

LESSON 13:

SELECT APPROPRIATE PROGRAMME MODALITIES

Cash programming is effective – and communities often prefer it – but it needs to be adaptive to local contexts.

Cash transfers have proven consistently effective in improving food security, nutrition and dietary diversity and reducing reliance on negative coping strategies. Evidence shows that cash is more efficient than in-kind aid and that digital delivery mechanisms can further improve efficiency. Programme participants overwhelmingly prefer cash to in-kind food due to its flexibility and dignity. If livelihoods fail, households lose income and purchasing power while markets still function, so CVA can restore access to markets and services – although success depends on setting transfer values that keep pace with inflation. Cash can also be used to support livelihood diversification. Transfers that are too small risk failing to sustain food-security improvements. Cash can be used to complement livelihood support, job opportunities or skills training to contribute towards resilience. Crisis modifiers and budget buffers can help to ensure cash is timely, effectively implemented and linked to development and social protection.

Drought responses often coincide with sharp rises in staple food prices and a decline in livestock prices (if the health of livestock cannot be maintained), eroding household purchasing power and worsening malnutrition. Humanitarian actors should monitor and improve how food markets operate, including by introducing regulatory frameworks and supply-side interventions to support market-recovery processes. Inflation can erode the value of cash benefits, which may require flexibility in transfer values, supply-side interventions or mixing or switching modalities accordingly until supply recovers and inflation reduces. When deploying cash at scale, assess foreign-exchange dynamics, although the risk is lower with smaller volumes of cash transfer, for example below typical remittance levels. Experiences in Somalia and Syria show that pegging cash values to the US dollar and budgeting buffers allow for timely adjustments. Donors should maintain flexibility to shift between cash, vouchers and in-kind assistance depending on changing contexts.

Recipients often share the food and cash they have received beyond the target individuals, reducing their effectiveness in covering household food needs (although expanding coverage and supporting social capital). Accounting for this predictable

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behaviour can help ensure rations or transfer values are sufficient to meet minimum nutritional requirements.

Other modalities that support future preparedness or risk reduction can also be considered, such as climate-resilient seed promotion, cropping advisories and fodder banks for livestock.

RECOMMENDATIONS

- Humanitarian and development actors should base modality selection on context-specific analysis of markets, services, security and household priorities and review modality choices as conditions evolve.
- Humanitarian actors should use CVA where markets are functioning and access is feasible.
- Where markets are weak or inflationary, humanitarian actors should put in place strong market monitoring, and ensure transfer values can be adjusted. Integrating cash with service-delivery programming (health, education and WASH) and protection can help to mitigate risks of harm and exclusion.
- Humanitarian actors should ensure digital and financial delivery mechanisms are accessible, safe and aligned with data-protection and accountability standards, and should undertake regular risk analysis – including of privacy and power risks – particularly where regimes are repressive or systems favour communities already connected to aid actors.
- Cash suits mobile households and improved conditions in target areas can attract new arrivals. Humanitarian actors should anticipate movement and manage distributions through mobile money and delivery plans that are portable and sensitive to mobility.
- Humanitarian actors should ensure that modality choices support inclusion and accessibility for women, older people, persons with disabilities and mobile populations.
- Persons with disabilities frequently face extra costs, such as expenses for transportation, medicine, healthcare and maintenance of assistive devices. These should be considered when setting amounts to meet their basic needs.