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SUMMARY EVALUATION REPORT OF WFP'S CASH AND VOUCHER POLICY (2008–2014)

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645).

* Office of Evaluation

EXECUTIVE SUMMARY

This evaluation of WFP's 2008 cash and voucher policy was commissioned by the Office of Evaluation in line with requirements that policies be evaluated within four to six years of approval. It assesses the quality and results of the policy and its implementation.

The evaluation is strategically relevant at this time, given the ongoing shift in WFP from food aid to food assistance; corporate intent to continue scaling up cash and voucher capacity and use; and a rapidly moving external environment of innovations in transfer modalities, conditionality and market-based assistance.

The evaluation found that although the policy does not represent WFP's current best practice for policies, it served its purpose in establishing the basis for authorizing use of cash transfers and vouchers within WFP's mandate. Subsequent directives, guidance and tools have supported cash and voucher implementation, but they need to be updated and disseminated more effectively.

Over the period 2008–2013 implementation increased steadily; by 2013 actual expenditure on cash and vouchers totaled USD 507 million, implemented in 52 countries. However, the intended outcomes of the policy — such as empowerment of beneficiaries, improved livelihoods and better coping strategies — were not measured systematically, and the lack of disaggregation by modality at project level in the corporate monitoring system makes it impossible to attribute achievement of corporate outcomes or outputs to modality, be it cash, vouchers or in-kind food. That said, the evaluation's survey respondents indicated a general perception that cash transfers and vouchers do contribute to such outcomes.

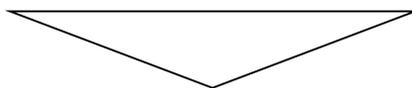
At the heart of the discussion about outcomes is the concept of conditionality, with achievement of intended beneficiary outcomes varying with the selected modality and its related conditionality. The evaluation found that in 2013, 70 percent of cash and voucher projects used vouchers, which are inherently more conditional than cash, and some country offices believe that there is a preference for vouchers at the management level. The combination of differing levels and consequences of conditionality and absence of evidence on outcomes by modality carry implications for WFP's effectiveness and competitiveness.

Other expected outcomes from the policy were related to efficiency gains such as process efficiency, cost efficiency, beneficiary transaction costs, flexibility and timeliness. Again, the lack of systematic data within WFP limited the analysis; however, survey and key informant interviews indicated that the business process had mixed results, with some key bottlenecks causing significant delays. Anecdotal evidence suggests that transaction costs for beneficiaries are not necessarily reduced and the flexibility in modality choice was only applied in one of the country case studies.

The evaluation recommends that WFP rapidly update and disseminate revised manuals and guidance, rather than updating the policy. Furthermore, WFP should develop robust monitoring and evaluation systems for cash transfers and vouchers, and clarify the option of using advance funding mechanisms to reduce implementation delays, especially in emergency contexts. Finally, it recommends that WFP invest in capacity development, identify and empower

leadership on cash transfers and vouchers, and build evidence to clarify the position on conditionality in relation to food assistance.

DRAFT DECISION*



The Board takes note of “Summary Evaluation Report of WFP’s Cash and Voucher Policy (2008–2014)” (WFP/EB.1/2015/5-A) and the management response in WFP/EB.1/2015/5-A/Add.1, and encourages further action on the recommendations, taking into account considerations raised by the Board during its discussion.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

INTRODUCTION AND EVALUATION FEATURES

1. The Board approved the policy “Vouchers and Cash Transfers as Food Assistance Instruments: Opportunities and Challenges” in October 2008.¹ Since then, WFP’s use of cash transfers and vouchers (C&V) has expanded considerably. In accordance with WFP requirements that policies be evaluated within four to six years of their approval, this evaluation, commissioned by the Office of Evaluation, provides evidence-based assessment of the policy’s quality and intended and unintended results over the period 2008–2014.²
2. Between April and September 2014, evaluation data was collected at global, regional and country levels through:
 - four case studies – Burkina Faso, Lebanon, Pakistan and Zimbabwe;
 - four desk studies – Ecuador, Ethiopia, the Niger and Sri Lanka;
 - interviews with WFP Headquarters and regional bureaux staff;
 - a global survey of WFP country offices (92 percent response rate);
 - comparator organization analysis: *Action contre la Faim*, International Federation of Red Cross and Red Crescent Societies, Norwegian Refugee Council, Oxfam GB, Save the Children International and the Office of the United Nations High Commissioner for Refugees; and
 - document review of internal and external records, budgets, evaluations and studies.
3. Limitations included the absence of a theory of change for the policy, data limitations in WFP’s monitoring and reporting systems on C&V modalities, and the limited number of stakeholders with clear recollection of the early stages of policy development and implementation.

CONTEXT

Global Trends

4. Since the mid-1990s, global use of C&V transfers for assistance and support to those affected by conflict and disaster has increased significantly. The use of such transfers in national social protection programmes to address chronic, cyclical and seasonal poverty has also grown considerably. The most prevalent types of transfers among humanitarian agencies are:
 - a) unconditional cash transfers;
 - b) conditional cash transfers (including cash for work or assets); and
 - c) voucher transfers.
5. Definitions of conditionality differ within the community of practice, illustrated in Figure 1. In its current C&V policy, the Directorate-General for Humanitarian Aid and Civil Protection (DG ECHO) defines conditionality only in terms of requirements.³

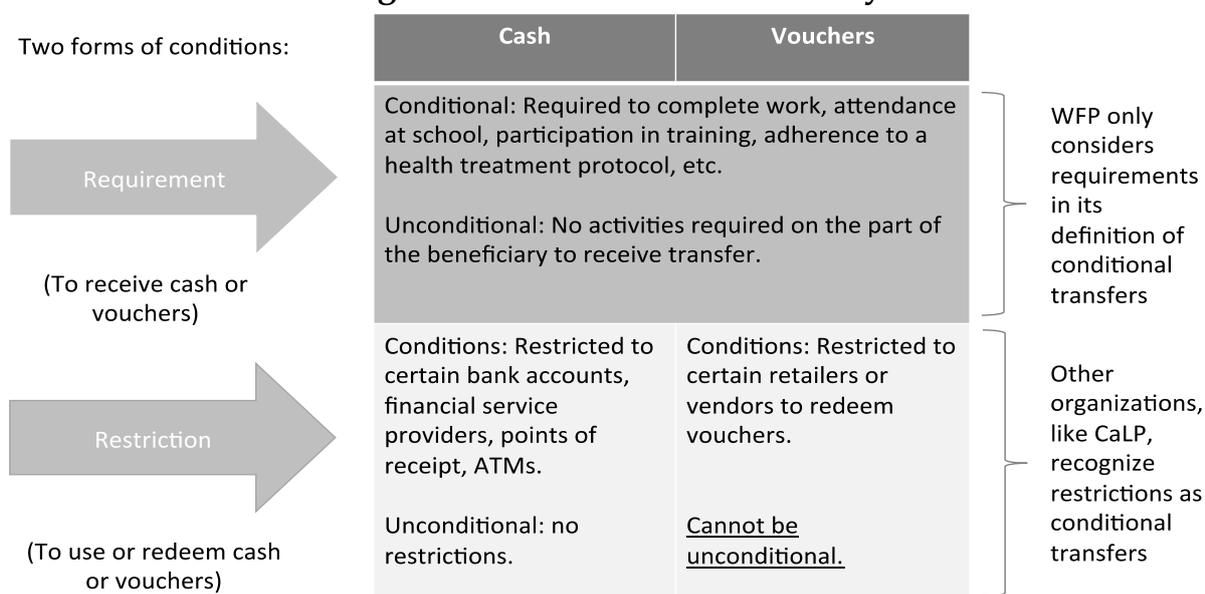
¹ WFP/EB.2/2008/4-B

² Quantitative information covers the period 2008–2013.

³ DG ECHO. 2013. *Cash and Vouchers: Increasing Efficiency and Effectiveness Across All Sectors*. Thematic Policy Document No. 3. Available at http://ec.europa.eu/echo/files/policies/sectoral/them_policy_doc_cashandvouchers_en.pdf.

Alternatively, the Cash Learning Partnership (CaLP) defines conditionality in two main types: qualifying conditions (requirements) and use conditions (restrictions).⁴

Figure 1 – Forms of conditionality

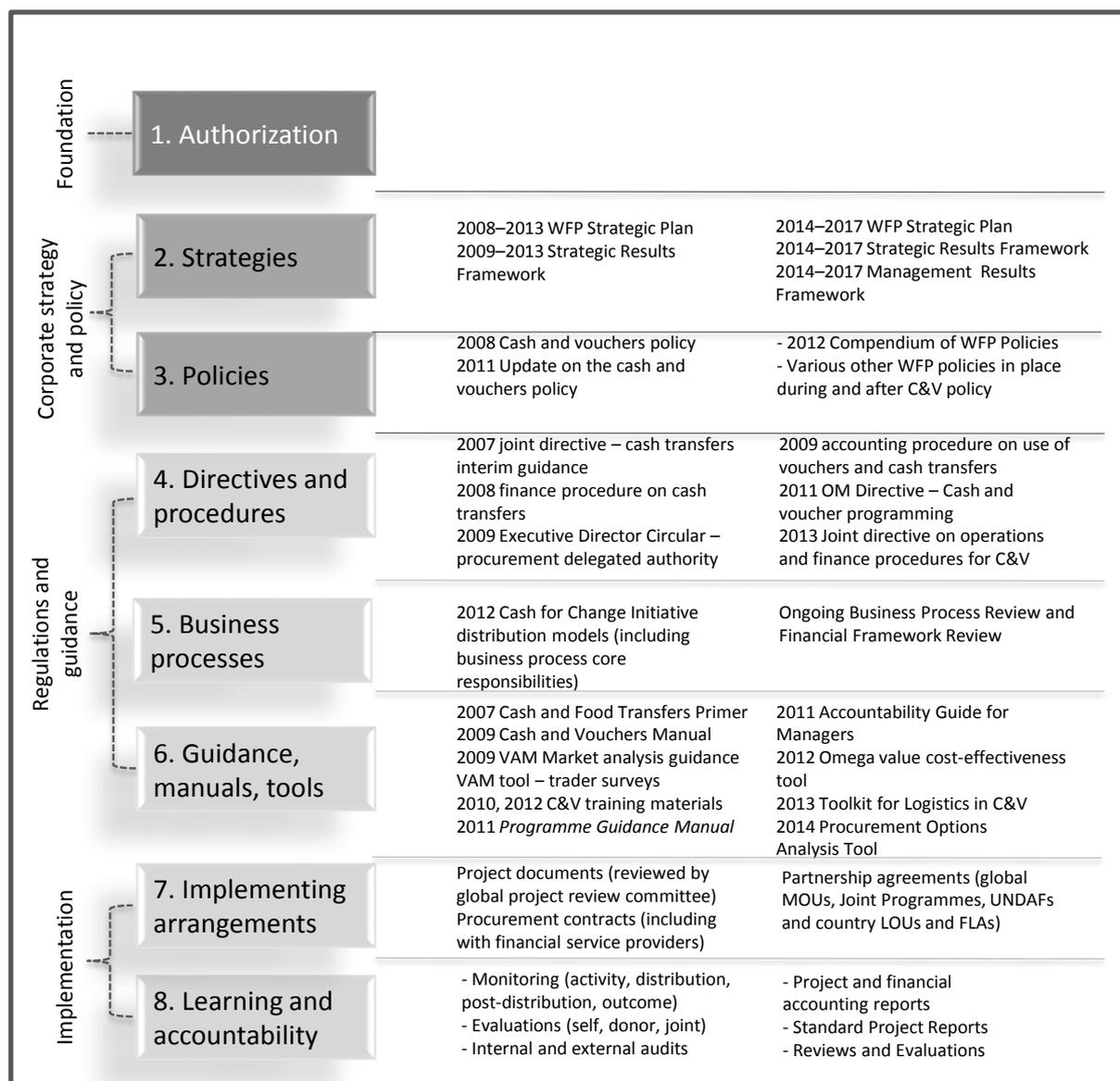


WFP's 2008 Cash and Voucher Policy and Implementation

6. WFP has implemented C&V interventions for more than a decade. In 2007, WFP published a directive providing interim procedures for developing and approving C&V pilot projects (up to USD 3 million in value), which initiated increased requirements (beyond in-kind food) for assessment and analysis, monitoring and evaluation, and approvals.
7. The 2008 C&V policy built on the 2007 framework without adjusting the piloting requirements. The policy outlines the rationale and comparative advantages of introducing C&V in WFP projects and programmes. It highlights opportunities and challenges, and explains potential programming, capacity development and partnership implications. It foresees outcomes and impacts at beneficiary and country levels, and for WFP as an organization. While the policy does not include an action plan or implementation strategy, it was broadly supported in WFP's 2008–2013 and 2014–2017 Strategic Plans as a key element of the shift from food aid to food assistance.
8. From 2007 to 2011, C&V projects were implemented on a pilot basis. The Cash for Change initiative was established in 2010 to consolidate policy implementation efforts related to learning, leadership and coordination across WFP functions. Soon thereafter, the piloting phase was concluded and C&V project approval and budget procedures were normalized.
9. Policy frameworks generally include foundational, normative, regulation, guidance and implementation-support functions. As illustrated in Figure 2, an extensive body of corporate directives, guidance and tools has been developed to implement WFP's C&V policy.

⁴ The Cash Learning Partnership. 2011. *Glossary of Cash Transfer and Voucher Terminology*. Available at http://www.cashlearning.org/downloads/resources/tools/calp_ctp_glossary-4-april-2011.pdf.

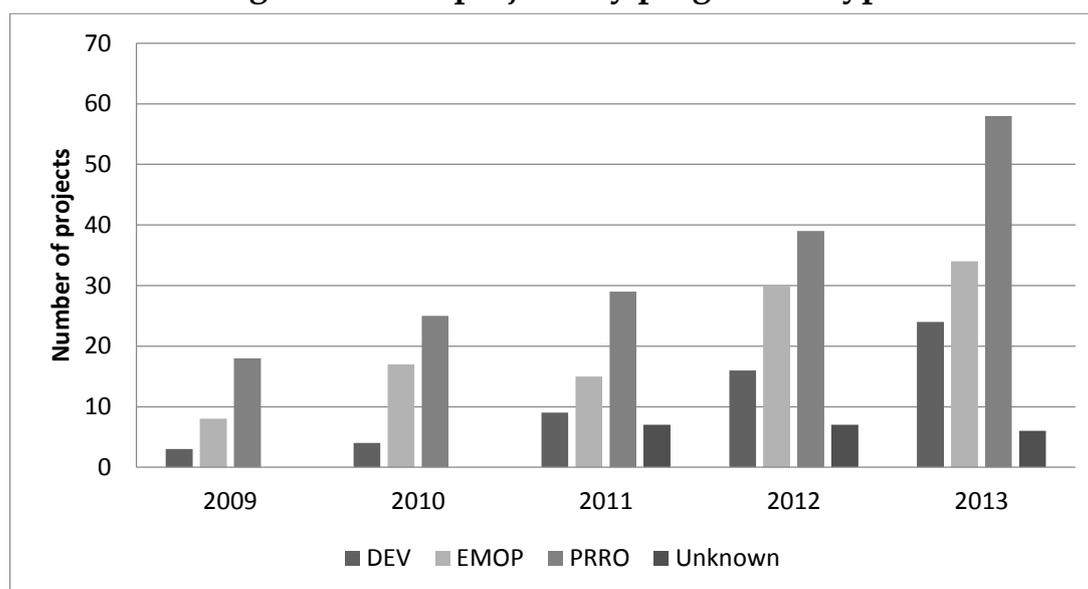
Figure 2: WFP C&V policy implementation framework



FLA – field-level agreement; LOU – letter of understanding; MOU – memoranda of understanding;
OM – Operations Management Department; UNDAF – United Nations Development Assistance Framework;
VAM – vulnerability analysis and mapping.

10. The overall trend towards the use of C&V is clear. Over the period 2008–2013 implementation increased steadily; by 2013 actual expenditure on C&V totaled USD 507 million implemented in 52 countries.
11. As shown in Figure 3, C&V use has grown significantly in all WFP programme types. Their use in emergency contexts has also grown significantly even though the policy noted that C&V is more appropriate in non-emergency contexts.

Figure 3: C&V projects by programme type



DEV – development projects; EMOP – emergency operations; PRRO – protracted relief and recovery operations

Source: WFP Information Network and Global System (WINGS)

FINDINGS

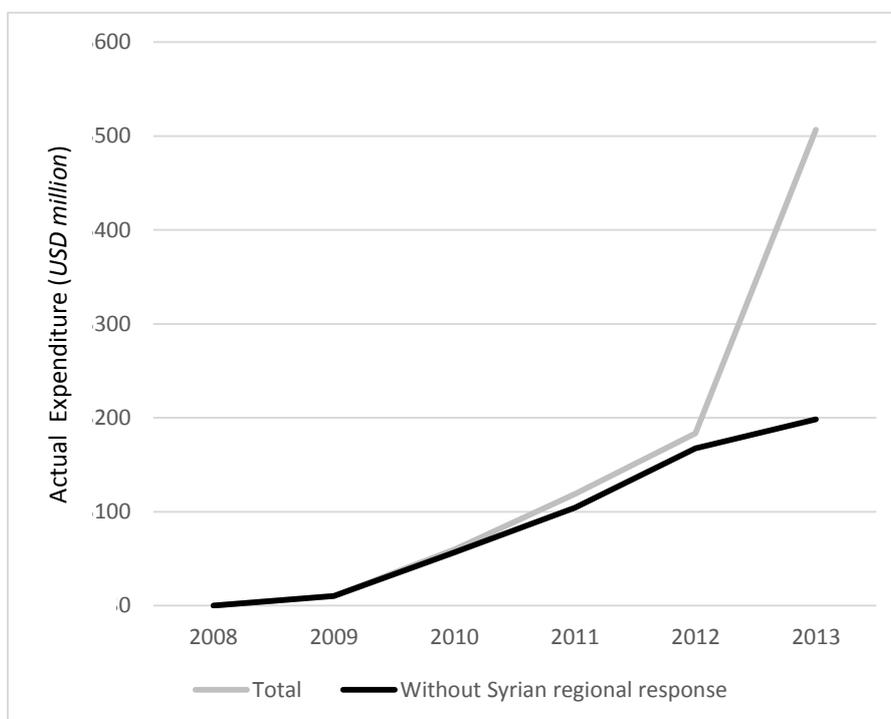
12. The C&V policy, guidance and tools sought to expand the project modalities available to WFP to better meet beneficiary needs and context requirements. According to the policy document and key informants, the policy was intended to initiate a change process, and was to be accompanied by capacity development to enable WFP to use C&V for greater effectiveness and efficiency and to match the trends in the international aid community.
13. Documentation review and stakeholder validation revealed the C&V policy's theory of change, with this policy goal: "The use of C&V allows WFP to respond more flexibly and appropriately to identified needs in context-specific situations." Intended outcomes included:
 - empowerment of beneficiaries to make choices and prioritize needs;
 - greater integration into national social protection schemes;
 - increased responsiveness and flexibility to context-specific needs;
 - increased school attendance, and attendance in health programmes and improved nutritional status;
 - enhanced capacity of people to manage risks; and
 - improved livelihoods and income-generation.

Policy Quality

14. Policy quality was assessed based on comparison of the theory of change and C&V directives, guidance and tools (see Figure 2) against similar guidelines from external humanitarian organizations, internal relevance and consistency, clarity of focus on beneficiary needs and reflection of partner interests.

15. The evaluation found that WFP's normative system for C&V was developed earlier and is more comprehensive than that of programmes at its comparator organizations; the system has supported WFP's use of C&V. WFP is the only organization studied with a formal C&V policy.
16. The policy's initial relevance was high, and it served to establish a basis for authorizing C&V within WFP's mandate. However, the policy itself did not include concrete objectives, priorities and actions aligned to a theory of change, and more closely resembled a policy discussion paper. While policy standards and practice are not defined within WFP, review of other policies shows that many do include clear results frameworks identifying expected outcomes for beneficiaries. Subsequent directives, guidance and tools remain relevant but need to be disseminated systematically and updated continuously.
17. The policy identifies potential benefits from greater flexibility and appropriate response to beneficiary needs, including gender-specific and protection-specific considerations, but uses equivocal language to describe outcomes. Subsequent directives, guidance and tools were not found to provide sufficient assurance that project design would result in the suggested benefits. Draft updates to the 2009 C&V manual include much greater detail on designing C&V interventions in ways that address gender and protection needs, but this update is not yet finalized.
18. The ongoing relevance of the policy framework is reflected in the growth of C&V use in WFP projects. While the Syrian regional response accounts for a significant portion of recent growth of C&V use – 61 percent of total C&V spending in 2013 – even without those operations the overall growth is significant: 1,819 percent from 2009 to 2013, as shown in Figure 4.

Figure 4: Growth in C&V projects (USD million)



Source: WINGS

19. WFP does not have a system to ensure effective dissemination of, and coherence among, policies. In the case of C&V policy and guidance, dissemination was fragmented, inconsistent and sub-optimal. Survey findings, case studies and interviews confirmed that

dissemination efforts have not resulted in high utilization of key policy implementation guidance and tools, except from the Cash and Vouchers Manual from 2009 and the Joint Directive on Operations and Finance Procedures for C&V from 2013 (Table 1).

2009 – Accounting procedures	43
2009 – Cash and vouchers manual	73
2011 – Operations Management Department directive – cash and voucher programming	61
2012 – Cash for Change initiative – distribution models	61
2012 – Omega value cost effectiveness tool	31
2013 – Toolkit for logistics in cash and vouchers	27
2013 – Joint directive on operations and finance procedures for C&V	76
None of the above	4

Source: Evaluation survey

20. The policy envisioned only in part the significant changes that implementing C&V would make to the nature of WFP partnerships. Financial service providers and retailers play a critical role in delivering these transfers, and the role of cooperating partners is shifting from delivery of assistance to more limited involvement in registration and monitoring. The implications of these new partnership arrangements have not been fully considered in C&V guidance and tools to date.

Policy Results

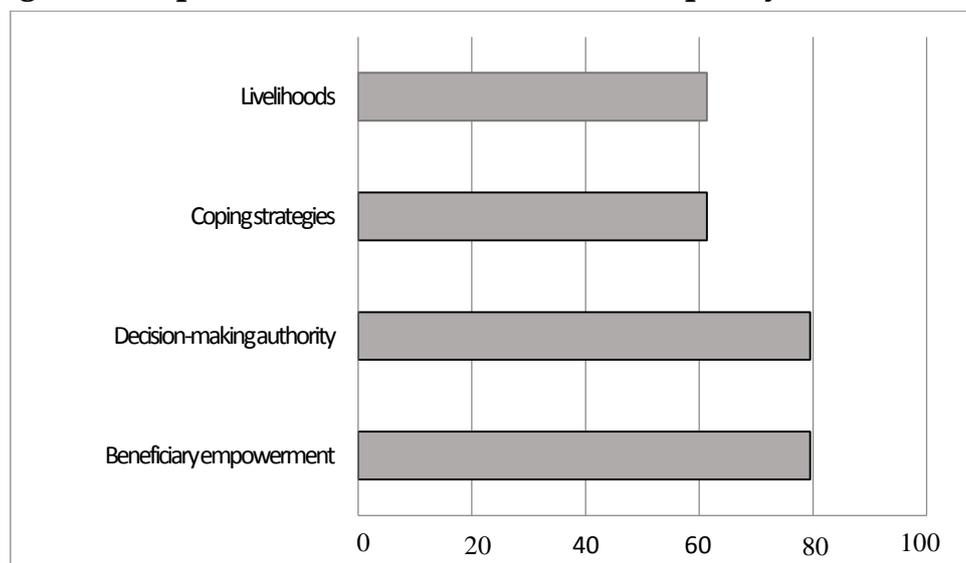
21. The results of the policy were assessed for effectiveness and efficiency in achieving results.

⇒ *Effectiveness*

22. The effectiveness of WFP's efforts to achieve the operational and institutional results envisioned by the policy was assessed based on: i) alignment with national priorities; ii) monitoring and measurement of results; iii) degree of achievement of intended outcomes; iv) implications for beneficiaries; v) adequacy of organizational capacity development; and vi) adequacy of partnerships.
23. *Alignment with national priorities.* WFP involves governments in C&V projects and is broadly but passively aligned with national social protection systems. Case studies showed that WFP is generally aware of national social protection systems but has not often worked to ensure complementarity or integration, due to different objectives, targeting, transfer value and duration. There is little evidence of hand-over or sustainable capacity development due to the short-term design of WFP projects.
24. *Monitoring and measurement of results.* Country offices monitor and report on corporate outcomes, but the data is not disaggregated by transfer modality or activity. As many WFP projects combine a number of activities and/or modalities, it is not possible to isolate the results of C&V transfers from those produced by in-kind food transfers or other activities. Significant data is collected on C&V projects, but it is inconsistent and it is not utilized or analysed in any systematic way.

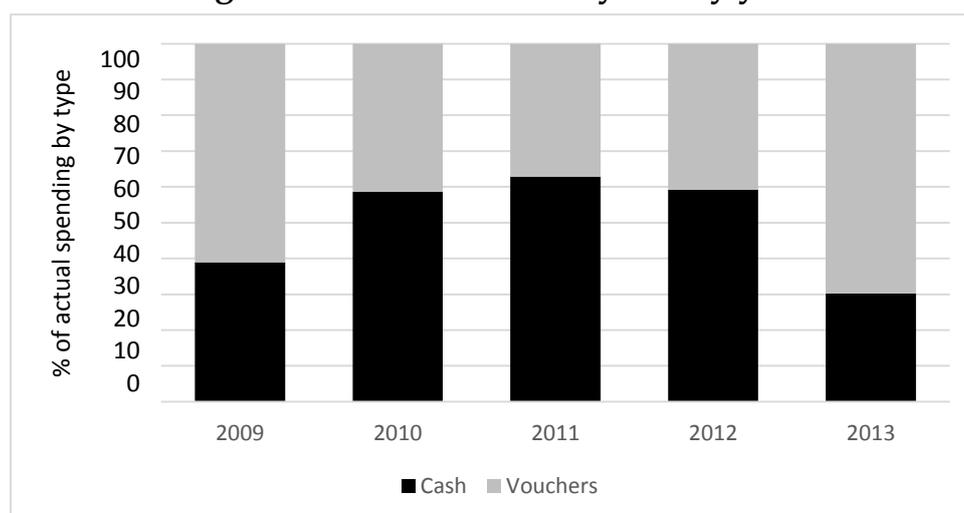
25. C&V gender and protection implications are not measured consistently, and positive implications cannot be proven based on the systems in place. Interviews and observations showed protection implications to be linked to project design and context rather than transfer modality. Gender implications are only monitored at a very basic level – for example, whether women receive or use a transfer – and no effective mechanisms for monitoring burdens, violence and social status were found.
26. *Achievement of intended outcomes.* To a large degree, C&V projects achieve outcomes included in the Strategic Results Framework, but the outcomes stated in the policy are not monitored because they have not been linked to the corporate monitoring system. The policy's outcomes may in fact be unrealistic, as they are limited by project design issues such as limited transfer values, short project duration and lack of linkages to complementary assistance. Furthermore, the degree of conditionality applied by WFP, linked to its focus on food assistance, can limit gains in beneficiary livelihoods, choice and empowerment. Figure 5 shows country office responses regarding achievement of intended policy outcomes; yet because monitoring focuses on food security, there is a lack of evidence on achievement of the policy's broader intended outcomes.

Figure 5: Reported achievement of foreseen policy outcomes (%)



Source: Evaluation survey

27. *Implications for beneficiaries.* C&V policy outcomes related to nutritional status and gender were found to depend more on elements of programme design – such as the diversity and nutritional value of the food basket and monitoring of women's status in households – than on the use of C&V as opposed to in-kind food transfers. Other policy outcomes were found to depend more on the specific distribution model chosen and the related degree of conditionality. Empowerment of food-insecure people to make choices and prioritize their needs is less likely with conditional transfers than with unconditional cash, and indeed a recent series of International Food Policy Research Institute (IFPRI) impact evaluations found that beneficiaries were most satisfied with cash. However, many key informants noted a WFP leadership preference for the use of conditional vouchers, and Figure 6 suggests a recent decline in the use of cash compared with vouchers.

Figure 6: Transfer modality use by year

Source: WINGS

28. *Capacity development.* WFP has built significant internal process capacity but human resource capacities lag behind – especially skills in market and economic analysis, financial systems and information management. Formal training and competency development systems have not yet been provided, although a corporate C&V training platform is under development. Despite skill gaps, the evaluation found no systematic efforts to recruit external expertise for C&V, although some country offices have done so on an ad hoc basis.
29. *Partnerships with cooperating partners.* Partnerships with cooperating partners have been adapted successfully for the most part, but global corporate partnerships have not proven effective, and implementing arrangements with financial service providers and retailers/shops remain challenging for WFP. WFP staff frequently cited the global corporate partnership with MasterCard as ineffective due to a lack of clarity on the value proposition, roles, responsibilities and methods of engagement. A mid-2014 memorandum from the Executive Director seeks to address these issues by outlining rules of engagement for this partnership.

Efficiency

30. In alignment with the theory of change and policy directives/guidance, the evaluation assessed efficiency in terms of: i) business processes; ii) measurement of efficiency; iii) beneficiary transaction costs; iv) project flexibility; and v) timeliness.
31. *Business processes.* Business processes and guidance have had mixed effects on efficiency, with some bottlenecks that caused significant delays; however, with experience, country offices became more efficient in implementing C&V. Sixty-eight percent of country offices reported that projects involving C&V started later than planned due to a mix of process delays and funding constraints.
32. The processing of service-provider and partner agreements was found to cause significant delays in the current business processes; delays of up to six months were cited for getting contracts in place with financial service providers. This was attributed to capacity in Headquarters units that review and approve these agreements, as well as process design and guidance that has not kept pace with the rapid evolution of WFP C&V programming.

33. *Measurement of efficiency.* Cost efficiency and cost effectiveness have not been measured systematically for C&V, although the recent IFPRI impact evaluations show that cash and vouchers are more cost efficient than in-kind food. The lack of systematic cost-efficiency and cost-effectiveness measurement undermines the credibility of the C&V business process concerning transfer modality selection, and places WFP at a disadvantage when analysing operational performance trends and making the case for donor support.
34. *Ex-post* cost-efficiency measures (Alpha value⁵) required of all WFP projects did not distinguish between transfer modalities until 2014. New procedures will distinguish between C&V versus in-kind, but will not isolate cash versus vouchers, despite their inherently different cost structures.
35. An *ex-ante* cost-effectiveness measure (Omega value⁶) has been designed within WFP to assess comparative modality costs in relation to nutrient value score. However, its complexity and reliance on a wide range of assumptions was critiqued by country office staff. Thirty-four percent of country offices stated they had no evidence of C&V ex-ante cost effectiveness and 40 percent cited no evidence or major gaps in ex-poste cost effectiveness in survey responses.
36. *Transaction costs for beneficiaries.* Transaction costs for beneficiaries have not been measured and analysed systematically, but anecdotal evidence suggests that C&V modalities do not inherently reduce these costs for beneficiaries. This is confirmed by the IFPRI evaluations. Beneficiaries may incur greater transaction costs, especially in terms of transportation costs, due to the need to travel to registration points, retailers or financial service providers. Thirty-seven percent of country offices surveyed stated they have collected little or no evidence of reduced transaction costs.
37. *Project flexibility.* Fifty-nine percent of country office survey respondents stated that the ability to use C&V transfers has improved the appropriateness and flexibility of their programmes. The policy envisions switching among modalities based on changing circumstances. However, evaluation case studies showed only one project that shifted modalities during a project cycle based on seasonal availability of food in markets. Country offices noted that switching modalities as circumstances change is difficult due to funding and planning constraints. Twenty-one percent of country offices stated that they never reassessed modality appropriateness during implementation.
38. *Timeliness.* The timeliness benefits of C&V were mixed, depending on context and business-process efficiency. Furthermore, interviews with key informants showed that it is not clear to many country offices whether advance funding mechanisms can be used for C&V as they can for in-kind assistance, which means they are missing opportunities to reduce delays. Recent efforts by Headquarters and a few regional bureaux to establish expedited emergency approvals and agreements have the potential to speed implementation.

⁵ Alpha value: Measures cost efficiency by comparing local market price to in-kind cost of a particular commodity.

⁶ Omega value: Measures cost effectiveness of different food baskets delivered through different transfer modalities by assessing the full cost of delivering a specific nutrient value using a certain modality or combination of modalities and comparing it with other options.

Explanatory Factors

39. Factors affecting policy implementation and results were assessed through consideration of internal and external factors.

⇒ *Internal factors*

40. Organizational capacity for implementation of C&V has improved, but the lack of authority of the Cash for Change Service to make decisions affecting other units and the absence of an effective oversight of the change process have hampered further improvements. While the unit has largely succeeded in producing C&V process guidance, it has not been in a position to resolve bottlenecks in the business process.

41. The lack of a competency-development platform, and variable methods of staffing C&V functions, may impede C&V implementation in the future. Current corporate approaches to learning and knowledge management allow for inconsistent methods, despite WFP's significant and growing experience in C&V.

42. Corporate leadership support for C&V has grown, and informal targets for shifting WFP towards greater use of C&V have motivated change. However, WFP's history and structure continue to challenge the change endeavour as the business processes were designed around existing department and functional structures – a fact that has contributed to buy-in, but has resulted in a perceived slowness of some units to adapt to increased demand, including for example: the new retailer assessment and selection role of the Logistics Division, the financial sector assessment and selection role of the Finance and Treasury Division, and the increased number of contracts to be reviewed by the Legal Office.

⇒ *External factors*

43. The external enabling environment for C&V has improved, and WFP has mobilized increasing resources for C&V activities. However, implementation is hindered by donors who oppose their use, funding constraints and lack of advance funding mechanisms for C&V. Increased enabling support for C&V has been accompanied by increased competition. WFP may be at a disadvantage in the future if it is not able to track C&V costs and effects precisely and demonstrate comparable cost effectiveness and efficiency.

44. Donor positions have played an important role in shaping WFP's approach and practice with C&V. Challenges in obtaining long-term predictable funding affect C&V projects, especially where long-term outcomes are sought. Divergent positions and attitudes among key donors regarding conditionality in relation to WFP's mandate to provide food assistance also pose challenges for country offices. A lack of solid evidence on outcomes and perceived drawbacks makes it more difficult for WFP to discuss these questions with donors.

CONCLUSIONS

45. The C&V policy identified significant positive effects of introducing C&V more broadly within WFP programmes and sought to increase WFP's flexibility to respond appropriately to context-specific needs. This evaluation has demonstrated that WFP's implementation of the policy has led to progress towards this broad goal.

46. The policy was effective in authorizing C&V use to better meet context-specific needs. However, systems for disseminating and communicating policy and guidance are not sufficient to fully support the change management needs envisioned by the policy. Primary needs for the future relate to focus on implementation capacity and tools rather than policy documents.

47. Measuring the linkages between inputs, activities, outputs and outcomes, and demonstrating cost efficiency by modality, are critical for WFP's competitiveness. Yet, gaps in monitoring and financial systems currently limit WFP's ability to analyse and report on C&V effectiveness and cost efficiency. These limitations similarly constrain WFP's ability to measure the relative effectiveness of each modality in development, protracted relief and emergency contexts.
48. Some of the intended policy outcomes are unrealistic given WFP's project design and degree of conditionality, both of which are linked to its food assistance mandate. Short duration, low transfer value and more conditional transfers limit achievement of outcomes related to improved livelihoods, better coping strategies, increased decision-making authority, increased choice and beneficiary empowerment.
49. The changes envisioned by the policy were initially hampered by the lack of both an implementation plan and assigned cross-functional leadership, but the development of the Cash for Change Service in 2010 has improved implementation. While institutional process capacity has increased significantly, gaps in human resources and specific functional capacities remain. Traditional WFP partners have adapted to working with C&V, though new global corporate partnerships have not yet proven effective in supporting country offices with C&V implementation. WFP's implementing arrangements with financial service providers and retailers/shops continue to pose challenges that require more support from Headquarters, based on learning from various country experiences.
50. Significant investments in the development of tools and guidance, leadership support and overarching organizational change initiatives have supported the use of C&V. However, gaps remain, including: effective, high-level leadership of the complicated change management initiative for C&V alongside other major change initiatives, and resolution of problems and removal of bottlenecks in business processes.
51. Expected efficiency gains were partly achieved, in areas such as process efficiency, transaction costs for beneficiaries, project flexibility and timeliness. The lack of systematically collected data limited the analysis, but the survey and key informant interviews show that lack of clarity on the use of advance funding mechanisms and bottlenecks in the business process cause significant delays. Anecdotal evidence suggests that transaction costs for beneficiaries are not necessarily reduced. Flexibility in modality choice has of course increased, but only one project was found to actually shift between modalities depending on availability of food in markets. Timeliness improvements were mixed depending on context and business-process efficiency, but efforts to establish C&V emergency readiness may speed future implementation during crises.
52. Cost efficiency and cost effectiveness of WFP's use of C&V has not been measured effectively. WFP may be at a disadvantage in the future if it is not able to track cash or voucher costs and effects precisely, and to demonstrate cost effectiveness and cost efficiency.
53. The external enabling environment has improved, but conflicting donor positions on the use of C&V and conditionality pose significant challenges to WFP. The combination of differing levels and consequences of conditionality and absence of evidence on outcomes by modality carry implications for WFP's competitiveness in an external environment characterized by rapid innovation and use of unconditional transfers.

RECOMMENDATIONS

Issue		Rationale	Recommendation	Actions and timeframe	Proposed Responsibility
1	Policy	The evaluation concluded that updating the 2008 C&V policy itself is not in WFP's best interests. Risks in updating the policy include a distraction from focus on capacity development and implementation, when directives and guidance can meet needs. The outcome of a policy update is uncertain given differences in viewpoints on conditionality and WFP's mandate. A new policy that could remain equally ambiguous would not address the weaknesses in the current policy.	Do not update the 2008 C&V policy at this time.		Executive Board and Office of the Executive Director (OED)
2	Guidance and communication	WFP staff appreciate and use key C&V directives, guidance and tools, but cite the need for more timely updates and better tools to help them design and implement C&V interventions.	Continue to invest in the C&V policy framework – directives, guidance and tools – with emphasis on communicating practical implementation guidance that clarifies expected outcomes, indicators and benchmarks. This frames C&V within the shift to food assistance, and continuously builds on internal and external lessons learned.	<p>Urgently complete and release the update to the 2009 C&V manual – immediate.</p> <p>Clarify the expected corporate C&V results framework and outcomes –1 year.</p> <p>Systematically disseminate C&V policy and guidance – 3-4 months.</p> <p>Disseminate clear summary of relevant policy/procedures to partners – 6–8 months.</p> <p>Add financial service provider and retailer negotiation guidance to the C&V manual and trainings – 6–8 months.</p> <p>Ensure more active sharing and participation in community of practice – 6 months to 1 year.</p>	Policy, Programme and Innovation Division (OSZ), Procurement Division (OSP) and Finance and Treasury Division (RMF)





Issue		Rationale	Recommendation	Actions and timeframe	Proposed Responsibility
3	Mainstream C&V in WFP policy and business processes	C&V increasingly represent viable modalities in WFP operations: choosing activities and modalities should always require the same type and level of analysis, even in situations where in-kind food assistance has been the default response.	Update other sectoral and thematic policies to incorporate C&V lessons and reframe business processes to equalize requirements for all modalities.	<p>Integrate C&V lessons into other policies – as policies are revised.</p> <p>Clarify meaning of change to “food assistance” and disseminate to staff – 1–2 years.</p> <p>Reframe C&V business processes as “food assistance modality” processes, requiring the same rigorous analysis as for in-kind food assistance – 6 months to 1 year.</p> <p>Compile lessons on shifting between modalities; adjust process and guidance to support this option – 1–2 years.</p>	OED, OSZ and Logistics Division (OSL)
4	Leadership and change management	Cross-divisional and cross-unit collaboration requires dedicated leadership with the responsibility and authority to lead change processes, monitor progress and resolve bottlenecks stemming from issues related to capacity, resources or institutional culture.	Identify and empower clear change and matrix management leadership for C&V in order to plan and monitor capacity development, resolve bottlenecks and prioritize change processes.	<p>Assign responsibilities and accountability at Headquarters, regional bureau and country office levels to lead C&V change processes and matrix management structures – immediate.</p> <p>Establish timeliness, standards and processes for monitoring and resolving bottlenecks – 3–6 months.</p> <p>Ensure better management of policy coherence and change prioritization – 6 months to 1 year.</p>	OED and OSZ
5	Capacity development	Furthering the growth and quality of WFP’s use of C&V modalities requires dedicated investments to ensure that it has adequate skills, knowledge and resources.	Invest in strategic institutional and personnel capacity development to sustain and increase gains in C&V capabilities.	<p>Develop and disseminate an action plan for key C&V capacity development actions required over the next 1–2 years – immediate.</p> <p>Invest in human resources competency development and recruitment to ensure needed skills and experience are available – immediate and ongoing.</p> <p>Allocate adequate budgetary resources and develop capacity of functional units based on finalized C&V roles and requirements – 6 months to 1 year);</p> <p>Adjust organization structures to match strategy at Headquarters and country offices to better reflect future food assistance approaches – 1–2 years.</p> <p>Adjust funding, skills and approach to support national capacity development and social protection, if deemed feasible for WFP – 2–3 years.</p>	OSZ, Human Resources Division (HRM), DED/COO and OED



Issue		Rationale	Recommendation	Actions and timeframe	Proposed Responsibility
6	Funding mechanisms	WFP's emergency response capabilities have long been strengthened by advance funding mechanisms for in-kind food assistance. As C&V become increasingly viable modalities for emergency response, similar advance funding mechanisms can ensure WFP remains timely and effective in meeting the needs of emergency-affected populations.	Establish an advance funding mechanism for C&V operations – or clarify the eligibility of C&V projects to access current mechanisms – to enable rapid response and bridge gaps in funding to prevent interruption of critical assistance.	Develop a concept note outlining the scope and parameters of a C&V advance funding mechanism – 6 months to 1 year. Identify donors willing to contribute to a revolving fund for C&V emergency response – 1–2 years. Develop and disseminate procedures and guidance governing use of the fund and ways country offices can access it – 1–2 years.	Resource Management and Accountability Department (RM)
7	Measurement	Systematic monitoring of C&V performance and learning from experience requires a more robust WFP-wide accountability framework to enable continuous improvement over time. WFP may be at a disadvantage in the future if it is not able to precisely track C&V costs and effects and demonstrate cost effectiveness and cost efficiency.	Develop robust monitoring and evaluation and financial accounting platforms to systematically track C&V-specific costs, inputs, outputs, outcomes and implications within a framework that facilitates comparison among all modalities over time, across countries and across project/activity types.	Develop required indicators, analysis, reporting and evaluation – 1 year. Build evidence to clarify and strengthen position regarding conditionality in relation to food assistance mandate – immediate start, then continuous. Develop country-level partnerships with academic and research institutions to augment capacity for monitoring and evaluation as well as market analysis – 1 year to ongoing. Determine ways to systematically measure the comparative effects of different modalities on gender and protection dynamics – 1 year to ongoing. Systematically measure transaction costs and adjust project design to offset costs – 6 months to ongoing. Separate financial tracking of cash versus vouchers and require ex-post analysis of cost effectiveness and cost efficiency – 6 months to 1 year.	Performance Management and Monitoring Division (RMP) and OSZ
8	Tools and approach	As use of WFP's C&V modality grows in terms of projects and numbers of people reached, more advanced tools and systems are required to support effective and efficient implementation of projects.	Further develop WFP's critical C&V tools and supporting systems to better enable effective and efficient project implementation.	Develop strategy, guidance and capacity for establishing financial service provider and shop arrangements – 6 months to 1 year. Invest in knowledge and data management systems, including System for Cash Operations (SCOpe) roll-out – immediate start, then continuous. Complete development of emergency standard operating procedures and pre-agreements in high-risk countries – 1-2 years.	OSP, OSZ, Information Technology Division, Emergency Preparedness Division (OME), OSL and RMF

Issue		Rationale	Recommendation	Actions and timeframe	Proposed Responsibility
9	Partnerships	WFP depends on its network of partners to deliver food assistance effectively, but it needs to better engage traditional and new partners and determine the best complementary approaches to achieve significant impact, potentially including a role for WFP as a service provider to others.	Enhance current partnership approaches and develop new partnerships to support WFP's implementation of the 2008 C&V policy.	<p>Reassess cooperating partner selection criteria related to C&V projects and encourage openness to non-traditional partners – 1 year to ongoing.</p> <p>Identify ways to better include cooperating partners and other partners in project design stage – 1 year to ongoing.</p> <p>Closely monitor WFP's new experiences in countries where it is providing a C&V platform to other actors, and develop a clear corporate strategy and plans to guide service-provider roles and agreements –1–2 years.</p> <p>Review the relative value proposition for current and prospective corporate sector partnerships – 1 year.</p> <p>Work with cooperating partners to better design projects to address gender and protection concerns, with monitoring and adjustment mechanisms – 6 months and then ongoing.</p>	OSZ, Private Sector Partnerships Division and NGO Partnerships Office



ACRONYMS USED IN THE DOCUMENT

C&V	cash and voucher(s)
CaLP	Cash Learning Partnership
DG ECHO	Directorate-General for Humanitarian Aid and Civil Protection
IFPRI	International Food Policy Research Institute
NGO	non-governmental organization
OSL	Logistics Division
OSP	Procurement Division
OSZ	Policy, Programme and Innovation Division
RMF	Finance and Treasury Division
SCOpe	System for Cash Operations
VAM	vulnerability analysis and mapping
WINGS	WFP Information Network and Global System