

# Strengthening locally led humanitarian action through cash preparedness



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# Acronyms

<b>ACF</b>	Action Contre le Faim / Action Against Hunger	<b>INGO</b>	International Non-governmental Organisation
<b>ASEAN</b>	Association of South East Nations	<b>IOM</b>	International Organisation for Migration
<b>CaLP</b>	Cash Learning Partnership	<b>IRC</b>	International Rescue Committee
<b>CCD</b>	Collaborativae Cash Delivery Network	<b>LNHA</b>	Local and National Humanitarian Actors
<b>CEA</b>	Community Engagement and Accountability	<b>LRC</b>	Lebanese Red Cross
<b>CPWG</b>	Cash Peer Working Group	<b>MPCA</b>	Multi-purpose Cash Assistance
<b>CVA</b>	Cash and Voucher Assistance	<b>NGO</b>	Non-governmental Organisation
<b>CVAP</b>	Cash Preparedness for an Effective Response/Cash and Voucher Preparedness	<b>NSD</b>	National Society Development
<b>CWG</b>	Cash Working Group	<b>NSIA</b>	National Society Investment Alliance
<b>DCA</b>	Danish Church Aid	<b>OCHA</b>	United Nations Office for the Coordination of Humanitarian Affairs
<b>ECHO</b>	European Commission Humanitarian Office	<b>NRC</b>	Norwegian Refugee Council
<b>FCDO</b>	The Foreign, Commonwealth and Development Office	<b>PNS</b>	Partner National Society
<b>FSP</b>	Financial Service Provider	<b>SoPs</b>	Standard Operating Procedures
<b>GCT</b>	Group Cash Transfer	<b>UN</b>	United Nations
<b>IASC</b>	Inter-Agency Standing Committee	<b>UNCCS</b>	United Nations Common Cash System
<b>ICRC</b>	International Committee of the Red Cross	<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>IFRC</b>	International Federation of Red Cross and Red Crescent Societies	<b>WASH</b>	Water and Sanitation
		<b>WFP</b>	World Food Programme



## Executive Summary



Since the 2016 World Humanitarian Summit in 2016, there has been an increased focus across the humanitarian system on both cash and voucher assistance (CVA) and localisation. This has resulted in a significant uptake in the use of CVA, but progress on localisation has been much more limited. This has been attributed to various factors, from structural barriers in the funding system to an unwillingness by international actors to commit to the systemic changes needed.

The combination of the Covid-19 pandemic and the global response to the killing of George Floyd in the United States of America highlighted the need for change, shining a light on the dominance of international actors in the humanitarian system and on how its colonial roots continue to manifest today.

In keeping with these wider discussions, the Red Cross and Red Crescent Movement's (the Movement) Cash Peer Working Group commissioned the Movement's Cash Hub to research the links between CVA and localisation, to understand how CVA can help to further localisation and strengthen locally led humanitarian action. Specifically, it seeks to answer the following questions:

### Research Questions

- 01 How can CVA help to strengthen National Societies' voice and influence in the humanitarian response at local and national levels, and help to position them as the partner of choice for other actors?
- 02 Does building CVA capacity help to further the localisation agenda and, if this is the case, how does it do so?
- 03 What lessons can be learnt from the experiences of National Societies and their CVA response to help drive localisation within the Movement and in the wider humanitarian sector?

### Localisation and CVA

CVA and localisation share several common objectives and outcomes, including the decentralisation of humanitarian decision-making, the empowerment of local communities and actors, the increased relevance and cost-efficiency of humanitarian assistance, and the transformation of traditional humanitarian structures and systems. Moreover, they can be mutually reinforcing, with CVA helping to drive localisation and for the localisation of CVA to improve humanitarian outcomes. For example:

- CVA can help to empower crisis-affected populations, giving them a greater say in decisions about how humanitarian assistance is spent. However, there is little evidence that they are more engaged in the design and planning of CVA, than other response options.
- It makes use of local markets and traders and offers opportunities to partner with local financial service providers and private sector actors, bringing benefits to the local economy.
- Through the alignment of humanitarian and government social protection programmes, it can strengthen the relationship between humanitarian and local government actors.
- Stronger CVA capacity amongst LNHAAs gives them greater credibility as humanitarian actors who can provide more relevant assistance.

Given these potential benefits, and the lack of progress to date, there is a recognised need to accelerate efforts towards a more localised CVA response. National Societies' auxiliary role, their reach and access, and their long-standing relationship with communities, mean that they have a key role to play in a more localised CVA response. However, National Societies are often prevented from doing so because – like other national and local humanitarian actors – they face power imbalances and lack access to sustainable and predictable funding at sufficient scale.

## Findings

The Movement has significantly expanded its use of CVA in recent years: currently more than 80 National Societies have used CVA during their Covid-19 response, and over 65 have invested in building their organisational and technical CVA capacity, using the Movement's Cash Preparedness for an Effective Response (CVAP) approach, a CVA-specific organisational development initiative.

Using the START Network's seven dimensions of localisation - funding, partnerships, capacity, participation, coordination, visibility and policy influence - as a framework, this study demonstrates that taking an organisational development approach to building CVA capacity can help to strengthen the role of National Societies in the CVA response, and help them as more prominent, influential humanitarian actors.

The following findings were based on 26 interviews, including with 10 National Societies across Africa, Asia and Latin America and the Caribbean.



## Funding

National Societies have seen a growth in the quantity of funding available to them because of their increased CVA capacity. Unsurprisingly, the availability of funding has been dependent on the context, being able to deliver high-quality CVA proved key to accessing such opportunities. The vast majority of funding, however, continues to come from Movement partners, highlighting that structural barriers, such as increased donor risk aversion and stringent due diligence or counterterrorism requirements, remain for National Societies as well as other local and national humanitarian actors (LNHAAs).



## Partnerships and Ways of Working

New collaborative approaches and CVA operating models represent both a risk and an opportunity for National Societies. On one hand, they tend to be top-down, national-level systems, favouring larger, well-resourced organisations and private sector actors, with local and national actors having little say in how they are organised and no clear route to greater involvement. On the other hand, National Societies' access, reach and long-standing community presence mean that they are uniquely positioned to contribute critical last mile delivery and other services. Examples also exist of successful, locally led collaborative models in which National Societies have played a central role. Experience shows, however, that engagement in such mechanisms may not always align with National Societies' strategic priorities and may risk compromising the Fundamental Principles. Decisions about if and how to work with these operating models should therefore be taken on a case-by-case basis.



## Capacity

The CVAP's joint focus on both technical skill development and organisational capacity distinguishes it from many other National Society Development approaches and has proved successful at building sustainable CVA capacity. This includes strengthening procurement and data management systems, internal and external coordination and increasing the timeliness and effectiveness of their response. Being able to demonstrate this capacity has had a positive impact on National Societies' credibility and has resulted in new funding opportunities. Peer-to-peer exchange and knowledge sharing between National Societies have also proved successful in building capacity within regions and showcase the potential of more decentralised approaches to capacity development.



## Participation

The very nature of CVA means that affected communities have a greater role in deciding how humanitarian assistance is spent. Group Cash Transfers have proven particularly effective at transferring decision making power from humanitarian organisations to the community. That said, previous studies have shown that CVA recipients often feel no more involved in programmes which use CVA than in those which use other modalities. More work is therefore needed to ensure that communities are meaningfully involved at each stage of the programme cycle.



## Coordination

As a result of the CVAP, National Societies participate more actively in national-level Cash Working Groups, with several taking on leadership roles within them. In this position, they have been able to use their auxiliary role to strengthen the relationship between humanitarian organisations and the local government, and better align social protection and humanitarian programmes. This has been particularly true during the Covid-19 pandemic, which has seen a rapid increase in the use of cash transfers in social protection programmes, and closer coordination between humanitarian and government social safety net programmes. However, a lack of resources often makes regular participation in coordination mechanisms difficult for National Societies, even in countries where they lead the CWG; understandably, this impacts their ability to meaningfully participate in discussions and on their visibility as a CVA actor.



## Visibility

National Societies noted an increased visibility at home and internationally because of their ability to deliver timely, high-quality CVA. Some reported that CVA had given them 'a face' and increased their status with the government and in the communities in which they work. Others reported that Movement partners, UN agencies and other humanitarian organisations had all shown greater interest in working with them, and in many cases had requested their support, advice and guidance. Where National Societies have worked to publicise their CVA activities, this has raised their profile and translated into increased funding and recognition. In many cases, however, this is not sufficiently prioritised; further investment in external communication would therefore help to realise this potential.



## Policy Influence

National Societies are being increasingly recognised for their high quality, responsive CVA and this has led to them being able to influence government policy on CVA and the direction of the humanitarian response. The Covid-19 pandemic has created additional opportunities for National Societies to strengthen their relationship with the government and support its social protection programmes but being 'cash ready' was essential to them being able to capitalise on this.



## Self-confidence and credibility

Notably, National Societies have also gained confidence in their own capacity and comparative advantage as a result of the CVAP, an important finding given that a previous study had found that one of the biggest barriers to localisation was the own low self-esteem of LNHA. It has also clearly led to a change in how National Societies are perceived by other actors, whether the government, UN agencies or other humanitarian organisations. Delivering quality CVA has led to more prominent roles in the humanitarian response, with National Societies having greater visibility, credibility and influence as a CVA actor.



## Introduction



### Acknowledgements

With thanks to all those who contributed their time and perspectives to this report, particularly to the National Society staff who willingly shared their experiences and learning.

### Introduction

Across humanitarian operations, there has been an increased focus in recent years on both localisation and cash and voucher assistance (CVA), driven largely by commitments made under the Grand Bargain and more recently, the Covid-19 pandemic. The use of CVA has grown significantly, with the value of this assistance doubling between 2016 and 2019 to \$5.6 billion (Metcalfe-Hough, V. et al 2020). There has, however, been limited progress on localisation, with ‘no system-wide shift as yet’ (ibid) in the role of local and national humanitarian actors (LNHA) in humanitarian response. A number of important barriers to progress still remains, including a lack of appropriate funding to enable more effective partnerships, and on-going concerns among international actors about the actual and perceived risks – to their organisations, their market share and to the response. Combined, this suggests that the international community remains unwilling to commit to the systemic changes needed to shift power to local and national actors, with insufficient incentives to push them to do so (ibid). This has been further hindered by disagreements about what localisation is, what it is trying to achieve and how to measure progress.

There is some evidence that this is beginning to change, driven in part by the Covid-19 pandemic, and the global response to George Floyd’s killing in the United States. While pandemic-related travel restrictions limited the availability of international support to humanitarian crises in 2020, the latter has led to widespread reflections on racism, anti-racism and the inherent power structures in the humanitarian system which localisation aims to challenge (see, for example, the forthcoming British Red Cross-commissioned report, *Localisation in the Covid-19 Humanitarian Response* and Thomson Reuters and Aid Works, 2021). In many ways, therefore, the need for a more localised humanitarian response has never been clearer, nor timelier.

Recognising ‘how localisation can enhance the efficiency and effectiveness of [CVA], and how [CVA] can reinforce the key principles of a more localised response’ (Metcalfe-Hough V. et al 2020), the Grand Bargain Cash Workstream established a Localisation sub-workstream in 2019 to capitalise on these linkages and the opportunities for the two to be mutually reinforcing. These include CVA’s role in strengthening local markets, the opportunities it offers to work with local private sector actors, and its ability to enhance and support decision-making by affected communities.

Acknowledging the unique and key role that the Red Cross Red Crescent Movement (Movement) has in furthering localisation through its National Societies, its Cash Peer Working Group (CPWG) commissioned research to examine the links between CVA and localisation and to understand if and how CVA can help to foster and advance localisation.

Focusing on National Societies who have sought to build their CVA capacity through the Movement's Cash Preparedness for an Effective Response approach (CVAP), this research aims to answer the questions below:

## Research Questions

- 01 How can CVA help to strengthen National Societies' voice and influence in the humanitarian response at local and national levels, and help to position them as the partner of choice for other actors?
- 02 Does building CVA capacity help to further the localisation agenda and, if so, how does it do so?
- 03 What lessons can be learnt from the experiences of National Societies and their CVA response to help drive localisation within the Movement and in the wider humanitarian sector?

## Methodology

A literature review was undertaken to provide a theoretical framework for the study, to examine the theoretical and thematic links between CVA and localisation and identify how the two could be mutually reinforcing.

Consultations with staff within the British Red Cross Cash Hub, as well as others within the Movement helped to identify National Societies who had undertaken the Movement's Cash and Voucher Preparedness for an Effective Response approach and who were known to have achieved demonstrable organisational and programmatic changes as a result. This was done through 'snowball sampling', whereby interviewees were asked for suggestions of others who they knew to have relevant experience. Some National Societies were also excluded from this study as they were known to have contributed significant time to other research initiatives.

Semi-structured interviews were then conducted with key informants from each of the identified National Societies as well as with relevant staff from the International Federation of the Red Cross and Red Crescent Societies (IFRC) and Partner National Societies<sup>1</sup>. In total, ten National Societies were included in the study - around 15% of the more than 65 National Societies who have invested in CVAP (BRC 2021). A full list of interviewees can be found in Annex 1; the semi-structured questionnaires used for the interviews are available in Annex 2.

<sup>1</sup> Partner National Societies refer to National Societies from another country who provide support to those – often referred to as Host National Societies - who are responding to a disaster in their own country.

The Covid-19 pandemic resulted in alterations to the originally planned methodology. This study had been envisaged as a series of in-depth case studies on specific National Societies but the need to conduct interviews remotely and the limited time available to do so meant that it was challenging to collect the in-depth information required from each; instead, a larger number of National Societies participated in the study, with less information collected about each. This means, however, that the findings and recommendations are drawn from on a wider breadth of experience and it is hoped that this adds weight to the study's conclusions, underlining as well that similar results could be replicated across a variety of organisations and contexts.

## Limitations

Using a snowball sampling approach has the potential to bias the selection of National Societies as it relies on personal knowledge and individual connections. The National Societies included in the study are not therefore representative, and it may not be reflective of the experience of all National Societies which have undertaken the CVAP.

This study also adopted a top-down approach, with decisions on how to proceed and the questions to ask agreed by Movement partners and staff in the Global North. There are obvious limitations to this approach, particularly for a study on localisation. Subsequent research would therefore benefit from more inclusive involvement of National Societies from the Global South at every stage of the process to ensure that the right questions are asked and that they benefit fully from the results. This could include co-leading future research or undertaking a study design workshop with representatives from different National Societies.



## Research Framework



### What is localisation?

The Grand Bargain broadly defines localisation as ‘principled humanitarian action [that is] *as local as possible and as international as necessary, [and can be achieved by] engaging with local and national responders<sup>2</sup> in a spirit of partnership... to reinforce rather than replace local and national capacities* (IASC 2016) However, others see it as a process rather than local humanitarian action, itself (Fast and Bennett 2020). For example, local actors in the Pacific defined it as ‘a process of recognising, respecting and strengthening the independence of leadership and decision making by national actors in humanitarian action, in order to better address the needs of affected populations’ (Ayobi et al. 2017), while Oxfam describes it as a ‘transformational process to recognize, respect, and invest in local and national humanitarian and leadership capacities, to better meet the needs of crisis-affected communities’ (Development Initiatives 2018).

Attempts to define localisation and what it is trying to achieve usually fall on a continuum between those that see it as a way of making humanitarian assistance more effective, and those who see it as means to addressing structural problems in the humanitarian system which have resulted in the concentration of resources, power and decision-making with international actors. These have been referred to respectively as the decentralisation and the transformative interpretations of localisation (Patel and Van Brabant 2017).

### What is localisation trying to achieve?

Leaning towards a decentralisation approach, the IFRC (IFRC 2018a) states that:

“The overall objective of localization is improved humanitarian response, ensuring access to all in need to fast quality, impactful and sustainable humanitarian assistance that is efficient, effective, and fit for purpose...And that it is about complementarity, which looks to a balance between local and international action in order to maximise the comparative advantages of both and increase effectiveness of the humanitarian response in a given context.”

(IFRC, 2018a, emphasis in original)

Taking a more transformational approach, signatories to the Charter for Change (2015) commit to ‘deliver change within their own organisational ways of working so that southern-based national actors can play an increased and more prominent role in humanitarian response’. This explicitly recognises that the goal of localisation is the strengthening of local leadership and decision-making. Similarly, the NEAR Network, a movement of civil society organisations from the Global South, is working towards “restructuring the global response to human, economic and environmental challenges so that actions to address these are locally driven and owned, and promote equitable, dignified and accountable partnerships” (NEAR 2019).

In practice, there is clear overlap between the two: with true localisation comes both stronger local leadership and more effective humanitarian response, and humanitarian actors have an imperative to continually strive for both. As a result, this study considers localisation – and its relationship to cash and voucher assistance - through both a transformative and a decentralisation lens.

### The Seven Dimensions of Localisation

Historically, discussions about localisation have tended to focus on funding, and specifically improving the quality and availability of funding for LNHAAs; it is increasingly recognised, however, that localisation requires a multidimensional, context-specific approach (Accelerating Localisation through Partnerships 2019). Studies have also shown that while funding is important, it is not always the highest priority for LNHAAs: capacity building and the quality of relationships between both national and international actors, and humanitarian actors and local communities, are often seen as more important (Van Brabant and Patel 2018; Ayboi et al 2017).

Capturing its multidimensional nature, the START Network's seven dimensions of localisation (Patel and Van Brabant 2017) provide a broader framework through which to understand localisation and monitor progress towards it.

#### The Seven Dimensions of Localisation are:



**1. Funding:** 25% of available funding to go 'as directly as possible' to local organisations<sup>3</sup>, with a focus as much on quality (flexibility, ability to cover core costs) as quantity.



**2. Partnerships:** more equitable and 'genuine' partnerships, with less sub-contracting.



**3. Capacity:** providing support to build sustainable, local institutional capacity, and preventing local capacity from being undermined by international actors (e.g., funding direct project costs only; hiring away the best staff of national actors for their surge capacity).



**4. Participation Revolution:** fuller and more influential involvement of crisis-affected people in what relief is provided to them, and how.



**5. Coordination Mechanisms:** more presence and influence of national governmental and NGO actors in humanitarian coordination mechanisms, and support to existing national mechanisms.



**6. Visibility:** greater public recognition and visibility of the role, effort, contribution, innovation, and achievements of local actors.



**7. Policy Influence:** increased presence of national actors in international policy discussions and greater accounting of their views and proposals.

Source: Patel and Van Brabant 2017

### Power and Localisation

Although not explicitly mentioned, each of the START Network's dimensions of localisation aim to shift the balance of power from international to national or local humanitarian actors. Several studies have demonstrated the extent to which these unequal power dynamics have contributed to the dominance of international actors within the current humanitarian system, and the different ways this power imbalance manifests.

Barbelet (2019) distinguishes between the visible and invisible - or hidden - power that international actors hold; this includes the visible power which facilitates their access to funding and resources, and the invisible power which enables them to decide how capacity is defined and assessed and gives them priority access to donors and decision-making for a. Fast and Bennett (2020) adopt a different approach, identifying three inter-related sources of power in the humanitarian system:

<sup>2</sup>According to the Grand Bargain, local and national responders include national and sub-national state and non-state actors, including local and national state authorities, national and local NGOs and civil society organisations, National Societies and local and national private sector organisations (IFRC 2018b).

<sup>3</sup>According to the Grand Bargain, 'as directly as possible' means funding that has only one intermediary between the donor and implementing agency. However, many dispute this, arguing that this provides too much scope for the sector to maintain the status quo and claim progress where there has been little change. Indeed, Oxfam (Development Initiatives 2018) defines this differently, considering it only to be direct funding if it goes straight from donor to implementing agency.

- 1. Money:** power is determined by the level of funding received, the quality of that funding and the relationships that result from it.
- 2. Capacity:** power is usually bestowed on organisations that can demonstrate ‘capacity’, but this capacity is defined by those in power, on the basis of the skills and knowledge that they value and recognise. Because of the colonial origins of the humanitarian system and the continued dominance of international actors within it, skills and experience which are most readily available to organisations and staff from the Global North are those which are most highly valued. As a result, capacity building is also often assumed to be a uni-directional process from international actors to LNHA. This is discussed in more detail in Section IV.
- 3. Legitimacy:** this is conferred on organisations by those in positions of power and by those who provide funding. According to Fast and Bennett’s research, this usually correlates to organisations that conform to international standards, operate in English (or sometimes French and Spanish), are fluent in humanitarian jargon, and assimilate into the system. By contrast, they note that the strengths of LNHA - physical proximity to, and cultural affinity with, local communities, sustained access to populations, and operational adaptiveness - are often usually undervalued or ignored.

Based on this definition, legitimacy is typically more readily available to international organisations, but National Societies’ auxiliary role, their membership of the Movement, and their legal standing means that they undoubtedly maintain a legitimacy, which is not as readily available to other national and local organisations (Austin and Chessex 2018). While it is difficult to dismantle these biases, national governments have proven critical in challenging the accepted norms around legitimacy and power in a humanitarian response. During the Sulawesi tsunami response, for example, the Indonesian government required all assistance to be channelled through local and national organisations, while coordination meetings were held in Bahasa and were led by national or local government representatives (Pujiano Centre and HAG 2019). This challenged conventional ideas about legitimacy and which capacities were valued. A similar approach was taken by the Nepalese government after the 2015 earthquake (Barbelet 2019) while in Bangladesh, the government required that international organisations working on the Rohingya response partner with local and national organisations to access the camps, although this was not consistently enforced (Wake and Bryant 2018).

### CVA and Localisation

CVA and localisation share several common objectives and outcomes, including the decentralisation of humanitarian decision-making and procurement, the empowerment of local communities and local humanitarian actors, the increased relevance and cost-efficiency of humanitarian assistance, and the transformation of traditional humanitarian structures and systems.

Because of this, they have the potential to be mutually reinforcing, with opportunities for the use of CVA to further localisation and for the localisation of CVA to improve humanitarian outcomes. For example, CVA:

- can help to empower crisis-affected populations, giving them a greater say in decisions about how assistance is spent;
- offers a route to support and partner with local financial service providers and private sector actors;

- benefits local markets and traders;
- offers opportunities to link with government social protection programmes, providing a clear means through which to strengthen the working relationship with local government actors; and
- stronger CVA capacity amongst LNHA can strengthen their credibility as humanitarian actors, who provide more relevant, effective assistance.

Despite these shared objectives and outcomes, progress on localisation in CVA is lagging, as in other areas of the humanitarian response (CaLP 2020). Moreover, recent commentary has suggested that the trend towards larger grants, standardisation, digitalisation and common payments systems, such as the UN-led Common Cash System, risks disadvantaging LNHA and the local private sector and undermining any progress: such systems can create a monopoly, limiting the extent to which smaller suppliers and agencies can access them and the information needed to make effective programmatic decisions (Gil Baizan 2018; Tromans 2019).

### Localisation and the Red Cross Red Crescent Movement

As well as the leading role played by IFRC in the Grand Bargain Localisation workstream, the concept of localisation is embedded within the structure of the Movement. As outlined in the Principles and Rules for Red Cross Red Crescent Humanitarian Assistance (IFRC 2013a), National Societies lead in the delivery of humanitarian assistance in their own countries, with international support available from Movement partners when needs surpass their response capacity, and in order to ensure an effective response. This is reflected in the idea of complementarity, which guides how the Movement’s local, national and international components work together. It is ‘the combination of strengths that each component can bring in a complementary way that ensures the ability of each individual component, as well as the Movement as a whole, to respond to the humanitarian needs’ of affected communities (Austin and Chessex 2018). This idea recognises that each component has distinct comparative advantages which together, strengthen the Movement’s collective capacity to provide effective humanitarian assistance and ensure that the Fundamental Principles are upheld (IFRC 2018a).

As auxiliaries to their national government, with a long-term presence in communities and greater access and reach than most other local, national, and international organisations, National Societies are also uniquely positioned to drive a locally led response. In practice however, National Societies – like other LNHA - are often subject to power and financial inequities and lack access to sustainable and predictable funding at sufficient scale. This limits their ability to deliver effective assistance, respond to changing humanitarian needs, and ensure organisational sustainability. There is often also an imbalanced relationship between different components of the Movement, with support aligned to external rather than domestic priorities and National Societies assuming the role of implementer for international counterparts (IFRC 2013b; Austin and Chessex 2018; IFRC 2020a). Addressing these issues is critical to ensuring strong National Societies with the capacity to assume a more prominent, leadership role in the humanitarian response.



## The Role of Organisational Development and Capacity Building



One way of addressing some of these issues, is through organisational - or specifically, National Society - development (NSD). This seeks to strengthen National Societies and build their capacity to carry out their mandate and perform effectively. Guided by the National Society Development Framework (IFRC 2013b), the Movement's commitment to NSD has been recently reinforced in its National Society Development Compact (IFRC 2020a) and the IFRC Secretariat's Agenda for Renewal (IFRC 2020b), which specifically recognises the value and need for both local action and strong National Societies. Various funding streams are also available to support this, including the National Society Investment Alliance (NSIA), a joint project between IFRC and ICRC. This aims to provide multi-year financing to support the capacity-strengthening and organisational development of National Societies. However, demand for this support has far outstripped supply to date, with only around 20% of requests for support fulfilled in 2019 (IFRC 2020c). Building on this, the Movement's Cash and Voucher Preparedness for an Effective Response (CVAP) takes an organisational development approach to strengthen National Society CVA capacity (see Annex 3 for more details of this process).

The impact of CVAP on National Societies' capacity and their role in the CVA response is the focus of the rest of this report. Before turning to the study's findings however, it is useful to examine what we mean by capacity and why it is important in discussions about localisation.

### How do we define capacity?

There is a significant body of research detailing the different definitions of 'capacity' in humanitarian and development contexts (see, for example, Morgan 1998) but at its simplest, it is the 'ability of people, organisations and society to manage their affairs' (OECD 2006) or the 'ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner' (UNDP 2009). This requires both organisational capacity - the management and governance structures of an organisation - and operational capacity, an ability to deliver high-quality programmes (Barbelet 2018). Building on this, Kamstra (2017) identifies three different types of capacity in organisations: individual, organisational and system-level capacity (see below).



**Individual capacity:**  
experience, knowledge, technical skills, motivation, influence.

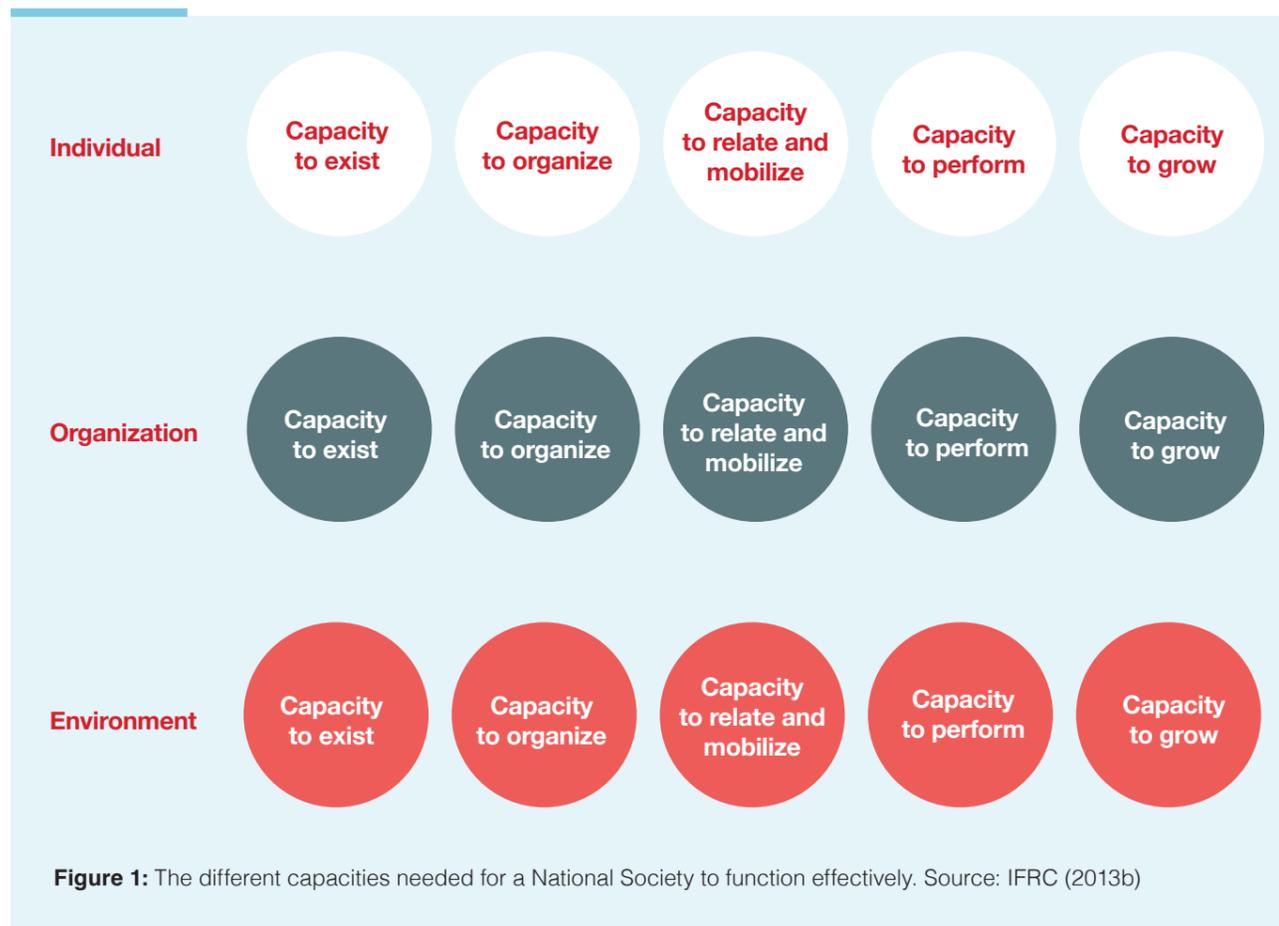


**Organisational capacity:**  
collective skills, internal policies, arrangements and procedures that enable them to combine and align individual competencies to fulfil their mandate.



**System-level capacity:**  
the broader institutional arrangements which enable or constrain individual or organisational capacities, including social norms, traditions, policies and legislation.

This is reflected in the National Society Development Framework which identifies five different capacities required for National Societies to function effectively at each of these three levels: capacity to exist, organise, relate and mobilise, grow and perform (see Figure 1).



One of the challenges for LNHA is that different capacities are evaluated and valued differently. While this is not always the case (see, for example, the survey results in Barbelet (2018)), the skills which are more likely to be found in international organisations – for example, technical capacity, the ability to deliver programmes according to pre-defined global standards, the capacity to effectively seek, manage and report on large grants, and the ability to meet the stringent requirements of donors from the Global North – are usually valued over those which LNHA usually bring to a humanitarian response: language skills, cultural understanding, access and the ability

to translate global approaches to a local context (Polito et al 2018; Wake and Bryant 2018; Barbelet 2019). Previous research also highlighted the extent to which these priorities have been internalised by local and national actors, with national staff generally being more self-critical, perceiving international actors to have high capacity and comparing themselves unfavourably to them; international actors meanwhile evaluated their own capacity as being high (Barbelet 2019; Barbelet et al, 2019). This self-perception also stems from, and is reinforced by, a sense of inferiority and low self-esteem felt by national and local organisations when compared to ‘old colonial powers’ (Barbelet 2019).

Some key informants in this study also noted that the emphasis on ‘international capacity’ was particularly strong in CVA responses because it is viewed as a highly technical area, requiring specific expertise, and often delivered through large budget programmes. However, it is difficult to gauge if this is based on perception or reality.

Whether actual or perceived, a lack of organisational and operational capacity is a key barrier to localisation and finding ways to address this and ensure the comparative advantages of LNHA are more highly valued, is critical to fostering strong, local humanitarian leadership. A study by Barbelet (2019) underlines this: workshop participants from five countries in Asia and Africa identified three ways for local actors to claim power by:

### 3 ways local actors can claim power

- 01** demonstrating capacity;
- 02** creating coalitions of local actors based on the legitimacy that they acquire from their proximity to local communities to advocate and hold international actors to account for the commitments they make; and
- 03** collective bargaining to gain access to controlled or closed spaces.

Organisational development, including National Society Development, clearly has an important role to play in this. Unfortunately, capacity-building initiatives to date, both within and outside the Movement, have tended to focus on short-term, project-based and technical training for staff, rather than the longer-term organisational development support and investment which would address organisational weaknesses (IFRC 2013; Poole 2014). As one interviewee for this research noted, Movement-wide efforts to improve programme quality in National Societies often also create a false distinction between organisational and operational – or programmatic – capacity, with the latter taking precedence. This can result in pockets of strong technical capacity with National Societies, but without the organisational structure and systems in place to support programme delivery.

Cash Preparedness for an Effective Response, however, takes a more holistic approach to strengthening National Society capacity, aiming to build their technical CVA skills, while also targeting their operational capacity and systems. Some interviewees for this research noted that this approach meant that the CVAP had often proved more successful than other NSD initiatives at bringing about sustainable changes in National Societies' response capacity and organisational readiness. While it is difficult to objectively evaluate this, the findings below do demonstrate the success of the CVAP in this regard.





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## Key Findings



To examine the extent to which building CVA capacity has strengthened National Societies' voice and influence, and contributed to a more localised response, the findings below are presented against each of the START Network's seven dimensions of localisation. However, there is clear interdependence between them, with the potential to create a multiplier effect: for example, a National Society's ability to deliver high-quality CVA at scale can lead to new funding opportunities, which in turn increase its visibility and gives it more reason to actively participate in cash coordination mechanisms. Meanwhile, more deliberate and active participation in a CWG can lead to new partnerships and greater visibility, in turn attracting new donors.



### Funding

As recognition of CVA's potential grows and it matures as a response modality, organisations are increasingly expected to routinely consider CVA in their programme design and be able to deliver it whenever it is appropriate to do so (IASC 2016). Being able and ready to provide CVA is therefore ever more important, not only to delivering relevant and effective humanitarian assistance, but also to access funding; in this way, the CVAP should enable National Societies to attract a greater quantity, and potentially, variety of funding.

Several National Societies reported that having the ability to deliver high-quality CVA had led to additional funding opportunities from both Movement partners and external donors. For example, the Ethiopian Red Cross had previously implemented CVA exclusively through ICRC but since undertaking the CVAP, has transitioned to providing CVA directly and has been able to apply to different partners for more funding. Similarly, the success and profile of the Bahamas Red Cross-led Hurricane Dorian response increased the team's self-confidence and helped them to seek funding from new donors. The strength of the Kenyan Red Cross's CVA response has enabled it to establish relationships with local businesses who increasingly express an interest in supporting its work, while both the Nigerian and Malagasy Red Cross have seen greater interest in their work from PNS, having demonstrated the ability to deliver CVA.

As well as having a direct impact on their ability to attract funding, several National Societies reported that they had gained the confidence to apply for funding as a result of the CVAP. For example, it led the Burkina Faso Red Cross to apply for support from the Belgian Red Cross and its government for a regional programme across three

countries. It also meant that it was able to access funding from both ECHO and UNICEF to respond with CVA to the worsening humanitarian situation in the country. In Uganda, the Red Cross's confidence in its ability to deliver, combined with their more active involvement in the national-level CWG, resulted in an opportunity to participate in an ECHO-funded consortium led by Danish Church Aid (DCA).

Although the quantity of funding available to National Societies has increased as a result of the CVAP, there is little evidence that the quality of funding has changed. Despite increased interest from potential donors, most National Society funding still comes from or through Movement partners because the structural barriers which prevent LNHA from accessing funding, remain. These have been documented extensively elsewhere, but include stringent funding criteria and compliance requirements, greater donor risk aversion, due diligence and counterterrorism requirements, and enduring perceptions that international actors are more 'credible' (for example, Barbelet 2018; CaLP 2020; Fast and Bennett 2020) Although country-based Pooled Funds have proven an important means through which LNHA can access funds, how much goes directly to them varies widely between countries, and they continue to face several similar barriers including application processes that are often in English, exhaustive risk assessments, a lack of adequate support for overhead costs and competition from international actors (Featherstone and Mowjee 2020).

That National Societies have funding available to them through the Movement places them at a clear advantage over other LNHA, but one respondent did note, however, that this could act as a safety net for them, making them less inclined to seek out alternative donors, or invest in networking and increasing their profile. While there may be other reasons for this – a lack of confidence, for example – being more proactive would not only help to diversify their funding but could raise their profile further. Barbelet (2019) found that when LNHA became eligible for and received funding through Country-based Pooled Fund mechanisms for example, they gained credibility and trust with international actors.



## Partnerships and Ways of Working

The advent of CVA and a broader move towards more collaborative approaches across the humanitarian sector have led to new ways of working and CVA operational models, as well as the expansion of partnerships with private sector actors. These include the INGO-led Collaborative Cash Delivery Network (CCD) and the UN-led Common Cash System (UNCCS), as well as numerous other cash consortia. Although greater collaboration aims to promote greater inclusivity, there remain questions over the extent to which LNHA are involved in these initiatives (CaLP 2020), and they present both a risk and an opportunity for them.

In principle, they can give space to LNHA – historically often confined to an implementer-donor relationship with international partners – to engage on a more equal footing with international counterparts. For example, they may be better placed to establish relationships with local Financial Service Providers (FSPs) and the CCD offers the potential for national members to participate in programmes and engage in decision-making fora on more equal terms. However, membership alone is insufficient: deliberate efforts are needed to ensure that historical power dynamics are not replicated within such structures and that local and national voices are elevated and

recognised within them in order that they result in a genuine shift in power (Ali 2020). Moreover, it is essential that national-level CCD and other consortia like it, make concerted efforts to ensure that LNHA are invited into, and are a part of discussions from the start, and actively identify and work to reduce barriers to their participation. Currently, 21% of CCD's national level membership are LNHA (CCD 2020), and country-level CCD platforms are often dominated by large international NGOs. As this model expands into more countries, there is a real risk that it further undermines local capacity and reinforces international dominance of the humanitarian space.

The UN Common Cash System (UNCCS) faces similar problems. Designed to streamline the CVA response through improved synergies, complementarities, and accountability, it aims to establish common procurement, contracting, delivery and data management systems (OCHA et al. 2020). For several reasons, this UN-led system, already presents a risk to localisation efforts (Gil Baizan 2018; Tromans 2019):

- A national level one-size-fits-all system ignores the context-specific needs of communities and raises questions around access to assistance, particularly for the most vulnerable.
- As a UN-led top-down system, other organisations, including LNHA, are likely to have little say in, or ownership of, the system, despite often being those providing last mile delivery.
- It favours larger corporations and FSPs, and has the potential to create an unfair monopoly, pushing out smaller suppliers.

Questions remain, however, as to how this will affect last-mile delivery since it could prevent some individuals and communities from accessing assistance. Given their reach, access and long-standing presence in hard-to-reach communities, this could present opportunities for LNHA generally, and National Societies specifically, to fill this gap. However, being 'cash ready' will be essential if they are to do so. The experience of the Burundi Red Cross shows what could be possible here: following training and support from WFP, IFRC and the Belgian Flanders Red Cross, it was able to deliver CVA within 72 hours of a flood in Bujumbura. This, combined with the access to communities unreachable by other organisations, led to a request from WFP to help identify and distribute CVA to recipients in locations that neither WFP nor the chosen FSP could reach.

In some contexts, such partnerships may not always be suitable. For example, the Lebanese Red Cross (LRC) decided against participating in LOUISE, the multi-agency 'one-payment' system which was set up specifically to respond to the Syria crisis. As well as being a single payment system, it also supports joint targeting and assessment, as well as a common feedback and complaints mechanism. While recognising the importance of continued coordination with other humanitarian actors, LRC's decision was based on:

- Concerns about how it would affect perceptions of neutrality;
- Its contradictions with LRC's long-term strategy: as this requires LRC to respond to all forms of crisis, it has prioritised investment in long-term CVA capacity and targeting mechanisms, rather than a platform that was specific to the Syria response.
- Differences in targeting criteria between LRC programmes and those reached by the LOUISE platform, as well as uncertainty about if and how these discrepancies would be resolved;
- The cost-effectiveness of the LOUISE platform, given LRC's caseload (Lebanese Red Cross 2019).

In other contexts, National Societies may be able to offer an alternative, more localised and cost-efficient system. The British Virgin Islands (BVI) Joint Cash Platform is a clear example of a successful locally led collaboration between the British and BVI Red Cross, Catholic Relief Services and the Government, which resulted in a response that was designed from the ground up, saw gains in effectiveness and efficiency, and created a structure in which local actors played a key and leading role. An evaluation of the approach noted that the presence of the BVI Red Cross and government also resulted in 'increased advocacy and implementation efficiency, strengthened linkages with safety net systems, promoting a more inclusive response driven by humanitarian and Red Cross principles' (British Red Cross/CRS 2018). With international organisations bringing in technical expertise and funding, this approach demonstrates the potential for true complementarity between local, national and international actors.



## Capacity

As noted earlier, a key strength of the CVAP is that it aims to contribute to each of the five capacities identified in the National Society Development Framework (IFRC 2013b) (see Table 1). This study found that it had had a demonstrable impact across most of these areas.

NSD Capacity	How CVAP can contribute	Example CVAP Activities
<b>Capacity to Exist</b>	System-strengthening to handle larger grants and establish themselves as a viable, strong partner.	Financial system strengthening
<b>Capacity to Organise</b>	Strengthening of internal and external coordination mechanisms	Establishing an Internal CWG; participating in external CWGs
<b>Capacity to Relate and Mobilise</b>	Improving disaster preparedness to respond with CVA; ability to better meet household and community needs through CVA.	Development of CVA standard operating procedures; development of framework agreements with FSPs; strengthening CEA.
<b>Capacity to Perform</b>	Building individual and organisational technical CVA capacity to ensure high quality, technically-sound programmes.	CVA training of staff and volunteers; development of contextually appropriate CVA tools; establishing effective data management and monitoring systems; testing of approaches and systems.
<b>Capacity to Grow</b>	System strengthening to meet the needs of CVA, and handle larger sums of money and larger, more complex grants and activities	Revision of financial and procurement processes; inclusion of CVA in strategic plans and policies.

**Table 1:** Links between CVAP and the different capacities needed for strong, sustainable National Societies.

## Capacity to Exist

CVAP works to strengthen organisational systems, making National Societies a more viable prospect for donors. As Barbelet (2019) notes, one of the main challenges for donors wanting to provide direct support to LNHA is the fiduciary and reputational risks involved. As a result, demonstrating that they have the financial and procurement systems in place to manage risk and large grants can help National Societies and other LNHA to establish themselves as viable, credible partners. For example, the CVAP led the Zambia Red Cross to strengthen its procurement processes in order to contract an FSP, as its previous system was not in line with IFRC auditing requirements. Although it was difficult to identify direct links in this study between such systems-strengthening and a change in how external donors funded, or perceived the risk of funding, National Societies, literature elsewhere has pointed to its importance in reducing the barriers to receiving direct donor funding and becoming more sustainable as an organisation (for example, Fast and Bennett, 2020).

## Capacity to Organise

Several National Societies noted that the creation a CVA Focal Point role, a dedicated resource in the NS's own structure, and the establishment of an internal, cross-departmental CWG was critical to the success of their CVA response. They helped not only to ensure CVA is given due priority but also to generate wider interest in CVA, mainstream it across the organisation, and facilitate inter-departmental, and inter-branch coordination. For example, the Viet Nam Red Cross Society now has CVA Focal Points in 63 provinces so having the structures in place to coordinate and communicate between them is essential. The development of CVA Standard Operating Procedures (SoPs) has also helped it to organise and allocate roles to different staff members and departments, making it better prepared and able to respond in the face of a disaster.

## Capacity to Relate and Mobilise

As a result of CVAP, National Societies have been able to mobilise more quickly, using CVA to provide more timely assistance after a disaster. This, combined with their long-term presence in communities across the country, puts National Societies in a unique position to deliver high-quality, relevant assistance when it is most needed. For example, undertaking the CVAP enabled the Viet Nam Red Cross to deliver unconditional cash to over 2,000 households across ten chapters within six weeks as part of its Covid-19 response, half the time it had taken previously; other CVA distributions had taken just three weeks between planning and completion. Signing FSP framework agreements has proved an important component of the CVAP in helping National Societies to mobilise. The Zambia Red Cross now has a two-year contract in place with MTN, avoiding the need to go through lengthy procurement processes for each response and the Nigerien Red Cross has set up contracts with two of the country's biggest mobile phone suppliers. The Burundi Red Cross's CVA preparedness activities included prepositioning 'crisis modifier' funds in its FSP account – a ring-fenced, flexible budget to be used to respond to a disaster. This, combined with a WFP, IFRC and Belgian Flanders Red Cross-supported simulation exercise, meant that it was able to respond to floods in Bujumbura in 2020 within 72 hours. This was far quicker than other organisations, which increased their credibility with CWG actors and resulted in a longer-term tripartite agreement with WFP (WFP 2019).

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Investment in technology such as Red Rose, like the Burkina Faso Red Cross, the first in the country to do so - has also helped National Societies to mobilise, thanks to a more efficient use of time, during targeting, registration and monitoring activities. However, a lack of funding and resources have meant that some have not been able to maintain this technology after the pilot ends. In line with the 2030 Strategy commitment to bring about a digital transformation within the Movement (IFRC 2018c), tackling this issue - particularly as the humanitarian sector moves towards more widespread digitisation - will be essential to ensuring that National Societies do not get left behind.

## Capacity to Perform

Staff and volunteer training is an important component of the CVAP, but experience shows that without the opportunity to practice, skills and knowledge will be easily lost. This is a common problem for LNHA across the humanitarian sector and is not unique to CVA: the continued presence and arrival of international actors after a disaster limits their ability to translate this capacity-building into practice. As one respondent in research conducted for the Australian Red Cross noted, 'in good times, they train us to be managers and then when disaster happens, they turn up and take over the show – what can we learn? They have to give us the opportunity to practice' (Ayobi et al. 2017). A recent review of the Movement's Emergency Response Units noted similar concerns about the dynamics between the ERUs and Host National Societies (Bowell et al 2021).

Giving LNHA the space to lead the response and learn by doing are essential to strengthening and embedding capacity within their organisations. Having discovered that the results of its CVA training had been lost by the time it came to run a response, the Ethiopian Red Cross adapted the training courses to include a practical component, while others have run small-scale pilot projects as part of the CVAP. The Burundi Red Cross conducted a real-time, 72 hours simulation exercise, with the support of WFP, IFRC and the Belgian Flanders Red Cross which provided the opportunity to test and strengthen its response capacity (WFP 2019).

The rapid deterioration of the humanitarian situation in Burkina Faso meant that the Red Cross was forced to undertake CVAP and respond to an acute humanitarian emergency simultaneously. While this brought significant challenges – requiring it to rapidly scale up and turn, as one respondent observed, 'from a small village shop to a large supermarket', almost overnight – it did allow the National Society to learn by doing. As a result, it was able to scale up from a small CVA food security and livelihoods intervention at the end of 2017 serving a few hundred households, to serve more than 10,000 households in 2020.

As Austin and Frize (2019) noted in their evaluation of the Movement's Cash Preparedness support, being able to perform and respond quickly is also contingent on the necessary skills and knowledge being mainstreamed across all branches and departments of the organisation. Several National Societies reported that where CVA capacity was concentrated among just a few people, it limited their responsiveness and reduced their institutional knowledge. Given that one of the comparative strengths of National Societies is their nationwide network of volunteers with enduring presence at community level – an advantage which has been reinforced during the Covid-19 pandemic - ensuring that all branches are able to deliver CVA strengthens this comparative advantage,

## Capacity to Grow

Unsurprisingly, given the impact it has had on National Societies' access to funding and their response capacity, the CVAP has had a demonstrable impact on the scale of programmes that they are able to deliver. For example, the first CVA programme implemented directly by the Ethiopian Red Cross in 2018 was a cash-for-shelter response for 120 households. Two years later, its beneficiary numbers had increased more than tenfold, with programmes in response to both Covid-19 and the current civil unrest reaching 1,900 households. The Burkina Faso Red Cross also currently runs CVA projects for upwards of 10,000 households while the Nigerien Red Cross has expanded from small-scale CVA projects undertaken with the support of PNS delegates, to become the third largest CVA actor in the country behind only WFP and UNHCR, with operations in seven of the country's eight regions.

## The Role of Peer Exchange in Capacity Building

One of the criticisms of the current humanitarian system is that it often defaults to international staff and consultants to build national capacity, without considering the support available locally or regionally, even though this can be cheaper, more appropriate to the local context, and better suited to long-term support (Ayobi et al. 2017). One key informant for this research considered that this reflex to default to international support was particularly true of CVA, because it is still viewed as a specialist and innovative area.

By contrast and thanks to the structure of the Movement, some National Societies have been able to benefit from peer-to-peer exchange with other National Societies in the region. Among these, a peer learning group has been established in the Sahel and National Societies in East and the Horn of Africa have benefited from exchanges, training support, and other peer learning opportunities. The Ethiopian Red Cross's CVA Focal Point noted that their relationship with the Kenyan Red Cross had proved particularly productive given that Ethiopia shares borders and therefore markets with Kenya, and the team are familiar with the context. She also recognised the benefits of peer support as the Kenya Red Cross face similar operational challenges and were more available and accessible than colleagues in PNS headquarters many of whom support National Societies worldwide. Identifying and facilitating opportunities for regional exchange and support is key, as are Training of Trainers courses: these can help to expand the regional-level support available to sister National Societies and can mean that National Societies can organise on-going training and development, without external support. With this experience, there may also be opportunities for National Societies to facilitate similar peer-to-peer learning between LNHA in their domestic context to to strengthen their collective capacity and voice.



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## Participation

Local community participation is an aspect which is often overlooked in studies about localisation; most focus only on the role of LNHA with community involvement consigned to discussions on community engagement and accountability (CEA). With a long-standing relationship with, and presence in, local communities, National Societies are uniquely placed to foster this local involvement and decision-making. This is particularly true given that previous studies have shown that affected communities differentiate between local humanitarian organisations – those who are based in their communities and are therefore accountable to them – and national humanitarian organisations, with offices elsewhere (Barbelet et al. 2019).

By its very nature, CVA helps to promote community-level decision-making although the use of conditionality and other tools, can limit this decision-making power. That said, it is critical that CVA is not regarded as either a panacea or an easy solution to better and more meaningful community participation. Surveys by Ground Truth Solutions (2019, 2020a, 2020b) have shown that CVA recipients do often feel better informed about the assistance they receive, and report feeling higher levels of respect and inclusion in programmes, compared to other modalities. However, the proportion of people reporting these feelings remain worryingly low: for example, in Central African Republic, only 32% of CVA recipients felt that their views were taken into account, compared to 22% of non-CVA aid recipients, and only 14% of recipients in the same study understood how people were chosen to receive assistance, compared to 15% of non-CVA recipients. The strengthening of links between CVA and community engagement and accountability (CEA) within and outside the Movement and the inclusion of CEA in the CVAP are all promising, but much more work is needed.

In some countries, Group Cash Transfers (GCTs) have helped to promote greater community participation and decision-making. These aim to ‘transfer the decision-making power and agency to affected communities or community groups to enable them to better respond to their own needs and priorities’ and are often used to complement, rather than replace, other forms of assistance. Groups are given a budget and the support to identify and implement projects which benefit either a sub-section of the community or the community at large, with humanitarian organisations playing a facilitating, rather than an implementing role (KeyAid 2021a). For donors particularly, there are greater uncertainties and risks involved than for other CVA-based programmes as they require a more flexible funding model and pass control from humanitarian organisations to affected communities (ibid). Having strong project management systems in place can help to minimise these risks.

The Myanmar Red Cross has been using GCTs in Rakhine State since 2017 to support disaster risk reduction, WASH and village development schemes. Cash is provided in instalments to village committees, according to a proposal and budget submitted to the Red Cross, and consistent with the terms and conditions of the agreement signed between the branch office and committees (IFRC n.d.). To date, this funding has supported initiatives

such as the construction of village halls, the renovation of water points and improvements to make roads more accessible and was adapted in 2020 in response to Covid-19. This allowed committees to upgrade community quarantine facilities, set up hand-washing stations, increase community awareness, purchase electric batteries to improve mass communication and support local tailors to produce face masks. The National Society also provided emergency funds to village resilience committees to support those most impacted by Covid-19, and funds to village community volunteer groups to support mobilisation and awareness-raising efforts (IFRC/MRCS 2020). Alongside these achievements, the Myanmar Red Cross found that GCTs built social capital and cohesion within these communities which in itself, helps to strengthen community resilience and reduce reliance on humanitarian assistance (IFRC 2019).



## Coordination

Existing research has pointed to the humanitarian coordination system as acting as a barrier to localisation and being a ‘de facto gatekeeper’, which prevents local and national actors from participating in decision-making (Long and Barrett 2020) and ensures that their contribution to the humanitarian response remains unacknowledged (Barbelet 2018). Issues include language barriers, the use of exclusionary terms or jargon, and difficulties navigating the complexities of the system (Long and Barrett 2020) as well as the time and staff needed to attend meetings in often distant capitals (Tanner and Moro 2016; Howe et al. 2015). The UN and INGO-led system has also been faulted for its exclusionary nature in which international organisations often dominate the conversation even when they are in the minority (Knox Clarke and Campbell 2016). For example, research from the Pacific showed that in one Cluster meeting in Vanuatu, the only two international participants took up over half the floor time in a room of thirteen people (Ayobi et al 2017). These dynamics can change however, when local actors, particularly the government, lead humanitarian coordination mechanisms (Pujiano Centre and HAG 2019).

CWGs are far from exempt from these issues. However, the failure to resolve the long-running global-level discussions about the CVA coordination lead agency has provided more opportunities for national actors to take on CWG leadership roles. Several National Societies have been able to capitalise on this, chairing or co-chairing their national-level CWG. In some cases, they have used this position and their auxiliary role to bridge the divide between the government and humanitarian organisations and strengthen the link between humanitarian CVA and social protection programmes. For example:

- After realising the need to reduce the duplication between its cash transfers and the government’s social protection programme, the Kenyan Red Cross was instrumental in restarting the inactive national CWG, and ensuring the national government took a leadership role in this. The Kenyan Red Cross is now established and recognised as the co-lead of the CWG.
- In Myanmar, the Red Cross was asked by WFP and Mercy Corps to take over the CWG co-chair role, in recognition of its access to hard-to-reach areas. It also plays a key role in coordinating and communicating with the relevant government departments, and helping other organisations to strengthen their relationship with them.

<sup>4</sup> According to the Grand Bargain, ‘as directly as possible’ means funding that has only one intermediary between the donor and implementing agency. However, many dispute this, arguing that this provides too much scope for the sector to maintain the status quo and claim progress where there has been little change. Indeed, Oxfam (Development Initiatives 2018) defines this differently, considering it only to be direct funding if it goes straight from donor to implementing agency.

- During the Nepal Red Cross's turn as the rotating CWG chair, it used its auxiliary role to initiate conversations with the government to better support its use of CVA. This included developing guidelines on CVA assistance for local governments and other stakeholders and supporting other organisations to more work more effectively with the government.
- In Viet Nam, most government support is still provided in-kind but the Red Cross has been working to change this, including supporting the development of governmental guidelines on the use of CVA, and helping to adapt these for use during the Covid-19 pandemic. With support from IFRC, it has also been planning to capitalise on Viet Nam's chairmanship of ASEAN to encourage wider uptake of CVA in government support mechanisms but the pandemic delayed progress on this.
- The Burkina Faso Red Cross became members of the CWG executive committee alongside ACF and WFP, hosting the national-level CWG in its head offices and enabling it to contribute to strategic-level decision-making. It also used its position to try and engage more systematically with the government to improve links with its social protection mechanisms.

In many cases, a National Society's increased CVA capacity has also strengthened its own relationship with the national government. This has been particularly evident during the Covid-19 pandemic, as governments expanded their social protection programmes both horizontally and vertically<sup>4</sup> in response to the crisis (Almenfi et al 2020). This included putting in place new agreements and contracts to improve data sharing, targeting and registration, and to align modalities, delivery mechanisms and ways of working. Being 'cash ready' proved critical to being able to step into this role (Cash Hub and IFRC 2020). For example, the Baphalai Eswatini Red Cross provided technical CVA guidance to the national government, supported its move to an electronic payment system and worked with them to reach more than 5,000 additional households. As lead of the Cash Coordination Group, the Nepal Red Cross also played a pivotal role in the Covid-19 preparedness and response operation, including advocating for MPCA as a response option (ibid). Similarly, the ability to deliver CVA at scale meant that the Malagasy Red Cross was better able to support the government's responses to both Covid-19, and to food insecurity and drought in the south of the country, topping up the government's assistance where necessary. This has contributed to an increased credibility with the government, as well as with partner National Societies.

Although not all National Societies have taken on leadership roles in CVA coordination mechanisms, many are participating more actively in them as a result of the CVAP. This has proven important to increase their visibility and recognition as a key CVA player. In some cases, this has been through regular attendance and information-sharing at working group and sub-working group meetings; others have adopted a larger role, running trainings attended by other CWG members, facilitating dialogue between humanitarian actors and the national government and leading joint assessments. Given that institutional donors require potential partners to coordinate effectively with other organisations and participate in humanitarian coordination mechanisms, this may also help National Societies to build credibility with donors. However, there is no direct evidence from this study that this has influenced funding decisions to date, as a variety of other factors are at play.

Despite these successes, the lack of resources remains a significant barrier for National Societies to participate regularly and actively in CWGs and other coordination meetings. Many have just one dedicated CVA staff member which makes regular attendance difficult when they travel. This is true even for National Societies who co-chair the CWG, such as the Myanmar Red Cross. The CVA Focal Point often asks the American Red Cross to attend in her place, when she is unable to do so, but this replaces a national voice with an international one, albeit temporarily. A lack of consistency in who attends meetings can also make it more difficult for LNHAAs to actively participate in meetings as they will be less familiar with prior discussions, a problem which can be exacerbated by a lack of confidence (Barbelet 2019).



## Visibility

LNHAAs' contribution to the humanitarian response often goes unacknowledged and unrecognised, particularly when partnering with an international organisation or when they do not participate in formal coordination mechanisms (Barbelet 2018). This study demonstrated that greater visibility of LNHAAs through their CVA activities was not only important in itself, but also had upstream, downstream and horizontal benefits for the organisation, including increased funding, access to decision-making fora and a stronger public image.

The Kenyan Red Cross reported that CVA had given them 'a face' and increased its status in communities and with humanitarian actors. Similarly, the quality of the Ethiopian Red Cross's CVA response led to the government expressing confidence in its work, and to greater visibility and a stronger reputation with communities, UN agencies and INGOs. The Zambia Red Cross's efforts to promote its CVA response in national newspapers has led to greater public recognition, while the quality of its programmes has generated interest and recognition within the humanitarian community. UNICEF, for example, have approached it for support with its own FSP assessment. Similarly, the Malagasy Red Cross, previously only known for its blood donation work, has found that its CVA response has increased visibility with both the public and government. Recognition of the Myanmar Red Cross's CVA response means that it is frequently asked by UNICEF and the CWG to lead assessments, The Nigerien Red Cross noted that it was also better recognised within the Movement and had been solicited for support from PNS, with which it had not previously partnered.

The heightened visibility of the Bahamas Red Cross in leading the Red Cross Dorian response, in reaching communities who were inaccessible to other organisations, and in being the first organisation to trial multipurpose cash assistance (MPCA), meant that it was subsequently asked to share its experience and knowledge with international organisations which were arriving on the island and looking to provide CVA. It has also led to greater visibility amongst both donors, the communities it serves and the government, transforming public recognition of it from a welfare-focused organisation to a humanitarian one.

Although the CVAP process has proved a critical first step in increasing a National Society's visibility and ensuring recognition for its work, it also requires deliberate investment by the National Society and its partners to publicise its activities, through for example, traditional and social media, the CWG, other coordination mechanisms and the Movement's Counting Cash initiative. Despite the potential dividends of increased funding and greater credibility among others, National Societies do not always give this priority. In addition, significant further work is needed by international actors to ensure that LNHAAs are given the same recognition and visibility as their international donors and partners.



## Policy Influence

Previous studies have pointed to the barriers faced by local and national actors in getting their voices heard, accessing humanitarian decision-making fora and influencing humanitarian policy (see, for example, Barbelet (2019)). The scarcity of local actors in strategic-level meetings also ‘dampens [their] collective voice and limits collective negotiating power’ (Development initiatives 2018). At an organisational level, decisions about programme strategy and approach have often been agreed between donors and international organisations, well before local partners are brought into the conversation. While their auxiliary role gives National Societies a platform and voice that other LNHA may not have, they still face significant barriers (Ayobi et al. 2017).

This study highlighted the potential for the CVAP to change this, with examples of National Societies gaining leverage with both the government and other humanitarian organisations as a result of the quality of their CVA response. For example, the Kenyan government designed its social protection programme, and are currently considering using M-Pesa as a delivery mechanism, on the back of the success of the Kenya Red Cross’s CVA response. In Nepal, the federal government have restricted the use of cash transfers in their social protection programmes, preferring cash-for-work schemes instead. However, the Red Cross has used its relationship with the government, the success of its CVA programme and its relationship with local communities to advocate for the government’s use of CVA. As a result, recent policy documents do support the use of certain cash transfers for the most vulnerable. The Burundian government was similarly opposed to unconditional cash transfers, with one local governor refusing to allow humanitarians to distribute CVA in his province. The Burundi Red Cross, however, was able to use its auxiliary role to persuade the governor to change his mind. The Zambia Red Cross’s reputation as a CVA actor also led it to feed into the design of the government’s drought and Covid-19 response. Finally, the Bahamas Red Cross has a stronger and more influential relationship with its government and donors as a result of the Dorian response. While the former has sought its input and involvement in other disaster response programmes, Movement partners are now more likely to consult the consult the Bahamas Red Cross about their funding priorities, rather than specifying what donations should be used for.

The Covid-19 pandemic and the resulting expansion of governments social protection programmes have helped National Societies to gain further influence as a CVA actor. A study on the link between humanitarian cash and social protection programmes during the pandemic (Cash Hub and IFRC 2020) found that all of the National Societies featured had started to play an advocacy role with their national government, and being ‘cash ready’ had been critical to their ability to take on this role. For example, the Baphalai Eswatini Red Cross Society played an important role in advocating with Members of Parliament and the National Disaster Management Agency for the scale up of cash assistance and the switch to electronic payment mechanisms. The Nigeria Red Cross also worked with the government and other Movement actors to develop a Country Plan in response to the pandemic.

Largely as a result of the CVAP, the recognition of National Societies as CVA actors who can deliver high-quality assistance has had clear, positive ramifications on their ability to influence government policies. Given their auxiliary role, this is a natural, but important, area for National Societies to build on in future, particularly as humanitarians look increasingly towards durable solutions, and the alignment of humanitarian CVA and social protection programmes.



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Photo: © Lebanese Red Cross

## Has CVAP helped to shift power?



Although there is clear evidence of CVAP contributing to each of the seven dimensions of localisation, to what extent has this led to a more fundamental change in power dynamics between international and national actors, and a central component of the localisation agenda?

Although this study did not explicitly examine the issue of power, the findings point to some clear changes in the capacity and credibility of National Societies – two of the three sources of power identified by Fast and Bennett (2020). Access to sustainable, quality funding – their third source of power – remains a significant challenge for National Societies, and other LNHA, as more ambitious progress continues to be hampered by structural barriers.

The study demonstrates the success of the CVAP in strengthening National Societies' operational and organisational capacity, leading to more prominent roles in the humanitarian response, with greater visibility, credibility and influence as a CVA actor. Many noted a change in their relationship with Movement partners, external organisations and donors, governments and the general public. Their opinions, advice and support have been sought on a variety of issues including technical CVA matters, funding priorities and response planning, and they have proven themselves indispensable in bridging the gap between humanitarian actors and national governments.

Just as importantly though, it has also led to a change in how National Societies perceive themselves. As Barbelet (2019) notes, one of the major barriers to localisation is the low self-esteem and sense of inferiority felt by national and local organisations when compared to 'old colonial powers.' Although it manifested in different ways, a common theme across several interviews was the effect that the CVAP had had on National Societies' confidence. This led the Ugandan Red Cross to put itself forward for a DCA-led CVA consortium; the Ethiopian Red Cross recognised that it should be more self-confident, and needed to look externally and invite others to work with; and the President of the Bahamas Red Cross noted that her organisation's successful leadership of the Hurricane Dorian response had contributed to an increased sense of confidence which had enabled it to pursue new opportunities and projects.

While this evidence does not amount to a systemic shift in power, it does highlight the potential contribution of CVAP to changing these dynamics, with the right investment, commitment and support, and as part of a wider structural changes in the humanitarian system.



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## Conclusion



This study provides clear evidence of the important role that CVAP can play in advancing the localisation agenda, with sufficient investment, commitment and support. Its focus on building both organisational and operational capacity has clearly strengthened National Societies, has led to them taking on more visible, influential roles in the response, and has enhanced their credibility with other humanitarian actors, communities and the government.

The study also highlights the role that the CVA ecosystem, and CVA as a modality, can play in contributing to a more localised response. This includes:

- **Local leadership of CWGs:** National Societies have been able to take on leadership roles in cash coordination mechanisms that elsewhere are usually occupied by UN agencies or INGOs.
- **New CVA-specific collaborative approaches:** in the right context, these can support more equal partnerships between international and national actors; National Societies can add clear value to these with their reach, access and community presence.
- **Increasing interest in aligning humanitarian cash and social protection programmes:** National Societies are uniquely positioned to facilitate this, and act as a key link between other humanitarian organisations and the national government.
- **Empowerment of affected communities:** by its nature, CVA places greater decision-making power with local communities, although more work is needed to ensure their meaningful, systematic involvement.
- **Support to local markets, traders and local private sector actors:** CVA provides clear benefits to the local economy; partnering with local financial service providers rather than multi-national organisations can reinforce these benefits.

Although this study has focused on National Societies and the CVAP approach, the findings suggest that comparable, non-Movement initiatives such as CaLP's Organisational Cash Readiness Tool, could produce similar results for other LNHA's, provided that their international partners and donors adequately invest in them. Such investment will be critical to ensure that LNHA's do not get left behind as CVA evolves and becomes increasingly common. Providing long-term organisational development support to a range of LNHA's would also build a broad base of sustainable, local CVA capacity and a strong, collective local voice, an important counterweight to challenge the dominance of international actors in the humanitarian system.



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## Recommendations and Opportunities



### For the Movement<sup>5</sup>

- 1 **Increase Movement resources and investment in CVAP, given its success in strengthening National Societies and its clear contribution to a more localised response. This should be linked to the Movement's National Society Development agenda and IFRC Agenda for Renewal.** If commitment to localisation is sincere, support needs to be for at least three years, and made available outside of emergencies so that National Societies can build and invest in their organisational capacity and avoid continued over-reliance on international support in times of crisis.
- 2 **To ensure sufficient depth and quality of support, consider focusing more time and resources on fewer, priority National Societies.** Decisions about the number of National Societies to support should be based on a careful analysis of the resources needed to undertake the CVAP and the support available.
- 3 **Support National Societies to access more diverse, flexible, predictable and longer-term funding** including from country-based Pooled Funds and non-traditional funding sources. This should include targeted support to help overcome on-going well-documented barriers to accessing funding.
- 4 **Seize the opportunity presented by the Covid19- pandemic, the current focus on the decolonisation of aid and IFRC's lead role in the Grand Bargain Localisation workstream to take forward the Grand Bargain localisation commitments and enact ambitious changes to how international support is provided to National Societies.** Surge support should be considered as a very last resort and where it is activated, staff should be deployed to work alongside and coach National Society staff, rather than replace them. This requires greater acknowledgement and understanding of the visible and invisible power dynamics between National Societies and their international counterparts. Such support must also contribute to National Society development and their longer-term goals to ensure that it contributes to stronger, more sustainable National Societies.
- 5 **To ensure progress on localisation, adopt appropriate indicators for each of the seven pillars of localisation<sup>6</sup>, and track progress against them across the Movement.** These should be included in National Society Development plans and used for strategic planning purposes.
- 6 **As part of Strategy 2030's digital transformation agenda, prioritise and invest in digital CVA solutions, such as RedRose.** As CVA becomes increasingly digitalised, National Societies risk getting left behind unless they have the resource to invest in these technologies.

<sup>5</sup> Many of these are in line with an earlier evaluation of the Movement's Cash Preparedness Support (Austin and Frize 2019).

**7 To increase the visibility of National Societies and other LNHAs, advocate for fairer and consistent attribution of CVA activities to implementing agencies, in donor and organisational publications and reporting.**

**8 Scale up peer-to-peer learning opportunities to facilitate exchange between National Societies.** As well as being an effective mechanism to share contextual knowledge, this would reduce the reliance on international ‘experts’ to build technical capacity. Not only is it a more sustainable, cost-effective model, but it would also help to reshape perceptions of capacity building as a top-down, one-way process. As noted, in the 2019 evaluation of Cash Preparedness support, this could be further expanded to invest in leader-to-leader learning partnerships to champion CVA.

**9 Identify tangible ways to help build the confidence of National Societies and ensure these are intentionally incorporated into the CVAP approach.** This could include: helping to foster relationships with external donors and build alliances with other LNHAs; finding ways to ensure that National Societies can participate regularly in coordination meetings; and advocating for their appointment to CWG leadership roles.

## For National Societies

**1 Consistently treat CVAP as an organisational development process, and align it with National Society Development plans.** This will help to ensure that changes are sustainable and that CVA is mainstreamed across the organisation. It also helps to ensure that CVAP fits with National Society priorities, avoids duplication and reduces inefficiencies.

**2 To maximise the success of the CVAP, embed CVA within policies, guidelines, strategies and response plans and ensure broad engagement across the National Society.** Senior leadership buy-in has proved essential to bring about the organisational changes needed: being able to demonstrate the role of CVA in improving humanitarian outcomes, and its potential to generate greater efficiencies, and increase the National Society's profile and relevance is key. Having a National Society CVA Focal Point and appointing the right person to the role is necessary to drive this forward but it is equally important to foster interest and engagement across the organisation, for example, through informal information sessions, cross-organisational learning events and after-action reviews.

**3 Dedicate resources to raising the National Society's profile to help position them as a key CVA actor.** This requires building credibility with a range of stakeholders, including donors, Movement partners, other humanitarian actors and the public. Making use of local media, publishing case studies and success stories, elevating community voices, and regularly attending humanitarian coordination meetings have all proved effective means through which to do so. Proactively seeking out diverse external funding opportunities can also help to raise the National Society profile outside the Movement.

**4 Where appropriate and possible, put CVA Focal Points forward for leadership roles in the national-level CWG.** This can foster more localised coordination structures and raise the National Society's profile, as well as helping to better align humanitarian and social protection programmes, as a result of its auxiliary role.

**5 Ensure that CVA skills and knowledge are put into practice and regularly reviewed, to make sure that the National Society remains ‘cash ready’.** Although opportunities to implement and scale up CVA will depend on the context, small scale pilots or simulations can be organised systematically to embed the necessary knowledge and skills within the organisation, as part of good organisational preparedness.

**6 Proactively engage with interagency delivery systems and collaborative approaches to identify if and how to work with them.** As interagency approaches such as CCD and UNCCS become more common, it is important that National Societies decide how to engage with them, on the basis of the context, their strategic priorities and their capacity. In some cases, locally led alternatives may be possible and more appropriate.

**7 Seek out opportunities to strengthen National Societies' auxiliary role in the CVA response.** This includes using the auxiliary role to strengthen the link between the government and humanitarian organisations and, where appropriate, to advocate for CVA with the government. The recent focus on better linking social protection and humanitarian cash transfer programmes offers a clear opening for National Societies.

**8 Where possible, consider contracting local financial service providers and other private sector actors, instead of larger international corporations.** Including this as a criterion in the FSP assessment will ensure it is given due consideration, helping to maximise the benefits of CVA for local companies. partnerships to champion CVA.

<sup>6</sup>Example indicators are available in Van Brabant and Patel (2018)

## For the wider humanitarian community

- 1 **Donors and international humanitarian organisations should increase investment in initiatives similar to CVAP for their local partners to help ensure they are 'cash ready'.** This needs to be accompanied by longer-term, better quality funding if commitments to localisation are to translate into genuine change. This will help build broad, local CVA capacity and a collective local voice in the CVA response.
- 2 **Cash Working Groups should support collective capacity strengthening for local and national CVA actors. This would enhance the response's CVA capacity and help build the confidence of local actors.** Members must also **proactively elevate the voices of local actors in coordination meetings**, including nominating them to leadership roles.
- 3 Given that unequal power dynamics are a key barrier to localisation, **international actors must seek to better understand how these power dynamics manifest in visible and invisible ways, how they are consciously and unconsciously reinforcing them, and proactively seek to tackle them.** Unfortunately, the problem of unequal access to funding is unlikely to be resolved in the near-term, so deliberate efforts are needed to address these imbalances within these constraints. Learning from the Covid-19 response and associated studies are a key entry point for this.
- 4 **Standardised indicators and clear milestones should be adopted to measure progress against each of the seven pillars of localisation and ensure accountability.** Where necessary, these can be adapted for different actors, including Grand Bargain workstreams, Humanitarian Country Teams, Clusters and Working Groups, international actors and national organisations.



### Opportunities for Further Research

Findings suggest that CVAP can help to shift power towards National Societies, but as it was not an explicit aim of this research, further work would be useful to uncover if and how it did so, and under what circumstances it was most successful.



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## Annex 1: Key Informants

Name	Role	Organisation
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Terez Curry	President	Bahamas Red Cross
Mirko Tommasi	Regional Humanitarian Technical Advisor, Dakar	Belgian Red Cross
Ines Dalmau	Cash and Markets Advisor	British Red Cross
Paul Jenkins	NSD Advisor	British Red Cross
Sammy Mbuguah	Regional Cash Preparedness and Social Protection Delegate, Southern Africa Region	British Red Cross
Hamadjoda M. Mohamed	Regional Cash-Based Assistance Delegate, West and Central Africa	British Red Cross
Basile Rambaud	Cash and Markets Advisor	British Red Cross
Daniel Wanyoike	Programme Manager, Kenya	British Red Cross
Hortense Sombié Hien	Food Security and Livelihoods Coordinator	Burkina Faso Red Cross
Valérie Koanda Kissu	Deputy Coordinator, Food Security and Livelihoods/CVA Focal Point	Burkina Faso Red Cross
Nadège Irambona	CVA Focal Point	Burundi Red Cross
Pablo Holm-Nielsen	Global Surge Delegate – Cash and Disaster Management	Danish Red Cross
Lotta Paulsen	Global National Society Development Delegate, MENA Regional Office	Danish Red Cross
Kalkidan Belete	Cash Transfer Programme Coordinator	Ethiopia Red Cross
Denis Bari Yanga	Operations Coordinator, Indian Ocean Islands Cluster Delegation	IFRC
Gloria Kunyenga	Operations Delegate, Zambia	IFRC
Gianluca Rigolio	Regional CVA Coordinator, Europe	IFRC
Gurudatta Shirodkar	Livelihoods Delegate, Myanmar	IFRC
Coree Steadman	Senior Officer, Localisation	IFRC
Kate Bunbury	Head of Sub-Office, Rakhine State, Myanmar	IFRC
Fredrick Orimba	National CVA Technical Officer	Kenya Red Cross
Moe Thida Win	Deputy Director, Disaster Management	Myanmar Red Cross
Ramesh Ghimire	CVA Coordinator/DREF Operations Coordinator	Nepal Red Cross
Yazi Amadou	National CVA Coordinator	Niger Red Cross
Pham Thanh My	CVA Focal Point	Viet Nam Red Cross
Elina Chilemba	Cash Officer	Zambia Red Cross

## Annex 2: Semi-structured Interview Questions

### Localisation, CVAP and CVA

#### Background

1. How would you define localisation and what do you envisage a locally led response would look like? Which of the seven dimensions of localisation (funding, partnerships, capacity, participation, coordination, visibility, policy influence) do you think are most important and why?
2. What is the National Society's history of CVA programming (year started, type and scale of responses, delivery mechanisms used etc) and what CVA responses are you currently implementing?

#### CVA Preparedness

3. Has the National Society been through a cash preparedness process? When was this done, why, and what did it consist of? What impact do you think this had on the National Society?
4. What changes (specifically in terms of funding, partnerships, capacity, participation, coordination, visibility, policy influence) have you seen in the National Society as a result of the CVAP/ since it started using CVA? What differences has this made, and to what extent do you think they can be attributed to the CVAP process?
5. To what extent have these changes gone beyond the CVA response and contributed to wider organisational changes within the NS?
6. What were the key successes and challenges in the CVAP process and how were the latter overcome? How did you address these?
7. In what key areas are you planning to strengthen your CVA programmes further in the future?
8. What needs to be in place to ensure the sustainability of the CVAP?
9. Do you think your CVA programmes have changed the perceptions of the National Society by international actors, government and donors? If yes, how?
10. For other National Societies who are looking to strengthen their CVA capacity and increase their role/ visibility in the humanitarian response, what are the key pieces of advice or learning points that you would share with them, from your own experience?
11. Any other questions/comments?

### National Society Development (NSD) and CVAP

1. What do you see as the challenges and opportunities of NSD for National Societies and their partners within the Movement?
2. To what extent have you seen NSD processes contribute to any of the seven pillars of localisation (Partnerships; Leadership; Coordination and complementarity; Participation; Policy, influence and advocacy; Visibility; Capacity [quality, relevance, scale and reach of services]; Funding) and do you have specific examples of these?
3. In your experience, what are the main factors which contribute to the success of any NSD process?
4. What are the main barriers and challenges that NS and their partners face in NSD and how have they been overcome?
5. What needs to be in place to ensure the sustainability of any NSD process?
6. In your experience, how does CVAP compare with other NSD processes? What are the key differences, advantages and disadvantages, opportunities and challenges?
7. In your experience, how does CVAP fit with other NSD processes, such as Preparedness for an Effective Response? What do you see as the overlaps, and differences? (e.g., in process, objectives and goals, entry points, prerequisites, key milestones)
8. Beyond increasing its CVA capacity, to what extent do you think that CVAP can/does contribute to and support wider NS organisational development?

### Annex 3: Cash Preparedness for an Effective Response

Cash Preparedness for an Effective Response (CVAP) is a National Society Development (NSD) initiative, which focuses on building National Society capacity to deliver a high-quality and timely CVA response. Alongside other NSD approaches such as NS Preparedness for an Effective Response, it is designed to improve the relevance, quality, reach and sustainability of a National Society's services (IFRC 2013), mainstream CVA in its operations and ensure institutional readiness to respond to disasters.

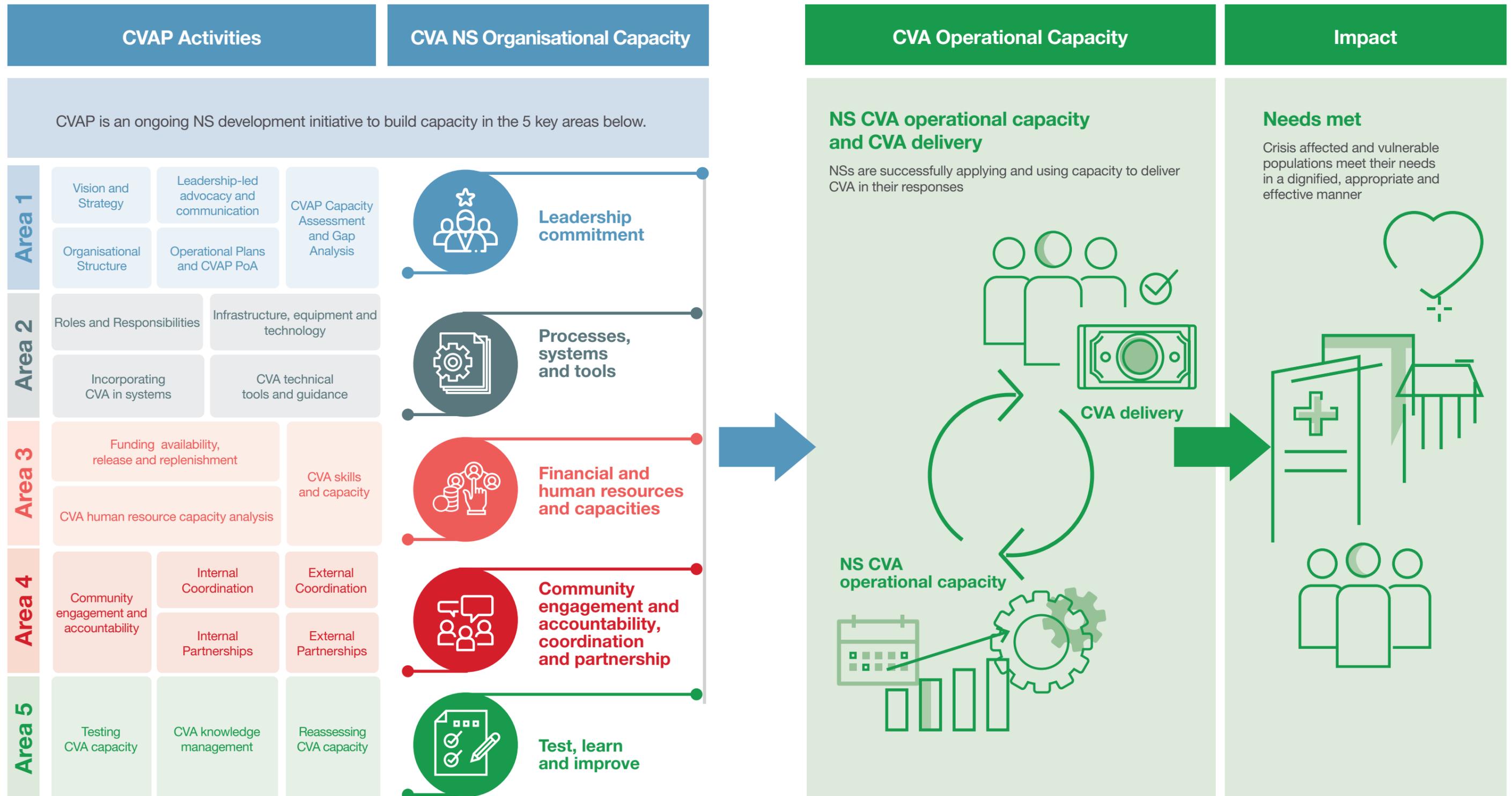
The CVAP is a holistic organisational development approach, intended to last between three and five years, which aims to strengthen a National Society's internal CVA capacity and its external role in the response (CPWG 2020). The CVAP covers five key areas, as outlined in its Theory of Change (see Figure 2).



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**Annex 3: Cash Preparedness for an Effective Response**

**A NS is CVA prepared when it is able and likely to deliver appropriate assistance in the form of scalable, timely and accountable CVA**



Cash Preparedness Process: Theory of Change. Source: CPWG (2020)

An initial self-assessment enables the National Society and its partners to identify key priorities for action and to tailor the CVAP according to the context, needs and organisation. Once completed, activities fall under five workstreams:

**1. Leadership Commitment:**

work to ensure senior management buy-in, incorporation of CVA into NS strategies and development of a plan of action.

**2. Processes, systems and tools:**

development of Standard Operating Procedures (SOPs), inclusion of CVA and markets into needs assessment and context analysis tools, updating of monitoring tools.

**3. Financial and human resources and capacities:**

strengthening of financial systems; training of volunteers and staff across the organisation.

**4. Community engagement, accountability, coordination and partnership:**

establishment of internal Cash Working Group (CWG), active participation in external cash coordination mechanisms inc. CWG,

**5. Test, learn and improve:**

refresher trainings, piloting of tools, technologies and approaches to contribute to continual learning and improvement.



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