysis of secondary data and stakeholders’ impressions, has the allocation had an impact in contributing to a reduction in food insecurity and the risk of famine?
- How did the indicators and CVA design (transfer value, duration, frequency) come together in terms of measuring the intended impact on food security outcomes?
- How are cash recipients’ perspectives and feedback integrated into the monitoring of the CERF allocation, based on the commitments outlined in the proposals?

What to watch: PDM data tracking recipients’ ability to meet needs, well-being, and food consumption. Of particular interest would be to compare indicators with the number of transfers and across transfer values (did
more transfers or more money lead to better outcomes?), as well as the effects of complementary food security / resilience programming (DRC and Afghanistan) on indicator results.

8. Key findings: Contributions to cash programming and coordination

- The CERF allocation signalled a preference for MPC and was considered a flexible and valuable donor to promote and increase the use of CVA across the contexts. It was able to unblock certain obstacles to MPC in famine response, notably:
  - It promoted / expanded the use of MPC as a strategic priority
  - It demonstrated cash-based responses can reach most food insecure areas, even in volatile contexts (linked to outcomes)
  - The expansion of MPC to new geographic areas strengthened partners’ capacity to deliver cash at scale, particularly in Nigeria and Burkina Faso
  - The allocation was an injection of funds for new ways of programming – e.g., complementarity between WFP and FAO projects in the Kasai region of DRC.
- Important complementarities between the CERF cash allocation and country-based pooled funds (CBPFs) mentioned by key informants included increasing the use of cash if absent from CBPFs, complementary timing/aid continuity, and gap-filling for underfunded areas (geographic or sectoral). The CERF cash allocation complemented CBPFs in contexts where gaps were already identified at interagency level and aligned with the allocation objectives, such as Burkina Faso and South Sudan. Other responses required timeline or project adjustments to ensure complementarity with other funding (Yemen, Afghanistan).
- The allocation supported some specific technical aspects of coordination, such as the Minimum Expenditure Basket (MEB) harmonisation in Burkina Faso, that further improved interagency capacity to deliver MPC at scale.
- Country operations reflected on how they would have liked to see the CERF cash allocation contribute to broader cash programming and coordination in the response. While some of the opportunities identified relate to allocation design (and inform the recommendations in this report), many are about discussing MPC more strategically or how to link humanitarian CVA with longer-term strategies – in other words, opportunities that are still possible going forward.
- Key challenges remain:
  - Early engagement of CWG in allocations is crucial but was inconsistent across contexts.
  - Connecting MPC with a broader, multisectoral famine response is needed, but often requires time and resources beyond the scope of one CERF allocation.

Learning

Key informants stressed the following issues that could further improve this type of allocation’s influence on cash programming and coordination:

- Improving complementarity between the CERF cash allocation and CBPFs
  - Encourage strategic discussions prior to allocation announcement, but remove some of the allocation conditions to allow more in-country flexibility to set priorities based on the focus of CBPFs and where there are remaining gaps (geographic coverage, sector-based funding, etc.)
  - Allow more flexibility timewise for country operations to “insert” allocations at the right point in HRP cycle or season, especially for food security to ensure the allocation complements existing funding
  - Understand the reasons behind slower burn rates: CERF is within the UN family, and its implementation is therefore seen as more flexible / internal than other donor deadlines, as referenced by WFP in Yemen. This promotes complementarity with other funding, especially CBPFs. In underfunded crises, a slower burn rate does not mean the most vulnerable are not receiving urgent support; rather, the assistance is sequenced, enabling more predictable aid.
• Strengthening support to CVA and especially MPC: This type of allocation can promote positive change by disrupting “business as usual” programming based on other modalities (see WFP in Nigeria), but these shifts need resourcing in addition to incentives.
  o Consider funding / integrating coordination and cash readiness (operational prepositioning) into country allocations
  o Include a proportion of operational costs allocated to the CWG to fund time-sensitive cash coordination outputs that would further promote the use of MPC (e.g., harmonising the MEB, funding a payment landscape mapping, cash readiness assessment, etc.)

The final allocation and project reports from each country should include reflections on how the allocation enabled partners to advance cash programming and coordination, as well as practical suggestions to improve special allocations going forward.

1.4 Recommendations

9. There are several key actions that emerged across the range of contexts and perspectives on this unique allocation’s contributions to averting hunger and increasing the proportion of MPC in famine responses that are relevant for CERF allocations seeking to ensure cash-based responses are a crucial component. Going forward, the CERF can promote the use of cash, in particular MPC, across future allocations through the following recommendations:

<table>
<thead>
<tr>
<th>Recommendations for CERF allocations promoting the use of MPC</th>
<th>Who</th>
</tr>
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<tbody>
<tr>
<td>1 Allocations can encourage a “cash first” (MPC default option) approach, but should leave flexibility in-country to determine the best response option (or combination of options)</td>
<td>CERF secretariat</td>
</tr>
<tr>
<td>2 MPC is by nature multi-sectoral: allow country operations to determine sector(s) involved</td>
<td>CERF secretariat</td>
</tr>
<tr>
<td>3 CERF application: template should include rationale / justification for the modality (or modalities) selected, duration, and transfer value based on stated objectives</td>
<td>CERF secretariat, Country operation</td>
</tr>
<tr>
<td>4 Incorporate process benchmarks to encourage interagency collaboration: e.g., CWG formal sign-off of projects</td>
<td>Country operation</td>
</tr>
<tr>
<td>5 Nominate a technical, interagency focal point to facilitate allocation design process in country, prior to agency and project selection (e.g., via CWG or another coordination body)</td>
<td>Country operation</td>
</tr>
<tr>
<td>6 Identify transformative opportunities to increase the use of MPC: to fund planned modality shifts or propose new modalities / payment systems and advocate for other donors to step in. This can be done by allocating a percentage of funds for time-sensitive cash coordination outputs: MEB, market analysis, cash preparedness, etc.</td>
<td>CERF secretariat, Country operation</td>
</tr>
<tr>
<td>7 Use data generated from CERF-funded projects to build evidence base on MPC contributions to emergency response outcomes (via project evaluations or broader research)</td>
<td>Implementing agencies, CaLP Network</td>
</tr>
<tr>
<td>8 Document reflections on how to drive cash innovation in emergency response from partners, via proposals and final reports, particularly for famine responses</td>
<td>CERF secretariat, CaLP Network</td>
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Conclusion

10. The unique CERF cash allocation set out to avert hunger and promote the increased use of MPC in emergency responses, and was largely able to do so. The review found that the CERF cash allocation was instrumental in demonstrating that MPC can be a key part of famine response across a range of different crises and ensured that people at risk of food insecurity could better support themselves during the pandemic. Most key informants see the value in an intervention-specific allocation in contexts where cash, in particular MPC, is identified as an effective response and there is willingness to scale up or shift towards cash-based modalities, but where crucial
gaps in funding remain. However, in the future country operations would like to see more flexibility in the allocation design – if there is a focus on promoting cash-based responses, it should be clearly communicated that country teams can determine which sectors. If future allocations aim to promote the use of cash within broader famine responses, then the CERF should adopt a cash-first approach but be open to different response options (or a combination, such as MPC plus in-kind aid) to ensure the most contextually effective projects. Importantly, unique and cross-cutting allocations should be rooted in collaborative processes from the beginning to ensure buy-in from different humanitarian actors and coordination structures. This may also require specific funding to shift response options, develop new partnerships, and strengthen interagency capacity to deliver cash at scale, ideally through technical bodies such as CWGs.

11. Going forward, CERF allocations can continue to play a pivotal role in strengthening the ability of country operations to support the most vulnerable with multipurpose cash assistance. By promoting a “cash first” approach, in line with global commitments, and ensuring CERF processes include intervention and modality justifications based on contextual analysis, CERF will remain a dynamic source of funding for cash-based emergency responses.

2. Introduction

12. The United Nations Central Emergency Response Fund (CERF) provides rapid funding for humanitarian crises globally. Since its establishment by the UN General Assembly in 2005 under Resolution A/RES/60/124, the CERF works to achieve the following objectives:

- Promoting early action and response to reduce loss of life
- Enhancing response to time-critical requirements
- Strengthening core elements of humanitarian response in underfunded crises

These objectives are achieved through two funding modalities, the Rapid Response (RR) and Under-funded Emergencies (UFE) Windows. Over the past 15 years, CERF has contributed to humanitarian responses across the globe in an effort to save lives and reduce the negative impacts of humanitarian crises on the most vulnerable segments of the population.

13. The CERF continued its rapid allocation of humanitarian funding during the Covid-19 global pandemic, starting with a timely disbursement of funds for health and water, sanitation, and hygiene (WASH) responses in March 2020. The Secretariat also saw an urgent need to respond to the food security related effects of the pandemic, notably the threat of famine in many humanitarian contexts. In parallel to the publication of an op-ed in The Times on 17 November 2020 by Mark Lowcock, the Emergency Relief Coordinator (ERC) and Under-Secretary-General for Humanitarian Affairs, and David Beasley, the Executive Director of the World Food Programme (WFP), the ERC allocated $100 million from CERF’s Rapid Response Window to help stave off famine in high-risk countries, of which $80 million was to support cash and voucher assistance (CVA) in 6 countries. Following the announcement, the ERC invited the Resident Coordinators/Humanitarian Coordinators (RC/HCs) in Afghanistan, Burkina Faso, the Democratic Republic of the Congo, Nigeria, South Sudan and Yemen to submit 1-2 project proposals each, focusing on existing, scalable cash and voucher activities, with a preference for the use of

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4 Please see the CERF website.
5 WFP shared the op-ed from The Times (London), published on 17 November 2020, on its website.
6 $20 million were set aside for anticipatory action for drought and food insecurity in Ethiopia.
unrestricted, multipurpose cash programmes where possible. The allocation also encouraged RC/HCs to use the funds to complement Country-Based Pooled Funds (CBPF) allocations where relevant and feasible.

14. The 6 countries (Afghanistan, Burkina Faso, DRC, Nigeria, South Sudan, and Yemen) highlighted in the CERF allocation of November 2020 are amongst the most food insecure contexts in the world. The Covid-19 pandemic further exacerbated their precarious economic situations and disrupted food-related market systems, resulting in higher risks of famine in many areas, especially those facing existing and complex conflict or displacement-related humanitarian crises.

15. Following the Emergency Relief Coordinator’s invitation to submit proposals for the CERF cash allocation, the Humanitarian Country Teams and Food Security Clusters/Working Groups consulted with members, as well as Cash Working Groups (CWG), to identify CVA actors best placed to rapidly scale up cash assistance to the most vulnerable people in food-insecure areas. WFP and its cooperating partners emerged as the key agency in all 6 countries, with FAO projects complementing via cash transfers to farmers in DRC and in rural areas of Afghanistan.

16. This CERF cash allocation was unique in that it specified funding exclusively for cash and voucher assistance, whereas CERF allocations can typically be used to support a range of assistance modalities and services. In addition to focusing on CVA, CERF encouraged “the use, as much as possible, of unrestricted, unconditional, multipurpose cash assistance” in areas most affected by food insecurity. To this effect, the allocation proposed mandatory and recommended indicators from the Grand Bargain-approved multipurpose cash outcome indicators list (please see below for more information). The allocation’s emphasis on coordinated, unrestricted, large-scale cash responses to food insecurity render it an important learning opportunity to better understand how the CERF can meaningfully contribute to CVA best practices and the uptake of multipurpose cash more broadly, in line with humanitarian commitments and priorities.

Figure 1: Overview of CERF cash allocation by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Agency</th>
<th>CVA type</th>
<th>Allocation</th>
<th>Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>WFP</td>
<td>MPC (direct cash)</td>
<td>$10 million</td>
<td>495,459 people</td>
</tr>
<tr>
<td></td>
<td>FAO</td>
<td></td>
<td>$5 million</td>
<td>455,000 people</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>WFP</td>
<td>MPC (mobile money)</td>
<td>$6 million</td>
<td>171,079 people</td>
</tr>
<tr>
<td>D.R. Congo</td>
<td>WFP</td>
<td>MPC (direct cash / mobile money)</td>
<td>$6 million</td>
<td>77,320 people</td>
</tr>
<tr>
<td></td>
<td>FAO</td>
<td></td>
<td>$1 million</td>
<td>39,600 people</td>
</tr>
<tr>
<td>Nigeria</td>
<td>WFP</td>
<td>MPC (mobile money, banking)</td>
<td>$15 million</td>
<td>90,552 people</td>
</tr>
<tr>
<td>South Sudan</td>
<td>WFP</td>
<td>MPC (SCOPE / direct cash)</td>
<td>$7 million</td>
<td>199,300 people</td>
</tr>
<tr>
<td>Yemen</td>
<td>WFP</td>
<td>Vouchers (paper)</td>
<td>$30 million</td>
<td>2,285,000 people</td>
</tr>
<tr>
<td></td>
<td></td>
<td>USD $80 million</td>
<td></td>
<td>3,773,710 people</td>
</tr>
</tbody>
</table>

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According to the “2020 Global Report on Food Crises,” Global Network Against Food Crises, Food Security Information Network (FSIN), and International Food Policy Research Institute (IFPRI), online.

The prominence of CVA and its transformative potential for humanitarian action is well documented: see, for example, the High Level Panel on humanitarian cash transfers (ODI, 2015), the World Humanitarian Summit and Grand Bargain commitments summarized in the CaLP global framework for action (2017) and the State of the World’s Cash Report (2020).
2.1 Review objectives, questions, and approach

17. The main objective of the review was to assess the value added of the $80M CERF CVA allocation towards its dual objectives, to respond to rising hunger in the six affected countries and promote cash as an emergency response modality (in particular MPC). Since the allocation was the first of its kind to focus exclusively on one specific assistance modality across multiple crises, identifying best practices, lessons learned and areas for improvement will help orient future allocations. The review also examined CERF’s overall support to cash programming and whether it could be further improved. The review questions (please see the annex to this report) integrated the relevant Grand Bargain commitments and work stream priorities as benchmarks to better understand how the CERF cash allocation contributed to CVA programming and coordination.

2.1.1 Review themes

18. In order to assess the effectiveness, efficiency and value added of the CERF cash allocation, the review sought to answer key questions on three main themes:

1. **CERF allocation process and decision-making at country level**: While the CERF allocation process at global level is generally well-established, the particular focus on CVA offers an interesting opportunity to examine how decisions are made in country regarding modality-specific allocations, and how this affects the allocation process and outcomes. OCHA and CERF stakeholders consulted during the inception phase emphasised learning on processes and decision making as core components of the review.

2. **Allocation objectives and contribution to impact**: As CERF seeks to move towards outcome-oriented monitoring and reporting for large-scale allocations when feasible, this review sought to understand if/how the allocations improved food security outcomes in each context, and the ways in which CVA projects were designed and monitored to maximise impact. This in turn can generate learning for CVA-specific projects, as well as broader recommendations for future CERF allocations (such as findings on integrating vulnerable people’s perspectives).

3. **CERF contributions to cash programming and coordination**: In line with the objective of improving and increasing the use of CVA at scale, the review explored key informants’ perspectives on how this CERF allocation contributed to CVA programming in country, as well as its influence on cash coordination. The review also contributed evidence towards identifying the main obstacles for humanitarian operations to increase the use of multi-purpose cash assistance to allow affected people to meet their basic needs. The use of the Grand Bargain-approved MPC outcome indicators is of particular interest to the humanitarian CVA community of practice, and the review highlights the lessons learned from integrating and measuring the indicators as part of the CERF cash allocation.

2.1.2 Review approach

19. The review was conducted remotely using qualitative methodologies, including a desk review, in-depth key informant interviews, and country case studies (debriefings and analysis).

The desk review in December 2020 and January 2021 consisted of a comprehensive review of the resources shared by the CERF secretariat, including background information on the CERF, documentation specific to the cash
allocation, as well as documents pertaining to the project proposals in each of the 6 countries. The independent reviewer also conducted preliminary consultations with CERF secretariat members, CaLP, and the OCHA cash experts to validate the desk review and inform the scope of the work, as well as frame the review questions. For a list of the people interviewed and documents reviewed, please see the annexes at the end of this report.

20. Following the validation of the inception report, the consultant conducted **38 remote in-depth interviews** from May to August 2021 with key stakeholders at country (including area) and global levels. The interview guides were based on the question matrix (please see Annex 1) and tailored to the interviewees’ expertise and positions, depending on whether they were a decision maker, implementer, coordinator, partner, etc. The conversations lasted approximately one hour each and the consultant took verbatim notes after receiving consent from the interviewee. To maintain respondents’ confidentiality and ensure interviewees feel comfortable speaking freely and anonymously, the notes were not shared; the consultant removed identifying information in the findings from the interviews before they were shared.

21. **Country case studies** were informed by the findings from the interviews as well as the documentation shared during the desk review and interim reporting period (April 2021). The review included an overview of the CERF allocation in all 6 countries, in addition to analysing specific components per context as “deeper dives” into the learning.

22. **Learning and validation sessions** took place remotely with the stakeholders in country between July and September 2021. At the end of each virtual country engagement, the reviewer facilitated a debriefing to present, discuss and validate the main findings, conclusions, and recommendations from the country consultations.

Information from the interviews, workshops and secondary data were synthesised using human-centred design analysis techniques such as affinity diagramming and decision mapping. This final report will be accompanied by a shorter summary and presentation, which will outline the findings and conclusions in visual and practical ways to ensure the recommendations are accessible to a wider humanitarian audience.

**Limitations**

23. While the remote modality allowed for a more comprehensive review of all 6 countries within the allocation, there were some limitations due to the Covid-19 restrictions. The independent reviewer could not travel to the countries to observe programmes first-hand, conduct interviews and workshops in person, or speak directly with cash recipients. The review therefore relies on information provided solely by humanitarian actors and as such, should be corroborated by external data, especially the third-party monitoring included in at least three projects (WFP in Nigeria, FAO in Afghanistan, and the joint project in DRC). The review was conducted at the same time as the allocation was implemented, and so focussed on process and decision-making questions; the review could not fully integrate data from third-party or internal monitoring because it was not yet available. This report includes key learning questions for future analysis.

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9 See *Universal Methods of Design* by Bella Martin and Bruce Hanington (2012).
3. Findings

3.1 Allocation process: decision making in country, agency selection, and process efficiency

Key Findings: Allocation design and process

Allocation design

- The CERF cash allocation was key to promoting the use of cash (especially MPC) in emergency famine responses:
  - It signalled a preference for MPC that increased its use, alongside other response options.
  - The allocation encouraged conversations about increasing the use of MPC and expanding to new areas.
- Key informants (country operations and implementing agencies) perceived a “double constraint” because the allocation specified the response focus (food insecurity) and modality (CVA with a preference for MPC interventions). The CERF Secretariat did not perceive the allocation as exclusively for food security, but the emergency nature of CERF funds and the objective of averting hunger meant it was understood as such.
- As a result of the allocation specifications, WFP was selected as the implementing agency for much of the allocation across the six contexts, with complementary FAO projects in Afghanistan and DRC (please see Figure 1). Most country operations felt the call for MPC at scale to avert hunger was “designed for WFP.”

Allocation process

- WFP emerged as the best-placed agency for this allocation across all 6 contexts, but processes in-country differed. The level of interagency engagement in the application process varied greatly, which led to different perspectives on whether processes were conducted efficiently. A key process issue was when and how interagency coordination bodies, and in particular Cash Working Groups (CWGs) were engaged in the allocation process.
  - In some contexts, the allocation specifications dissuaded interagency discussions about priority areas and approaches, because it was seen as “pre-determined” that WFP would use the allocation for its existing programmes (Yemen) or expand MPC to new areas (Nigeria).
  - Key informants felt the process worked well when interagency coordination structures such as Cash Working Groups (CWGs) and Food Security Clusters (FSCs) were engaged early, because it improved buy-in and collaborative decision-making (Burkina Faso, DRC, South Sudan). However, for some it was unclear if their feedback, such as technical inputs from CWGs about MPC feasibility concerns or project design elements, actually informed allocation decisions.
- Identifying partners was a key component of ensuring sufficient capacity to provide MPC at scale. If the allocation intended to scale up existing programmes, partner selection could have been shared earlier with the wider group of stakeholders in-country. In other cases, expanding MPC to new areas was an opportunity to develop different partnerships. Country operations acknowledged the trade-offs between collaborative partner selection at interagency level to increase ownership and capacity across CVA actors with project delays due to the heavy process that accompanied it (see Burkina Faso case study below).

[1] Review questions: CERF allocation process and decision-making

1. How were decisions taken in country to fund the specific projects?
2. How were the implementing organisations selected?
3. Was the allocation process conducted efficiently? (HQ + country level)

Please see Annex 1 for the full list of questions.

24. The first theme of this review sought to examine how decisions were made in country regarding the unique allocation, and how this might have affected the allocation process and outcomes. Here, the emphasis is on process learning, as the review took place during the implementation period.

25. Rapid Response (RR) allocations are driven by country-specific needs and gap analyses in three types of situations – sudden onset emergencies, a rapid or significant deterioration of an existing humanitarian situation,
or time-critical interventions. Generally, RR allocations follow a clear process whereby the Resident Coordinator / Humanitarian Coordinator (RC/HC) identifies priority, lifesaving needs in consultation with the Humanitarian Country Team (HCT) and requests funds from the CERF. The ERC decides whether to approve the request based on the RR criteria (outlined on the CERF website); once approved, the RC/HC’s office submits an allocation strategy supported by agency project proposals within the approved funding envelope.

26. The process for the cash allocation was different, in that the ERC initiated the allocation based on global food insecurity concerns exacerbated by the socioeconomic effects of Covid-19 in humanitarian crises. The allocation’s focus on MPC was informed by the view that MPC is one of the most effective response modalities as it allows affected people the flexibility to meet their most urgent needs, and also influenced by reflections on the low percentage of CVA in the previous pandemic-related allocation ($3 million out of $95 million). In this sense, the cash allocation resembled the process for Under-Funded Emergencies (UFE) in that the ERC identified the specific priorities based on a global outlook (please see Figure 2 below). It is worth noting that the CERF had already identified contexts using MPC to respond to food needs, so the allocation was designed to amplify existing cash-based responses. The allocation directive shared by OCHA outlined the dual objectives of averting hunger and promoting the use of MPC in emergency responses, as well as project requirements in line with global CVA best practices, such as using the MPC outcome indicators.

### Figure 2: CERF allocation processes: comparison of RR, UFE, and the cash allocation

<table>
<thead>
<tr>
<th>Rapid Response Window (RR)</th>
<th>Under Funded Emergencies Window (UFE)</th>
<th>CERF cash allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The RC/HC requests use of CERF Funding and identifies priority life-saving needs by consulting the humanitarian country team.</td>
<td>• The ERC informs relevant RC/HCs that their country has been selected to receive a CERF allocation.</td>
<td>• Initial CERF discussions to initiate a special allocation focused on CVA.</td>
</tr>
<tr>
<td>• The ERC decides on the request (agencies cannot submit proposals directly to the ERC).</td>
<td>• The ERC then invites the RC/HC to develop a clearly prioritized, implementable and focused strategy for the CERF grant and to identify and submit projects that could qualify for underfunded emergency allocations.</td>
<td>• CERF developed a concept note</td>
</tr>
<tr>
<td>• The RC/HC submits an application package including a strategy and of project proposals.</td>
<td>• The RC/HC and the Humanitarian Country Team identify potential humanitarian projects.</td>
<td>• ERC agrees on funding envelopes for 6 countries.</td>
</tr>
<tr>
<td>• The ERC approves applications.</td>
<td>• Following the RC/HC’s submission of the strategy and projects, the ERC decides whether to allocate the requested funds.</td>
<td>• The ERC informs the RC/HC of a selected country about CERF funding levels potentially available for that country.</td>
</tr>
<tr>
<td>• CERF disburses funds to the UN agencies.</td>
<td>• CERF disburses funds to the UN agencies.</td>
<td>• The RC/HC submits an application package including a strategy and of project proposals.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The ERC approves applications.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CERF disburses funds to the UN agencies.</td>
</tr>
</tbody>
</table>

27. The CERF secretariat did not see the allocation as sector-specific, i.e., limited to food security; rather, it was about promoting the use of cash to respond to the risk of hunger due to the socioeconomic effects of Covid-19 (KII). However, country operations across all six contexts perceived a “double constraint” of addressing hunger as inherently related to food insecurity (sector-specific), through a particular modality – with a preference for MPC. This necessarily favoured WFP to receive the funding, particularly because the allocation called for maximum two projects per response and its emergency timeframe favoured scaling existing MPC. In Yemen, the decision to continue with vouchers as opposed to MPC was to ensure the allocation objective of averting famine in the most
food insecure areas. MPC would have been possible in other parts of the country, but predominantly in the southern areas where the risk of food insecurity was less acute.

28. The design parameters of the special allocation meant that regardless of the decision-making process in country, WFP emerged as the most suitable implementing agency, with complementary projects from FAO in Afghanistan and DRC. In these two contexts where FAO projects complemented WFP programming, there was a conscious interagency decision to prioritise complementary projects. In Afghanistan, this was to address more urban (WFP) versus rural (FAO) food insecurity, while DRC took a different approach to complementary cash assistance within the same region (Kasai).

29. The capacity to implement CVA at scale (MPC in 5 responses, vouchers in Yemen) varied across the contexts, with WFP emerging as the best-placed agency to receive the grant. Two contexts in particular, South Sudan and DRC, flagged capacity concerns. South Sudan was due to the complex and evolving context (see case study below) and the limitations of implementing MPC interventions in the most food-insecure areas (IPC4+\(^{10}\), which had limited market functionality and no MPC precedent). The country operation in South Sudan raised protection concerns based on IDP women's feedback that receiving cash made them feel unsafe, and as well as questions about the cost effectiveness of cash (due to inflation and currency devaluation). After initial reservations about the appropriateness of MPC to respond to food insecurity, the country operation focussed on strengthening links between the CERF project and the relevant technical support on the ground – engaging the protection cluster to better understand risks and mitigation (see box in under theme 2), advocating to shift in-kind aid to IPC4+ areas where MPC was not feasible, and supporting WFP's negotiations with the government for a preferential exchange rate (March 2021).

30. Despite WFP emerging as the best-placed agency for this allocation across all 6 contexts, the communication of the grant from the CERF secretariat was interpreted differently across the responses. The decision-making process for this special allocation varied by context, with some key informants noting that it departed from the usual CERF processes in both constructive and challenging ways. Some responses, such as Nigeria and Yemen, took the joint ERC-WFP op-ed to mean the allocation was “designed for WFP,” while other contexts selected WFP based on their operational capacity to respond to food needs at scale via CVA. Key informants in Nigeria, South Sudan, and Yemen felt the ERC letter discouraged interagency engagement and prevented strategic discussions at country level – primarily because of the allocation specificity and WFP being the default qualified agency, so further discussions were not needed. Other responses noted the fact that the allocation, in specifying CVA/MPC, actually brought together interagency coordination structures to design the response – such as in Burkina Faso and DRC, where the food security cluster worked closely with the CWG and OCHA team to identify priority areas where MPC could be expanded or scaled up and integrate the allocation into the response strategy alongside complementary funding sources.

31. The politics of interagency funding and the decision-making around who receives an allocation can be a sensitive issue among agencies, according to key informants with years of experience coordinating humanitarian responses. CERF is clearly a desirable funding source, as it is perceived to be within the UN family and therefore comes with certain flexibility in terms of communication and project adjustments (extensions, modifications, etc.). Receiving CERF funding is also leveraged to attract other donors, who perceive it as an endorsement of a particular

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\(^{10}\) IPC refers to the Integrated Food Security Phase Classification (IPC), which analyses food security data in particular geographic areas and classifies them into five distinct phases: (1) Minimal/None, (2) Stressed, (3) Crisis, (4) Emergency, (5) Catastrophe/Famine. “each of these phases has important and distinct implications for where and how best to intervene, and therefore influences priority response objectives” (online [here](https://www.fao.org/tofisp/)).
emergency response or programme approach. These factors meant the process of gaining interagency buy-in for this final decision was challenging and varied. According to key informants, it ranged from managing expectations at the onset by ensuring complementarity through other funding streams to outright tensions between agencies who felt excluded from the selection process.

32. Nearly all stakeholders consulted said that once the implementing agencies were selected, the normal CERF proposal process was followed, with applications submitted in stages. Many people raised the issue of timeliness of the CERF disbursement after the announcement. They perceived longer than normal rounds of feedback and difficulty predicting the timeframe to align the allocation with seasonal needs, despite the fact that the allocation’s submission-to-disbursement timeline was in line with other allocations in 2021 (11 days on average, ranging from 9 to 14 days across the 6 countries). While some back and forth between CERF and the country operations is expected during this process, some key informants felt CERF requests for revised total cost to transfer ratios (TCTR) to increase the proportion of the allocation going directly to recipients, as was the case in Yemen and Nigeria, went beyond the normal feedback procedures. At the same time, the TCTRs were initially much lower than global targets (which are generally between 15%–25%), and the CERF secretariat saw an important need to align with these standards. In contexts where seasonality affects needs and influences people’s priorities, which in turn determine MPC design (notably transfer values and duration), such as in Afghanistan, South Sudan, and Nigeria, this influenced project timelines.

Yemen in focus: Project extensions in emergency famine response
Several country operations requested no cost extensions (NCEs) or modifications of their original proposals. Key informants in Yemen were keen to explain why an emergency famine response required an extension or faced delays in implementation, highlighting the trade-off between urgent and effective responses to famine. Donor earmarking in Yemen is often down to district or IPC level, and access depends on authorities’ approval of sub-agreements and activities (Global Humanitarian Overview, OCHA, 2021). This means WFP and other operational agencies must balance not only urgency and needs prioritization, but also donor requirements and project timeframes to ensure all funds reach the most vulnerable while complying with grant specifications for a coherent and effective response. They appreciated the CERF allocation’s flexibility on the number of recipients and locations, as well as the possibility of an extension.

33. A key process issue was when and how interagency coordination bodies, and in particular Cash Working Groups (CWGs) were engaged in the allocation process. When the allocation slotted into strategic priorities, and when interagency structures were engaged from the beginning, key informants felt the process was efficient and clear. This was the case in Burkina Faso and DRC. In DRC, the HC’s strategic decision to focus the CERF allocation in an underfunded area through two complementary projects meant that FAO would provide emergency cash assistance for the first time; as such, there was a need to collaborate closely with WFP not only to harmonise cash recipient lists but learn from their experience with MPCA. The country operation was able to mitigate many of the capacity concerns by engaging technical expertise early (via the CWG and food security cluster, complemented by the ICCT) and focussing the project in one region (managed by one sub-office, rather than spreading the funds across provinces). DRC was also one of the key contexts to prioritise local actors as implementing partners, resulting in a stronger links between emergency aid and longer-term, government-led support; FAO has partnered with 2 local NGOs and a government entity to deliver MPC and sensitise communities about the programme.

34. There is a key question as to why some country operations did not engage the CWG from the beginning of the allocation process. Key informants felt this was due to wider coordination issues, especially about where cash

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11 Please see ECHO cash guidelines, which stipulate a TCTR of 85:15 (85% of funding going directly to recipients) for large-scale cash programmes (2017, online).
coordination sits within the overall architecture and its role with regards to sector-based coordination – whether the CWG is seen as a collective technical asset or in ‘competition’ with sector-based CVA. In contexts where the allocation would scale up existing programming (Yemen, Nigeria, Afghanistan, and South Sudan), HCTs and implementing agencies saw the CERF grant as an internal funding source – they reported information about the project to the CWG and food security cluster once it was approved but did not involve them in project design. In South Sudan, the CWG and Food Security Cluster were engaged in the allocation design from the beginning but felt their inputs (and specifically their reservations on MPC’s ability to meet needs in the most food insecure areas) were not taken into consideration before the projects were approved. Key informants in Afghanistan also felt that their inputs to project proposals were not addressed before they were submitted to the CERF secretariat. In such cases, the CWG felt their technical inputs were not acknowledged, and many implementing partners were unaware that the funding came from CERF. However, in several contexts OCHA noted that because CERF necessarily goes to UN agencies, it can be difficult to engage non-UN actors such as NGOs in the allocation process because they do not feel ownership or involvement in fund decisions, despite efforts to prioritise interagency coordination feedback in the allocation decision making. This may also influence the extent to which the CWG is engaged from the beginning, or at all.

35. These interagency engagement dynamics also influenced the partner selection process in different ways. CWG actors noted that it was difficult for them to provide technical guidance during the proposal process if the implementing partners were not yet identified, as partners were directly linked to capacity and programme quality. This was less of a concern in contexts where the allocation would scale up existing programmes and therefore rely on established partnerships, such as in South Sudan, Nigeria, and Yemen. But in other places where the allocation would expand MPC to new geographic areas (Burkina Faso and DRC) or it was unclear if existing partners had the capacity to implement CERF projects (Afghanistan), key informants preferred to see partner identification take place earlier in the process.

**Interagency ownership of the allocation: selecting partners in Burkina Faso**

CERF funds are channelled through UN agencies, so partnership selection is key to ensure a high-quality response. Key informants in several contexts (Afghanistan, Burkina Faso, DRC, South Sudan, and Yemen) underlined that identifying partners early in the allocation design process can encourage localization and promote cash readiness by “pre-positioning” operational implementing partners such as NGOs and financial service providers.

In Burkina Faso, the country operation decided to involve interagency coordination, through the food security cluster and the Cash Working Group (CWG), in the process of identifying implementing partners for the CERF grant. This level of interagency engagement takes time and delayed the project implementation by a few months. However, as WFP outlined in the interim report, “It should be noted that the inclusion of new partners, in connection with the recommendations of OCHA, can yield beneficial results in strengthening the existing capacities of actors operating on the ground in Burkina Faso by increasing the target group in certain localities which, previously, were not assisted.” (Interim report, April 2021)
Key learning on allocation design and process

Although most stakeholders agreed that the double constraint of sectoral focus plus modality was restrictive to ensure the response objectives were met, there were also varying views on whether the top-down directive was constructive.

- Contexts like Burkina Faso, where the use of MPC to meet basic needs was already a strategic priority, appreciated the ERC's directive for a specific type of intervention—key informants felt this encouraged other donors and stakeholders (such as government or NGOs) to adopt MPC as the default response option. This was also echoed by cash coordinator actors across the responses, who felt that MPC was by nature multisectoral and therefore should not be limited to one cluster or sector.
- In contrast, several WFP country offices felt if an allocation focused on food security, the modality selection should be entirely up to the in-country actors, based on rigorous assessments and contextual analysis.

By and large, key informants wanted to see more consistent involvement of coordination structures in the design of the allocation to determine priority areas, as well as collectively assess (and potentially identify) Implementing partners earlier in the process.

3.2 Contributions to outcomes: averting hunger and MPC outcomes

Key Findings: Contributions to outcomes

- Although it is still too early to understand the allocation's contribution to outcomes for certain at this point in time, the allocation offered a crucial boost in funding for cash-based responses in food insecure contexts.
- The CERF allocation was an important signal to other donors that MPC was relevant and effective for famine response, even in volatile contexts with fluctuating markets, such as Afghanistan and South Sudan.
- People at the highest risk of food insecurity were prioritised insofar as MPC was a feasible response option in those areas. MPC could largely support those assessed as the most vulnerable in most contexts.
- The MPC outcome indicators developed through the Grand Bargain cash workstream and recommended by the CERF for this allocation were already in use across the six contexts; the allocation went beyond interagency minimum indicators to promote greater monitoring and use of the MPC indicators.
- Preliminary findings from post-distribution monitoring (PDM) demonstrate that providing cash to the most vulnerable households improved their food security (via the food consumption score), since most people spent the cash on food, and enabled them to better respond to economic shocks.
- Questions remain about how long the effects of positive food security outcomes will last, and how cash recipients’ feedback will inform future cash-based responses. There are also broader questions about how CVA design parameters influence a project’s ability to meet its objectives that evaluations should seek to answer going forward. While these types of evaluations are beyond the remit of CERF allocations, data generated through CERF-funded projects can contribute to this evidence base.

[2] Review questions: Allocation objective and contributions to impact

1. What impact did the CERF allocation have (or contribute to) in the context where funds were allocated?
2. Has the allocation had an impact in contributing to a reduction in food insecurity and the risk of famine?
3. Were people at highest risk of food insecurity prioritised?
4. How are cash recipients’ perspectives and feedback integrated into the monitoring of the CERF allocation?

Please see Annex 1 for the full list of questions.

36. Across the six contexts, the allocation enabled Humanitarian Country Teams (HCTs) to respond to rising levels of food insecurity by ensuring funds were available for cash assistance at a crucial period during the pandemic,
when the socioeconomic effects of the global crisis (loss of employment, social distancing requirements, supply chain disruptions, etc.) compounded families’ existing vulnerabilities related to conflict and displacement. Moreover, the signal from the CERF that MPC was the preferred intervention encouraged other donors to scale up their commitments to cash-based responses, for example in the Kasai region of DRC (see case study below) and in peri-urban areas of South Sudan. This in turn allowed implementing agencies and their partners to extend cash programmes and reorient in-kind aid to other areas where cash-based assistance would be less effective (in rural areas with unreliable markets, for example).

37. People at the highest risk of food insecurity were prioritised insofar as MPC was a feasible response option in those areas. MPC could support those assessed as the most vulnerable in Afghanistan, Burkina Faso, DRC, and Nigeria. In Yemen, the decision to fund WFP’s existing voucher assistance was largely because MPC at scale was not feasible in the most food insecure and underfunded areas in the North, and the priority was to reach those communities. In South Sudan, the CERF project supported the most vulnerable households in urban and peri-urban areas where MPC was a feasible and preferred intervention. Areas assessed to be more food insecure (IPC 5) but where cash could not be implemented due to volatile markets or a lack of payment systems, received in-kind food assistance from WFP’s pipeline, which was made possible by the CERF allocation covering other districts.

38. It is important to underline that because this review took place concurrently with implementation, it is difficult to analyse the allocation’s contributions to food security outcomes. Some review questions cannot be fully answered until the final reporting is completed, and they are outlined at the end of this section. However, the CERF allocation’s contributions to outcomes can still be framed through two important elements. One is to reflect on how the MPC outcome indicators enable projects to measure and track contributions to outcomes, and the other is through preliminary findings shared by implementing agencies. Key informants’ reflections on CVA as part of a more comprehensive famine response are also crucial to understand what types of outcomes can be expected.

3.2.1 MPC outcome indicators

39. The CERF cash allocation specified that projects should use the Grand Bargain multipurpose cash (MPC) required outcome indicator, which asks organisations to track the “percentage of households who report being able to meet the basic needs of their households (all/most/some/none), according to their priorities.”

40. The core MPC outcome indicators were already largely in use across all contexts, either by WFP and FAO internally or recommended by the CWG and included in Humanitarian Response Plans (HRPs). None of the key informants implementing the projects mentioned that the indicators were new or a departure from usual programme monitoring for WFP or FAO. In some contexts, the CERF project indicators went beyond interagency commitments; in the DRC for example, the CERF projects enabled the CWG to “test” MPC outcome indicators beyond the one included in the HRP for 2021.

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12 Please see the Multipurpose Cash Outcome Indicators from the Grand Bargain Cash Workstream, published in July 2019 as a final draft for testing.

13 Please see p. 64 of the DRC HRP for 2021, which outlines the core MPC outcome indicator of the percentage of cash recipients that report being able to meet their basic needs (“% des ménages qui rapportent avoir été capables de répondre à leurs besoins de base, en ligne avec leurs priorités”).
current interagency commitments, which as of October 2021 are largely still at the discretion of implementing organisations to determine.

Figure 3: Global MPC Outcome Indicator Comparison Table

<table>
<thead>
<tr>
<th>Country</th>
<th>MPC outcome indicators in the HRP (2021)</th>
<th>CWG recommended indicators</th>
<th>CERF cash allocation project indicators</th>
</tr>
</thead>
</table>
| Afghanistan   | % of people with acceptable food consumption Note: This is the MPC recommended indicator for food security and is not MPC specific in the HRP | N/A                         | GB MPC Basic Needs indicator (FAO: 75%)
|               |                                        |                             | WFP: Perception indicators in lieu of GB MPC FCS (WFP: Acceptable >15%; FAO Acceptable 75%) |
| Burkina Faso  | % of households who report having been able to meet their basic needs, in line with their priorities | N/A                         | GB MPC Basic Needs indicator (TBD) FCS (Acceptable >80%) |
| DRC           | % of households who report having been able to meet their basic needs, in line with their priorities | N/A                         | GB MPC Basic Needs indicator (TBD) FCS (Acceptable >35.2%) |
| Nigeria       |                                        | N/A                         | GB MPC Basic Needs indicator (TBD) FCS (Acceptable >80%) |
| South Sudan   |                                        | N/A – but CWG strategic objectives refer to Grand Bargain commitments (July 2019) | GB MPC Basic Needs indicator (All >30%) FCS (Acceptable >30%) |
| Yemen         |                                        | [Sep 2020] 7 indicators, which include global MPC indicators | FCS (Acceptable >82%) [Perception indicators in lieu of GB MPC] |

41. In May 2021, CaLP published a review that gathered experience from agencies field-testing the MPC indicators, analysed the feedback, and update the guidance. The findings on the use of indicators and related challenges were detailed and comprehensive (report here), but largely confirmed that organisations and working groups prioritised the cross-cutting (required outcome and accountability to affected populations, or AAP) and expenditure-related indicators, and that sectoral indicators were the most complex to apply across MPC programmes. Based on the consultations, CaLP now suggests “rethink the categorisation of the different types” of MPC outcome indicators across the CVA cycle, from receiving the cash (process) to meeting basic needs (outcomes). This is in line with CERF recommendations for the use of the MPC outcome indicators, and how projects structured their log frames.

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14 Although expenditure-related indicators were considered sector-specific and optional in the first version of the guidance, key informants noted that MPC is inherently economic assistance (an income injection into a vulnerable household), so tracking expenditures should be part of any quality MPC programme. The CERF cash allocation directive did not specify the use of expenditure indicators, and none of the projects across the six contexts incorporated expenditure tracking in their log frames.
There is also a more global question about what outcomes to expect when MPC transfer values are low, as outlined in CaLP's review of MPC outcome indicators (Collins, May 2021). When designing emergency cash transfers to respond to acute crises, there is always a trade-off between coverage (assisting as many people as possible) and adequacy (ensuring the transfer value is sufficient to meet the identified needs). These trade-offs are particularly challenging in contexts with recurrent shocks and chronic vulnerability, when families’ ability to meet needs or food consumption is likely to improve after receiving cash but can reduce over time. The coverage versus adequacy compromise therefore may play a role in the projects’ abilities to meet the stated objectives and indicator targets, particularly in contexts like Burkina Faso, where the transfer amounts were lowered from the original proposal to align with harmonised transfer values across funding sources.

The preliminary PDM findings are coming in across the six contexts (see box below for examples from Afghanistan), and analysis of the indicators will be crucial to understand how projects were able to support vulnerable families. That said, this type of learning review cannot isolate programme design parameters (such as modality, payment system, targeting, transfer value) and understand how they contributed to food security outcomes. This is the role of more structured, project or programme-based evaluations designed at the discretion of implementing agencies.

3.2.2 Preliminary findings

Preliminary findings from project monitoring (post-distribution monitoring surveys and qualitative observations from field visits) indicate that the injection of cash into vulnerable households improved their food security and enabled them to better respond to shocks going forward. In Afghanistan for example, VAM and PDM data indicate that initial cash transfers from FAO prevented families in rural areas from falling into further debt (see box below). Promising preliminary findings from other contexts include:

- DRC, WFP/FAO: breaking the survival cycle to improve planting. Focus group discussions with cash recipients also found that people would prefer to receive a combination of assistance modalities (e.g., cash assistance plus non-food items that are expensive or hard to find)

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42. See the SPACE publication from McLean et al., “Transfer Values: How much is enough?” for an analysis of the relationship between cash transfer amounts and desired programme outcomes (April 2021).
• South Sudan: WFP market monitoring shows market functionality improved in areas where the CERF grant was implemented, and that recipients prefer to receive cash to meet their needs.

Building the evidence base: preliminary findings from WFP + FAO in Afghanistan
As in many longstanding crises, WFP in Afghanistan uses its standard monitoring framework and tools across different projects and funding sources. All its proposals include a core food consumption score indicator (baseline and targets), and they track people’s “economic capacity to meet essential needs” (ECMEN). Preliminary findings from WFP’s monitoring show positive contributions to food security outcomes of targeted households, notably:

• **A slight increase in food consumption score** (FCS) into the “Acceptable” category. The project target was 10% of recipients with acceptable food consumption. Actual results show 15%.

• **Consumption-based coping strategies are lower than expected.** The project target was less than 10% of recipients reporting negative coping strategies, while actual results indicate around 5%.

• **Only 9% of households surveyed employed risky livelihood strategies**, based on WFP’s Livelihoods Coping Strategic Index.

Moreover, anecdotal findings from FAO in rural areas indicate that cash assistance upfront helps families avoid incurring further debt, an important mitigation measure against further food insecurity. However, M&E specialists in Afghanistan underline how difficult it is to understand the precise impact of a specific project, particularly for short-term interventions with the most vulnerable groups. The CERF cash allocation is part of an emergency response, and as such its impact, while limited, is crucial to mitigating further vulnerability.

**Figure 5: Afghanistan CERF project preliminary findings**

CONTRIBUTIONS TO FOOD SECURITY OUTCOMES

Case study:
Promising preliminary findings from Afghanistan (WFP data)

45. This review also raised broader reflections on the role of response options in achieving the intended outcomes, in this case to avert acute food insecurity. Which type of intervention – MPC, CVA, in-kind assistance – duration, and value of assistance deliver the best results? Has this changed during the Covid-19 pandemic, given the advantages and increase in MPC across humanitarian and social protection programmes?¹⁶ As several key

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¹⁶ For an overview of CVA during the pandemic, please see the CaLP review of CVA in response to Covid-19 (Golay, 2020), as well as crowd-sourced references on the use of CVA 2020 onwards (CaLP live document).
informants from WFP in different contexts noted, comparative analysis of response options is not yet systematic and depends on the context. In Afghanistan for example, WFP’s VAM unit has observed that in-kind food assistance tended to improve food consumption scores in the immediate term more than MPC, but longer-term MPC improved households’ “economic capacity to meet essential needs,” and allowed them the flexibility to meet changing needs over time.\(^{17}\) South Sudan is currently unable to compare outcomes across response options (MPC versus CVA versus in-kind) but plans to do this analysis in the future. There are therefore broader questions about how response option design influences a project’s ability to meet its objectives that evaluations should seek to answer going forward. While these types of evaluations are beyond the remit of CERF allocations, data generated through CERF-funded projects can contribute to this evidence base.

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South Sudan in focus: Protection as a crucial unknown factor

The allocation directives clearly outlined commitments to protection mainstreaming, and the standard CERF proposal template emphasises protection, gender, and accountability (AAP) elements as part of the project design. The WFP proposal for South Sudan included a protection-specific indicator, i.e., that “Gender equality and women’s empowerment among WFP-assisted population will be improved” (project proposal document). This was of particular importance following OCHA’s consultation with other donors, who indicated reluctance to scale up CVA due to concerns raised during other projects – notably that some IDP women felt that receiving cash posed a security risk (KIs). Following the allocation announcement by the HC, the country operation sought to connect the CERF project with the Protection Cluster to ensure a common understanding of risks and monitoring priorities. At the time of interim reporting, monitoring of the project’s gender indicator was still in progress, with WFP reporting that “beneficiaries participate[d] in sensitisation sessions in gender” (interim report, April 2021). Going forward, it will be key to analyse the protection-related components of the project to understand the extent to which short-term MPC can contribute to stronger protection outcomes.

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46. It is also important to underline that several cash actors in different contexts felt the projects did not provide “pure MPC” because the transfer amounts were based on the food basket value (essentially unconditional, sector-specific cash). Some CVA actors do not consider a cash programme to be “multipurpose cash” if it only responds to one basic need, even if that need is 40+% of the overall basket, as is often the case with food. While this is true for the design of a cash-based programme, recipients will spend the cash based on their prioritised needs, which usually go beyond the intended sector. Food security mandated organisations often contend that they are only responsible for food needs, but this may exclude recipient households from receiving other types of aid to avoid duplication. This means vulnerable families receive less money to meet all their basic needs. Here, PDM data is useful to see how people spend the cash, what needs remain unmet, and how their consumption aligns with the MEB calculations. Coordination remains crucial to ensure the relevant stakeholders, including communities receiving cash, are aware of how transfer values are set and how to combine different types of aid (including other assistance modalities) to ensure vulnerable families can meet their needs. There are ongoing discussions across CWGs, notably in Afghanistan, DRC, South Sudan, and Yemen, about how to best explain transfer values to recipients and combine them with other types of assistance to improve outcomes.

47. A common theme across contexts was recognising that averting famine goes beyond food assistance. Famine responses must address a multitude of vulnerability variables that contribute to food insecurity – often an interconnected web of economic factors (income as well as livelihood strategies), food security, nutrition, health, WASH, etc.\(^{18}\) Key informants in Nigeria and Yemen, where the allocation focused on scaling up the existing food

\(^{17}\) See also the recent CaLP blog by a former e-voucher recipient in Kakuma Camp, Kenya, which outlines the disadvantages for recipients when they receive aid via restricted modalities (September 2021).

\(^{18}\) The prevailing frameworks for famine response use a multi-sectoral approach to averting famine, as summarised and analysed by ODI / HPN in their 2004 issue on famine after the crisis in Ethiopia. The UN also adopts multi-sectoral responses to famine – see for
security response via CVA, underlined the missed opportunity to use the grant for a multisectoral approach to averting hunger due to the socioeconomic effects of Covid-19. As one key informant noted, “When you want to mitigate a food crisis, does that now mean people will spend all the money on food? Health is really important, especially now. It is probable that people will get sick and need additional cash. We get fixated on ‘food crisis’ so we think we only meet food needs.” (KII)

48. There was a sense that in the two contexts where a FAO project complemented WFP’s intervention (Afghanistan and DRC), the allocation played a more important role in reducing food insecurity for vulnerable families because of the agencies’ complementary approaches to averting hunger beyond food insecurity. In Yemen, key informants involved in both coordination and implementation agreed that this allocation could have piloted new approaches to intersectoral emergency-to-recovery famine response more holistically, similar to the way that the latest Rapid Response window focussed on scaling up intersectoral responses in areas with high levels of displacement in the Marib region.

Connecting the dots: an area-based response in the Kasai region of DRC

The humanitarian response in the Democratic Republic of the Congo (DRC) spans several decades, an enormous territory, and multiple crises; in 2020, the Norwegian Refugee Council (NRC) named DRC the most neglected displacement crisis in the world (NRC, May 2021). The CERF special cash allocation provided $7 million to DRC, which the Humanitarian Coordinator’s (HC) office thought would have the greatest impact in one geographic area. Following the allocation parameters, the food security cluster and CWG worked closely to identify priority areas based on IPC levels and malnutrition indicators (involving other relevant actors), as well as which members were best placed to implement the grant. The Kasai region emerged as in need and underfunded. The HC brought together WFP and FAO based on their mandates and comparative advantages – WFP’s extensive experience with cash at scale coupled with FAO’s longer-term support to families through local actors. This decision also built upon the two agencies’ plans to collaborate on a layered approach to mitigating chronic food insecurity and included partnerships with local actors to deliver MPC as well as sensitise communities and authorities about the programme.

This approach presented certain challenges around aligning recipient lists and programmatic approaches, which delayed project implementation. Furthermore, the agencies were unable to harmonise payment systems due to the project’s short timeframe and the need to follow agency-specific procedures (there are UN common cash system commitments to harmonise payments going forward). These challenges reflect the trade-offs raised by key informants in Yemen, i.e., choosing between the urgency and effectiveness of a famine response. For the Kasai region, it made sense to ensure the alignment of recipient lists, take the time to explain programme entitlements to communities, and to lump transfers together to mitigate project delays because the approach would establish strong MPC foundations in the region. According to key informants, the benefits of this approach include piloting and building upon the joint WFP-FAO initiative to a “layered” famine response, enabling FAO to gain emergency MPC experience, familiarising local actors with MPC programming, and encouraging other donors to continue assistance via MPC.

Going forward, it will be important to document and learn from this approach to better understand if it enabled a more effective famine response. The AAP framework in place will be a key source of information. As outlined by FAO in the interim report, “Complaints from beneficiaries are being collected and recorded by ad hoc committees, made up of volunteer beneficiaries’ delegates, installed on the day of the distribution. All complaints collected will be dealt with at the end of each distribution day by the stakeholders (FAO, implementing partners, [the financial service provider], and the complaints committee). The WFP toll-free (green) number is also used for collecting complaints. The results will be made public immediately and recorded in the distribution report.”

example, the “Famine Response and Prevention” overview for NE Nigeria, South Sudan, Somalia, and Yemen from OCHA, 20 March 2017).
There are some review questions related to the allocation’s contribution to food security outcomes on the ground that cannot be answered at this time, particularly with regards to perspectives from recipients on the aid they received and their engagement in the project. The box below outlines the specific review questions that remain and how to address them collaboratively with the country operations. Key sources of information include:

- Post distribution monitoring (including VAM analysis where relevant)
- Qualitative consultations with community and recipient groups
- AAP mechanisms: hotline data, findings from community meetings, interviews with local actors and partners
- Third-party monitoring (specifically mentioned in 3 responses: Afghanistan, DRC, and Nigeria)

**Key learning and remaining questions**

Top-level findings indicate that the allocation was successful in promoting the use of MPC to improve the food security of vulnerable families in priority areas, and preliminary results demonstrate that projects were able to contribute to positive outcomes in the immediate term. The harmonisation and use of MPC outcome indicators across all six contexts also offer promising ways to track project performance through the final reports. Going forward, it will be key to connect these broader results with more granular data on project performance. Due to the concurrent timing of the review and allocation implementation, the review could not fully answer some questions related to allocation contribution to outcomes. Specifically:

- Based on an analysis of secondary data and stakeholders’ impressions, has the allocation had an impact in contributing to a reduction in food insecurity and the risk of famine?
- How did the indicators and CVA design (transfer value, duration, frequency) come together in terms of measuring the intended impact on food security outcomes?
- How are cash recipients’ perspectives and feedback integrated into the monitoring of the CERF allocation, based on the commitments outlined in the proposals?
- Do cash recipients feel the assistance they received was appropriate, timely and helped them to meet basic needs? Is there a difference between women and men’s perspectives?
- What (programme) decisions will recipients’ feedback inform in the future?

**What to watch**: PDM data tracking recipients’ ability to meet needs, well-being, and food consumption. Of particular interest would be to compare indicators with the number of transfers and across transfer values (did more transfers or more money lead to better outcomes?), as well as the effects of complementary food security / resilience programming (DRC and Afghanistan) on indicator results.
3.3 Contributions to cash programming and coordination

Key Findings

- The CERF allocation signalled a preference for MPC and was considered a flexible and valuable donor to promote and increase the use of CVA across the contexts. It was able to unblock certain obstacles to MPC in famine response, notably:
  - It promoted / expanded the use of MPC as a strategic priority
  - It demonstrated cash-based responses can reach most food insecure areas, even in volatile contexts (linked to outcomes)
  - The expansion of MPC to new geographic areas strengthened partners’ capacity to deliver cash at scale, particularly in Nigeria and Burkina Faso
  - The allocation was an injection of funds for new ways of programming – e.g., complementarity between WFP and FAO projects in the Kasai region of DRC.

- Important complementarities between the CERF cash allocation and country-based pooled funds (CBPFs) mentioned by key informants included increasing the use of cash if absent from CBPFs, complementary timing/aid continuity, and gap-filling for underfunded areas (geographic or sectoral). The CERF cash allocation complemented CBPFs in contexts where gaps were already identified at interagency level and aligned with the allocation objectives, such as Burkina Faso and South Sudan. Other responses required timeline or project adjustments to ensure complementarity with other funding (Yemen, Afghanistan).

- The allocation supported some specific technical aspects of coordination, such as the Minimum Expenditure Basket (MEB) harmonisation in Burkina Faso, that further improved interagency capacity to deliver MPC at scale.

- Country operations reflected on how they would have liked to see the CERF cash allocation contribute to broader cash programming and coordination in the response. While some of the opportunities identified relate to allocation design (and inform the recommendations in this report), many are about discussing MPC more strategically or how to link humanitarian CVA with longer-term strategies – in other words, opportunities that are still possible going forward.

- Key challenges remain:
  - Early engagement of CWG in allocations is crucial but was inconsistent across contexts.
  - Connecting MPC with a broader, multisectoral famine response is needed, but often requires time and resources beyond the scope of one CERF allocation.

Please see Annex 1 for the full list of questions.

50. The third theme of this review was to explore key informants’ perspectives on how this CERF allocation contributed to CVA programming in country, as well as its influence on cash coordination. The use of CVA and specifically MPC (as a cross-sectoral intervention) in humanitarian responses is well documented in Humanitarian Response Plans (HRPs) and by communities of practice like CaLP. Cash coordination remains a sticking point, as it challenges established Cluster-based coordination systems and is sometimes misinterpreted as “replacing” sector-
based cash responses (as noted by key informants in Yemen and South Sudan – please see annexed case studies).

This clearly played out in the allocation processes in country, whereby some CWGs were not engaged at the beginning of the process or were not involved in setting the contextual allocation priorities. It is worth noting, however, that beyond cash, humanitarian decision-making generally is considered “an area of weakness in many operations, characterised as ‘informal, emergency, ad-hoc and reactive.’” As such, how CVA and cash coordination drive a response depends on broader factors that influence decision-making, beyond the scope of this review.

51. Key informants noted that in recent years they have seen a shift in CERF allocation discussions, from agency-specific negotiations to sectoral prioritisation and even inter-sectoral strategic allocation design. This in turn promotes stronger complementarity between this type of CERF allocation and country-based pooled funds (interagency humanitarian funds in-country). In South Sudan, for example, CBPF did not include any CVA for food security, so the CERF allocation was an important contribution and signal to the wider humanitarian response to scale up MPC. Newer and smaller country operations, such as Burkina Faso, are also more likely to plan at response level and therefore are able to systematically and strategically “insert” allocations into the overall response priorities, in this case to expand geographic coverage. The box below highlights some key factors identified during this review.

**Elements that contributed to the allocation promoting the use of MPC in country**

Why did some countries, notably Burkina Faso and DRC, use the allocation for the strategic promotion of MPC? This review identified three key factors:

**Context**: MPC was already identified as a strategic priority, and there was interagency willingness to scale up MPC even if they were still building capacity in-country.

**Interagency leadership**: Prioritising interagency (particularly technical) engagement across the relevant coordination bodies (Clusters and the CWG) from the beginning enabled country operations to collectively identify priority areas and design the allocation (and in the case of Burkina Faso, identify implementing partners). Non-operational leadership and segregation of representation (between operational and coordination functions, such as Cluster or WG coordinator) also encouraged involvement and buy-in from other cluster and WG members.

**Scale of the response**: Smaller-scale responses are more agile, so CERF allocations are even more strategic – the CERF secretariat signalling a preference for MPC influenced other donors and stakeholders. For example: DRC is a large response, but the allocation was focussed geographically on one underfunded area, Kasai. The CERF cash allocation enabled WFP and FAO to implement a planned partnership and has created opportunities for other donors to further scale up MPC in the region.

52. By and large the CERF cash allocation was considered a flexible and valuable donor to promote and increase the use of CVA across the contexts and complement CBPFs. The strategic prioritisation of CVA, especially MPC

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19 See, for example, The Humanitarian Decision Makers Taxonomy mapping from OCHA, which shows how decisions pass through Cluster-based systems in country, and ongoing discussions led by CaLP on cash coordination.


21 Findings from this review echo key points from research into humanitarian decision-making, which have identified certain trends over the years, such as the Feinstein Center’s findings on how “Decision makers may be highly selective in their uptake and interpretation of evidence” (Maxwell et al., 2013). ALNAP’s research into humanitarian coordination and decision-making also underlined how a decision may be seen as more positive if different actors are involved in the process (or the process is perceived to be transparent), regardless of the outcome (Campbell and Knox Clarke, 2019).
programming, and interagency follow-up on these commitments played significant roles in strengthening the allocation’s contributions to CVA and cash coordination. The CERF allocation was then able to fill funding gaps and demonstrate to other donors the value of a cash-first response (Afghanistan, Burkina Faso, DRC, South Sudan).

53. The main obstacles for humanitarian operations to increase the use of MPC fall into two broad categories – context and programme adaptation. Contextually, the challenges of MPC and CVA more broadly are well-documented in global best practices, and they featured across all the allocation contexts in some way (please see country case studies for further details). These include limited market functionality, a lack of meaningful access to market-based aid for vulnerable groups, the availability of secure payment systems, and prohibitive financial regulations, among others. The second category of obstacles speak to the challenges of adapting programming, i.e., scaling up the use of MPC in places where in-kind aid or vouchers are the standard. While programme adaptation obstacles certainly relate to contextual challenges, there can be reluctance to move from business as usual to expanding the use of cash. Therefore, interagency commitment to MPC interventions is a crucial factor in determining whether this allocation could promote CVA and in particular MPC. Programme adaptation obstacles include:

- **Urgency:** The need to respond quickly means agencies can only scale what is already in place. The infrastructure required to deliver accountable MPC at scale in high-priority areas may not be ready (payment systems, connectivity, liquidity, security, etc.).
- **Costs:** Shifting programme delivery systems to accommodate new aid modalities, especially at the scale at which agencies like WFP operate, is no small task. The investment required may need agency-wide buy-in and evidence to validate a decision, processes that go well beyond the timeline for a CERF allocation.
- **Capacity:** Agencies and their partners may not be familiar with MPC delivery or may need time to strengthen their ability to deliver high-quality cash assistance at scale. This includes the capacity of financial service providers (payment system operators).

54. To a certain extent, the CERF allocation was able to unblock some of the obstacles related to programme adaptation – for example, by encouraging WFP’s planned shift from vouchers to MPC in certain locations of northeast Nigeria, albeit on a tighter timeline (please see the case study on Nigeria’s modality shift below). In Burkina Faso and DRC, the CERF allocation enabled the country operations to expand MPC to additional areas through new partners, absorbing some of the institutional costs of shifting modalities. However, some key informants noted that the allocation’s emphasis to “focus on existing, scalable CVA” meant that countries did not systematically consider the allocation’s potentially transformative role for shifts in response options. This was the case in Afghanistan, South Sudan, and Yemen, where the country operations prioritised scaling up existing CVA. The allocation did not have a transformative influence in contexts where the modality felt like an imposition or forced direction for programming.

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22 See, for example, the CaLP Programme Quality Toolbox (here), the SEEP network Markets in Crisis community of practice and work on resilient markets, and the CaLP evidence base on CVA risks.
Shifting business as usual: WFP Nigeria moves from vouchers to MPC

WFP has responded to food insecurity in NE Nigeria through a variety of assistance modalities and interventions, including cash (MPC), vouchers, and in-kind food aid, as outlined in its Country Strategic Plan (2019-2022). In many regions of Borno and Yobe States it continues to provide CVA via vouchers, a system established several years ago as the most effective modality to support communities’ food security at scale in places with limited payment systems or less functional markets. The shift to MPC was accelerated by the CERF grant, with WFP acknowledging that although the move to MPC was planned, the CERF allocation sped up the process. The shift to MPC in a short timeframe presented logistical challenges, but ultimately enabled WFP to switch interventions sooner rather than later.

As WFP noted, “This allocation challenges us to be more agile and responsive to the funding sources. While we choose mechanisms based on contextual assessment, a lot of it is historical – are we consistently looking at the evolution of the context? Things may have changed – more connectivity, more financial instruments. So, it challenged us to select a more flexible solution. But it is important to recognise the constraints of doing this for the lean season, within a particular and tight timeline.” (KII)

55. The CERF allocation signalled a strong preference for MPC, which in turn strengthened the influence on other donors to consider scaling up MPC in several contexts, notably Afghanistan, Burkina Faso, DRC, and South Sudan. In Afghanistan, FAO’s ability to support vulnerable families in rural communities through the CERF grant justified MPC as the “way to go” in areas with functioning markets and acceptable security. In Burkina Faso, the allocation’s inclusion of MEB analysis advanced interagency discussions, led by the CWG and supported by the food security cluster and others, towards harmonising values and MPC programme approaches. In the DRC, the allocation encouraged collaboration on MPC between WFP and FAO, boosting the capacity of FAO and its partners (local actors and financial service providers). Keeping track of these achievements will be key contributions to global cash discussions going forward. Suggestions on how to improve CERF’s impact and further support the use of MPC are outlined in the recommendations section below.

3.3.1 How did the allocation reinforce Grand Bargain commitments on CVA?

56. Overall, the allocation was able to positively contribute to the Grand Bargain cash workstream commitments across responses, by first and foremost signalling CERF’s preference for MPC. The table below outlines the original commitments and contexts where the CERF cash allocation was able to reinforce them. Regarding commitments that involved all allocation contexts:

- **Increase the routine use of cash**: The allocation specification “for the use of unrestricted, multipurpose cash programmes where possible” actually went beyond the focus on “existing, scalable CVA activities” and encouraged agencies to either consider MPC in new geographic locations (Burkina Faso, DRC, Nigeria) or reinforced the systematic consideration of CVA as a key modality alongside in-kind aid and services (Afghanistan, South Sudan, Yemen).

- **Build an evidence base**: This commitment includes numerous elements and touches upon different components in each context, but overall, the allocation encouraged country responses to justify modality choices and consolidate evidence on which type of CVA best suited contextual needs and markets.

- **Aim to increase use of cash programming**: As outlined in this report, the CERF cash allocation supported all responses to dedicate funds to CVA, not only increasing its use but also enabling in-kind aid to go to areas where CVA could not respond adequately to food needs.
Figure 6: Grand Bargain Cash Work Stream Commitments + CERF Allocation Contributions

<table>
<thead>
<tr>
<th>Grand Bargain Cash Work Stream Commitments:</th>
<th>Allocation contexts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Increase the routine use of cash</strong> alongside other tools, including in-kind assistance, service delivery (such as health and nutrition), and vouchers. Employ markers to measure increase and outcomes.</td>
<td>All</td>
</tr>
<tr>
<td><strong>2 Invest in new delivery models</strong> which can be increased at scale while identifying best practice and mitigating risks in each context. Employ markets to track their evolution.</td>
<td>Nigeria, DRC</td>
</tr>
<tr>
<td><strong>3 Build an evidence base</strong> to assess the costs, benefits, impacts, and risks of cash (including on protection) relative to in-kind assistance, service delivery interventions and vouchers, and combinations thereof.</td>
<td>All</td>
</tr>
<tr>
<td><strong>4 Collaborate, share information, and develop standards</strong> and guidelines for cash programming to better understand its risks and benefits.</td>
<td>Burkina Faso (MEB)</td>
</tr>
<tr>
<td><strong>5 Ensure coordination, delivery, and M&amp;E mechanisms</strong> are put in place.</td>
<td>Burkina Faso, DRC</td>
</tr>
<tr>
<td><strong>6 Aim to increase use of cash programming</strong> beyond current low levels, where appropriate.</td>
<td>All</td>
</tr>
</tbody>
</table>

**Key learning: the allocation’s influence on cash programming + coordination**

Key informants stressed the following issues that could further improve this type of allocation’s influence on cash programming and coordination:

- Improving complementarity between the CERF cash allocation and CBPFs
  - Encourage strategic discussions prior to allocation announcement, but remove some of the allocation conditions to allow more in-country flexibility to set priorities based on the focus of CBPFs and where there are remaining gaps (geographic coverage, sector-based funding, etc.)
  - Allow more flexibility timewise for country operations to “insert” allocations at the right point in HRP cycle or season, especially for food security to ensure the allocation complements existing funding
  - Understand the reasons behind slower burn rates: CERF is within the UN family, and its implementation is therefore seen as more flexible / internal than other donor deadlines, as referenced by WFP in Yemen. This promotes complementarity with other funding, especially CBPFs. In underfunded crises, a slower burn rate does not mean the most vulnerable are not receiving urgent support; rather, the assistance is sequenced, enabling more predictable aid.
- Strengthening support to CVA and especially MPC: This type of allocation can promote positive change by disrupting “business as usual” programming based on other modalities (see WFP in Nigeria), but these shifts need resourcing in addition to incentives.
  - Consider funding / integrating coordination and cash readiness (operational prepositioning) into country allocations
  - Include a proportion of operational costs allocated to the CWG to fund time-sensitive cash coordination outputs that would further promote the use of MPC (e.g., harmonising the MEB, funding a payment landscape mapping, cash readiness assessment, etc.)

The final allocation and project reports from each country should include reflections on how the allocation enabled partners to advance cash programming and coordination, as well as practical suggestions to improve special allocations going forward.

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Missed opportunities to influence cash programming + coordination

Country operations reflected on how they would have liked to see the CERF cash allocation contribute to broader cash programming and coordination in the response. While some of the opportunities identified relate to allocation design (and inform the recommendations below), many are about discussing MPC more strategically or how to link humanitarian CVA with longer-term strategies – in other words, opportunities that are still possible going forward.

- **Afghanistan**: Key informants, especially those involved in aid coordination, would have wanted more structured support to improve cash readiness, namely partners’ capacity to scale up and prepositioning or establishing delivery mechanisms ready to scale up MPC. They felt involving the CWG from the beginning to design the allocation would help in the future.

- **Burkina Faso**: Burkina Faso integrated Minimum Expenditure Basket (MEB) harmonisation into the allocation, which coupled with the expansion to new regions and identification of new partners, positively influenced the overall use of MPC. Still, some key informants felt that they could have considered stronger links to government led MPC programmes, mainly in the planning and alignment.

- **DRC**: Given the emphasis on the UN common cash commitments in DRC, key informants saw a missed opportunity to harmonise payment systems / financial service provider agreements through the CERF grant. At the same time, they acknowledged the emergency nature of the allocation and the need prioritise harmonised recipient lists over agency-specific and administratively heavy payment processes.

- **Nigeria**: Key informants wished they had the opportunity to design famine responses beyond food assistance that integrated livelihoods support, nutrition, health, and WASH post Covid-19. Recognising the limitations of a time-bound emergency fund to do this, they now hope these discussions can take place going forward.

- **South Sudan**: Communities in South Sudan face multiple crises and shocks, often simultaneously (insecurity/conflict, displacement, economic crisis, natural disasters, etc.). As such, key informants felt it was important to consider contingency planning to expand MPC beyond urban centres, and to link up with government plans in rural areas.

- **Yemen**: It is extremely difficult for humanitarian organisations to operate in Yemen and challenging to determine whether authorities in the North would be open to shifting food assistance to MPC at scale. Key informants wished the CERF cash allocation had been an opportunity to discuss MPC more strategically – how to engage authorities in certain areas or establishing collective benchmarks for when to shift response options (between in-kind aid, CVA, and MPC), especially about concerns about the decreasing value of MPC.
4. Recommendations

57. There are several key actions that emerged across the range of contexts and perspectives on this unique allocation’s contributions to averting hunger and increasing the proportion of MPC in famine responses that are relevant for CERF allocations seeking to ensure cash-based responses are a crucial component. Going forward, the CERF can promote the use of cash, in particular MPC, across future allocations through the following recommendations:

<table>
<thead>
<tr>
<th>Recommendations for CERF allocations promoting the use of MPC</th>
<th>Who</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Allocations can encourage a “cash first” (MPC default option) approach, but should leave flexibility in-country to determine the best response option (or combination of options)</td>
<td>CERF secretariat</td>
</tr>
<tr>
<td>2. MPC is by nature multi-sectoral: allow country operations to determine sector(s) involved</td>
<td>CERF secretariat</td>
</tr>
<tr>
<td>3. CERF application: template should include rationale / justification for the modality (or modalities) selected, duration, and transfer value based on stated objectives</td>
<td>CERF secretariat, Country operation</td>
</tr>
<tr>
<td>4. Incorporate process benchmarks to encourage interagency collaboration: e.g., CWG formal sign-off of projects</td>
<td>Country operation</td>
</tr>
<tr>
<td>5. Nominate a technical, interagency focal point to facilitate allocation design process in country, prior to agency and project selection (e.g., via CWG or another coordination body)</td>
<td>Country operation</td>
</tr>
<tr>
<td>6. Identify transformative opportunities to increase the use of MPC: to fund planned modality shifts or propose new modalities / payment systems and advocate for other donors to step in. This can be done by allocating a percentage of funds for time-sensitive cash coordination outputs: MEB, market analysis, cash preparedness, etc.</td>
<td>CERF secretariat, Country operation</td>
</tr>
<tr>
<td>7. Use data generated from CERF-funded projects to build evidence base on MPC contributions to emergency response outcomes (via project evaluations or broader research)</td>
<td>Implementing agencies, CaLP Network</td>
</tr>
<tr>
<td>8. Document reflections on how to drive cash innovation in emergency response from partners, via proposals and final reports, particularly for famine responses</td>
<td>CERF secretariat, CaLP Network</td>
</tr>
</tbody>
</table>

1. Taking a “cash-first” approach can be an effective way for CERF allocations to promote the use of MPC going forward. Indeed, the humanitarian community has asked “Why not cash?” since the 2015 High Level Panel on Cash Transfers, signalling a shift away from in-kind aid as the default response. Promoting the use of MPC where relevant and feasible can also mean combining cash with other response options, per WFP’s mixed-modality approach in South Sudan for other projects and recommendations coming from Afghanistan. This also reflects anecdotal feedback from a recent OCHA focus group discussions in the DRC, where cash recipients in Kasai mentioned that they would appreciate in-kind non-food items alongside the MPC they received.

2. MPC is by nature multi-sectoral, so the allocation framing should avoid objectives perceived as sector specific. This was the most popular option to improve future allocations’ promotion of MPC, although the finding may be biased by the review’s focus on contributions to broader cash programming and coordination. Even if an allocation is ultimately designated for a particular sector (e.g., unconditional cash for a specific need), this decision should be at the discretion of the country operation based on contextual analysis. It is worth noting, however, that cash recipients will spend the money based on their priority needs, which may not align with the cash transfer’s intended sectoral purpose.
The CERF application itself could include key CVA metrics that would improve the rationale behind response option selection and promote the use of cash more broadly, regardless of whether the allocation specifies a certain intervention such as MPC. Specific questions on the justification of the response option(s), duration, and transfer value(s), how they align with interagency guidance (CWG), and breakdown of what payment systems are used (CVA type), would be hugely beneficial. Globally, CERF contributes some of the only CVA/MPC figures at interagency level that are not self-reported; it could share the proportion of CVA across its allocations as an indication of the percentage of CVA overall and MPC in particular. For allocations specifically oriented towards famine response, this would strengthen the rationale for response option selection whether or not MPC was identified as the most relevant and effective intervention.

Process benchmarks should outline the elements of participation, such as formalising the signoff process via the CWG, to ensure alignment with interagency standards and more participatory priority setting processes. This would ensure that the modality is not only contextual, but also up to date (based on the latest market analysis and validated by the CWG).

Nominating an external person, a humanitarian stakeholder who will not receive CERF funds (e.g., from the CWG or a UN/NGO actor from another coordination body), to facilitate the design process prior to project selection would enable a more consistent and transparent allocation process, ensuring all relevant cash actors are involved in the allocation design in-country.

The CERF is an emergency fund, but it has the potential to catalyse change in the cash response by funding MPC, which can in turn influence donors and other key stakeholders (government, NGOs, etc.) to adopt or expand MPC programmes. Operationalising these opportunities to promote interagency cash-based responses could mean allocating a percentage of operational costs to interagency cash coordination, or funding time-sensitive pieces of work directly – such as payment landscape mapping / assessments, cash readiness (operational prepositioning / anticipatory action), MEB processes, joint monitoring, etc.

Because it is difficult to isolate programme design parameters (such as modality, payment system, targeting, transfer value) and understand how they contributed to impact without a more structured evaluation, CERF data can contribute to building the evidence base of MPC in emergency response, particularly on the use of cash in famine responses.

Space for innovative, cash-related ideas should be encouraged and thoroughly documented. Several country operations mentioned that underfunded responses have “thousands of ideas lined up” that lack funding, such as piloting multisectoral projects (Nigeria), assessing the payment landscape/developing new payment systems (DRC), or building the evidence base on protection (Afghanistan, South Sudan). However, the CERF Secretariat noted a lack of innovation across most submissions to the CERF. Benchmarks that enable wider participation during the in-country allocation design process can encourage these ideas to be developed as part of the project, or referred to other donors for funding if they fall outside the scope of life-saving CERF allocations.
4.1 Conclusion

58. The unique CERF cash allocation set out to avert hunger and promote the increased use of MPC in emergency responses, and was largely able to do so. The review found that the CERF cash allocation was instrumental in demonstrating that MPC can be a key part of famine response across a range of different crises and ensured that people at risk of food insecurity could better support themselves during the pandemic. Most key informants see the value in an intervention-specific allocation in contexts where cash, in particular MPC, is identified as an effective response and there is willingness to scale up or shift towards cash-based modalities, but where crucial gaps in funding remain. However, in the future country operations would like to see more flexibility in the allocation design – if there is a focus on promoting cash-based responses, it should be clearly communicated that country teams can determine which sectors. If future allocations aim to promote the use of cash within broader famine responses, then the CERF should adopt a cash-first approach but be open to different response options (or a combination, such as MPC plus in-kind aid) to ensure the most contextually effective projects. Importantly, unique and cross-cutting allocations should be rooted in collaborative processes from the beginning to ensure buy-in from different humanitarian actors and coordination structures. This may also require specific funding to shift response options, develop new partnerships, and strengthen interagency capacity to deliver cash at scale, ideally through technical bodies such as CWGs.

59. Going forward, CERF allocations can continue to play a pivotal role in strengthening the ability of country operations to support the most vulnerable with multipurpose cash assistance. By promoting a “cash first” approach, in line with global commitments, and ensuring CERF processes include intervention and modality justifications based on contextual analysis, CERF will remain a dynamic source of funding for cash-based emergency responses.
1. Annexes

1. Review question matrix
2. Detailed timeline of CERF cash allocation
3. Key informant interviewee list (anonymised)
4. Country case studies (below)

1.1 CERF cash allocation review questions

<table>
<thead>
<tr>
<th>1. CERF allocation process and decision-making</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 How were decisions taken in country to fund the specific projects?</td>
</tr>
<tr>
<td>1.1.1 What steps were taken, and which actors were involved? How does this process reinforce or diverge from earlier discussions at HQ level about which countries to prioritise?</td>
</tr>
<tr>
<td>1.1.2 How were the projects designed?</td>
</tr>
<tr>
<td>1.1.3 What worked well, and what could be improved?</td>
</tr>
<tr>
<td>1.2 How were the implementing organizations selected?</td>
</tr>
<tr>
<td>1.2.1 How were the best-placed organizations selected to carry out the cash programming?</td>
</tr>
<tr>
<td>1.2.2 What were the factors that influenced the decision to allocate funds directly to WFP and/or FAO?</td>
</tr>
<tr>
<td>1.2.3 How were local actors engaged and how could this be improved?</td>
</tr>
<tr>
<td>1.3 Was the allocation process, both at headquarters and country level, conducted efficiently?</td>
</tr>
<tr>
<td>1.3.1 Was clear guidance provided and were roles and responsibilities clearly assigned?</td>
</tr>
<tr>
<td>1.3.2 How was the modality-based allocation process different or similar to CERF’s standard allocation process? Was it fit for purpose?</td>
</tr>
<tr>
<td>1.3.3 What could be improved in the future?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Allocation objectives and contributions to impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 What impact did the CERF allocation have (or contribute to) in the context where funds were allocated?</td>
</tr>
<tr>
<td>2.1.1 If the impact was positive, what factors enabled the allocation to contribute to this impact?</td>
</tr>
<tr>
<td>2.1.2 What were the challenges to achieving the intended impact, and how were they mitigated?</td>
</tr>
<tr>
<td>2.1.3 What are the recommendations for future allocations to improve outcomes?</td>
</tr>
<tr>
<td>2.2 Based on an analysis of secondary data and stakeholders’ impressions, has the allocation had an impact in contributing to a reduction in food insecurity and the risk of famine?</td>
</tr>
<tr>
<td>2.2.1 How were indicators established and monitored? Are they similar or different to the outcome indicators for other CVA programmes?</td>
</tr>
<tr>
<td>2.2.2 How did the indicators and CVA design (transfer value, duration, frequency) come together in terms of measuring the intended impact on food security outcomes?</td>
</tr>
<tr>
<td>2.3 Were people at highest risk of food insecurity prioritized?</td>
</tr>
<tr>
<td>2.3.1 Have particularly vulnerable people been reached, including women and girls, children, and people with disabilities?</td>
</tr>
<tr>
<td>2.3.2 How did agencies ensure people had equitable access to markets/payment systems? How did the gender analysis play a role in determining access?</td>
</tr>
<tr>
<td>2.3.3 How did the targeting process ensuring those at highest risk were prioritized (e.g., assisting a sub-group within a wider target population)?</td>
</tr>
<tr>
<td>2.4 How are cash recipients’ perspectives and feedback integrated into the monitoring of the CERF allocation?</td>
</tr>
<tr>
<td>2.4.1 Do cash recipients feel the assistance they received was appropriate, timely and helped them to meet basic needs? Is there a difference between women and men’s perspectives?</td>
</tr>
</tbody>
</table>

24 If data on recipients’ feedback is not yet available, the question becomes “How will recipients’ perspectives be included?”
2.4.2 How do agencies ensure the perspectives of particularly vulnerable people are included? How does the gender analysis support this?

2.4.3 What (programme) decisions will recipients’ feedback inform in the future?

3. CERF contributions to cash programming and coordination

3.1 Did the CERF allocation complement allocations from country-based pooled funds (CBPF), where relevant?
   3.1.1 How did the allocation complement CBPF? Was this similar or different to other CERF allocations?
   3.1.2 How could this complementarity be improved for future allocations?

3.2 Was CERF well-placed to support cash programming?
   3.2.1 Why was CERF well-placed / what elements contributed to CERF being well-placed?
   3.2.2 How could it have more (or better) impact?

3.3 Did the allocation promote the use of cash programming, particularly multi-purpose cash?
   3.3.1 How did it promote the use of cash?
   3.3.2 How were the GB MPC outcome indicators rolled out? What was the learning from this process (any issues encountered collecting/analysing data, gaps, etc.)?
   3.3.3 How did the CERF allocation influence interagency decisions on CVA programming, such as: the Minimum Expenditure Basket (MEB), transfer values, outcome monitoring, etc., particularly in countries where it is explicitly mentioned in the project proposal (e.g., Burkina Faso reference to the MEB)?
   3.3.4 What are the main obstacles for humanitarian operations to increase the use of multi-purpose cash assistance to allow affected people to meet their basic needs?
   3.3.5 How could the use of CVA (in particular multipurpose cash) have been supported further?

3.4 What lessons were learned for broader cash programming initiatives and coordination?
   3.4.1 Did the CERF allocation influence how CVA is used in responses to famine? In what ways?
   3.4.2 Did the allocation advance the Grand Bargain commitments (see table p. 3) within the country operation? How?
   3.4.3 Do the CERF allocation process and documentation adequately capture the right aspects of cash programming? Should other elements be included?

1.2 Detailed timeline of CERF cash allocation, 2020-2021 (prepared by the CERF Secretariat)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>mid-May/</td>
<td>Initial discussions within CERF about possibility of a special allocation focused on cash programming to address secondary impacts of the pandemic, particularly rising food insecurity. Discussions informed by the fact that only $3M of the $95M allocated to date through the global block grants for COVID was used for cash programming</td>
</tr>
<tr>
<td>early June</td>
<td>CERF develops concept notes on possible cash allocations</td>
</tr>
<tr>
<td>Late June</td>
<td>Secretary-General and Lowcock warn Security Council of risk of famine in 4 countries</td>
</tr>
<tr>
<td>September</td>
<td>ERC decides to allocate $100M to support cash programming (incl $20M through the anticipatory action pilot in Ethiopia)</td>
</tr>
<tr>
<td>17 Oct</td>
<td>ERC agrees on funding envelopes for the 6 countries</td>
</tr>
<tr>
<td>28-29 Oct</td>
<td>CERF notifies the 6 countries but embargoes the information (and asks them to hold off on developing an application package) until the Lowock-Beasley OpEd is published.</td>
</tr>
<tr>
<td>17 Nov</td>
<td>Lowock-Beasley OpEd published in <em>The Times</em></td>
</tr>
<tr>
<td>17 Nov</td>
<td>CERF notifies the 6 countries that they can submit an application package in 2 stages: initial overview email, followed by full proposals</td>
</tr>
<tr>
<td>2-3 Dec</td>
<td>Afghanistan, Burkina Faso, DRC, Nigeria, South Sudan, Yemen submit 1st stage of the application (overview email)</td>
</tr>
</tbody>
</table>
10 Dec  CERF invites Burkina Faso, South Sudan to proceed to 2nd stage of the application
11 Dec  CERF invites Yemen to proceed to 2nd stage of the application
16 Dec  CERF invites Afghanistan, Nigeria to proceed to 2nd stage of the application
18 Dec  CERF invites DRC to proceed to 2nd stage of the application

18 Dec  Yemen submits 2nd stage of the application (full proposal)
19 Dec  South Sudan submits 2nd stage of the application (full proposal)
21 Dec  Burkina Faso submits 2nd stage of the application (full proposal)
23 Dec  Afghanistan, Nigeria submits 2nd stage of the application (full proposal)
7 Jan    DRC submits 2nd stage of the application (full proposal)

30 Dec  CERF approves Afghanistan FAO project proposal (20-RR-FAO-035)
31 Dec  CERF approves Yemen project proposal (20-RR-WFP-052)
  5 Jan  CERF approves Burkina Faso project proposal (20-RR-WFP-055)
  6 Jan  CERF approves Afghanistan WFP project proposal (20-RR-WFP-057)
  7 Jan  CERF approves South Sudan WFP project proposal (20-RR-WFP-054)
 18 Jan  CERF approves DRC WFP project proposal (21-RR-WFP-001)
 19 Jan  CERF approves DRC FAO project proposal (21-RR-FAO-001)

<table>
<thead>
<tr>
<th>Project</th>
<th>Start Date</th>
<th>Disbursement Date</th>
<th>End Date</th>
<th>Interim Report deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>20-RR-FAO-035</td>
<td>6 Jan</td>
<td>6 Jan</td>
<td>5 Jul</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>20-RR-WFP-057</td>
<td>1 Jan</td>
<td>7 Jan</td>
<td>30 Jun</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>20-RR-WFP-055</td>
<td>8 Jan</td>
<td>8 Jan</td>
<td>7 Jul</td>
</tr>
<tr>
<td>DRC</td>
<td>21-RR-FAO-001</td>
<td>9 Dec</td>
<td>22 Jan</td>
<td>8 Jun</td>
</tr>
<tr>
<td>DRC</td>
<td>21-RR-WFP-001</td>
<td>9 Dec</td>
<td>20 Jan</td>
<td>8 Jun</td>
</tr>
<tr>
<td>Nigeria</td>
<td>20-RR-WFP-056</td>
<td>14 Jan</td>
<td>14 Jan</td>
<td>13 Jul</td>
</tr>
<tr>
<td>South Sudan</td>
<td>20-RR-WFP-054</td>
<td>12 Jan</td>
<td>12 Jan</td>
<td>11 Jul</td>
</tr>
<tr>
<td>Yemen</td>
<td>20-RR-WFP-052</td>
<td>6 Jan</td>
<td>6 Jan</td>
<td>5 Jul</td>
</tr>
</tbody>
</table>

1.3 Key informant interviewee list

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 David Hartstone</td>
<td>OCHA (CERF)</td>
<td>Humanitarian Affairs Officer (PAF)</td>
</tr>
<tr>
<td>2 Daniel Ham</td>
<td>OCHA (CERF)</td>
<td>Humanitarian Affairs Programme Officer (focal point for cash allocation)</td>
</tr>
<tr>
<td>3 Juliet Lang</td>
<td>OCHA (Geneva)</td>
<td>Cash Adviser / Humanitarian Affairs Officer</td>
</tr>
<tr>
<td>4 Louise Gentzel</td>
<td>OCHA (Geneva)</td>
<td>Cash Adviser / Humanitarian Affairs Officer</td>
</tr>
<tr>
<td>5 Inga Mueller</td>
<td>OCHA (CERF)</td>
<td>Reporting Coordinator</td>
</tr>
<tr>
<td>6 Stefan Gherman</td>
<td>OCHA (CERF)</td>
<td>Humanitarian Affairs Officer / Protection Adviser</td>
</tr>
<tr>
<td>7 Sophie Tholstrup</td>
<td>CaLP</td>
<td>Policy Coordinator</td>
</tr>
<tr>
<td>8 Nico Rost</td>
<td>OCHA (CERF)</td>
<td>Rapid Response Lead</td>
</tr>
<tr>
<td>Country</td>
<td>Agency</td>
<td>Title</td>
</tr>
<tr>
<td>--------------</td>
<td>--------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>1 Afghanistan</td>
<td>OCHA</td>
<td>Humanitarian Affairs Officer</td>
</tr>
<tr>
<td>2 Afghanistan</td>
<td>OCHA</td>
<td>HFU</td>
</tr>
<tr>
<td>3 Afghanistan</td>
<td>DRC</td>
<td>CWG Coordinator</td>
</tr>
<tr>
<td>4 Afghanistan</td>
<td>FAO</td>
<td>Food Security Cluster Coordinator</td>
</tr>
<tr>
<td>5 Afghanistan</td>
<td>WFP</td>
<td>VAM Programme Analyst</td>
</tr>
<tr>
<td>6 Afghanistan</td>
<td>WFP</td>
<td>Deputy HoP</td>
</tr>
<tr>
<td>7 Afghanistan</td>
<td>FAO</td>
<td>International Risk Reduction and Resilience Specialist</td>
</tr>
<tr>
<td>8 Afghanistan</td>
<td>FAO</td>
<td>National Emergency and Resilience Coordination Office</td>
</tr>
<tr>
<td>9 Burkina Faso</td>
<td>OCHA</td>
<td>Head of Office / CERF focal point</td>
</tr>
<tr>
<td>10 Burkina Faso</td>
<td>WFP</td>
<td>Food Security Cluster Coordinator</td>
</tr>
<tr>
<td>11 Burkina Faso</td>
<td>WFP</td>
<td>WFP Emergency Manager &amp; focal point for this project</td>
</tr>
<tr>
<td>12 Burkina Faso</td>
<td>FAO</td>
<td>Emergency Specialist</td>
</tr>
<tr>
<td>13 Burkina Faso</td>
<td>CWG</td>
<td>CWG Coordinator</td>
</tr>
<tr>
<td>14 South Sudan</td>
<td>OCHA</td>
<td>Humanitarian Financing Unit Program Officer</td>
</tr>
<tr>
<td>15 South Sudan</td>
<td>OCHA</td>
<td>Deputy HoO</td>
</tr>
<tr>
<td>16 South Sudan</td>
<td>OCHA</td>
<td>IOM / CashCom / CWG Coordinator</td>
</tr>
<tr>
<td>17 South Sudan</td>
<td>WFP</td>
<td>WFP Co-lead / Head of Innovation</td>
</tr>
<tr>
<td>18 South Sudan</td>
<td>WFP</td>
<td>Food Security Cluster Coordinator</td>
</tr>
<tr>
<td>19 Yemen</td>
<td>OCHA</td>
<td>Fund manager</td>
</tr>
<tr>
<td>20 Yemen</td>
<td>WFP</td>
<td>Country director</td>
</tr>
<tr>
<td>21 Yemen</td>
<td>NRC</td>
<td>Implementing partner of WFP</td>
</tr>
<tr>
<td>22 Yemen</td>
<td>WFP</td>
<td>Partnership officer</td>
</tr>
<tr>
<td>23 Yemen</td>
<td>WFP</td>
<td>CWG Coordinator</td>
</tr>
<tr>
<td>24 Nigeria</td>
<td>OCHA</td>
<td>CWG Coordinator</td>
</tr>
<tr>
<td>25 Nigeria</td>
<td>OCHA</td>
<td>Head of Office / CERF focal point</td>
</tr>
<tr>
<td>26 Nigeria</td>
<td>WFP</td>
<td>HoP</td>
</tr>
<tr>
<td>27 Nigeria</td>
<td>WFP</td>
<td>Programme Officer</td>
</tr>
<tr>
<td>28 Nigeria</td>
<td>WFP</td>
<td>Deputy Country Director</td>
</tr>
<tr>
<td>29 Nigeria</td>
<td>WFP</td>
<td>Head of Programme Maiduguri</td>
</tr>
<tr>
<td>30 Nigeria</td>
<td>FAO</td>
<td>Food Security Cluster Coordinator</td>
</tr>
<tr>
<td>31 DRC</td>
<td>OCHA</td>
<td>CWG Coordinator</td>
</tr>
<tr>
<td>32 DRC</td>
<td>FAO</td>
<td>Head of Office Katanga (Kasai region)</td>
</tr>
<tr>
<td>33 DRC</td>
<td>OCHA</td>
<td>HFU Manager</td>
</tr>
<tr>
<td>34 DRC</td>
<td>WFP</td>
<td>CST</td>
</tr>
<tr>
<td>35 DRC</td>
<td>WFP</td>
<td>Partnerships</td>
</tr>
<tr>
<td>36 DRC</td>
<td>WFP</td>
<td>Programme Policy</td>
</tr>
<tr>
<td>37 DRC</td>
<td>WFP</td>
<td>Head of Programmes</td>
</tr>
<tr>
<td>38 DRC</td>
<td>WFP</td>
<td>CST Katanga</td>
</tr>
</tbody>
</table>
2. Country case studies

In alphabetical order
Please also see annexed debriefing presentations

Afghanistan

<table>
<thead>
<tr>
<th>Country</th>
<th>Agency</th>
<th>Allocation objective (Simplified text)</th>
<th>Mandatory global indicators(^\text{25})^ (targets)</th>
<th>CVA parameters</th>
<th>Target population (People with disabilities = PwD)</th>
<th>Allocation amount (% to recipients)(^\text{26})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>WFP</td>
<td>Emergency cash to support meeting basic needs</td>
<td>2. FCS (Acceptable &gt;15%) [Perception indicators in lieu of GB MPC]</td>
<td>MPC(^\text{27}) Direct cash One off $12.73/person x 1</td>
<td>495,459 people Women &amp; girls = 49% PwD = 15%</td>
<td>$10 million (63%)</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>FAO</td>
<td>Safeguard food and nutrition security and protect agriculture livelihoods of vulnerable households</td>
<td>1. GB MPC Basic Needs (All = 75%) 2. FCS (Acceptable 75%)</td>
<td>MPC Direct cash One off $50/HH x 1 (≈$7.14/person)</td>
<td>455,000 people (65,00 HHs) Women &amp; girls = 51% PwD = 3%</td>
<td>$5 million (65%)</td>
</tr>
</tbody>
</table>

Context and allocation
- 1 of 2 contexts with WFP + FAO implementation of CERF allocation
  - Urban (WFP) + rural (FAO) food insecure areas
- Locations
  - WFP: Northeast: Badakhshan, Western: Badghis, Hirat urban, Central Highland: Daykundi, Ghor, Northern: Faryab urban, Samangan, Southern: Kandahar urban, Uruzgan (shifted from MPC to in-kind aid due to security concerns), Eastern: Nangarhar
  - FAO: Samangan, Jawzjan, Badakhshan, Nangahar and Faryab provinces
- Complex emergency and protracted crisis: conflict, displacement, drought, Covid-19
  - Gender-sensitive programming especially challenging in the Afghan context
- Nascent national cash-based response
  - Not easy to find FSP willing and able (capable + able to meet UN requirements) to take on risks of delivering cash in remote areas

\(^{25}\) This column highlights how projects have integrated the mandatory global indicators and corresponding targets.

\(^{26}\) Final allocation numbers and percentages going directly to recipients are taken from the approved project proposals, to be confirmed through the final reports.

\(^{27}\) MPC = multipurpose cash transfers. CaLP defines MPC as “transfers (either periodic or one-off) corresponding to the amount of money required to cover, fully or partially, a household’s basic and/or recovery needs.” In this table, any project that provides unrestricted cash assistance is considered MPC (based on the unrestricted use by recipients). Although the proposals are labelled single sector or multi-sector cash, this is likely due to the CERF application requirement to select a sector; since the allocation aims to alleviate food insecurity, many applicants selected food security only.
Afghan Central Bank also changing laws for FSP licensing during that time: hawalas not willing to accept those laws, their certification/license were no longer

- The FAO project team conducted a “Training of Trainers on cash-based interventions for all implementing partners and pertinent local Government officials. This training also featured related protection measures and key protection aspects.” (Interim report, April 2021)
- “In line with FSAC’s recommended guidelines on humanitarian response packages, most households under this grant were provided with a one-off transfer of AFN 6,850 (approximately US$ 88.56) to support them to meet their basic food needs for two months. Households were identified through WFP’s standard Targeting and Vulnerability Criteria, which prioritize female-headed households and persons with disabilities and/or elders as heads of household, as well as households acutely impacted by COVID-19 related shocks.” (Interim report, April 2021)

Allocation process and decision-making
- HC/RC office communicated the allocation to the ICCT and the Clusters: to identify key unmet needs and priority projects for the grant
  - This was in line with cluster planning: complementarity with CBPF
- CERF necessarily funds UN agencies. The double requirement of sector (food sec) + modality (MPC) determined implementing agencies to be WFP and FAO
  - FAO’s programmes are focussed on rural, hard to reach areas; the CERF allocation was designed to have synergies with ongoing programming
- Discussions on allocation design took a while. Things change quickly on the ground in Afghanistan – implementing agencies needed predictability to design allocation around lean season
- CWG involvement not maximised: they were engaged after the allocation decision was taken
- According to two key informants, implementing partners eligible for the CERF projects were confined to AHF approved partners. This was limiting for some partners in key geographic areas who had never applied for AHF, and therefore according to WFP and FAO could not be considered as partners for this CERF allocation.

Contribution to outcomes (to date)
- VAM data analysed in real time, showing use of cash to purchase food items for families
- Caveat: it is early to know outcomes for certain, but important to manage impact expectations (short duration for high needs)
  - Promising preliminary findings: cash addresses needs (WFP), cash upfront mitigates HH debt (FAO)
  - VAM: Slight increase in FCS into “Acceptable” category (expected = 10%, actual = 15%)
  - Consumption-based coping strategies = 5% which is good (expected to be more than 10%)
  - Livelihoods coping strategic index: only 9% employed risky strategies
- Transfer value is based on the food basket (as opposed to broader MEB): MPC design is funding-based rather than needs-based
- IPC4 areas: crucial intersect between food insecurity + cash feasibility (markets, payments, security / access)
  - Peri-urban + urban areas are highly food insecure (which is where WFP focused CERF project)
  - FAO: in rural areas (IPC 4), markets were also functioning to the extent that cash was possible despite some security challenges. Some money used for health needs (not just about food) ... but changes in FCS score show positive effect
- AAP (to be confirmed in the final report): via the Awaaz platform and PDMs (awareness of cash parameters, etc.)

Influence on cash programming and coordination
- Strategic coordination between CERF + AHF: this allocation filled important funding gaps
• However, the short timeframe plus modality + sector meant the allocation had little influence on overall use of cash in the Afghanistan response.
  • CERF didn’t add capacity in-country, so the intention to promote cash didn’t match with structural limitations (nascent coordinated cash response)
• Still, allocation justified MPC as “the way to go” in areas with functioning markets + acceptable security
  • CERF was the first donor to give this much money upfront for cash – important for scaling up but also for filling gaps
• Mismatch to promote MPC and giving CERF to agencies “for sectoral outcomes” – some key informants felt this went against the inherent nature of MPC

Recommendations
• If allocation is sector specific (IPC4+), give more flexibility on the modality
  • Modality shouldn’t be driving where money goes, it should be based on needs
  • MPC may not be the best modality for the most food insecure areas (market access / functionality). In rural areas, market functionality is low, or market access is difficult (especially for women who need to travel long distances, which can expose them to exploitation, and they must travel with men)
  • Recognise that shorter-term, lower transfer values will necessarily have less impact on food security outcomes
• Improve timeliness of allocation: predictable timeframe to align with seasonal needs
• Prioritise (+ ideally invest in) stakeholder participation in allocation process: cash readiness + coordination
  • Financial capacity analysis: absorption + scale-up. There is ongoing learning on the process of financial capacity analysis of the FSPs in the country – and how these FSPs are able to absorb the sudden scale up across multiple locations
• Identify cooperating/implementing partners early (influences quality + cash readiness); encourage existing partnerships

Burkina Faso

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<thead>
<tr>
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<tbody>
<tr>
<td>Burkina Faso</td>
<td>WFP</td>
<td>Cash-based food aid to save lives of IDPs in priority areas</td>
<td>1. GB MPC Basic Needs (TBD) 2. FCS (Acceptable &gt;80%)</td>
<td>MPC Mobile money, direct cash, value vouchers 3 months $16/person x 3</td>
<td>95,177 people Increased to 171,079 Women &amp; girls = 52% PwD = 1%</td>
<td>$6 million (76%)</td>
</tr>
</tbody>
</table>

Context and allocation
• Provinces: Bam, Gourma, Komondjari, Yatenga, Soum, Seno
• High inter-agency engagement in CERF allocation: priority identification, partner selection
  • Partner selection delayed the implementation process, but as noted in the interim report, “It should be noted that the inclusion of new partners, in connection with the recommendations of OCHA, can yield beneficial results in strengthening the existing capacities of actors operating on the ground in Burkina Faso by increasing the target group in certain localities which, previously, were not assisted” (Interim report, April 2021)
• Included component of local stakeholder capacity development
• Allocation used to harmonise / amplify MPC (e.g., via MEB discussions led by the CWG)
  • MEB discussions ongoing in 2021 to harmonise basket calculations and inform transfer values
• Given reductions in WFP’s overall funding levels, the transfer value was halved in some regions across all its cash projects (including CERF to maintain consistency / transparency for all recipients)
• New targeting exercise took place during the project, to refine methodology in identifying vulnerable HHs (completed March 2021)

Allocation process and decision-making
• Pre-allocation advocacy from the country to the Secretariat ensured synergies + complementarity of actions between CERF and other funding streams
  • Advocacy was based on level of food security needs and shortfalls in funding
• HC/RC office communicated the allocation to the ICCT and the Clusters and importantly, the CWG – all relevant interagency stakeholders were involved in allocation decisions and design from the beginning
  • This included a joint analysis of submissions by the CWG, FSC, OCHA, WFP, etc.
• The relatively small allocation meant the CO recommended only 1 project
  • FAO was also initially considered, but left it to WFP due to the smaller envelope
• Interagency involvement in partner selection was a unique feature of the allocation in Burkina Faso
  • This meant a heavier consultation/design process (resulting in some delays), but also greater buy-in (collective impact)
• CWG involved in a) support to WFP and implementing partners and b) a portion of allocation enabled the CWG to finalise the national MEB

Contribution to outcomes
• MPC and indicators already part of food security response – CERF expanded to new areas
  • “The allocation seemed designed for us in Burkina Faso” (KII)
  • In Burkina, areas with higher food insecurity are still feasible for cash (functioning markets, payments, security / access)
• The cash transfer value (amount) was reduced to increase coverage and ensure continuity of cash assistance despite funding shortfalls (see interim report explanation above)
  • The FSC did not agree with the decision to reduce the ration/amount to increase coverage, but “understand the motivation” behind the management decision (KII). Their recommendation is to return to the full basket ASAP, funding allowing
• Caveat: it is early to know outcomes for certain, but important to manage impact expectations (short duration for high needs)
  • AAP indicators integrated in the CWG workplan and should track remaining questions from this review
  • TOR included local stakeholder capacity

Contribution to cash programming and coordination
• CWG is at the centre of coordination: intersectoral modality is recognised by the humanitarian coordination architecture
  • Burkina saw the CERF allocation as a key opportunity to advance those strengthened aspects of the system
• Food Security + CWG very involved in CERF allocation design and implementation. This is the first context where CWG is really involved in CERF allocation design and implementation (200+ members)
  • Very positive because members feel involved in the process of identifying priorities – and CWG involves all coordinators from other clusters
• CERF leverage in Burkina Faso:
• Strengthened cooperation
• Boosted % of MPC in the response
• MEB funded + updated
• Diversification of FSPs + payments
• Expanded areas + partnerships

Recommendations

• Modality-specific allocations are important to push MPC forward (encourage other donors to fund MPC at scale)
• If allocation is modality specific (MPC), give more flexibility on the sector(s)
  • Recognise that shorter-term, lower transfer values have less impact on food security outcomes
• Improve timeliness of allocation: predictable timeframe to align with seasonal needs
• CERF allocations are huge for Burkina Faso. The process should include other sectors + government
• Mixed perspectives about decision to co-select partnerships: on the one hand, it delayed the process but on the other, it increased interagency buy-in for the allocation and expanded CVA capacity to new regions
  • In the future, for these types of allocations agencies should either identify implementing partners upfront (during the proposal process), or CERF can allow flexibility in project timelines to accommodate partnership development process (which takes longer)

Democratic Republic of the Congo (DRC)

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<tr>
<td>Democratic Republic of the Congo (DRC)</td>
<td>WFP</td>
<td>Mitigating the socio-economic impacts of Covid-19 in the Kasai regions through cash transfers</td>
<td>1. GB MPC Basic Needs (TBD) 2. FCS (Acceptable &gt;25.2%)</td>
<td>MPC Direct cash / mobile money (TBC) 4 months $66/HH x 4 (average)</td>
<td>77,319 people Women &amp; girls = 51% PwD = 6%</td>
<td>$6 million (72%)</td>
</tr>
<tr>
<td>Democratic Republic of the Congo (DRC)</td>
<td>FAO</td>
<td>Mitigating the socio-economic impacts of Covid-19 on livelihoods in the Kasai regions through cash transfers</td>
<td>1. GB MPC Basic Needs (TBD) 2. FCS (Acceptable &gt;35%)</td>
<td>MPC Direct cash / mobile money (TBC) One off $105/HH x1 ($17.50/person)</td>
<td>39,600 people (subset of WFP caseload) Women &amp; girls = 59% PwD = 15%</td>
<td>$1 million (69%)</td>
</tr>
</tbody>
</table>

Context and allocation

• One of 2 contexts with WFP + FAO projects
• Only context with complementary projects + geographic focus
  • Locations within the Kasai region: Kamonia, Kasai-Central, Kazumba, Kangana
• Only response using MPC to go beyond emergency food security to alleviate famine (resilience / livelihoods)
• National organisations as cooperating partners: e.g., FAO is working with 2 national NGOs and 1 government service (Interim report, April 2021)
Implementation delayed 3 months, “mainly due to the underestimation of the time needed to the identification and the harmonization of the beneficiaries lists of the recipient agencies. In Kazumba, the first targeting under the lead of WFP in the central Kasai province did not consider certain FAO beneficiaries which required the review of the lists for certain targeted areas. In Tshikapa, the need to create a new targeting questionnaire that included the baseline information by the FAO and WFP contributed to delays.” (Interim report, April 2021)

Allocation process and decision-making

- One of the most comprehensive + inclusive allocation processes
- Spiral as opposed to a linear decision-making process: needs were assessed jointly by country + sub-offices, and priorities identified at field level informed CO decisions
- FS Cluster involved in the identification of areas
- CWG: very involved in defining the MPC approach
- Interagency vulnerability indicators identified Kasai region – validated by other actors. E.g., UNICEF was consulted to ensure areas targeted also had high malnutrition rates
- This resulted in high-quality proposals
- Implementing agencies selected based on 2 key dimensions: Food security actors with active cash programmes (capacity to scale)
  - HC led in-country consultations with candidate agencies (several) – based on the different mandates and comparative advantages, experience with MPCA (WFP by far the biggest/most experienced, up to 70% of MPCA), decision was to select 2 agencies
  - HC strategic decision: WFP + FAO based on mandates + comparative advantages

Contribution to outcomes

- Approach: WFP covers emergency food needs + FAO focuses on farmers’ ability to strengthen food security
  - Emergency support makes it difficult to get vulnerable HHs out of survival cycle – CERF projects try a new approach. Vital to have quality support + sustainability: food security can’t be strengthened on the short term
  - MPC: gives flexibility to meet food insecurity but also all the factors that strengthen a family’s resilience to resist to food insecurity: Health, education
    - MPC is also preferred modality in DRC: MPC scale-up in Kasai in the planning for a couple of years
  - Promising anecdotes of breaking the “survival cycle”
    - PDM will yield interesting results: Kasai is a border area with Angola, people are used to going back and forth for commerce, work, etc. People appear to have also purchased livestock
    - E.g., a family visited in June were already preparing for the upcoming planting season (starts in August), and because of MPC they doubled the surface they were cultivating. The farmer had already anticipated all the costs and had stocked seeds. He also bought 2 piglets – it was his livelihood activity before the crisis, but he didn’t have the money until he received MPC.
    - This is an initial phase of a new approach to programming: to put communities and recipients at the centre, achieve more comprehensive results – DRC hopes this transitional approach is the way of the future. MPC brings a strategic advantage and can bring in other agencies (different mandates = top ups)
  - Transfer value: WFP did a distribution per person (TV based on HH size), whereas FAO gave a standard amount (HH size 5)
    - The project design shifted slightly because recipient harmonisation took time: FAO has lumped 2 of the transfers together, resulting in 2 cash transfers overall
• MPC indicators: the CWG included the core MPC outcome indicators in the 2021 HRP (percentage of recipients who report being able to meet their basic needs). The CERF projects enable agencies to:
  • Connect the basic needs indicator with the recommended food security indicator (food consumption score)
  • Compare indicator results across projects

Contribution to cash programming and coordination
• MPC is an important aid modality for the response in DRC. The geographic focus on an underfunded + high-need area meant that CERF projects encouraged other donors to follow with MPC in Kasai
• CERF created new opportunities for:
  • WFP + FAO to operationalise collaboration (nexus partnership)
  • FAO to provide MPC in emergencies
  • Test new MPC indicators
  • Empower CWG: HQ preference for MPC
• Opportunity for future allocations: payment harmonisation?
  • Some key informants were disappointed: given the strong harmonisation agenda for UN agencies collectively and the opportunity to work together (harmonising targeting + programming), they hoped to see more harmonised procurement. At the same time, stakeholders recognised that the priority was to harmonise programming, and procurement processes often require timeframes / administrative processes that go beyond a CERF grant.
  • E.g., WFP + FAO selected 2 different FSPs – either because they were already working with them (WFP), or because of agency-specific procurement processes

Recommendations
• CERF enabled a new approach to resilience and famine response in DRC.
  • Because CERF provided this opportunity, follow up is crucial – and the budgeting of / responsibility for CERF project monitoring is unclear. Project monitoring (across all CERF allocations): accountability lies with the agencies receiving the funds, but could be combined across allocations
• Modality-specific allocations work well in DRC, but then they should not be tied to a sector
  • “If it’s MPC, it’s multipurpose by definition” (KII)
  • Key informants appreciated the lack of geographic earmarking, so that they could contextually identify the areas most suitable for the allocation
• Agencies would appreciate more time to put together proposals
  • Agencies that can’t “pre-invest” in analysis are at a disadvantage during rapid allocation processes
  • Consider a phased proposal to enable better coordination + complementarities between projects
• Allocation continuity: DRC understands that CERF is an emergency fund, but truly averting famine collectively takes time.
  • E.g., sensitisation is key and takes time: people (recipients and community representatives, local authorities, partners, etc.) need to understand entitlements so they can plan their costs
  • How can the CO and Secretariat work together to connect allocations and ensure this continuity?
• This project linked in well with HC vision for the Kasai vision, and the CO sees more donors bringing in additional funds for Kasai (USAID, SIDA, etc.)
  • Are donors going to continue funding the same project? To be determined.
Nigeria

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<tr>
<td>Nigeria</td>
<td>WFP</td>
<td>IDPs, returnees, refugees and local communities affected by crisis are able to meet their basic foods and nutrition needs</td>
<td>1. GB MPC Basic Needs (TBD) 2. FCS (Acceptable &gt;80%)</td>
<td>MPC Mobile money/banking 6 months $22.72/person x 6</td>
<td>90,552 people Women &amp; girls = 60% PwD = 5%</td>
<td>$15 million (82%)</td>
</tr>
</tbody>
</table>

**Context and allocation**
- Locations (Borno and Yobe States): Borno: Konduga, Maiduguri, Yobe: Bade, Damaturu, Nguru
- Despite the long-standing CWG and use of MPC in NE Nigeria, the technical continuity is still challenging (interagency capacity, resourcing, and turnover)
  - There are high levels of security protocols for CVA in terms of government and donor regulations (KYC, anti-terrorism, financial legislature, etc.). Fraud is a key concern, and verification is key. Nigeria is very strict on financial regulations / protocols: every cash allocation needs government permission, and organisations may be restricted on how much cash they want to channel in that region (based on government concerns of anti-terrorism)
  - The humanitarian response is highly affected by seasonality, which affects markets (prices), access, and consumption patterns / cultivation
  - The allocation enabled a shift in WFP’s use of modalities in the project locations, from e-voucher → MPC
  - The WFP Nigeria project had the highest TCTR across all responses (82%), and the highest proportion of women + girls (60%)
  - 3-month extension of the project to align with the lean season and accommodate delays due to government negotiations: “The implementation plan has been delayed due to the renegotiation with the host government on targeting. WFP submitted a revised initial report to reflect the change. In addition, increasing security concerns required WFP to re-evaluate the viability of cash transfer in the targeted areas, which also partially influenced this situation.” (Interim report, April 2021)

**Allocation process and decision-making**
- Nigeria was a context where the allocation decision-making process was the least transparent to key informants (alongside Yemen).
  - There was general confusion about the announcement and whether WFP “predetermined” to receive funds. As one key informant noted, “We thought the discussion was starting,“but something was already prepared” (KII)
  - Unclear to what extent the Food Security Cluster was involved in identifying priority areas or reviewing the proposal
  - The CWG involved much later in the process (not in submission analysis / allocation design)
  - The selection of WFP made sense based on allocation parameters (MPC at scale in response to food insecurity), but stakeholders felt both FS cluster leads should have been equally involved in the process
  - As such, the allocation design was guided by WFP’s programme strategy, which is informed by sectoral assessments, security/access, and recipient preferences for aid modality
• IPs were selected based on WFP’s standing partnership agreements.
  • The country office underlined local actors should not only implement, but also articulate the programmatic approach. This component was limited because of the focus on scaling up existing programmes.
  • The allocation process was also hampered by several factors affecting the timing: strict health and safety measures due to Covid-19, targeting discussions with the government, identifying areas for the shift from vouchers to MPC, etc.

Contribution to outcomes
• The CERF allocation contributed to scaling up WFP programmes and expanding the use of MPC to new areas – need more time to analyse the allocation’s contribution to outcomes (e.g., via the PDM, potentially comparing food security outcomes between previous voucher assistance and new MPC)
  • MPC was the appropriate modality, because analysis shows food insecurity is due to loss of income and food consumption shortages, not failure of food production (last fall was the best harvest in the last 5 years, according to food security specialists – KII)
  • Time is of the essence: NE Nigeria is a conflict/displacement affected area; families put a lot of stress on assets.
    • The hunger gap / lean season occurs between June-September – this is when cash allocations are useful and important to avert famine.
    • Between Oct-Feb (dry season production), MPC helps avert lean season of 2022 – to plant quick maturing crops, establish kitchen gardens, protect livestock, etc.
    • Important to sync MPC with these needs and track food security outcomes based on seasonality
  • Will a longer duration of MPC lead to greater impact / better food security outcomes? To be determined.
  • Transfer value for the CERF grant is based on the food component of the MEB (not the entire basket), which is higher than normal WFP transfer value
    • Some stakeholders don’t consider this MPC or are concerned it is insufficient to improve food security outcomes. They felt the allocation didn't enable the collective humanitarian community to explore a more multifaceted response to avert famine in a meaningful way.
    • Part of famine response is considering key factors other than food that contribute to vulnerability, such as malnutrition, health, water, etc. “When you want to mitigate a food crisis, does that now mean people will spend all the money on food? Health is really important, especially now. It is probable that people will get sick and need additional cash. We get fixated on ‘food crisis’ so we think we only meet food needs.” (KII)

Contribution to cash programming and coordination
• Allocation fit with the multi-sector strategy + action plan to stave off “food security deteriorating to catastrophic levels” (catastrophic food failure emphasised, not famine)
  • MPC modality made sense for NE Nigeria, and country-level data was “pointing in the direction of more MPC” (KII).
• However, allocation restrictions had mixed results when it came to CVA programming and coordination contributions.
  • The CERF grant “moved the machine” of food assistance at scale from e-vouchers to MPC
  • While WFP had anticipated this modality shift in the future, it did so quickly in response to the CERF allocation, which was difficult to do in time for the lean season, amidst contextual/security challenges and negotiations with the government
  • CWG technical continuity is a challenge – but recently FS + CWG coordination is stronger
  • The infusion of funds for MPC was useful to promote CVA with government and other actors
Recommendations

• Specifying modality + sector in a global allocation: Nigeria key informants generally favour more flexible allocations
  • Keep it simple at global level – leave country to decide where the gaps are based on needs (modality isn’t the driver)
  • However, there was positive feedback from some key informants that restricting the modality keeps the allocation focussed and therefore easier to integrate into overall strategic planning (complementarity with CBPF)
• Timeliness is everything:
  • Ensure predictability of allocation from HQ to country operation
  • Encourage conversations prior to the allocation (common prep work): get buy in, identify potential challenges
  • Recognise that coordination takes time: government in the driving seat + aid complementarity in a complex crisis means navigating different priorities
• Discuss whether “averting hunger” is emergency food aid or building food security resilience?
  • Famine response is more than cash for food: nutrition, health, WASH, protection, livelihoods, etc.

South Sudan

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<tr>
<td>South Sudan</td>
<td>WFP</td>
<td>Food-insecure women, men and children in crisis-affected areas have access to safe and nutritious food</td>
<td>1. GB MPC Basic Needs (All &gt;30%)</td>
<td>MPC Direct cash (SCOPE)</td>
<td>153,969 people Increased to 226,000 Women &amp; girls = 56% PwD = 0.02%</td>
<td>$7 million (73%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. FCS Acceptable (&gt;30%)</td>
<td>3 months</td>
<td>$11/person x 3 (average)28</td>
<td></td>
</tr>
</tbody>
</table>

Context and allocation

• Provinces: Central Equatoria, Northern Bahr el Ghazal, Upper Nile, Wester Bahr el Ghazal
• South Sudan is the most volatile context for CVA across the 6 responses, due to the large-scale economic crisis, ongoing conflict/insecurity, recurrent shocks (flooding)
  • The response highly affected by seasons + access. These directly affect market functionality to a higher degree than other contexts (supply routes, prices, availability, etc.)
  • 45% of HRP is food security; people are cereal-deficit for a good part of the year (KII)
• As a result, MPC can be a challenging modality in South Sudan
  • Incompatible with the most food insecure areas
  • Some donors have moved away from MPC, citing protection/security concerns for women identified via PDM
• Still, the use of CVA has increased since 2015-6
• Regarding the CERF grant, “WFP will respond with in-kind assistance using funds from other donors to cover immediate food needs, where cash assistance is not possible” (Interim report, April 2021)

28 Based on the project proposal, 78,985 people will receive $34.99 individually, 61,080 people in urban areas will receive $37.38, and 13,904 IDPs will each receive $4.20.
During the project period, the context changed significantly:

- Series of currency devaluations and high levels of inflation (resulting in exceedingly high prices)
- March 2021: fiscal reform, first effective of its kind in the last 5-6 years – humanitarian negotiations with the government led to a narrowing of official vs. black market rate (agencies can get “more for their dollar now”)

Allocation process and decision-making

- Due to the contextual challenges outlined above and the allocation parameter to support the most vulnerable to famine with MPC, the country operation raised concerns with the CERF Secretariat about whether South Sudan was best placed to receive the grant
  - This included sharing reservations from other donors (OCHA), as well as market functionality concerns in the most food insecurity areas (FSC/CWG).
  - Some key informants felt the country operation inputs were not incorporated (decision from HQ remained unchanged)
  - As a result, in-country coordination found the allocation conditions “confusing” for South Sudan. The intention was positive (promote MPC in difficult contexts like South Sudan), but this created some tensions at CO level with other actors who may not have seen the allocation letter or understood the requirements
- This was not the usual CERF process (for pipeline funding). Once the allocation was announced:
  - Only WFP could respond to the allocation requirement
  - Protection and Food Security clusters were involved in priority setting: identifying food insecure areas where MPC was feasible, and recommending how to support the most vulnerable via MPC
    - The FSC prioritisation is South Sudan is straightforward (some key informants consider it the clearest and most transparent interagency process): IPC maps form the basis, overlayed with the degrees of food insecurity and magnitude of people in each county
  - The CWG was consulted prior to the official announcement (to provide feedback to HQ), but was not involved in allocation project design or selection

Contribution to outcomes

- Generally, in South Sudan, functional markets ≠ most food insecure areas. MPC is mainly used to support recipients in urban areas.
  - Based on the CERF allocation, WFP shifted its in-kind food assistance to IPC5 areas and focussed MPC in other regions (to be confirmed by CO)
- Exchange rate negotiations increased the value of MPC
  - Prior to March 2021, there was a large difference between the official and black-market rates: without proper analysis, many donors felt cash seemed expensive. WFP and others worked with government of South Sudan to put in place policies for preferential rates that improve transfer values and importantly, recipients’ purchasing power (changes in policies came in mid-April)
  - The transfer amount is based on the food basket value (as is the case with most allocation projects).
    - It is still early to analyse contributions to outcomes, but preliminary PDM indicate that people mostly spend MPC on food
  - It will be important to follow up on the protection objectives stated in the project proposal: key informants wondered if it was possible to see protection outcomes from low amounts of MPC?
    - This ties back to some donors’ concerns regarding women’s feedback on previous MPC: the perception that cash made them more vulnerable (security)

Contribution to cash programming and coordination
• Even with the contextual challenges and initial confusion about the allocation process, many key informants found it “refreshing to see South Sudan prioritised for a global cash allocation” because they felt it shifted donor perceptions from purely emergency food security to considering more market-based responses (KII)
  • MPC is seen as a “demand creator” – In large part thanks to the CERF, there is a change in the pre-conception that extreme hunger necessitates food handouts; there can be a market response
  • CBPF did not include CVA for food security, so the allocation was an important contribution and signal to the wider humanitarian response to adopt MPC
• Despite inefficiencies of MPC due to exchange rates, the CERF grant demonstrated that in MPC locations (accessible, urban, functional markets), cash delivers more cheaply even with unfavourable rates
• There are still market monitoring challenges: CWG members previously established different systems which can produce different assessments of functionality. The CWG is currently working to capture + analyse:
  • Payment landscapes
  • People’s meaningful access to markets: social, financial, physical

Recommendations
• MPC may not be the best modality to reach the most food insecure in South Sudan, so a more flexible allocation would allow country operations to design projects based on contextual analysis and priorities. Options discussed include:
  • Removing the sector restraint to ensure MPC remains multisectoral (taking into account all basic needs)
  • “Relaxing” the modality requirement while still promoting a “cash first” approach – including an openness to hybrid modalities (e.g., MPC + in-kind)
• Increasing the uptake of MPC in South Sudan will mean going beyond existing urban programming to think about how to support rural communities with CVA.
  • In South Sudan, focussing future special allocations on a particular group (such as returnees or newly displaced people) or vulnerability to a recurring crisis (e.g., floods) could promote a more multisectoral MPC response.
  • MPC could be especially useful as contingency / anticipatory action for recurring shocks like flooding
• Connect “averting hunger” to longer term support: building food security resilience
  • Famine response is more than cash for food: nutrition, health, WASH, protection, livelihoods, etc.
  • This will require links to the government action plan and longer term thinking about developing / strengthening / expanding payment landscapes
• Finally, the HQ to country process should acknowledge country operation inputs: to get buy-in early from different stakeholders and identify potential challenges
  • Recognising that coordination takes time: links to government action plan, community engagement + aid complementarity in a complex crisis means navigating different priorities

Yemen

<table>
<thead>
<tr>
<th>Country</th>
<th>Agency</th>
<th>Allocation objective (simplified text)</th>
<th>Mandatory global indicators (targets)</th>
<th>CVA parameters</th>
<th>Target population (People with disabilities = PwD)</th>
<th>Allocation amount (% to recipients)</th>
</tr>
</thead>
</table>
**Context and allocation**

- Locations (governorates): Sana’a, Al Hodeidah, Al Bayda, Ibb, Marib, Lahj, Taizz, Amanat Al Asimah, Al Jawf, Hajjah, Dhmar
- Largest allocation across the 6 contexts, yet the CERF grant is a small percentage of the overall response
- Only context using (commodity) vouchers for the allocation (see “contributions to outcomes” below)
- Context is exceptionally earmarked / restricted: “WFP had to sequence the utilization of CERF funding with restricted funding from other donors. Consequently, WFP will utilize the CERF funding under this allocation starting from mid-April, which will still allow for completion of the implementation within the planned grant implementation period” (Interim report, April 2021)
- Implementing partners generally unaware of funding streams

**Allocation process and decision-making**

- HC office informed the ICCT. However, key informants felt the initial process was unclear / ambiguous because the allocation specified modality and sector, which made it difficult to have transparent coordination to identify priority projects / implementing agencies across sectors/actors.
  - Funds therefore perceived to be “designed for WFP”: famine / food insecurity at scale, allocation prefers 1 project, CVA
  - Unclear to key informants how the food security cluster was involved in setting priorities (identifying priority areas or recipient groups?)
  - The CMWG was involved much later in the process (not in submission analysis / allocation design)
  - IPs were selected based on WFP’s standing partnership agreements (no deviation from normal programming)

**Contribution to outcomes**

- Allocation came at a time when the system wasn’t ready to shift to MPC at scale in most food insecure areas
  - This takes time, especially negotiations with authorities for shifts in assistance at scale (e.g., WFP implements 95% of the food security response)
  - Vouchers were the available + scalable modality in priority areas (IPC4+)
    - Especially in IPC 4-5 (North), because cash is more in the South with better access + functioning markets.
    - With the restrictions on both sector + modality, couldn’t have responded in most food insecure area
  - Filled gap in the North (needs higher + more acute)
  - Key informants noted that in a context like Yemen, “one allocation will not drive a change in the food security outcomes of an area” (KII)
  - Is there a difference in food security outcomes based on modality? WFP hopes to develop a pilot to answer this question

<table>
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Contribution to cash programming and coordination

- Role of CMWG still not fully understood: Perception that MPC replaces sector specific CVA
- A lot of cluster coordinators didn’t fully understand MPCA and its role
  - Last year, MPC indicators were harmonised, there is now guidance + PDM tool (checklist) – in addition to many other interagency tools (July 2020 onwards). These are “off the shelf products” to be adapted, but actors can pick and choose
  - CMWG participation and harmonisation is entirely done on a voluntary basis – the WG cannot enforce compliance, and so focussed on mutual understanding and consensus.
- Some key informants felt the allocation was a missed opportunity to discuss MPC more strategically, to answer key questions:
  - Transfer value harmonisation + adjustment? (Need donor alignment)
  - Transfer value and inflation: when to stop adjusting the value vs. move to in-kind?
  - Livelihoods as part of famine response? If only modality-specific, there would have been more discussions! Livelihood, CWG, etc.
  - Will authorities accept MPC, especially in the north?

Recommendations

- Specifying modality + sector is restrictive
  - MPC may not be the best modality at scale for the most food insecure areas: allow choice (with justification)
  - UN funds shouldn’t earmark to modality level
  - Or avoid cluster-specific allocations
- Recognise that shorter-term, lower transfer values have less impact on food security outcomes
- CERF to clarify monitoring of large allocations: internal or interagency? (Accountability implications)
- Prioritise (+ ideally invest in) stakeholder participation in allocation process: mandatory engagement of CMWG in CERF allocations
- Identify cooperating/implementing partners by area (influences quality + cash readiness)