Operational Guidance and Toolkit for Multipurpose Cash Grants
INTRODUCTION

What, why, and for whom this toolkit exists

There is significant scope for increasing the use of multipurpose cash-based interventions in humanitarian responses. In appropriate contexts, this approach ensures better “value for money” by lowering transaction costs; it allows beneficiaries a wider and more dignified choice of assistance, based on their preferences; and it empowers vulnerable groups. It can be a vital contribution to making affected people the prime agents of response. Furthermore, multipurpose cash-based interventions support local markets and can enhance communities’ economic recovery, preparedness and resilience; and in certain cases complement existing social protection systems.¹

Multipurpose Cash Grants (MPGs) are unrestricted² cash transfers that “place beneficiary choice and prioritisation of his/her needs at the forefront of the response”.³

MPGs recognise that people affected by crisis are not passive recipients of aid who categorise their needs by sector. Any provision of direct assistance (whether cash, voucher or in-kind) is a form of income for aid recipients, who must make difficult decisions to prioritise various and changing needs over time. Assistance that is less fungible risks being sold or converted to meet other, more pressing needs. When people are not able to meet priority needs, they engage in negative coping mechanisms to increase their income or reduce their expenditures, such as taking on dangerous or illegal work or taking children out of school.

Currently, MPGs are the only aid modality designed to offer people affected by crisis a maximum degree of flexibility, dignity and efficiency commensurate with their diverse needs.⁴ For these reasons, MPGs can also contribute to more successful sector-specific interventions, enabling crisis-affected persons to utilise in-kind goods and access services as they were intended in addition to receiving cash assistance for basic needs.

Like other cash-based interventions, the MPG approach recognises that people affected by crisis do not cease to be economic actors who are constantly interacting with local markets for goods and services. As such, MPGs encourage humanitarian actors to better understand the local economy and market dynamics in a holistic way, whether the program objective is to meet sector-specific needs or a range of needs that may differ from family to family.

MPGs can be used regardless of context — urban and rural, rapid and slow onset, chronic and acute crises, and even natural and complex disasters. What is essential is a context-specific Situation and Response Analysis that prioritises a thorough assessment of the appropriateness and feasibility of different humanitarian interventions, including in-kind and other cash-based responses. As such, MPGs can be used alone or alongside other sector-specific interventions, even enhancing the latter’s effectiveness. Indeed, as part of the World Humanitarian Summit, a high-level panel of experts suggested:

“... make cash central to future emergency response planning. Moving to a coordinated system of cash transfers is an opportunity for broader reform of the humanitarian system, so that aid providers of the future can work in a more complementary way to maximise their impact.”⁵

As people use cash to meet a multitude of humanitarian needs, multipurpose cash assistance therefore requires a multi-sector and often inter-agency approach to assessments, analysis, programme design and implementation. There is a gap in inter-

¹ ECHO (2015).
² “Unrestricted” denotes that the cash is not restricted to certain types of expenditures or vendors (sector-specific). “Unconditional” refers to the fact that beneficiaries do not need to meet conditions (attend a training, produce receipts, etc.) to receive cash; only be eligible based on vulnerability criteria. MPGs can be conditional or unconditional (CaLP 2015).
³ Ibid.
agencies resources to deal with multipurpose cash, and a need for operational guidance beyond agency- or sector-specific tools.

This operational guidance and toolkit brings together worldwide expertise on cash-based interventions (CBIs). It provides comprehensive and practical guidance for humanitarian actors to assess the feasibility, conceptualise the design and structure the implementation of MPGs. The guidance focuses on MPGs whose primary objective is to meet basic needs as defined by affected people themselves, International Humanitarian and Human Rights Law and Sphere Standards. However, the nature of MPGs means they can be easily “topped” up for time-bound and specific needs that can be met by cash, e.g. school supplies or seasonal livelihoods activities.

As MPGs present both opportunities and risks from a protection and “Do No Harm” perspective, protection features prominently in the guidance and toolkit. However, many of the “protection flags” that appear in each section are not specific to MPGs but applicable to all forms of assistance, both in-kind and cash-based.

Finally, the toolkit assumes a basic knowledge of CBIs and does not repeat what is better described elsewhere, such as assessment of financial services for the delivery of cash assistance. Rather it adds value by focusing on what is new to humanitarians as we increasingly experiment with this type of cash assistance. As such, this document should be reviewed periodically for updates. For the most recent information on MPGs and information on CBIs in general, readers should visit the Cash Learning Partnership website.

Acknowledgements

This toolkit – and indeed all the outputs of the Enhanced Response Capacity (ERC) Grant (2014–2015) focusing on operationalising the Multipurpose Grant and increasing the evidence base and capacity to reflect protection concerns in CBIs – are greatly indebted to the European Commission’s Humanitarian Aid and Civil Protection (ECHO) department.

Key partners in this grant, and significant contributors to this toolkit, are the Cash Learning Partnership (CaLP), the Danish Refugee Council, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Oxfam GB, Save the Children UK, World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR). ERC partners, both headquarters- and country-based, have provided extremely valuable comments, and have included Cash Working Groups and agencies working with MPGs in Nepal, Iraq, Democratic Republic of Congo, Lebanon, Jordan, and Ukraine. These agencies include Action Contre La Faim, International Rescue Committee, Mercy Corps, Norwegian Refugee Council, UNICEF, Women’s Refugee Commission (WRC), the E-transfer learning network (ELAN) and a host of independent, committed consultants who are supporting agencies worldwide.

To these people and organisations we are grateful.

Disclaimer: This document has been produced with the financial assistance of the European Union. The views expressed herein should not be taken, in any way, to reflect the official opinion of the European Union, which is not responsible for any use that may be made of the information it contains.
**FIGURE 1: MPG Toolkit Framework**

- **Response Design and Plan**
  - Part 1
  - Part 3
  - Part 3; 3.1
  - Part 3; 3.2
  - Part 3; 3.3

- **Situation & Response Analysis**
  - Part 1
  - Part 1; 1.1
  - Part 1; 1.2
  - Part 1; 1.3

- **Needs Assessment**
  - Part 1

- **Programme Implementation**
  - Part 4
  - Part 5

- **Operational Feasibility**
  - Part 5

- **Grant Design**
  - Part 2

- **Preparedness (Part 4) and Coordination (Part 5)**

- **What is the specific objective**
- **How will cash needs change over time and space?**
- **What can people make up on their own**
- **What other assistance is being provided**
- **Do we have the capacity to do our part**
- **What does the government think**
- **What are the protection-related risks and benefits**
- **Can we deliver cash. Who/how**
- **How much (quantities and cost)**
- **Can it be acquired locally by paying for it**
- **Who needs what**
- **What is the impact of the crisis**
- **How will we phase out**
- **How will we work with government**
- **To whom will we give it**
- **How much will we give**
- **How and what will we monitor**

**INTRODUCTION**
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Clicking on any of the blue links will take you to a web page. The text in the table of contents, above, is linked to its respective page. At any point in the document, please click on the in the top left hand corner and this will take you straight back to the contents page.
How this toolkit is structured

The assumption of this toolkit is that the emergency is happening or has just happened. Therefore important references to Preparedness are found at the end of the toolkit.

Each section is standalone and begins with a landing site that describes the main topic and links the reader to other related topics in the toolkit, e.g. a quick Market Situation Analysis done at the Needs Assessment stage in the first few days after an emergency is then followed up by a Multi-Sector Market Assessment a few days or weeks later.

The introduction to each section is followed by an Essential Checklist. The checklists are not exhaustive, but provide short and discrete guidance on essential steps to consider when deciding whether MPGs are an appropriate and feasible cash modality. Additionally, they offer guidance on designing and implementing harmonised MPGs.

The toolkit is also interspersed with examples of MPGs used in recent emergencies and some lessons learned to date (see boxes). Red Flags (✓) highlight the potential protection benefits and risks of MPGs. Exclamation points (!) indicate short cuts that can be taken when time is of the essence, and more in-depth analysis can happen later when lives are not at stake.

This toolkit does not replicate what already exists but seeks to add value to existing guidance and tools. Therefore there is a Resources list at the end of each section. We strongly recommend visiting the CaLP website for more information.

While creating the toolkit, partner agencies developed detailed guidance on such topics as Multi-Sector Market Assessments, Protection Risks and Benefits Analysis, Inter-Agency Standard Operating Procedures, and Common Delivery Mechanisms. We’ve taken the bare minimum for the toolkit, but the detailed versions are referenced here and provided in the Annex; these are also found on the CaLP website, specifically on the MPG thematic page.

Acronyms

CaLP  Cash Learning Partnership
CBI  Cash-based intervention
CTP  Cash transfer programming
CWG  Cash working group
DRC  Danish Refugee Council
ECHO  European Commission’s Humanitarian Aid and Civil Protection Department
EMMA  Emergency Market Mapping and Assessment
FSP  Financial Services Provider
MEB  Minimum Expenditure Basket
MIFIRA  Markets Information and Food Insecurity Response Analysis
MIRA  Multi-sector Initial Rapid Assessment
M4P  Making Markets Work for the Poor
MPG  Multipurpose Cash Grant
MPT  Multipurpose Cash Transfer
MSMA  Multi-sectoral Market Assessment
NARE  Needs Assessment for Refugees in Emergencies
NGO  Non-governmental Organisation
PMSD  Participatory Market Systems Development
PCMMA  Pre-Crisis Market Mapping and Assessment
RAM  Rapid Assessment for Markets
SRA  Situation and Response Analysis
SSN  Social Safety Nets
UNHCR  United Nations High Commission for Refugees
VA  Vulnerability Analysis
WFP  World Food Programme
IFRC  International Federation of Red Cross and Red Crescent Societies
Glossary

Cash-based intervention (CBI) and cash transfer programming (CTP) can be used interchangeably: CBI or CTP refers to all programmes where cash (or vouchers for goods or services) is directly provided to beneficiaries.

Delivery mechanism: The means of delivering a cash or voucher transfer (e.g. smart card, mobile money transfers, cash in envelopes etc.).

E-transfer: A digital transfer of money or vouchers from the implementing agency to a programme participant. E-transfers provide access to cash, goods and/or services through mobile devices, electronic vouchers, or cards (e.g. prepaid, ATM, credit or debit cards).

Financial service provider (FSP): An entity that provides financial services, which may include e-transfer services. Depending upon the context, FSPs may include e-voucher companies, financial institutions (such as banks and microfinance institutions) or mobile network operators.

Gap Analysis: The process of calculating a gap in household and/or individual needs. Calculated as: gap in needs = total need – (needs met by affected population + needs met by other actors).

Marketplace Analysis: A more “rapid” analysis which seeks to identify whether and how a physical marketplace can supply or deliver the goods/services that will be in demand. It focuses on the consumer end of the market chain.

Market Systems Analysis: Uses a systems approach to map out all the social, political, economic, cultural and physical factors affecting how a market operates.

Minimum Expenditure Basket (MEB): Defined as what a household requires in order to meet basic needs – on a regular or seasonal basis – and its average cost over time. Basic needs are defined by affected households themselves, International Humanitarian Law and Sphere Standards. The MPG will contribute to meeting the MEB, but can also include other one-off/recovery needs.

Modality: Form of transfer (cash, vouchers, in-kind or combination).

Multipurpose Cash Grant (MPG) and Multipurpose Cash Transfer (MPT) can be used interchangeably: MPG or MPTs are defined as a cash transfer (either regular or one-off) corresponding to the amount of money a household needs to cover, fully or partially, a set of basic and/or recovery needs. MPG or MPTs are by definition unrestricted cash transfers. The MPG will contribute to meeting the MEB, but can also include other one-off/recovery needs.

Multi-sector cash-based interventions: A coordinated approach to cash (and voucher) transfers, whereby a range of sector needs would be addressed through CBIs by different organisations, possibly using one delivery mechanism but otherwise managing their programme in the traditional way, and usually with some eligibility conditions or use of restrictions to ensure sector-specific objectives are met (e.g. sector-specific definition of eligibility, transfer modality and value, monitoring, indicators, etc.).

Response Analysis (RA) or Response Analysis Framework (RAF): This is the link between Situational Analysis (broadly speaking, Needs Assessment and other contextual information) and programme design. RA or RAF involves the selection of programme response options, modalities and target groups; it should be informed by considerations of appropriateness and feasibility, and should simultaneously address needs while analysing and minimising potential harmful side-effects.6

Safety nets or social safety nets (SSN): Safety assistance or “safety nets” are non-contributory transfer programmes targeted to the poor or vulnerable.

Sector-specific cash transfer: This refers to a CBI intervention designed to achieve sector-specific objectives. Sector-specific cash transfers can be restricted or unrestricted.

Situational Analysis: An overview of available secondary data and early primary data such as initial Needs Assessment and other contextual information.

(Un)Conditional cash transfer: Conditionality is defined as having to fulfil some condition in order to receive aid. Although there are many types of conditionality, the most common involve both conditionality on outcomes, e.g. achieving certain standards of education or health, and conditionality on process, e.g. participating in a programme of rehabilitation.

6 Adapted from Maxwell et al (2013), Response analysis and response choice in food security crises: a roadmap, ODI HPN.
to be eligible for assistance. This may be attending training, doing some work or providing receipts of previous expenditures in order to receive a second transfer. MPGs can be conditional or unconditional.

(Un)Restricted cash transfer: Restriction is defined as pertaining to the utilisation of a transfer. Unrestricted transfers can be used as the recipient chooses. MPGs are unrestricted by design.

Willingness to pay: This is an estimate of future expenditure requirements made up of historic costs, and what people would be willing to pay given a set amount of “cash” at their disposal. Used to contribute to the design of the MEB.
PART 1

Situation and Response Analysis

Deciding if Multipurpose Cash Grants (MPGs) are an appropriate and feasible humanitarian response option.

Photo: G. Amarasinghe / UNHCR
What It Is

A Situation and Response Analysis (SRA) is the link between Situational Analysis (broadly speaking, Needs Assessment and other contextual information) and Response Design. The SRA is used to determine humanitarian objectives, response options (provision of goods and services, capacity building, advocacy, etc.) and the modality (providing access to goods and services through cash, voucher or directly through in-kind interventions). The SRA is guided by considerations of context-specific appropriateness and feasibility, analysing and minimising potential harmful — and maximising potential positive — side-effects of any humanitarian intervention. Finally, the SRA also contributes to defining the target group based on understanding general and sector-specific vulnerabilities where the underlying cause is socio-economic.

SRA is often used for sector-specific objectives, e.g. the best way to meet food, shelter or non-food item needs. Increasingly SRA is used in water and sanitation, and should be used equally in health, education and other humanitarian interventions. In this toolkit, the SRA is structured to allow use across sectors. The starting point focuses on what goods and services people need, and if they are able to acquire their needs through purchase. Through multi-faceted analysis, the SRA leads to the decision as to whether multi-sector needs can be met with one cash grant — a multipurpose grant — alone or in combination with other sector-specific interventions.

In this toolkit, the SRA is divided into Needs Assessment and Operational Feasibility, consistent with approaches being promoted elsewhere. The Needs Assessment stage includes an initial look at people’s use of markets and general market functionality, done in week one after an emergency. This is followed by a more detailed look at specific goods and services markets as part of Operational Feasibility. The SRA includes Vulnerability Analysis (Part 1.1), i.e. who is likely to benefit most from an MPG. It also includes prioritisation and quantification of people’s needs from an economic or market perspective, often called the Minimum Expenditure Basket (Part 1.2) — ultimately informing the MPG Transfer Design, which is described in Part 2.

Principles of the SRA:

- **Collaborate across sectors and agencies** for needs and capacities assessments, vulnerability and markets assessments. Inter-cluster or inter-sector coordination is a good place to centralise analysis, identify gaps and duplications in information collection, and draw out conclusions or inconsistencies in information.

- **Be pragmatic.** While SRA will aid understanding of households’ priority needs, their likely use of a cash transfer and how this translates to demand for goods and services, these are often based on imperfect assumptions. A “good enough” approach is recommended to ensure rapid and effective response.

- **Iterate.** As the crisis evolves, more information will become available, and assumptions can be verified. If necessary, change the response modality, transfer rate or targeting criteria, or introduce complementary programmes as required.

RESOURCES

See the detailed Multi-Sector Situation and Response Analysis developed for this toolkit.

- **The Humanitarian Programme Cycle** (IASC)
- **A Situation and Response Analysis Framework for Slow Onset Emergencies** (Save the Children UK, Oxfam and Concern)
- **Guidelines for Cash-Based Interventions in Displacement Settings** (UNHCR)
- **Cash in Emergencies Toolkit** (IFRC)
- **Cash and Voucher Manual** (WFP)
- **A Response Analysis Framework for food and nutrition security interventions** (FAO)
- **Response analysis and response choice in food security crisis: a road map** (Maxwell et al)
OPERATIONAL GUIDANCE AND TOOLKIT FOR MULTIPURPOSE CASH GRANTS

NEEDS, CAPACITIES, and RISKS ASSESSMENT

What It Is
The first step of an emergency response is the Needs, Capacities and Risks Assessment. Increasingly, Needs Assessments are providing the information necessary to inform a Response Analysis which includes the possibility of MPGs. Specifically, Needs Assessments are:

- To provide an understanding of the most pressing needs of affected populations, the most affected areas and most affected groups.9
- To understand the physical disruption (and capacity) of markets and infrastructure to supply essential goods and services.10

Essential Checklist
Review pre-crisis information on needs and capacities, if available. Specifically, consider prevalent risks and vulnerabilities, e.g. marginalised groups such as the Bantu in Somalia; access to and reliance on markets and services, e.g. source of shelter materials and malaria treatment; access to and utilisation of financial services, e.g. banks, hawalas, microfinance, mobile money services, etc; existing cash-based safety programmes, specifically those that are government-run.

Conduct Needs, Capacities and Risks Assessment. Consider the impact of the crisis on pre-existing and new needs and capacities. The results of both sector-specific and multi-sector Needs Assessment are relevant.

Ask crisis-affected people if they can buy what they need. What would they buy if they could, e.g. food, water, shelter materials, medicines? What would they prioritise?

Ask crisis-affected people about their access to markets and services. Can they get what they need locally? Are there some people/groups who will struggle to access markets? Ask for their ideas on solutions to access and supply-related problems.

Ask crisis-affected people their preferences for assistance. Would they prefer direct distribution/delivery of goods and services, or cash enabling them to purchase what they need? Why one and not another?

Combine sector-specific needs from the household or community perspective. Disaggregate by group, season, geography, livelihood, age group, etc. For example, drought-affected displaced persons in Mogadishu, Somalia will need food, shelter, drinking water, access to medical care. Somali pastoralists will need food, water, fodder and access to veterinary care. The agro-pastoral Bantu people will need this plus seed prior to the rainy season.

Distinguish between recurrent and one-off needs. For example, food will need to be provided weekly or monthly, whereas shelter materials can be provided through a one-off distribution.

Distinguish between goods and services that can be purchased locally or that require direct delivery and/or complementary support. For example, malaria nets can be purchased, but source control or water management will require education, community organisation, technical assistance and tools. Water for household consumption can be purchased, but companies will need support to repair trucks and boreholes. People can pay for transport, but roads will need to be repaired.

Group those needs that can potentially be met through a cash transfer at household level. Recurrent needs are included in the Minimum Expenditure Basket (MEB), all or a portion of which can be covered by the MPG. If other one-off, sector-specific needs can be met through cash, these can also be included in the MPG transfer value when appropriate, e.g. September grant for school supplies.

Clarify who will benefit most from an increase in purchasing power or MPG. Vulnerability (and Gap) Analysis will describe the depth and scope of socio-economic vulnerability and who is most likely to be affected.

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9 MIRA, p.2
10 MIRA, p.4
Based on the initial findings of the Needs Assessment, define a broad strategic objective for humanitarian assistance that includes the potential for MPGs. Some recent examples include:

- **Nigeria** (2014) – Deliver coordinated and integrated life-saving assistance to people affected by emergencies;
- **Iraq** (2015) – Maintain targeted life-saving support and provide essential service packages to people dependent on humanitarian assistance because of the crisis;
- **Haiti** (2014) – Ensure basic services, protection and durable solutions for internally displaced persons (IDPs).

**Do No Harm/Do More Good**

- Talk to crisis-affected persons and protection colleagues about protection needs, self-protection or positive coping mechanisms that should be considered in the MEB or as a one-off need, e.g. paying for legal documents or birth certificates.
- Flag any root causes of protection issues that are socio-economic, which might be positively (or negatively) affected by an increase in purchasing power or a cash grant, e.g. a reduction in child labour.

**RESOURCES**

- **MIRA** Guidance: Crisis Impact: 1. Scope and scale of the crisis, 2. Conditions of affected population (IASC)
- **NARE** Checklist: Needs Assessment and Gaps Analysis (UNHCR)
- **Sector- or Cluster-specific** Needs Assessment guidance and tools (various)
- **48-hour assessment tool** for food security and livelihoods (CARE)
- **Humanitarian Perceived Needs Scale**: a manual with scale (WHO)
- **Guide for Protection in CBIs** (UNHCR), p.8
- **Community-based protection and participatory action research** as Needs Assessment (L2GP)
Needs Assessment: Market Situation Analysis

What It Is

Remember that Needs, Capacities and Risks Assessments are increasingly looking at how crisis affects markets and infrastructure in terms of the provision of essential goods and services (Box 2). This “quick look” at markets does not replace the more in-depth assessment required to finalise the MPG design. Rather it will provide you with:

- The “types” of markets for goods and services which cannot be considered for cash assistance.
- An overview of which markets are functioning sufficiently well at this point in time.
- A selection of markets which will need further assessment and analysis.
- Mapping of key market-information sources.

Essential Checklist

Look at markets for goods and services before the crisis. Was there a vibrant market system of goods and services? Were they easily accessible and did people use them regularly? Were goods-markets well integrated, meaning that prices fluctuated normally according to season, and prices and supply were more or less similar across the affected area?

Describe how the crisis has affected markets for goods and services. Are shops and businesses open and functioning? Can they meet demand? If not, why not? Was essential infrastructure (roads, ports, warehouses, marketplaces) affected by the crisis? Since the crisis, can people easily access markets for goods and services?

Predict the supply of essential goods and services in the coming weeks. Look at interventions by government and other humanitarian agencies that might positively or negatively affect supply chains. Are there other predictable events that will affect supply, e.g. fuel price increases, seasonal access, etc.?

Identify additional allies and interventions that can have a quick and important impact on market recovery. Allies might include government and private sector. Interventions might include complementary market-support activities such as infrastructure rehabilitation, policy interventions such as subsidies, or grants/loans to traders that will help markets get back on their feet.

Identify additional market analysis needed to inform the design of CBIs, not least an MPG. Is there uncertainty about specific goods and services markets? Decide which ones need to be looked at from a marketplace or market systems perspective (Box 1).

BOX 1. MARKETPLACES AND MARKET SYSTEMS

Marketplace Analysis is more rapid and seeks to identify whether and how a marketplace can supply or deliver the goods/services that will be in demand. It focuses on the consumer end of the market chain. Can people find what they want in the right quantities and qualities?

Market Systems Analysis uses a systems approach to rapidly map out some of the key social, political, economic, cultural and physical factors affecting how a market operates. It is used when there is uncertainty about supply and when supply chains are complicated, such as for rental markets or water trucking. Can suppliers provide what people need in the right quantities and qualities?
Do No Harm/Do More Good

- Different people interact differently with markets. Use an age, gender and diversity lens.
- Analyse security risks for beneficiaries en route to/from and at the market.
- Are there certain times of the year when the market(s) become more difficult to access? Why? Which households/individuals are most affected?
- Analyse restrictions on movement, including who is affected and how their movement is restricted.
- Analyse market systems related to protection, e.g. alternative care, health, legal services, transport, education, birth registration. Consider whether supply can meet demand in those markets.

RESOURCES

**Pre-crisis market performance:** Pre-Crisis Market Mapping and Analysis, WFP Market Assessments, Logistics Capacity Assessments, Economist Intelligence Unit, government and private sources of market information, e.g. Chamber of Commerce

**Crisis market assessment tools:** Minimum Requirements for Market Analysis in Emergencies (CaLP), EMMA guidelines and Rapid Market Assessment (RAM) (IFRC)

**Supply chain, global market monitors for specific commodities:** e.g. FEWSNET, WFP and FAO

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**BOX 2. MARKET QUESTIONS IN THE MULTI-SECTOR INITIAL RAPID ASSESSMENT (MIRA)**

**Drivers of crisis:**
What secondary effects occurred as a result of primary effects, e.g. fires ignited as a result of earthquakes, disruption of electrical power and water services as a result of an earthquake damaging power plants, flooding caused by a landslide into a lake or river, population displacements, crop failure or market disruption?

**Conditions, status and risks:**
How has the crisis affected the population’s access to, availability and use of basic services and goods?

What is the degree of access to markets, health services and safe water? What is the availability of staple food and non-food items in local markets?

**Response capacity:**
What are the existing response capacities of national/sub-national, community, private sector, non-governmental and government entities, markets and financial service providers, etc.? Are there alternatives to the direct provision of assistance, e.g. financial service providers? Is the provided assistance having negative consequences (e.g. price inflation, markets’ ability to recover)?

**Humanitarian access:**
Have restrictions on affected populations’ access to services, markets and assistance been observed? How many affected people are unable to access markets or assistance, in total and per group? Are specific population groups unable to access assistance?
Operational Feasibility

What It Is

The second step of an emergency response is an assessment of the Operational Feasibility for different response options. Operational Feasibility as defined in the Multi-sector Initial Rapid Assessment (MIRA) considers national and local capacities and response, and international capacity, access, security, etc. In this toolkit, we add to this a more detailed market analysis, a risks and benefits analysis from an accountability perspective (to affected populations and to donors), the assessment of cash delivery services, and the role of humanitarian agencies and government.

There is a plethora of guidance on Operational Feasibility assessments for CBIs which will not be repeated here, as MPG feasibility assessments are identical. Rather what follows is an essential one page checklist. More detailed guidance on what is specific to MPGs follows in Part 1.3. Multi-Sector Market Assessment – as most existing market assessment tools are sector-specific – and Part 1.4 Protection Risk and Benefits Analysis. The latter is important, as the flexible nature of MPGs can bring benefits and risks that other types of assistance may not.

Essential Checklist

Take a closer look at markets for the needed goods and services. Which specific goods and services can be reliably met locally and which cannot? Can markets and local services meet total demand, including from non-beneficiaries? If not, are there quick wins that increase the capacity of local actors to supply what is needed? See detailed guidance in Part 1.3 Multi-Sector Market Assessment.

What options are there for delivering money, safely and reliably? How do people normally access money? How have financial services been affected by the crisis?

What are the protection-related risks and benefits? Can risks be mitigated through programme design? Do the latter outweigh the former? Clearly document how the choice of modality (cash, voucher, direct delivery or in-kind) and delivery mechanism reflects identified protection risks and benefits. See the detailed section on Protection Risk and Benefits Analysis.

What is the humanitarian community’s capacity to deliver CBIs? Are there agencies already delivering cash? Can these be scaled up? Do they have the necessary experience, human resources including leadership, technical and support staff, systems such as financial tracking, beneficiary information management, monitoring?

What is the government’s opinion of CBIs? Does it have its own cash-based safety net? What opportunities are there for piggy-backing on existing cash-based safety net programmes? What advocacy needs are there to demonstrate the likely benefits to the local economy and efficiencies gained with CBIs?

Involving national and local government in the Response Analysis (and programme design) can contribute to the acceptability of any CBI, including MPGs.

Are MPGs likely to be a cost-efficient and -effective means of meeting multiple humanitarian needs? Is it cost-efficient to deliver MPGs, considering the coverage and costs of financial service providers, security, and other expenses, particularly when compared to in-kind goods and services? Might the provision of MPGs reduce the resale of in-kind assistance or facilitate access to services, and otherwise increase the effectiveness of humanitarian aid?
RESOURCES

General Operational Feasibility: Cash and Market Standard Operating Procedures (Oxfam), Guidelines for Cash-Based Interventions in Displacement Settings (UNHCR), Cash and Voucher Manual (WFP), Cash in Emergencies Toolkit (IFRC)

Delivering cash – Financial Service Providers:
E-transfers in Emergencies: Implementation Support Guidelines (CaLP)

Delivering cash programmes – Humanitarian Agencies: CBI Organisational Capacity Assessment Toolkit (CaLP) and Cash Competency Development Framework (Avenir Analytics)

Cost-Effectiveness Analysis: Value for Money (VfM) guidance (DFID)

Cash Advocacy Tools: Making the case for cash: A field guide to advocacy for cash transfer programming and 10 Common Principles for Multipurpose Cash-Based Assistance to Respond to Humanitarian Needs (ECHO)

Risks and Benefits Analysis: Guide to Protection in CBIs: Protection Risk and Benefit Analysis Tool (ERC/CaLP)

The following sections take a closer look at selected essential steps of the SRA. These include:

- Part 1.1: Vulnerability Analysis from a crisis-specific socio-economic perspective
- Part 1.2: The Minimum Expenditure Basket: Quantifying recurrent needs for goods and services in a Minimum Expenditure Basket.
- Part 1.3: Multi-Sector Market Assessment: Of the needed goods and services, what can be purchased locally, at what price?
- Part 1.4: Protection Risk and Benefits Analysis

Background note on Risks and Humanitarian Cash Transfer Programming (ODI), Risk Analysis in WFP’s Cash and Voucher Guidelines, p.39 and Risk and Benefits Analysis in UNHCR’s CBI Guidelines
Part 1.1 Vulnerability Analysis from a crisis-specific socio-economic perspective

Who needs a cash grant? The concept of socio-economic vulnerability in humanitarian crisis.

What It Is

Vulnerability Analysis (VA) identifies who cannot meet their needs and why. In the context of cash-based interventions, VA includes developing a basic understanding of economic insecurity. Understanding socio-economic vulnerability, its nature, scope, depth and causes, will inform:

- The appropriateness of a cash transfer to meet multi-sectoral needs.
- Gaps Analysis and the MPG transfer value.
- Targeting criteria and strategies.
- Complementary programming.

Put simply, where lack of economic access is not a cause of vulnerability, cash transfers will not be an effective response option.

Essential Checklist

Define vulnerability in relation to need, in this case, economic vulnerability. A few examples from recent emergencies are provided here:

- Destitute refugees who are unable to meet their basic needs (Iraq).
- Refugees with poor financial resources who are not able to meet their basic needs (Lebanon).
- The vulnerable who are unable to meet basic needs and have limited economic access to basic services (Jordan).

This does not mean that providing cash will automatically reduce or eliminate all vulnerabilities. Vulnerabilities are often multi-faceted, hence the importance of problem and causal analysis.

Look at economic vulnerability from the perspective of multi-sector outcomes. Use VA to identify where lack of economic resources contributes to multiple problems, e.g. poor food security, shelter, health, education or protection outcomes. This can lead to a combination of socio-economic and sector-specific indicators for targeting of MPGs and complementary assistance, e.g. the families of school-age children not attending school due to poor socio-economic status (see Box 3 for an example).

One opportunity inherent in providing MPGs is that households and individuals will naturally use cash in a multi-sectoral way – to pay rent, buy medicine, pay for transport to markets or employment, buy fresh food, etc.

Remember, agencies who want to achieve sector-specific outcomes may use different vulnerability frameworks. If an MPG has multi-sectoral goals, work together from the beginning to find commonalities and reconcile differences, otherwise there is a risk of undertaking VA in such a way that it does not reflect the concerns of different agencies and sectors.

VA and identification of vulnerable groups should be context-specific and evidence-based, and not based on assumptions about vulnerability, e.g. all elderly widowed females are vulnerable to socio-economic deprivation.

Triangulate different methods and analyses, including community validation of results. Validation by communities is a key principle of VA (and targeting). While the degree of community participation will depend on the context, as far as possible agencies should validate the entire process with communities, and should include their perceptions of socio-economic vulnerability and who is vulnerable (see Table 1).

Describe breadth and depth of socio-economic vulnerability. This will help inform targeting strategies that either aim to spread a smaller benefit to more people or a larger benefit to fewer people.

11 Another term often used is “livelihood insecurity”.

12 UNHCR and WFP (2015) Lessons learned from the targeting of cash and food assistance in the Syria Crisis, Key Sharp.


### TABLE 1. Methods for vulnerability analysis

<table>
<thead>
<tr>
<th>Method</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community consultation:</td>
<td>Good for testing assumptions about vulnerability, can identify marginalised</td>
<td>The marginalised may be excluded from the process if not careful. Communities</td>
</tr>
<tr>
<td>The community is asked what their</td>
<td>groups that are culture- or context-specific, can result in greater         may not know each other, e.g. in urban or displacement crisis.</td>
<td></td>
</tr>
<tr>
<td>perceptions of poverty are and who</td>
<td>community ownership and therefore buy-in to results. Is less costly, and is</td>
<td></td>
</tr>
<tr>
<td>is most likely to be poor.</td>
<td>timelier.</td>
<td></td>
</tr>
<tr>
<td>Expert consultation or “Delphi”:</td>
<td>Can draw on the use of standardised indicators that have been tested and</td>
<td>Experts may rely on assumptions that have not been validated for a particular</td>
</tr>
<tr>
<td>Gathering data from experts in their</td>
<td>validated, e.g. household hunger index, crowding index, access to at least 20</td>
<td>context. As economic vulnerability is a relatively new concept, there may be a</td>
</tr>
<tr>
<td>area of expertise, e.g. food security,</td>
<td>litres of water per day. Can increase buy-in for multi-stakeholder users of</td>
<td>lack of understanding of what causes certain vulnerabilities and the role of</td>
</tr>
<tr>
<td>health, shelter, protection, etc.</td>
<td>result, e.g. targeting MPGs.</td>
<td>cash, e.g. protection abuses.</td>
</tr>
<tr>
<td>Household surveys and statistics:</td>
<td>Can be very rigorous and accurate, reducing inclusion and exclusion errors.</td>
<td>Requires significant amounts of data, time and expertise, all of which are</td>
</tr>
<tr>
<td>Sample surveys using household</td>
<td>Tests assumptions. Can use existing household data and add value to that</td>
<td>usually under-estimated. Highly dependent on the relevance and quality of the</td>
</tr>
<tr>
<td>questionnaires with descriptive and</td>
<td>data through its use in VA, e.g. Multi-Sector Needs Assessment data. Tests</td>
<td>data. Unless validated by affected population, lack of participation may result</td>
</tr>
<tr>
<td>analytical statistics.</td>
<td>a wide range of potential indicators and discards those that do not show a</td>
<td>in lack of acceptance of results.</td>
</tr>
<tr>
<td></td>
<td>relationship with the preferred outcome.</td>
<td></td>
</tr>
</tbody>
</table>


If using proxy indicators for vulnerability, they should be easy to describe and use. Use SMART indicators (specific, measurable, relevant, verifiable, etc.). Proxy indicators (and subsequently criteria) should be tested and validated either qualitatively or quantitatively to establish their degree of association with the desired outcome, e.g. adequate consumption of a minimum basket of needs (food, shelter, water, health, education, etc.) or the reduction in negative coping mechanisms that increase protection risks.

Descriptive indicators can be socio-economic (e.g. income, expenditure, assets, employment), socio-demographic including status-based (e.g. IDPs or single-headed households), or behavioural, physiological or other outcome-based indicators (e.g. not attending school, malnourished or homeless). In the latter case, the relationship between the problem and cause should be explicit, e.g. vulnerable families with moderately malnourished children as a result of an inability to purchase food in adequate quantity and quality.

**A good proxy indicator for socio-economic vulnerability is income or expenditure analysis.** When compared to thresholds such as the cost of the Minimum Expenditure Basket (MEB), minimum wage or poverty line, below-threshold earning or spending relative to need, can indicate high vulnerability. Expenditure analysis is used in sector-specific VAs, e.g. percent expenditure on food, and offers opportunities

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13 A proxy is an indirect measure or sign that approximates or represents a phenomenon (in this case economic vulnerability) in the absence of a direct measure or sign.


for convergence. Other proxy indicators of economic security include access to goods (assets such as material goods, land and livestock) and services (access to adequate water, where water supply is not a limiting factor).

**VA should acknowledge that no proxy indicator is perfect.** Recognise the potential for error when using indicators and try to mitigate it. This can be done through the combination of different methods of analysis and indicators, e.g. socio-demographic AND socio-economic, or through the process of targeting itself (see Part 3.1 Targeting).

### Do No Harm/Do More Good

- Engage a cross-section of the affected community, e.g. women and girls, people with disabilities and religious minorities, and the host population (if applicable) to inform VA.

- Discuss the differences and overlaps between specific needs, protection risks and economic vulnerability with communities and with protection colleagues. Socio-economic vulnerability, particularly when combined with marginalisation, may contribute to protection risks, such as the recruitment of boys into armed groups or early marriage for girls.

- People with specific protection risks should always be identified and assessed, as should the root cause of their risk. If MPGs are not appropriate or relevant for them, they should be referred to other assistance.

- Ensure protection colleagues understand socio-economic vulnerability criteria and can broadly explain this to households requesting assistance, to avoid misunderstandings and inappropriate referrals.

- Ensure that VA is continuous and can accommodate missed visits and ongoing referrals from protection actors.

### EVERY MINUTE COUNTS!

| Socio-economic vulnerability at its most basic is the gap between a high cost of living (expenditures) and the ability to earn enough income, i.e. households with increased numbers of dependents. |

#### BOX 3. WELFARE AND POVERTY AMONG SYRIAN REFUGEES IN LEBANON AND JORDAN

Socio-economic analysis is common in development settings to target safety nets programmes. Common approaches include proxy-means-test or testing the statistical relationship between easily observable or verifiable-indicators and more complicated indicators such as expenditures or income. Exploiting the significant amounts of data available from Syrian refugees in Jordan and Lebanon, UNHCR and the World Bank identified that the while income and expenditures could be accurately predicted by looking at a household’s size and living conditions. Other indicators included dependency ratios, migration and settlement patterns, and assets. The results can then be used to determine eligibility through a score card approach, or even to verify community-based targeting results.

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RESOURCES

Appropriate, Achievable and Acceptable (ODI)

Measuring Poverty: The use of expenditures analysis (World Bank)

Targeting food assistance to the economically vulnerable: see the Comprehensive Food Security and Vulnerability Assessment (CFSVA) guidance (p. 307–310) or the Emergency Food Security Assessment guidance (p.207–208) and CARI Guidance (WFP)

Household economy analysis: The Practitioner’s Guide to the Household Economy Approach, Chapter 4 (Outcome Analysis) (FEG/Save the Children)

Targeting Food Assistance in Complex Emergencies Programme Guidance Notes (WFP/Tufts)

Vulnerability and Capacity Assessment tools (IFRC)

Participatory Assessment Tools for Emergency Situations (Mercy Corps)

CERTI PLA Rapid Assessment Procedures for IDPs and Refugees

Participatory Vulnerability and Capacity Assessment (Oxfam)

Guide for Protection in CBIs (UNHCR) p.8-9

Participatory Vulnerability Analysis (ActionAid)

Participatory Assessment Tool (UNHCR)

On profiling questionnaires: Cash-Based Programming for Out-of-Camp Syrian Refugees in Southern Turkey: An Analysis of DRC’s Profiling Questionnaire and Assessment Methodology (DRC/Tufts)
Part 1.2 The Minimum Expenditure Basket

Quantifying recurrent needs for goods and services in a Minimum Expenditure Basket.

What It Is

The Minimum Expenditure Basket (MEB) is defined as what a household requires in order to meet basic needs – on a regular or seasonal basis – and its average cost. Determining the MEB serves three functions: a) it is a holistic reflection of need as perceived by crisis-affected populations, including those needs that fall outside of traditional sectors, e.g. communication, transport, etc., b) by determining what should be in it, we know which markets for goods and services should be included in Part 1.3 Multi-Sector Market Assessment (households need X, Y and Z, but can they find it locally?) and c) by influencing the design of the MPG transfer value, as it relates to the objectives of the programme and reflects the vulnerability of the target group and Gap Analysis (Part 2).

There are different views on what constitutes an MEB. In non-crisis settings, a country’s poverty line represents its minimum consumption standards of essential goods and services. In a humanitarian crisis, affected populations are the best source of information on what are their minimum expenditures requirements. These should be compared to minimum consumption requirements as defined by international standards such as International Humanitarian and Human Rights Law which protect crisis-affected persons’ right to food, drinking water, soap, clothing, shelter and life-saving medical care.18

Humanitarian Sphere Standards define basic needs as the above plus basic water and sanitation, non-food items, contagious disease prevention and education. Figure 2 provides an example of the MEB for Syrian refugees in Lebanon.

A consensus around what constitutes the MEB can be a foundation for sector-specific interventions, which may use cash and in-kind goods and services to achieve sector-specific objectives (Figure 3). The provision of an MPG that covers all or part of the MEB will enable crisis-affected populations to use in-kind assistance and access services as they were intended.

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18 Article 55 of the Geneva Conventions (food and medical supplies) and Article 69(1) also ensure the provision of clothing, bedding, means of shelter, and other supplies essential to survival (https://www.icrc.org/ihl).
The MEB should not be confused with the MPG transfer value. The MEB is fixed for a given emergency unless there are significant changes in prices or needs. In contrast, the MPG transfer value may change based on the availability (value and coverage) of other humanitarian assistance, such as government interventions, the targeting strategy and criteria (e.g. wider coverage with a reduced grant versus targeted coverage with a bigger grant), or the programme objective (e.g. livelihoods recovery) and any additional cash requirements households may have. See MPG Transfer Design for more detail.

**Essential Checklist**

**Consult and involve stakeholders.** The first stakeholders are affected populations themselves (Box 4). Other stakeholders include humanitarian actors such as clusters/sectors who will contribute to determining what is needed and what can be purchased by crisis-affected persons. The government is also important, not least because it may have its own CBIs in line with minimum consumption standards or poverty thresholds, or have concerns about and insights into the needs of disaster-affected persons and/or the host community in displacement contexts. Other agencies implementing CBIs are also key – to promote a common understanding of the MEB, and to discuss rationale when agencies use different transfer values, which may be justified by differences in programme design, e.g. objective, target group, etc.

It is important to involve government in calculating the MEB, particularly if the MEB goes over the local minimum wage and government is concerned about how the local population unaffected by crisis will perceive this.

**Determine the objectives of the MEB exercise.** Multiple objectives are possible. If determining an MEB to inform the eventual MPG transfer value, then specify for whom, location and duration. Here are some examples:

A To inform the choice of goods and service markets to be assessed in a Multi-Sector Market Assessment.

B To determine the local monthly survival MEB for an average family of five.

C To establish a baseline against which to monitor market prices and cost of living.

**Itemise the goods and services to be included in the MEB** based on the Needs Assessment. For example, in Lebanon (Figure 2):

- Common items in the basic MEB included: food (staples, vegetables, meat/milk, condiments), water, sanitation supplies (hygiene items, personal and household cleaning supplies), healthcare costs not covered through free services (e.g. minimum over-the-counter medical supplies such as
paracetamol), rent, cooking fuel, utilities including energy (electricity/gas), transportation including school transportation, and communications.

- The non-food items were further disaggregated into recurrent costs, e.g. water, soap, etc. and one-off costs, e.g. winter clothes, education supplies.
- The one-off cost of obtaining legal documents and one “critical medical event” (based on the statistic that five percent of the population will have at least one such event in a year) was also included in the basic MEB.

**BOX 4. DETERMINING THE MEB FOR SYRIAN REFUGEES IN EGYPT**

UNHCR, WFP and Save the Children worked together to implement combined cash and food voucher assistance to Syrian refugees in Cairo. The objective was to determine the minimum quantities needed of essential and basic food and non-food items for one month for a Syrian household of five members, and the overall related cost.

The process included a first stage: focus group discussions in community centres to determine essential non-food items, common brands used and minimum quantities necessary for an average family. Participants also discussed average rent, and type and cost of utilities.

In a second stage, market assessments were undertaken in shops normally frequented by Syrians to determine average costs per unit. Shelter and utility costs were assessed through a survey with a sample of refugees and triangulation with private and public sector key informants. WFP carried out a parallel exercise to determine minimum food needs and the value of a food voucher, and to identify shops for potential inclusion in a voucher programme.

**Distinguish between recurrent costs, e.g. food and rent, and one-off but predictable costs, e.g. school supplies, seeds and tools. Households will often use whatever resources they have to meet priority needs, even if it means converting one form of aid to another, e.g. selling food assistance to pay for medicine. Consider top-up grants in the MPG transfer design.**

**Take note of what may change by season or stage in the emergency response (needs, availability of goods and services, AND prices).** Use a crisis calendar (see detailed Multi-Sector Market Assessment).

**Do the Multi-Sector Market Assessment to determine the cost of the MEB.** Plan to do it again if a significant change is anticipated in terms of needs, availability of goods and services, or prices. Decide whether the average cost or the minimum cost will be used in calculations.¹⁹

**Assess the necessity of different MEB values.** National MEB calculations are usually sufficient in an emergency. However, in some contexts there may be big price differences between geographic areas or different livelihood groups, e.g. pastoralists versus agricultural households, etc.

**Ensure that sector-specific recommendations are consistent with the MEB.** Coordination is necessary to ensure that other CBIs, if not included in the MPG, are at least in harmony with the MEB.

**Once determined, communicate the MEB to stakeholders.** Describe how it was determined, and the strategy for monitoring its accuracy and subsequent revision if necessary. It is also important to indicate a contact group if agencies have questions, e.g. Cash Working Group or Inter-Cluster/Sector Coordination Group.

**Often the cost of the MEB for persons affected by disaster is higher than the poverty line or minimum wage of a host population or unaffected population. This presents a potential conflict with the host government or unaffected population. This can be managed through effective communication, variations in the transfer value, use of in-kind and other assistance, etc. However, it should also be recognised that if the transfer value is too low relative to the MEB, this will have an impact on its effectiveness.**

**Have a clear justification of MEB/MPG values even if very little data exists** (Box 5). It is important to cite the data source for calculations (e.g. a country’s

¹⁹ In Lebanon, the MEB used the average cost of goods and services, while the survival MEB (SMEB) was based on the minimum cost.
own minimum consumption and expenditure surveys, food prices from WFP, primary data on non-food item prices from the Cash Working Group, etc.), so others can clearly reconstruct the MEB, follow the logic behind the MPG transfer value, and update both values when needed.

It is okay to start with a “good enough” MEB – in many cases timeliness is more important than accuracy. An MEB based on estimates of the two to three most important expenditures (commonly food, non-food items and shelter) is enough to start a programme. Better estimates can be determined over time with better knowledge of the context and target population.

NO TIME!

! Use focus group discussions and individual interviews to understand what are the essential expenditures in a given emergencies and what is their minimum cost.

! Based on identified priorities, quickly survey what price information is already available and can inform the MEB or act as a “proxy” for other unknown costs (see Box 5).

! Use a country’s existing poverty line or minimum wage.

RESOURCES

Country examples in Ukraine, Lebanon, Jordan, Egypt and Syria. See detailed examples in Annex 3 Standard Operating Procedures: Appendix 1 or Contact UNHCR Cash Section.

WFP Cash and Voucher Guidelines: Transfer Value Calculation, p.43, for determining the food component of the MEB.

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BOX 5. NO TIME TO CALCULATE A PROPER MEB

The NGO Consortium in Ukraine designed an inter-agency MPG as part of a more comprehensive protection intervention. It needed to estimate the MEB to determine and justify the MPG transfer value. There was no time for primary data collection of prices, so agencies did a rough estimation of the MEB using the following:

What are the target groups’ prioritised needs? In Needs Assessments, IDPs in Ukraine mentioned food, rent and health-related costs, e.g. medication.

What secondary price information is available? The Consortium used the WFP food basket to estimate food prices and the Shelter Cluster’s shelter cost survey which included rental prices.

What secondary price data can “stand in” for other costs in the MEB? There was no information on health-related costs. A non-food items price survey conducted by Save the Children became the “proxy cost” for other essential household expenses.

What can people pay themselves? There was no information for the average income or expenditure of vulnerable IDP families. Therefore the national minimum wage stood in for income, though it was considered higher than what IDPs could earn.

Setting the transfer value. Budget constraints and inter-agency agreements meant the agreed transfer value was set at less than 20% of the estimated MEB (even when factoring in WFP food assistance) – an insufficient amount to meet programme objectives. As a result, the Consortium successfully lobbied donors to re-evaluate the transfer value, tasking the Shelter Cluster and Cash Working Group with the work. It is important to emphasise that the NGO Consortium’s MEB was not comprehensive or exhaustive, but rather a starting point for more rigorous inter-agency discussions on the MEB and transfer values, when time eventually permitted.
Part 1.3 Multi-Sector Market Assessment

Of the needed goods and services, what can be purchased locally, at what price? Can supply meet total demand? What depth of analysis is necessary to make a “good enough” decision?

What It Is

The Multi-Sector Market Assessment (MSMA) is a process whereby there is a final determination of what goods and services can be purchased in sufficient and reliable quality and quantity to meet emergency needs – and therefore the cost of which can be included in the MPG transfer. The MSMA will use either a Marketplace or Market Systems Analysis. Market Systems Analysis can also help to identify complementary market interventions to support markets to meet demand or alternatives to CBIs. What follows is a summary of the more detailed MSMA in Annex 1.

Essential Checklist

A quick way to narrow down what to include in the MSMA is to exclude those goods/services that cannot be met through CBIs. These include sector-specific needs that are unlikely to respond to demand caused by an increase in purchasing power, e.g. vaccinations (Table 2), or goods and services that were excluded in the first-glance Market Situation Analysis.

<table>
<thead>
<tr>
<th>TABLE 2. Excluding items from the MSMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets which did not exist or functioned poorly prior to the crisis, or which have specialist suppliers. For example, tents or emergency water storage systems.</td>
</tr>
<tr>
<td>Public or social goods or services which households may not value but which have population-wide or significant household-level impacts, such as education, psychosocial help and vaccination.</td>
</tr>
<tr>
<td>Goods and services for which people might not be Willing to Pay, e.g. common services such as roads or security</td>
</tr>
</tbody>
</table>

Translating needs (and wants) into total demand. Demand and supply sides of markets are important in market analysis, in order to ascertain how well the market system can meet the objective of meeting people’s basic needs in a crisis. The ability of the market to meet demand depends in part on traders’ and/or service providers’ willingness or ability to secure enough supplies to meet this demand, and in part on the traders’/service providers’ ability to absorb the cash they receive for their goods and services and re-stock to continue meeting demand.

In the MSMA we are concerned with total demand:

\[
\text{Total Beneficiary Demand} + \text{Other People’s Demand} + \text{Government/Agency Purchases} = \text{Total Demand}
\]

Or another way to calculate this is:

\[
\text{Total Population} \times \text{Quantity per person/household} + \text{Government/Agency Purchases} = \text{Total Demand}
\]
PART 1 SITUATION AND RESPONSE ANALYSIS

FIGURE 4. Deciding on the Depth of Market Analysis

CaLP’s Minimum requirements for market analysis in emergencies suggests that if total demand increases by more than 25% in urban areas or 10% in rural areas when compared to pre-crisis demand, a Market Systems Analysis may be necessary (Box 1 and Figure 4).

Remember, however, that “need” does not automatically translate into demand. People may choose ultimately NOT to buy/pay for a particular service or good for a wide range of reasons. Sometimes people will substitute one product for another. As long as it meets the price and quality criteria, this is acceptable. This is another reason why market analysis should strive to be “good enough”. It is impossible to predict and account for all factors affecting supply.

For each type of “demand”, develop a critical markets shortlist. This might include staple foods, fresh foods, hygiene items, clothing, rental accommodation, water services, utility services, energy/fuel supplies, etc. See the detailed Annex 1 MSMA for examples.

Decide if Marketplace Analysis is sufficient or Market Systems Analysis is necessary to have a “good enough” understanding of whether supply can meet demand (Figure 4, Table 3 and Box 6).

If security allows, go to the market!

TABLE 3. Deciding between Marketplace and Market Systems Analysis

<table>
<thead>
<tr>
<th>Consider Marketplace Analysis and Monitoring</th>
<th>Select Market System Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short intervention time frame (&lt;3 months)</td>
<td>Longer intervention time frame (&gt;3 months)</td>
</tr>
<tr>
<td>Visible abundance/supply in marketplace</td>
<td>Uncertainty about supply</td>
</tr>
<tr>
<td>Short/local supply chains</td>
<td>Longer/international supplies</td>
</tr>
<tr>
<td>Trader capacity high (finance available, networks exist)</td>
<td>Low trader capacity</td>
</tr>
<tr>
<td>Good information flows in market system</td>
<td>Poor/broken information flows (speculation/rumours)</td>
</tr>
<tr>
<td>Simple market systems: few actors</td>
<td>Complex market systems</td>
</tr>
<tr>
<td>NO significant market problems/breakages/leakages</td>
<td>Income markets/livelihoods support</td>
</tr>
</tbody>
</table>
TABLE 4. Examples of Representative Markets for Goods and Services

<table>
<thead>
<tr>
<th>Critical product or service</th>
<th>Information on demand</th>
<th>Preliminary market information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hygiene products</strong></td>
<td>Includes toothpaste, soap and sanitary products. Usually purchased from market stalls. Household needs = 1 tube + 1 bar + 1 pack per week</td>
<td>Traders source from 5–6 wholesalers who in turn source from national distributors. Most items come from country Z. Main constraining factor will be exchange rates.</td>
</tr>
<tr>
<td><strong>Household goods</strong></td>
<td>One-off purchase per household of 2 buckets, 3 pots, 1 stove, 6 cups/plates/spoons</td>
<td>As with hygiene products but also available through second-hand market.</td>
</tr>
<tr>
<td><strong>Fresh produce</strong></td>
<td>Interchangeable amount of tomatoes/ spinach/ potato/onions; 2kg/household/week</td>
<td>Used to be locally sourced. Potential to reinstate local production in 3 months!</td>
</tr>
<tr>
<td><strong>Rental markets</strong></td>
<td>Medium-term shelter solution (3–6 months). One room per 2–3 people.</td>
<td>New market arising from crisis. To be analysed further.</td>
</tr>
<tr>
<td><strong>Childminding / schooling</strong></td>
<td>Households are saying this would greatly help invest in future and provide “time” for adults to seek employment/work.</td>
<td>Informal services are popping up which some providers charge for and others provide in exchange for in-kind (e.g. part of food ration).</td>
</tr>
</tbody>
</table>

**IF SUPPLY CHAIN OR MARKET SYSTEMS ANALYSIS IS NECESSARY, FOLLOW THESE STEPS**

1. **Identify representative markets** (Table 4). A representative market is when the supply of a single item can represent multiple items, i.e., they have similar demand, supply chains and providers, e.g. the soap supply chain is probably similar to the toothpaste supply chain.

2. **Undertake market mapping exercise** identifying the factors that influence supply. Some general tips on how to carry these out in multi-sector contexts are listed below. This is a growing body of knowledge, so this is not a comprehensive set of tips!

3. **For groups of products (fresh food, household or water and sanitation non-food items)** identify common market services and enabling environment factors affecting different market chains. This will greatly reduce the research work, and also help to establish patterns early on. You can use colour-coding on one “map” to identify services which are specific to any one market or common to more than one market (Figure 5).
FIGURE 5. Market Map Example

Market environment

- Import policy/taxes
- Natural environment & resources
- Transport sector
- Regional and global supplies and prices
- Trade rules & competition policy
- Competition
- Consumer trends
- Gender roles & behaviour
- Social norms and informal networks
- Quality standards & regulations

Market actors

- Producers
- Importers
- Traders
- Processors
- Wholesalers
- Retailers
- Consumers (women and men beneficiaries, other poor, other population)

Market services

- Production
  - Financial management
  - Accreditation
  - Extension
- Procurement
  - Information
  - Quality assurance
- Other services
- Transport
  - Vehicles
  - Fuel
  - Spare parts
- Savings
- Credit
- Insurance
- Finance to retailers etc.
For single sector markets:

- **Food markets**: Price tracking in food markets is fairly well established, and market analysis is becoming more commonplace. Remember to use these existing sources of information to supplement market information. Focus on supply and traders’ capacity to expand staple food markets.20

- **Water markets**: Look out for the “market services” or related products which may be critical or even more important than “water” itself. For instance the “trucking” or transportation system may be the market system to analyse because it is the main determinant of water costs/prices as well as availability.

- **Shelter or housing** consists of many different options and it will be important to understand the relationship between, for example, tented and rental accommodation. They are, strictly speaking, two separate markets – with very different services, inputs and enabling environments — but because people may seek to move from one (tents) to another (rental), and because the quality of housing determines the level of other needs (especially heating/clothing/blankets), it is important to understand the relationships between the market systems.

- **Health and education** services are comprised of multiple, inter-related systems (facilities, personnel, supplies). Some of these are public goods and others depend on markets (medicines and medical supplies, school materials). Break them down to determine if and what market assessment is necessary. Recognise that while these are public goods, we know people will try to fill gaps through “private” means if they have to.

- **Transport markets**: Transport plays a key role in people’s ability to access goods and services and to earn a living. It is vital to understand how transport, or other related commodities such as fuel, may be affected by the crisis. Transport markets also need to be assessed before designing a response that may divert available trucks or cars away from other critical uses.

- **Livelihoods markets** require Market Systems Analysis. Households will prioritise re-establishing their livelihoods early on in a crisis. Livelihood markets include the inputs people need to produce outputs (goods and services) which they then sell, including their labour.21

- Don’t forget that an important “market” that affects consumers and suppliers/service providers is the **financial services** market. Detailed guidance on financial services assessment is found on CaLP.

In some circumstances, crisis-affected people will be prepared to pay for security, particularly where local or international peacekeepers are unable to guarantee safety from violence. This presents a dilemma for humanitarians and donors who don’t want “their” money being used to pay armed groups. Use a community-led protection approach: work with communities to understand who is providing security services, if there are alternatives, or how “services” can be made more accountable. Use participatory monitoring to detect potentially exploitative relationships.

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20 Staple food is a food that is eaten regularly and in such quantities that it meets a large part of calorie needs.

21 M4P or Practical Action.
Systematically looking at how one factor – such as a policy or a financial service – affects different market systems can help achieve scale across sectors. The aim is to identify a few areas of support, and the incentives that will make them work better. Then step back and allow these critical interventions in infrastructure, service and policy to leverage change across multiple market systems!

The outcome is a top-level picture of market systems’ supply or the ability to meet the needs following a crisis a) for a specified period of time, b) at an acceptable price and c) to minimum quality levels.

In addition to a detailed understanding of what can reliably be purchased locally and at what cost, the MSMA identifies:

- Recommendations on complementary supply-side interventions.
- Insurmountable factors negatively affecting market systems (within the time frame of the intervention).
- How in-kind assistance might impact market recovery.
- A list of indicators to monitor a) whether markets are meeting needs, and b) if markets are adversely affected by humanitarian interventions (both cash-based and in-kind).

**Do No Harm/Do More Good**

During the MSMA, remember to analyse access to goods and services from a target populations’ perspective. For example:

- Analyse whether there are obstacles for specific crisis-affected groups, e.g. elderly or disabled people, to access certain services, shops or traders. Consider obstacles such as the need to pay others to pick up and deliver goods.

- Determine whether beneficiaries will be able to reach and return home from the services/markets within daylight hours. If they cannot go on foot, consider if they can afford safe, secure transport or if the cost would need to be included in a transfer.

**Assess the opportunity costs/savings to access the local market and compare with in-kind distributions if appropriate.**

**Remember that traders/service providers are often crisis-affected as well. Their recovery is also essential. They may play an important role in communities, both through the provision of essential goods/services and providing credit, financial services, etc.**

**Watch out for risks to markets such as monopolies, cartels or price fixing.**

**EVERY MINUTE COUNTS!**

- Post-crisis, using focus group discussions and individual interviews, ask what people can easily find in the markets and how much it will cost (See Box 7).

- Ask people how they previously met needs and what has changed. This is a quick way to determine market disruptions.

- In displacement contexts, consult with the host community, particularly where IDPs/refugees do not have sufficient information about markets and prices.
BOX 7. WHEN IS JUST ASKING PEOPLE ENOUGH?\textsuperscript{22}

After the earthquake in Nepal, Danish Church Aid rapidly translated existing IFRC Rapid Assessment of Markets (RAM) questionnaires, previously translated into Nepali, into a smart-phone app to facilitate multi-agency collection of market data to inform cash interventions. It took two and a half weeks to generate enough information to compare between areas. Although most agencies used the RAM tool, there were different views regarding how much market analysis was needed. For example, one agency moved extremely fast after the earthquake to distribute unconditional cash to elderly people in Gorkha district without any formal market assessment data. The distributions were based on beneficiaries’ own reports that what they needed could be obtained on the market, which post-distribution monitoring later substantiated. Other agencies used their own assessment formats, but none implemented the more thorough – but also more time- and labour-intensive – Emergency Market Mapping and Analysis (EMMA) surveys in the first month after the earthquake.

RESOURCES

Detailed Annex 1 \textit{MSMA guidance} developed for this toolkit.

Minimum Requirements for Market Analysis in Emergencies (CaLP)

EMMA guidelines and Emergency Market and Mapping Assessments (EMMA) and Pre-crisis Market Mapping Analysis (PCMMA)

Cash in Emergencies Toolkit (IFRC)

Rapid Assessment of Markets (RAM) (IFRC)

Participatory Market Systems Development (Practical Action)

Market Information and Food Insecurity Response Analysis (MIFIRA)(USAID)

Making Markets Work for the Poor (M4P) (DFID/SDC)

Guide for Protection in Cash-based Interventions, p. 8–9

Philippines Haiyan Response: A multi-sectoral review of the use of market analysis and the design and implementation of CBIs

Development of a Framework for Multipurpose Cash Assistance to Improve Aid Effectiveness in Lebanon: Support to the Market Assessment and Monitoring Component

\textsuperscript{22} HPN, “Hello, money: the impact of technology and e-money in the Nepal earthquake response”, Danish Church Aid, October 2015.
Part 1.4 Protection Risk and Benefits Analysis

What essential protection questions need to be answered to inform the final decision on the appropriateness and feasibility of MPGs?

What It Is

All humanitarian interventions carry risks, even in-kind delivery of goods and services. Cash programming is no exception. Specific areas of risk include:

- Safety and dignity.
- Humanitarian access to crisis-affected populations.
- Crisis-affected populations’ access to aid.
- Data protection and beneficiary privacy.
- Individuals with specific needs or risks.
- Social relations – household and community dynamics.
- Fraud and diversion with protection implications.
- Market impacts with protection implications.

Protection flags (�示) are also integrated into this toolkit in each section.

Essential Checklist

Include affected communities as participants in all phases of the programme cycle. Ensure that crisis-affected populations identify their own protection risks and benefits and self-protection mechanisms. Consider how the programme could be community-led or at least how communities will participate in defining the programme objective, choice of modality (cash or other), targeting criteria, transfer amount, delivery method, identifying potential risks and benefits, risk mitigation and management, and monitoring and evaluation.

Consider whether MPGs will create or exacerbate protection risks or benefits for individuals, households and communities, and to what extent new risks could be mitigated by affected communities themselves, humanitarian agencies and duty-bearers (governments) and/or by complementary programme activities (Box 8). Compare to the risks and benefits of any CBI, in-kind, or no material intervention, e.g. limiting assistance to advocacy.

Engage with individuals with different and specific needs and protection risks, e.g. linked to age, gender identity, social status, disability and ethnicity. Ensure that these individuals/households are included and considered throughout the programme cycle.

Establish two-way feedback mechanisms and focal points to ensure regular communication between humanitarian actors, affected populations, and in some cases (there may be particular sensitivities in a refugee context) local civil society and government.

Protection, cash and sector-specific colleagues should work together, particularly during assessment, design, and monitoring and evaluation. Include minimum protection questions throughout the programme cycle, as outlined in this toolkit.

Do a gender, age and diversity analysis, specifically taking into consideration cultural practices, control and access to resources. This may influence modality choice and who should receive the MPG (particularly within a household). Consider intergenerational relations, polygamous households, and lesbian, gay, transgender or intersex households.

Design MPGs along with complementary activities and services – particularly if specific protection objectives are part of programme design. Research has shown that MPGs can contribute to protection outcomes – ranging from care of orphaned children, durable solutions and close partner and refugee-host relations – when combined with other activities e.g. livelihoods, psychosocial and education support and/or advocacy.
**FIGURE 6. Key Recommendations for Protection-sensitive MPs**

<table>
<thead>
<tr>
<th>Desk Review and Needs Assessment</th>
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<tbody>
<tr>
<td>* Gather situational protection information on the major risks for the affected population (what and for whom), sources of risks, and any community-based or self-protection mitigation mechanisms.</td>
</tr>
<tr>
<td>* This information could come from e.g. protection needs assessments, case management, feedback mechanisms.</td>
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<tr>
<td>* Flag any information on economic or livelihoods-related root causes of protection risks.</td>
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</tbody>
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<thead>
<tr>
<th>Risk, Vulnerability and Capacity Analysis</th>
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<tbody>
<tr>
<td>* Create a context-specific protection risk and benefit analysis.</td>
</tr>
<tr>
<td>* Analyse relative importance (likelihood and impact) and manageability (prevention or mitigation) for different groups and individuals.</td>
</tr>
<tr>
<td>* Discuss the differences and overlaps between specific needs, protection risks and economic vulnerability.</td>
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<tr>
<th>Eligibility Criteria and Targeting</th>
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<tbody>
<tr>
<td>* Identify and assess people with specific needs or protection risks, and refer them to other assistance if CBI is not relevant for them.</td>
</tr>
<tr>
<td>* Build in the flexibility to accept ongoing protection referrals, beyond the initial assessment and targeting.</td>
</tr>
<tr>
<td>* Use a combination of targeting methods (e.g. community-based, administrative) to improve access and inclusion.</td>
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<tr>
<th>Market Analysis</th>
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<tbody>
<tr>
<td>* Analyse access to goods and services with an age, gender and diversity lens. Compare this information with protection needs assessments.</td>
</tr>
<tr>
<td>* Analyse market systems related to protection, e.g. alternative care, health, legal services, transport, education, birth registration.</td>
</tr>
<tr>
<td>* Analyse the potential protection risks and benefits of market interactions in the community and among traders.</td>
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<tr>
<th>Modality and Delivery Mechanism</th>
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<tr>
<td>* Ensure that modality and delivery mechanism selection reflects identified protection risks and benefits.</td>
</tr>
<tr>
<td>* Consider alternative delivery mechanisms for certain individuals or groups as necessary.</td>
</tr>
<tr>
<td>* If no safe, feasible delivery mechanisms exist for CBI, consider in-kind assistance, and vice versa.</td>
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<table>
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<tr>
<th>Design and Implementation</th>
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</thead>
<tbody>
<tr>
<td>* Ensure that programme design mitigates potential risks identified in assessments.</td>
</tr>
<tr>
<td>* Design and adjust the frequency and amount of transfers to address the economic drivers of vulnerability, and according to beneficiary preferences.</td>
</tr>
<tr>
<td>* Include data-protection, confidentiality and opt-out clauses in service agreements and standard operating procedures.</td>
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<tr>
<th>Monitoring</th>
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<tbody>
<tr>
<td>* Build a monitoring system and an accountability framework on the basis of identified protection risks and benefits.</td>
</tr>
<tr>
<td>* Examine how CBI may mitigate protection risks and maximise protection benefits.</td>
</tr>
<tr>
<td>* Consider any changes in protection risks and benefits, specific needs, vulnerability and capacity to cope, and reconsider programme design as appropriate.</td>
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</table>

**Throughout the Programme Cycle:**

Use a participatory approach and/or support community-led processes. Look within and beyond the household unit: disaggregate information or include samples of individuals using an age, gender and diversity lens. Establish an accountability framework for multi-channel feedback throughout the phases.
BOX 8. MPGS AND PROTECTION IN LEBANON

International Rescue Committee (IRC) Lebanon implemented a multipurpose programme in the winter of 2014–15. An evaluation noted positive protection impacts due to increased favourable economic interactions between refugees and the host community. Respondents noted that social tensions had reduced due to increased marketplace exchanges and economic benefits accrued to the host population. Because it was an MPG programme, beneficiaries could use their cash anywhere, avoiding creating or exacerbating tensions among traders – often only a few of whom benefit in voucher programmes. MPGs also benefited smaller traders, who were often women.

RESOURCES

See detailed protection risks and benefits analysis developed for this toolkit in Annex 2.

Protection risk and benefits analysis: Protection Outcomes in Cash-Based Interventions: a literature review (ECHO, UNHCR, DRC), ERC multi-agency cash and protection research, and Guide to Protection in CBIs: Protection Risk and Benefit Analysis Tool

Data protection and protecting beneficiary privacy: Protecting Beneficiary Privacy: Principles and operational standards for the secure use of personal data in cash and e-transfer programmes and online training course: “E-Transfers and operationalizing beneficiary data protection” (CaLP)

Use of CBI/MPG to support community-based protection: Local to Global Protection

DECISION POINT: MPGs are an appropriate and feasible way to meet multi-sector humanitarian needs.

You know:

- What humanitarian needs (goods and services) would be required on a recurrent basis and can be provided by economic support (providing a cash grant), and approximately how much these would cost.
- Who will benefit most from cash support.
- What other needs exist that cannot be met through MPGs, and how MPGs might complement other interventions.
- Whether or not the local markets for goods and services can meet aggregate demand, based on reasonable assumptions of how people might spend their money.
- Ways in which market-support interventions could reinforce market supply.
- How to deliver cash to crisis-affected people.
- What anticipated benefits and risks there are, and potential ways to mitigate the latter.

Next step

MPG Transfer Design

Understanding vulnerability and estimating the “gap” in relation to the MEB and other occasional needs. Determining the specific grant characteristics (size, periodicity, duration, seasonal and geographic variations, etc.).
PART 2

MPG Transfer Design

Photo: Andy Hall / Oxfam
What It Is

Bringing together information on needs as defined in the Needs Assessment, Minimum Expenditure Basket (MEB), Vulnerability and Gaps Analysis to inform transfer amount, frequency of distribution and other characteristics of transfer design.

Essential Checklist

Together with cash, protection and sector-specific experts, take into consideration the results of the Situation and Response Analysis (SRA) to determine net need and, of that need, what can be met by providing unrestricted cash (Figure 7).

Take into consideration households’ prioritisation of other needs. Households may spend less on food if in a given month there is a need to buy seeds and tools or pay rent and other resources are not available. Consider a “top up” of cash to meet additional predictable cash needs.

Estimate what portion of total needs households can make up themselves through income, including remittances and production. Income sources may change, particularly when the crisis-related impacts on livelihoods change, e.g. when floods recede. Some people can cope better with displacement, employing their skills and other capacities (Figure 8).

Some assistance will be provided by government and other sources. Some will be in-kind. Calculate the gap.

**FIGURE 7. Factors affecting cash needs**
FIGURE 8. Calculating the MPG Transfer Value

Take into consideration the necessity of a different MPG value based on geography, livelihood, degrees of vulnerability, availability of aid, etc. Some regions or livelihood groups have been less affected by the crisis or have different policies that influence livelihoods of affected persons. Other regions may have more or fewer agencies providing complementary assistance.

Do No Harm/Do More Good

Particularly at the beginning of the crisis there are many competing demands; therefore the delivery of complementary activities, either within your MPG or alongside it, will be essential to address multiple competing priorities.

Capacity to cope and recover during a crisis will differ between vulnerable groups and at different points along the crisis timeline. Factors affecting differences include wealth and vulnerability prior to the crisis, and how the crisis affects different livelihood groups and their assets/capacities. Wealth ranking is a useful tool to distinguish socio-economic differences.

Clearly state assumptions about coping capacity and the availability of complementary assistance provided by other agencies, e.g. food assistance, and test through Response Monitoring. Reassess transfer size if something changes.

Set a threshold where changes in the gap would trigger a different MPG value, e.g. a change in prices by +/-10%.

There is clear evidence that crisis-affected households prioritise available funds wisely.23 The less money and resources a household has, the more likely it is to spend money on pressing basic needs.24 But programme design can also influence the way households spend their money, e.g. money provided in September is likely to be spent on school supplies. Conditionalities can also work, e.g. second payment for shelter materials is only provided when the foundation has been laid, or small business grants are provided upon completion of livelihoods skills training. In Malawi, Concern used SMS campaigns to encourage families to buy nutritious foods with their transfer.25 Complementary programming is also essential to meet those needs that can only partially be met by cash (Box 9).

BOX 9. CASH AND COMPLEMENTARY ASSISTANCE

Through your problem and causal analysis and the Response Analysis it may be clear that socio-economic vulnerabilities are not the only cause of the problem, and cash is not the only response. In some cases affected populations might need information, education and communication (IEC) or technical assistance to meet their needs. Or, through the market assessment, it might be clear that some goods and services are not available and need to be provided in-kind, e.g. direct delivery of nutrition services or specific shelter materials. What we are aiming for is a people-centred approach wherein operational efficiencies can be gained when many agencies/sectors use cash to meet needs (inter-sector coordination of CBIs, including MPGs) and within-sector coordination to ensure the provision of a holistic approach, e.g. moderately malnourished children and their families targeted with public health services, IEC, specialised foods such as corn-soya blend (CSB), AND cash to meet other basic food needs. Agencies in Nigeria distributed cash with CSB as a “protection ration” so that food-insecure families were more likely to give the CSB to the malnourished child and not share it with other members of the family.26

RESOURCES

See Annex 3 Standard Operating Procedures: Appendix G to this Toolkit: Transfer Value Worksheet (digital only)
Cash in Emergencies Toolkit (IFRC)
Setting the transfer value, UNHCR CBI Guidelines
Determining the Value of Cash Transfers – Preliminary Insights from LIME
Household Economy Analysis
Complementary Interventions to Cash-Based Interventions, DFID (2011) Cash Transfers Literature Review, Chapter 3
Guide to Protection in CBIs (UNHCR), p.11

26 https://www.wfp.org/sid-professionals/blog/fighting-malnutrition-niger
PART 3
Response Design and Plan

Once it has been determined that MPGs are an appropriate and feasible response option to meet multiple humanitarian needs, what are the essential elements of programme design?
What It Is

The purpose of this section is to provide a clear set of minimum standards for MPG programmes across agencies in line with programme objectives, pragmatic evidence of target populations’ needs, practical realities faced by implementing agencies, and global or regional MPG experiences and best practices. Many best practice recommendations here are common to CBI or good humanitarian programming, such as selection of financial service providers, and/or Accountability to Affected Populations.

The MPG Response Plan is a living document that provides a snapshot of MPG programmes to date. It is also a template structure for MPG programming that can be adopted either by an individual agency or inter-agency. As with any Response Plan, it should be updated periodically to reflect lessons learned that contribute to more effective MPG programming.

The structure of the proposed Response Plan is the following:

1. Key stakeholders and responsibilities of implementing agencies
2. MPG transfer value
3. Targeting strategy and determining eligibility
4. Delivering the MPG
5. MPG programme quality

It is useful to provide a brief overview of the analysis that informed the decision to use an MPG to meet multi-sector emergency needs and to lay the foundation for comprehensive response design and planning. The Response Plan should include details on the key components for a solid MPG programme. The overview will be based on the analysis done in Parts 1 and 2 of this toolkit. The summary should articulate:

- **MPG programme objective**: What the MPG is designed to do.
- **Target group(s)**: For whom the MPG is designed and why.
- **MPG transfer value**: How much cash the MPG will provide, particularly in relation to the Minimum Expenditure Basket (MEB), and any foreseen variations.27
- **Duration**: How long the assistance will be provided for and why.

This section is to be read alongside an example of detailed standard operating procedures provided in Annex 3. Included in the Annex 3 are appendices providing examples of:

- Minimum Expenditure Basket MEB Samples
- Targeting Procedures and Steps
- Financial Service Provider (FSP) Review Checklist
- Bank Account – Case Management
- MPG Coordination ToR
- Post-Distribution Monitoring Tools

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27 Depending on target group, geographic location or any periodic or one-off additional cash requirements, e.g. winterisation or livelihoods recovery.
KEY STAKEHOLDERS AND RESPONSIBILITIES OF IMPLEMENTING AGENCIES

WHAT IT IS

Begin by considering who is involved in the MPG programme and what their role will be, ensuring all relevant parties are not only involved but also empowered to take responsibility.

MPGs can resemble social safety nets (SSNs) in that they provide unrestricted cash assistance to vulnerable segments of the population for a given period of time. It is therefore important to engage governments on MPG programmes to ensure acceptance (social, political, etc.) of humanitarian cash assistance; to avoid duplication/overlap with existing safety nets; to prevent designing responses that are in conflict with local SSN - or better - to reinforce or adapt SSN for humanitarian contexts. Problems can arise if the MPG transfer value drastically exceeds the monthly cash assistance given to citizens through a safety net programme or if the MPG programme targets refugees in a country without SSN programmes for its own citizens. Collaborating with local governments can reduce friction with host communities and positively influence political acceptance of a humanitarian MPG programme.

ESSENTIAL CHECKLIST

Conduct a rapid review of the main stakeholders involved in MPG design and implementation and programme quality. Examples include UN agencies, implementing partners, NGO consortia, government counterparts, private sector contractors and financial service providers, etc.

Using this Response Plan as guidance, outline the top-line responsibilities. List the main implementing agencies alongside their main functions, highlighting where different agencies have different responsibilities.

The government is a critical player. Include the names of relevant government ministries. Outline how they have been involved in the MPG. It is important to highlight here the difference between government representatives in particular geographic or field locations and their national/capital-based counterparts.

Determine whether the government has any established or existing cash-based safety net mechanisms (conditional or unconditional) for local communities. This will be critical in terms of negotiating with them on MPGs, to understand whether they are familiar with cash-based interventions or have experience with SSNs.

See CaLP’s Social Protection Thematic Page to see how to link relief and development CTPs

The MEB and MPG transfer value should be designed in consultation with the government and the former aligned to national poverty lines, if appropriate. Review targeting criteria and strategies for identifying the poor in existing SSN programmes, e.g. proxy-means test, income and expenditure, living conditions, asset holdings, etc. Try to align with national approaches if the approach can be used to accurately estimate the needs and vulnerabilities of crisis-affected people.

The government should be kept informed of and consulted on all documents related to MPGs through relevant coordination bodies, Response Plans and budgets, and any other inter-agency documents, e.g. technical guidelines, etc.

Respective government ministries should be encouraged to actively lead the development of the Response Plan where possible, for example through existing coordination systems and meetings. If they are unwilling or unable to take a leading role, they should be encouraged to provide technical and operational inputs into guidelines and other documentation processes.
THE MPG TRANSFER VALUE

WHAT IT IS

The MPG transfer value should be based on the MEB and Vulnerability and Gaps Analysis as described in Parts 1 and Part 2 of this toolkit.

ESSENTIAL CHECKLIST

When describing how the transfer value was determined, clarify:

- Who was involved in the calculation, including role of government, sector-specific experts, etc.
- What is included in the MEB, what is not included, and why. The MEB will outline the target population’s basic needs, based on estimated monthly expenditure. Attach an annex to the Response Plan with detailed calculations.
- Affected population’s own contribution and other sources of assistance including type, monetary equivalent, duration and any similarities or differences in targeting methodology (criteria, numbers, etc.). Clearly state assumptions.
- Any additional cash requirements over and above the MEB, and justification.
- The percentage of the MEB that the MPG will cover, given above analysis.
- The MPG transfer value in relation to the minimum national and local wage rates. If it is not aligned, outline the rationale and strategies to reduce misunderstanding and potential disagreement.
- State clearly the risks and mitigation strategies if there are insufficient aid resources to cover the gap. Unfortunately budget constraints are often the main determinant in setting transfer values. The choice is to provide more money to fewer people, or less money to more people. If only a portion of the MEB is covered, state assumptions about household spending and potential consequences of inadequate transfer rates, particularly for the most vulnerable.

Establish a timeline and frequency for the amount(s) to be distributed. The total estimation will help with budget planning, as well as manage expectations and encourage transparent coordination among agencies.

Keep in mind that other stakeholders may not be familiar with the concept of MEB versus MPG transfer value, so it can be useful to include glossary definitions of both concepts.

State clearly the triggers for review of the MPG transfer value (and MEB). The MEB and transfer value review go hand in hand. The MEB will need to be reviewed if there are significant changes in supply, demand and prices. The MPG transfer value will change if there are changes to complementary assistance, such as food assistance, or sources of income (e.g. a change in policy allowing refugees to work, seasonal changes in income or expenditures, etc.).

Justify the necessity of a national or regional MEB/MPG transfer rate. Be aware that different MEB/MPG transfer values may create push/pull factors or tensions between communities. This should be addressed in the communication strategy.
TARGETING STRATEGY AND DETERMINING ELIGIBILITY

WHAT IT IS

Targeting of humanitarian assistance is sometimes necessary, and is often done across sectors using socio-economic criteria. Socio-economic targeting is informed by programme objectives and Vulnerability Analysis. See Part 1.1 Vulnerability Analysis in Response Analysis for more information.

THINGS TO REMEMBER

Targeting is never 100% accurate. Being vulnerable from a socio-economic perspective is not a “yes or no” question; rather households and individuals fall on a continuum. Furthermore, particularly in emergencies, a household’s or individual’s economic status is very dynamic. It can change rapidly and requires regular analysis.

A targeting strategy must aim to strike a balance between the imperative to act, accuracy and affordability. Provision of life-saving assistance should not be delayed for the benefit of marginal gains in targeting accuracy. Potential accuracy risks can be mitigated at the design stage by employing multiple and complementary methods. Risks can be mitigated during implementation through complaints, feedback and appeals mechanisms, monitoring and evaluation. Making the best use of available data and collecting additional data only as needed can enhance affordability. It is also important to distinguish between, and account for, initial costs and recurrent costs of targeting.

To be most effective, targeting should engage communities throughout the targeting cycle, ensuring the views of affected communities – and particularly those of potentially marginalised and most vulnerable groups – can influence the targeting process.

Targeting of MPGs is necessarily a collaborative exercise that involves multiple stakeholders (governments, other agencies providing similar or complementary assistance, and the affected communities themselves). Roles and responsibilities for the targeting process need to be well-defined: from determining the shared vision for targeting, right through to how to operationalise the targeting strategy and ensure it is effective at achieving its goal (Figure 9).

FIGURE 9. Steps in Targeting Process

BOX 10. SOME DEFINITIONS

Inclusion error: Inclusion in the programme of those who do not meet the eligibility criteria.

Exclusion error: Exclusion from the programme of those who meet the eligibility criteria.

Eligibility criteria: Standards by which inclusion or eligibility in the programme may be decided.

30 See Targeting in Complex Emergencies for examples of stakeholder mapping.
ESSENTIAL CHECKLIST

Map and consult stakeholders. Stakeholders’ concerns and expectations can affect the choice of objectives, methodology and strategy. It is important to define the membership and participation in the targeting working group, its Terms of Reference and decision-making responsibilities. To ensure the exercise reflects operational needs and capacities, determine the parameters of the exercise and the resources necessary (human, financial, hardware and software, logistical and time).

With the targeting working group, clarify the objectives of the assistance and its target group. If the objectives are multi-sectoral, clarify what can be achieved together versus separately to ensure the complementarity of different types of assistance. Determine the eligibility criteria (see Part 1.1 Vulnerability Analysis). Decide whether the objective is to provide a lower entitlement to a larger number of vulnerable households or a higher entitlement to fewer, most vulnerable households.

Review different targeting mechanisms and conduct a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of different options. The SWOT analysis should include aspects of security, safety, protection, different costs, time and human resource requirements.

Decide and define the step-by-step process for identifying eligible beneficiaries. Targeting of individuals or households can be done in many different ways. These are generally classified as administrative targeting, self-targeting and community-based targeting (see strengths and weaknesses of different approaches in Table 5). The aim should be to decrease costs incurred to identify eligible households, ideally avoiding a “census” approach whereby all households must be interviewed.

Lessons learned on determining eligibility

- This step, regardless of the approach, may be the most cumbersome in a targeting process, and adequate time and resources should be planned for. This will include communications, outreach, community engagement, additional household visits and questionnaires, data management and analysis.

- Administrative targeting can be more cost-effective if registration data containing variables can be used as eligibility criteria. At a minimum, registration data can be used for pre-screening and targeting household visits. Referal mechanisms can also act as a screening mechanism.

- Using mixed methods, and not overly relying on one method, can be more manageable and cost-effective, e.g. community-based mechanisms to identify vulnerable individuals who are then interviewed using a standard household questionnaire; or criteria defined through statistical analysis, then validated by communities who then create lists of persons meeting those criteria.

Define and set up appeals and complaints mechanisms. A targeting strategy must allow for identifying those who would otherwise be eligible but don’t meet strict criteria. This is done largely through referrals, appeals, complaints and feedback mechanisms (hotlines, help desks, etc.). These mechanisms allow for reducing bias and correcting exclusion errors linked to the selected targeting approach. They may also address inclusion-related issues.

Ensure that appeals mechanisms are accountable, impartial and manageable. Appeals mechanisms should include representatives from various stakeholder groups, including the affected population. Review the complaints and appeals mechanisms and find ways to make them more efficient. Possible ways include outsourcing the work or using phone/internet-based pre-screening for household visits, etc.

Define the monitoring and evaluation plan. What is the targeting objective? Is it minimising inclusion or exclusion, or reducing “pull” factors? How will targeting efficacy be evaluated, e.g. data requirements, any additional data collection and analysis?

Exclusion errors can be more difficult to detect and quantify than inclusion errors, because by definition people who are excluded are not on beneficiary lists and may be missed by post-distribution monitoring or similar systems. Appeals and referral mechanisms are therefore important. It is also informative to assess
not only the percentage of exclusion error, but also who is excluded. If someone has been categorised as not eligible because they are a borderline case, i.e. just on the wrong side of the eligibility threshold, that is a completely different targeting problem than the case of someone who is extremely vulnerable but has been excluded because there is a loophole in the targeting criteria or a flaw in the process.

**Do No Harm/Do More Good**

An effective targeting strategy relies on much more than just criteria. Good targeting involves policy dialogue; communication and awareness-raising with stakeholders, including affected populations; the logistics of implementation; and a plan for monitoring and evaluating the effectiveness not only of the criteria but of the whole strategy.

- Consult protection colleagues on the proposed targeting process to get feedback on contextual vulnerabilities, and to ensure the process is inclusive/supportive of marginalised groups or people with specific needs.

- Identify and assess people with specific needs or protection risks, and refer them to other assistance if MPGs are not relevant for them.

- Consider including those considered to be “borderline” vulnerable, especially when they are engaging in negative coping mechanisms that might decline with cash assistance.

- Experience shows that without clear and regular information-sharing, there is the risk of misunderstandings that can lead to an unmanageable volume of complaints, and in the worst cases to violence. Some actors are concerned about giving away the “secret” of eligibility criteria, as they fear it will enable potential recipients to manipulate enumerators and provide false data. A good communication strategy will avoid this. Involve communication experts from the beginning.

- Sometimes pure community-based targeting may be inappropriate or unfeasible, but this does not mean that communities cannot participate. Define other contributions that communities can make, as in Box 12 below.

**BOX 11. COMMON PITFALLS THAT LEAD TO INCLUSION/EXCLUSION ERRORS**

**Reliability of data:** Do not use too many self-reported, non-verifiable criteria, such as coping mechanisms.

**Accuracy of criteria:** Remember, criteria should directly relate to the economic nature of cash, otherwise they risk targeting the wrong person with the wrong intervention.

**Use a mix of criteria:** Relying too much on one criterion, such as female-headed households, can result in significant inclusion (and exclusion) errors.
BOX 12. WAYS COMMUNITIES CAN PARTICIPATE IN TARGETING WHEN PURE COMMUNITY-BASED TARGETING IS NOT FEASIBLE OR APPROPRIATE

- “Ground-truthing” or developing definitions of what it means to be vulnerable, and who is vulnerable, in a given situation and community. This can include validating indicators or criteria that have emerged from statistical analysis or expert taskforces. Feedback from the community can help to determine whether people agree with the targeting approach (and therefore whether it will work in practice or will generate large numbers of complaints); how questions on specific indicators should be asked; and whether the proposed approach will miss any important factors in vulnerability or vulnerable groups, etc.

- Testing questionnaires and other data-collection methods, in advance of a large-scale survey, to identify and improve any questions that might be sensitive or unclear.

- Pre-screening by community representatives of cases that have appealed after being excluded during the first stage of targeting, as seen in practice in Jordan.

- Ensuring two-way communication between the community and the agencies about the overall targeting approach, particularly any changes in process or criteria, such as a switch from blanket to targeted food assistance, or the prioritisation of the poorest (a major change from protection categories). Some stakeholders suggested that the very high volume of appeals following the first targeting exercise in Lebanon were partly due to poor communication beforehand.

BOX 13. TARGETING OF MPGS USING PROXIES FOR INCOME AND EXPENDITURE IN UKRAINE

The NGO Consortium in Ukraine worked with the Protection Working Group and the Shelter Cluster to determine appropriate criteria for targeting cash assistance. The NGO Consortium did not have any household-level data or any capacity to do a sample survey to determine criteria through statistical means. Instead they based their targeting criteria on advice from experts, i.e. the “Delphi” method. These experts used three inter-related vulnerabilities to determine criteria:

- **Personal vulnerabilities:** Disability, pregnancy, chronic illness, age (elderly), and/or high expenditure due to a large number of dependents, specifically children (more than three) and few income earners (single-headed households). The assumption was that these households would be unable to earn enough income to support themselves or their families.

- **Socio-economic vulnerabilities:** No or lack of regular income, lack of assets, specifically a home, and lack of social capital or access to support from friends and relatives.

- **Shelter-related vulnerabilities:** These were based on similar emergencies with urban displacement and loss of housing. Criteria included no or substandard shelter, living in collective shelter (versus independent living), lack of occupancy contract or risk of eviction, substandard water and sanitation (outside waste disposal and crowding).

Using protection outreach teams, a household questionnaire was implemented that rated the responses (low, medium and high) to a series of questions related to the three vulnerabilities. If the household/individual rated high on at least two vulnerabilities they were eligible for cash assistance.
FOR THE RESPONSE PLAN

Describe the target group in simple language and estimate numbers if available. For example, “MPGs will target Nepal earthquake victims falling under the established poverty line” or “MPGs will target destitute displaced people in urban environments in Ukraine”.

Describe any predictable changes in target group based on changing vulnerabilities, e.g. “Winter grants for the most vulnerable living at high altitude”.

Explain the methodology behind the targeting in simple language, e.g. methods for identifying economic vulnerability will include community-led wealth ranking, and will be verified by agencies using a scorecard based on asset ownership, including livestock.

Describe any complementary assistance being provided to the same target group, and efforts to harmonise targeting criteria. This can include how sector-specific criteria can be combined with economic criteria, e.g. economic insecurity plus food insecurity indicators for complementary food assistance (see Box 13 for an example of MPGs and shelter interventions).

Outline any exclusion criteria, or criteria used to determine “graduation” from the MPG programme, e.g. households with a pair of oxen or milking cow, households perceived to be well off.

Detail how to practically conduct targeting step-by-step. Include who will implement household questionnaires (if applicable), manage beneficiary information, determine and generate beneficiary lists, and manage appeals processes (see Annex 3 Standard Operating Procedures: Appendix B on Targeting Step-by-Step for an example).

State how often targeting criteria will be reviewed and describe any method employed to verify whether targeting methods are effective and criteria are accurate, and both are being used correctly in determining eligibility.

Targeting strategies for MPGs have benefited from much experimentation with different methods. See Table 5 for some strengths and weaknesses analysis of targeting methodologies.

RESOURCES

Cash transfer programming in urban emergencies: a toolkit for practitioners. See Annexes for targeting tools

WFP Targeting in Emergencies. See the Annex for additional analysis of strengths and weaknesses of different methods

UNHCR and WFP MENA Targeting Review. A summary of issues and lessons being learned.

WFP Assessing the effectiveness of community-based targeting

Cash in Emergencies Toolkit (IFRC)

### TABLE 5. Different methods for identifying eligible beneficiaries

<table>
<thead>
<tr>
<th>Method</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| **Administrative targeting:** Agencies or people external to the community select households or individuals using standard observable or measurable criteria or indicators, such as asset holdings or other objective socio-economic characteristics. | - Done by a (normally) neutral external party.  
- Limited or no influence of the internal community power structures (reduced elite capture).  
- Limited or no pressure on the individuals of the community.  
- Can be unbiased and transparent.  
- Can be effective in excluding non-target groups, especially when used at household and individual levels. | - Criteria defined by outsiders, not always understood by the communities.  
- Lack of ownership and exclusion of the affected community.  
- High administrative costs, including data collection.  
- Time consuming.  
- Reliability and accuracy of data is entirely dependent on the external agency and quality of the individual work.  
- Difficult to standardise or verify when information is poor.  
- Risk that the indicators do not reflect true vulnerability, leading to exclusion errors.  
- Risk of stigmatising people if criteria are not protection-sensitive (HIV/AIDS, IDPs). |
| **Geographic targeting:** Geographic targeting in an emergency refers to the identification of administrative units, economic areas or livelihood zones that have a high concentration of economically-insecure people. | - Identifies the most vulnerable areas to prioritise targeting decisions.  
- Can be used alone as a quick-and-easy targeting method when more in-depth approaches are not feasible, e.g. in conflict environments that are difficult to reach.  
- Uses existing vulnerability data and other secondary data. Can be cost-effective. | - Existing population estimates are often unreliable and may distort results.  
- For best results, secondary data should be cross-checked with primary data and “ground-truthing”.  
- When used exclusively, can lead to large inclusion errors.  
- Can exclude pockets of economically-insecure people. |
| **Self targeting:** The individual concerned identifies him/herself, sometimes according to some kind of externally imposed criteria and sometimes purely through his/her own self-identification. | - When projects are able to absorb all who want to participate, there is little risk of corruption or bias in selection.  
- Low administrative costs related to targeting.  
- Selection is transparent. | - Good information analysis is necessary to know what conditionalities and transfer size will help the intended people to self-select.  
- The project must be able to take everyone who wants to be involved. |
<table>
<thead>
<tr>
<th>Method</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| Community-based targeting: | • Communities usually have and can further develop a better understanding of vulnerability and need.  
• Criteria defined by “insiders” and as such is understood and owned by the community.  
• End result is better accepted and owned by the community.  
• Internal, pre-existing community-control mechanisms are engaged.  
• Helps to empower and build community capacity through participation.  
• In the long term, community-based targeting can reduce costs to the organisation. | • Requires communities to be well-defined and have self-knowledge. Only works where there is sufficient community cohesion; as such, may be inappropriate in urban or displacement settings.  
• Social pressure on those representing the community.  
• Abuse of power, elite capture and favouritism within the community may result in bias (e.g. exclusion of the relatively powerless).  
• Criteria defined are endogenous to the community and comparisons cannot be made between communities (e.g. different camps in one country).  
• It is difficult to standardise or compare targeting criteria between different communities.  
• Initial start-up of CBI systems needs training and advocacy at the local level; this requires staff time, which at the initial stages can be costly.  
• Careful monitoring is required to ensure fairness and cross-checking of targeting decisions. |

DELIVERING THE MPG

What It Is

Delivering the MPG in an efficient and dignified way for beneficiaries requires careful consideration of how the Operational Feasibility Assessment can be translated into an operational reality. This section is not specific to MPGs and can be found in any CBI guidance. What is new is how cash grants are being delivered through Common Delivery Mechanisms for inter-agency programmes. More detail on this approach is found in Annex 4.

Essential Checklist

A. Describe delivery mechanisms and options

Using the Operational Feasibility Assessment, select one or two preferred delivery mechanisms and provide a justification as to why they are the best option. Include mention of beneficiary preferences; capacity, including ability of financial service providers (FSPs) to meet accountability requirements (e.g. reporting and data protection); efficiencies, including timeliness and cost; and any other factors influencing choice (e.g. government preferences).

Specifiy if and why there are any in-country variations in delivery mechanisms being used, for example: providing MPGs via ATM cards in the majority of areas, while using remittance agents or mobile money in the areas with security concerns or where there are long distances to banks and ATM machines; or using alternative methods for those with specific protection risks.

State if the delivery mechanism is inter-agency or a Common Delivery Mechanism. Who is participating, what are the roles and responsibilities of each partner, etc. A detailed description of terms of reference is in Annex 4 Common Delivery Mechanisms.

Rationalise the use of existing capacity for financial services, maximising the advantages of working with the private or public sector, as well as promoting longer term financial inclusion for beneficiaries. Private FSPs are normally held to high regulatory standards and can often handle large cash turnovers. Public sector, i.e. government, might benefit from capacity building or reinforcing existing service provision, with potential benefits beyond the duration of the emergency.

B. Write implementation procedures

The Response Plan should be operationalised for field teams in the form of implementation procedures to ensure implementing agencies know who will do what, where and in what order. While standard operating procedures will vary per context, MPG implementation procedures should outline the following key elements:

- **Household targeting, eligibility and verification process.** Include household questionnaires, roles and responsibilities, common database formats and process flows.

- **Management of the cash delivery process, in particular distribution frequency and payment cycles.** This includes card or cash distribution, FSP instructions/relations and other process flows, as well as any standardised forms and reports.

- **Implementation of complementary programmes,** such as sector-specific interventions (cash or in-kind) or market-support.

- **Training, information and communication,** including what will be covered in training or sensitisation for staff, beneficiaries and even the private sector.

- **Accountability and feedback mechanisms** explaining the protocols for common problems, e.g. the household receives the wrong amount or loses its card.

33 When working with refugees, UNHCR encourages private sector partners to undertake a training on the Code of Conduct.
MPG PROGRAMME QUALITY

What It Is

Establishing the key elements of MPG Programme Quality is crucial for ensuring implementation reflects the intention and design of the programme and adheres to humanitarian best practices.

Programme Quality includes Response Monitoring – an essential component to review assumptions and decisions made when designing the MPG programme. Specific areas to monitor include changes in needs and vulnerabilities, assumptions that inform the MEB and MPG amounts, changes in market conditions, and impacts (positive and negative) on individuals, households, communities and the local economy.

CaLP’s Protecting Beneficiary Privacy sets out minimum standards for data collection (or minimisation), data management throughout the programme cycle, and data sharing between agencies and with FSPs.

Agencies increasingly have data-protection policies. Read your agency’s policy. Most agencies have a stipulation in their policies that allows for data sharing based on data minimisation and the presence of reciprocal data-sharing policies that ensure that the recipient would treat the data with the same care as the provider.

Do No Harm/Do More Good

Distribution lists should never contain protection information or links to protection data, regardless of whether or not beneficiaries are selected on the basis of protection vulnerabilities.

Beware of data sharing between humanitarian agencies – often done insecurely over email (and therefore potentially accessible to third parties). E-Lan has developed a tip sheet on data encryption.

C. Describe accountability, communication and beneficiary feedback mechanisms

Describe the stakeholders to whom the programme should be accountable. This will include the affected population, government, humanitarian senior management, other humanitarian actors/coordination bodies and the host community.

Develop information products that provide basic information about the MPG programme for different stakeholders. All information products should indicate the mechanisms and contacts for airing grievances and providing feedback.

C. Describe accountability, communication and beneficiary feedback mechanisms

Explain what additional accountability, communication and feedback mechanisms the programme has, such as:

- Trainings and awareness sessions on the programme: Including programme objectives, amounts beneficiaries are entitled to and targeting rationale, as well as practical issues on
how to withdraw cash assistance, who to call for assistance, etc. Trainings should be provided when distributing cards/vouchers/phones for the delivery of MPGs and periodically, preferably before providing banking instructions to FSPs to deliver money.

- **Hotlines**: How to implement and rationalise inter-agency complaints and feedback systems—which can potentially involve numerous hotlines. A central hotline can help collect data and manage large volumes of requests. Look at private sector FSP customer service models for guidance, e.g., registering, tracking and resolving complaints so issues are adequately addressed (preferably using some sort of database). Ensure complaints mechanisms are independent.

- **Help desks (or complaint boxes)**: Help desks can guide and support beneficiaries in matters related to the use of the cards. A help desk can also be responsible for basic card maintenance, through web remote access on behalf of beneficiaries.

- **Mass communication messages**: This can be done via SMS, flyers, advertisements, radio announcements, etc., intended for beneficiaries of the programme but also other stakeholders. Engage communications specialists to develop easy-to-understand messages early on.

**D. Describe response monitoring, reporting and evaluation processes**

**Develop standard indicators** for process, outputs, impacts and markets monitoring.

Indicators should reflect the specific objective of the programme and context-specific risks and benefits analysis, including protection-related indicators (Box 14).

**Process**: To measure ways in which programme services and goods are provided, and to assess the appropriateness of the ongoing response to meet outputs and intended impact. 34

**Output**: To measure the quantity of goods and services—in this case cash—distributed, and the efficiency of the programme (who, how much, when and where). 35, 36

**Programme impact**: To understand if/how needs and vulnerabilities of targeted beneficiaries have changed.

**Protection**: To ensure consistent monitoring and follow-up of key protection issues.

**Markets for goods and services**: To review any changes in prices, supply and demand, and beneficiary access to goods or services.

**Common process indicators might include**:

- Number of households assessed.
- Number of households eligible.
- Number of households referred to other services.
- Percentage of grants available on time.
- Percentage/number of interviewed households reporting difficulties in accessing cash.
- Number and type of complaints and complaints resolved.
- Number of reported incidents of fraud/diversion.

**Common output indicators might include**:

- Number of grants distributed, by amount and date.
- Number and amount of grants redeemed.
- Number and amount of grants not redeemed.
- Effective number of households/persons assisted.
- Performance of Common Delivery Mechanism.

**Common outcome/impact indicators include**:

- Use of negative coping strategies to increase income/reduce expenditures.
- Self-reported ability to meet basic needs.
- Perceptions of well-being or perceived protection status (see Box 15).

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35 Ibid.
36 Or performance monitoring (see UNHCR CBI Guidelines, p.74).
Design tools to answer key questions related to programme objectives, and to measure the programme against the standard indicators—consistently across the monitoring cycle, from assessment to evaluation.

**Identify data processes and priorities**

- Data collection and management: Which tools should be standardised? Who will manage the data? Will there be a common database that is interoperable with agency-specific databases? It is essential to sign data-sharing agreements between agencies, outline roles and responsibilities, and identify information that can be shared freely.

- Data analysis: Based on the indicators above, allocate time and resources not only to monitor but to analyse the data and disseminate the findings to key stakeholders.

**Agree on monitoring timelines** (particularly if implementing an inter-agency MPG programme):

- Data collection should be systematic but not so frequent that there is too much to analyse. Consider what might need to be done monthly (e.g. price data) and what can have longer cycles (e.g. household visits every two to four months).

- If implementing an inter-agency MPG programme, standardisation of monitoring templates is recommended so datasets can be merged.

**Operational reporting should be stipulated in the contract with the FSP(s)** and should include real-time transaction reports from banks (e.g. amount of funds transferred, balances of each account, etc.).

While there are many different types of evaluations that can be useful to cash programmes, the main focus should be to establish key questions that teams want the evaluation to answer. It is best to set these questions earlier in the design phase and to update the evaluation priorities every three months or so. Types of evaluations useful to MPGs include:

- Real Time Evaluation (RTE): Evaluation of the programme process. Process evaluations are encouraged to identify key lessons learned for scaling up programmes.

**Establish a market monitoring system**

- Collect basic information on access to and availability of goods and services.
- Review prices of key MEB commodities (including food items, food-related non-food items, shelter/rent, hygiene, and relevant services such as health, education, transport, etc.).
- Continuously identify areas for market support.

**BOX 14. MONITORING INDICATORS FOR MPGS IN LEBANON (CASH WORKING GROUP)**

**Process and output indicators:**

- Number of households receiving MPGs.
- Recipients who withdraw less than the cash transfer value by the end of cash assistance.
- Total amount distributed as MPGs to targeted households/affected communities.
- Recipient households reporting difficulties with cash access.

**Programme outcome and impact indicators:**

- Average negative coping strategy index does not increase over the course of the programme.
- Recipients’ ability to meet Survival or Basic MEB.
- Average change in expenditures-to-debt ratio.
- Average change in income-expenditure gap.

**Protection indicators:**

- Recipients feeling at risk as a result of MPG, e.g. harassment, restriction, security, abuse.
- Recipients reporting intra- or inter-community or household tensions resulting from MPGs.
PART 3 RESPONSE DESIGN AND PLAN

- Operational Evaluation: Finance, compliance, accountability, etc.

- Impact Evaluation: Generally requires a strong baseline and at least 6–12 months of implementation to measure impact.

E. Describe exit strategies: Phasing-out, discontinuation or suspension

**Phasing-out:** Outline what factors will trigger phasing-out and how the process will take place. A few examples are provided here:

- An improvement in crisis conditions.

- Graduation of target household from below to above poverty line (without including MPG assistance).

- Improvement in target households’ access to employment and other income-generating opportunities, including significant policy changes such as provision of work permits or provision of minimum wages.

- Livelihood programmes on a large scale targeting socio-economic vulnerable households.

- Socio-economic vulnerable households included in national safety net programmes by government.

"Soft" conditions may be helpful where graduation is possible. Soft conditions impose no penalties for non-compliance. They include encouraging behavioural change by combining conditions on access and some sort of contract between recipient and provider on the use of resources (indirect conditioning or explicit conditionality).

**Discontinuation or suspension:** Have a contingency plan and identify triggers or “redlines” for possible scenarios, such as:

- A reduction or phasing-out of funding.

- An external, unavoidable event such as conflict or natural disaster.

- Dramatic decline in the humanitarian or protection situation.

- Changes in government policies on CBIs.

**BOX 15. WORLD BANK WELL-BEING SCALE: LEBANON (0–10 SCALE)**

MPGs can have unexpected benefits. The World Bank is testing the Well-being Scale in Lebanon, which asks the following questions (this can be adjusted to local context). "Thinking about your own life and personal circumstances, how satisfied are you with:

- Your life as a whole?
- Your standard of living?
- Your health?
- What you are achieving in life?
- How safe you feel?
- Do you feel part of your community?
- Your future security?"

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Do No Harm/Do More Good

Implementing agencies should review the status of assisted families regularly and discuss issues at the coordination forum prior to taking any decision to discontinue assistance. In case the funding might be reduced or stopped, agencies should ideally prioritise the most vulnerable cases assessed and assisted to date.

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38 OPM (2014) *Does one size fits all? The conditions for conditionality in cash transfers.*
RESOURCES

DELIVERING THE MPG

Standard Operating Procedures for Inter-Agency MPGs (Annex 3)

Common Delivery Mechanisms (Annex 4)

E-transfers in emergencies: implementation support guidelines (CaLP)

Cash in Emergencies Toolkit (IFRC)

PROGRAMME QUALITY

Protection risk and benefits analysis: Protection Outcomes in Cash-Based Interventions: a literature review (ECHO, UNHCR, DRC), ERC multi-agency cash and protection research, and Guide to Protection in CBIs: Protection Risk and Benefit Analysis Tool

Data protection: Protecting Beneficiary Privacy: principles and operational standards for the secure use of personal data in cash and e-transfer programmes

E-Transfers and operationalizing beneficiary data protection – a two-hour e-learning course

Communication, feedback and other accountability mechanisms:

The Core Humanitarian Standard

Monitoring and reporting:

Lebanon NGO Consortium M&E toolkit

DRC Turkey CBI M&E Toolkit

Cash and Voucher Monitoring Group Somalia

Markit: Price Monitoring, Analysis and Response Toolkit

UNHCR Cash Transfer Programmes Working Group Inter-agency Market Monitoring System

Exit strategies, including graduation:

Operationalising Graduation in Ethiopia’s Productive Safety Nets Programme.
PART 4
Preparedness

What can be done in advance of an emergency to allow for fast and appropriate MPG design and implementation?
What It Is

Preparedness for MPGs enables humanitarian actors to develop an understanding before a crisis starts of:

- Anticipated needs of crisis-affected populations.
- People’s relationships with markets.
- Acceptability of cash-based interventions (to beneficiaries, governments and donors).
- Operational Feasibility of using cash transfers (including MPGs) to meet humanitarian needs.

Essential Checklist

Pre-analysis for each step of the Situation and Response Analysis outlined in this toolkit can take place prior to a crisis as a broader component of preparedness for any CBI, not just MPGs (see Table 6).

**Needs and Gap Analysis preparedness:**

- Compile existing vulnerability data to provide a picture of pre-crisis vulnerabilities across sectors, which assists in identifying potential groups most affected by the crisis.
- Map livelihoods zones to aid in the assessment of Needs and Gap Analysis, targeting and vulnerability – particularly with regard to potential coping mechanisms (positive and negative) and their impact on vulnerability.

**Market Analysis preparedness:**

- Establish market system baselines, including market maps identifying the number of traders, quantities of goods and average prices mapped over a seasonal calendar. This serves the dual purpose of reviewing the robustness of markets for a potential cash-based response during a crisis, as well as establishing a baseline against which to measure any damage/reduction in market capacity caused by the crisis.
- Identify “priority market services” that would leverage the greatest impact on basic needs in the event of a crisis – for example, financial services markets that provide credit to traders and communities, or critical transportation lines that could be severely damaged during the crisis.

**Operational Feasibility preparedness:**

- Prior determination of delivery mechanisms and Operational Feasibility will allow agencies to develop relationships that support more timely delivery of cash grants – for example, by expanding existing contracts with FSPs to include contingency planning, or by identifying alternative financial services most likely to function immediately after a crisis (e.g. mobile money transfers).
- Reviewing internal organisational capacity for the delivery of CBIs during the preparedness phase allows time for capacity building (training, simulations, preparation of SOPs, etc.) and/or recruitment to take place before rapid response is necessary.

**BOX 16. RED CROSS SOCIETIES’ PREPAREDNESS PRE- TYPHOON HAIYAN**

Between May 2012 and December 2013, the International Federation of Red Cross and Red Crescent Societies (IFRC) provided support to the Philippine, Viet Nam, Senegalese and the Chilean Red Cross Societies to ensure cash transfers and market assessment were embedded into their existing preparedness measures and contingency planning. This was done to ensure that during an operation with a scalable cash transfer component, the programme could be rapidly implemented. Preparedness activities focused on:

- Ensuring leadership support for CTPs.
- National Societies cash focal points and a critical mass of trained staff and volunteers.
- Standard operating procedures, templates and tools including those for market assessments adapted to local context and translated.
- Engagement in external fora and working groups not only sharing experience, but also to learn from others and to coordinate future responses.
- Most significantly, after Typhoon Haiyan, it took only 4 weeks to deliver more than 50,000 household grants reaching over 250,000 people.
There is a multitude of very good tools for cash preparedness. See CaLP thematic web page

IFRC’s Cash Toolkit

UNHCR’s Minimum and Advanced Cash Preparedness Actions (MPA) in their CBI Guidance

Baseline analysis:
Country Risk profiles (Inform)
Market baselines (EMMA)
Livelihoods baselines from the Situation and Response Analysis Framework (SRAF) in slow-onset emergencies
Mapping of existing cash-based interventions (Cash Atlas)
### TABLE 6: Minimum Preparedness Actions and Advanced Preparedness Actions\(^{39}\)

<table>
<thead>
<tr>
<th>Minimum Preparedness Actions (MPAs): No specific emergency scenario yet</th>
<th>Advanced Preparedness Actions (APAs): Specific emergency scenario identified</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anticipate needs</strong></td>
<td><strong>Who might need what? Will targeting be necessary?</strong></td>
</tr>
<tr>
<td>Consider homogeneity of potential recipients, economic vulnerability and potential need for basic goods and services. Develop scenarios: a) scope based on needs, b) scale based on the target group, and c) estimate the potential value of the transfer.</td>
<td>Refine scenario. Consider if a one-off MPG will enable people to meet assessed needs during registration and if so, decide who will lead on cash preparedness planning.</td>
</tr>
<tr>
<td><strong>Know your context: Markets and traders</strong></td>
<td><strong>Do markets and traders have the capacity to respond to the potential needs?</strong></td>
</tr>
<tr>
<td>Review existing sources of market information and main commercial actors, including private and public partners (e.g., bureaus of commerce, supply chains, etc.). There are often government and non-government agencies that collect this information. At a community level in areas of potential influx, review market integration, supply chains and seasonality of available goods. Foodstuffs may be dependent on local production which follows seasonal patterns, while food and non-food items may be limited during the rainy season when roads become impassable.</td>
<td>Conduct a rapid market assessment of potential goods and services likely to be required by crisis-affected persons, including housing markets, and the capacity of host communities to accommodate displaced people to avoid encampment if possible. In a camp setting, consider whether the local market could support the number of camp residents if CBIs were provided.</td>
</tr>
<tr>
<td><strong>Know your context: Risk to recipients, agency staff, and other possible protection concerns</strong></td>
<td><strong>What are the potential risks to recipients and agency staff at national and community levels?</strong></td>
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<tr>
<td>Review the nature, frequency and location of security incidents in-country. Analyse potential risks and benefits of CBIs for recipients, particularly those potentially discriminated against based on age, gender and/or diversity. Understand coping mechanisms, household gender roles, vulnerabilities, preferences and priorities of women, men and children from the potential crisis-affected community.(^{40}) Understand local data-protection legislation and anticipate how beneficiary information will be managed.</td>
<td>Taking into consideration the specific scenario (geographic area, scope and scale of emergency), develop more detailed security and protection risk assessments and potential mitigating measures (e.g., through variations in programme design).</td>
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### Minimum Preparedness Actions (MPAs):
No specific emergency scenario yet

#### Know your context: Political feasibility
- *Are CBIs appropriate? What is the political acceptability of CBIs? Is there a need for advocacy? What are government and donor attitudes and willingness to use CBIs to meet emergency needs? What do host communities think?*
  
  Consult other agencies implementing/supporting CBIs, including donors and government. Host communities may have experience with CBIs. Review evaluations and lessons learned from existing CBIs. Identify APAs, such as determining authorisation limits, which is key to moving cash fast.

#### Implementing arrangements:
- **Implementing and operational partners**
  - *Does the agency have the required programme, logistical and finance capacity?*
  
  Review the regional and country capacity for implementing CBIs. Identify training needs and seek out training opportunities (e.g. Emergency Market Mapping and Assessment (EMMA) training or Cash Learning Partnership (CaLP) trainings. Collaborate with other agencies implementing CBIs to organise briefings and exchange experience and lessons learned. Participate in any CBI working groups.

### Advanced Preparedness Actions (APAs):
Specific emergency scenario identified

#### As the likelihood of an influx becomes more apparent, organisation and coordination with all levels of government is very important – e.g. while local government may be amenable to CBIs, regional government may not.

#### Implementing arrangements:
- **Delivery mechanisms and private sector partners**
  - *What are the available cash delivery mechanisms? What is the logistical and finance capacity in terms of ensuring security and accountability? What are the national protocols for data privacy? What are the implications of data requirements on data protection?*
  
  At national level, this means taking an inventory of the range and capacity of services available as well as emerging technologies (e.g. mobile money transfers). Consider stand-by arrangements with providers. Discuss with agencies that have experience in delivering CBIs. At community level, identify one delivery mechanism and one contingency mechanism.

#### Identify partners, prepare agreements; agree on standard operating procedures for the implementation of CBIs, including beneficiary selection criteria, delivery modalities (cash or voucher) and mechanisms (direct cash, ATMs, etc.), transfer amounts, duration and frequency, etc.

#### Discuss with actual providers to determine their readiness/capacity.

Ensure that tenders, contracts, and other financial and administrative tools are prepared in advance. Update confidentiality and data-protection clauses.

Ensure that card stockpiles are adequate if the use of cards is foreseen.
PART 5

Coordination

What needs to be coordinated at an inter-agency and inter-sector level to maximise the benefits and effectiveness of MPGs, alongside complementary interventions?

Note: Defining coordination arrangements for cash-based programming is work in progress, and MPGs are part of the broader discussion. Guidance in this section is non-prescriptive and likely to evolve, as cash coordination is further developed.
What It Is

Coordination is the systematic utilisation of policy instruments to deliver humanitarian assistance in a cohesive and effective manner. Such instruments include:

- Strategic planning.
- Gathering data and managing information.
- Mobilising resources and assuring accountability.
- Orchestrating a functional division of labour in the field.
- Negotiating and maintaining a serviceable framework with host political authorities.
- Providing leadership.

Sensibly and sensitively employed, such instruments inject an element of discipline without unduly constraining action.41

MPGs necessarily require cross-sector coordination. This is challenging – but not impossible.

Essential Checklist

There are different types of coordination: technical, strategic, and operational. For any given emergency context, a mix of MPGs, other CBIs and in-kind goods and services will be utilised to reach sector-specific and multi-sectoral objectives. Where these overlap, there will be efficiency and effectiveness gains to be made through coordination (Figure 10). For example:

- Technical: Financial services assessments are relevant to all CBIs regardless of type. Market assessments are relevant to both CBIs and in-kind interventions. Determining an appropriate Minimum Expenditure Basket (MEB) requires inputs from all sectors.
- Strategic: Advocacy with government may be relevant for all CBIs, including MPGs. Monitoring the use of MPGs by recipients can provide insights into needs and priorities that are multi-sectoral, influencing humanitarian strategies and approaches.
- Operational: Common delivery mechanisms can be used for MPGs, one-off or regular cash distributions, or even mixed modalities that use point-of-sale devices and ATMs.

**FIGURE 10. Coordination Overlap**

Strategic coordination can include:

- Ensuring a systematic, evidence-based and coherent approach to SRA.
- Where the SRA deems unrestricted cash to be an appropriate and feasible means of meeting humanitarian needs, ensuring an MPG is considered.
- Defining the specific objective of an MPG programme, including complementary interventions.
- Ensuring that MPGs, CBIs and in-kind approaches are complementary and there are no duplication or gaps.
- Deciding, based on technical inputs, whether or not an MPG programme should be targeted “wide and shallow” or “narrow and deep”.
- Prioritisation of assistance and activities for cost-efficiency and -effectiveness purposes when resources are scarce.

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Rationalising different approaches and looking for gains in efficiency and effectiveness, such as the use of MPGs or common delivery mechanisms.

Ensuring MPGs are integrated into mainstream information management systems.

Raising awareness of the benefits and risks of CBIs/MPGs with governments (national and international).

Making links between relief, recovery and development interventions, including alignment with national safety net programmes.

Rationalising who is responsible for the technical and operational coordination of MPGs.

**Technical coordination can include:**

- Collecting and analysing information to inform a Situation and Response Analysis (SRA).
- Undertaking a Multi-Sector Market Assessment (MSMA).
- Determining if a CBI, or an MPG, is an appropriate and feasible way to meet multi-sectoral objectives; this includes analysis of complementary sector-specific initiatives if relevant.
- Understanding need from an income and expenditures perspective including the MEB, Vulnerability Assessment and Gaps Analysis.
- Determining a recommended MPG transfer value to encourage harmonisation, particularly if complementary to sector-specific initiatives.
- Defining a common targeting strategy, including criteria and processes.
- Designing a common delivery mechanism.
- Designing a common monitoring and evaluation strategy, including indicators and processes, to ascertain multi-sectoral impacts and overall effectiveness, not least “value for money”.
- Developing appropriate information management systems that provide essential information on benefits received to relevant stakeholders, including sector-specific actors.

**Operational coordination can include:**

- Who will do what and where? With MPGs, key considerations include target populations, transfer values and delivery mechanisms, to ensure consistency and complementarity as well as minimise confusion or burden on beneficiaries.
- Who will lead on different aspects of programme design and implementation particularly where common approaches will be used, e.g. common targeting, common delivery, etc.

**Do No Harm/Do More Good**

MPGs require proactive multi-sector engagement in all stages of the programme cycle, ensuring sectors focus on addressing beneficiary needs collectively.

With regards to defining the roles and responsibilities for MPG coordination, different models are currently being tested (see Table 7). Regardless of who does what, coordination needs to distinguish between the strategic, technical and operational aspects, not least to avoid conflict of interest.

Where CBIs, such as conditional CBIs, vouchers, or cash for work, are being used to achieve a specific objective, this remains coordinated within the relevant sector. However, where unrestricted cash or MPGs are used, the risk is that coordination will take place in parallel to more sector-specific approaches to coordination. Rather, the approach proposed by this toolkit is to consider MPGs as a foundation upon which sector-specific interventions can be built, enabling crisis-affected populations to use in-kind assistance and access services as they were intended (Figure 11).

Regardless of whether the use of MPGs is integrated into mainstream humanitarian strategies and mechanisms, MPGs require coordination. Use all available means possible, e.g. Cash Working Groups, Basic Assistance Working Groups, protection or inter-cluster or sector coordination, while looking for longer-term sustainable solutions.
**IN A HURRY!**

To get things moving fast, in coordination fora prioritize the following:

- Determine if a CBI, or an MPG, is an appropriate and feasible way to meet multi-sectoral objectives.
- Understand need including determining the MEB, basic Vulnerability Assessment and Gaps Analysis.
- Determine a recommended MPG transfer value to encourage harmonisation, particularly if complementary to sector-specific initiatives.
- Design a common monitoring and evaluation strategy.
- Ensure MPGs are integrated into mainstream information management systems and develop appropriate systems to manage MPG-specific information.
- Ensure that MPGs, CBIs and in-kind approaches are complementary and there are no duplication or gaps.
- Rationalize different approaches and looking for gains in efficiency and effectiveness, such as common delivery mechanisms.

- Raise awareness of the benefits and risks of CBIs/MPGs with governments (national and international).

**BOX 17. COORDINATION OF MPGS IN NEPAL**

In Nepal the Cash Working Group (CWG) was founded within six days of the initial response. This group was set up by the initial UN Disaster Assessment and Coordination (UNDAC) team. The CWG had a dual function: to support a coherent approach to cash and vouchers as they were being used within the response, and to support the operational coordination of MPGs in partnership with clusters whose inputs influenced the MEB and later informed the MPG transfer value. The CWG supported coordinated market assessments within the first week which used a simplified Rapid Assessment for Markets tool to evaluate the functioning of markets across both the food and non-food items clusters. As a result of coordinated Situation and Response Analysis, it was decided that meeting shelter needs through CBIs or an MPG was not going to be appropriate, given early indications of a lack of quality material for temporary shelter needs. Given the regular briefings provided by the CWG through OCHA, the use of MPGs was supported by the Humanitarian Coordinator and raised at Humanitarian Country Team meetings as required. Operational coordination was done through inter-cluster coordination and one on one with those clusters that decided an MPG would be an appropriate way to meet needs, e.g. food security, WASH and non-food items. See Annex 3: Appendix 1 for an example of the Nepal MEB and MPG transfer values.

**RESOURCES**

- Coordination Toolkit (CaLP)
- Case Study Lebanon (UNHCR)
- Case Study Philippines (CaLP)
### TABLE 7. Experience with different MPG coordination approaches  
(from the Lebanon and Philippine Cash Coordination Case Studies, UNHCR and CaLP)

<table>
<thead>
<tr>
<th>Approach</th>
<th>Via a separate group or consortium outside of formal coordination systems</th>
<th>Via sub-groups within specific clusters or sectors</th>
<th>Via groups linked to the inter-cluster or inter-sector mechanisms</th>
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<td><strong>Advantages</strong></td>
<td>Operating agencies planning multi-purpose cash programmes have been able to operate and plan easily with a small number of actors; these groups or consortiums have at times been able to support geographically based programming.</td>
<td>Formally linked with coordination systems and planning structures; is represented within formal documents and can be funded.</td>
<td>Working groups are linked to the relevant coordination mechanisms; groups are fully represented to ensure space for both strategic and technical functions.</td>
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<td><strong>Disadvantages</strong></td>
<td>These groups are outside of the formal system and there is a high risk of duplication or overlap with cluster- or sector-based programming; this can impact their sustainability and access to formal funding channels; lessons learned are not widely shared with the formal system; groups have no representation in formal planning documents and no accountability to the wider system.</td>
<td>The learning and focus of the working groups often does not support other sectors, has limited linkages to the strategic decision-making bodies, and is often only represented as a portion of a single sector which is inaccurate if the objectives are broader.</td>
<td>Structure often unclear so groups may have a strong or weak role depending on the understanding at the inter-cluster/sector level.</td>
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