PART 1

Situation and Response Analysis

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

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7 Ibid.

8 Frameworks analysed included all documents in the Resources section.
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.  
- To understand the physical disruption (and capacity) of markets and infrastructure to supply essential goods and services.

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/group 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 meet 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.

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, Emergency Market and Mapping 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)

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

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**
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

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.

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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</td>
<td>groups that are culture- or context-specific, can result in greater</td>
<td>may not know each other, e.g. in urban or displacement crisis.</td>
</tr>
<tr>
<td>what their perceptions of</td>
<td>community ownership and therefore buy-in to results. Is less costly, and is</td>
<td></td>
</tr>
<tr>
<td>poverty are and who is</td>
<td>timelier.</td>
<td></td>
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<tr>
<td>most likely to be poor.</td>
<td></td>
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<tr>
<td>Expert consultation or</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>“Delphi”: Gathering data</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</td>
</tr>
<tr>
<td>from experts in their area</td>
<td>litres of water per day. Can increase buy-in for multi-stakeholder users of</td>
<td>a lack of understanding of what causes certain vulnerabilities and the role of</td>
</tr>
<tr>
<td>of expertise, e.g. food</td>
<td>result, e.g. targeting MPGs.</td>
<td>cash, e.g. protection abuses.</td>
</tr>
<tr>
<td>security, health, shelter,</td>
<td></td>
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<tr>
<td>protection, etc.</td>
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<td></td>
</tr>
<tr>
<td>Household surveys</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>and statistics:</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>Sample surveys using</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>household questionnaires</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>with descriptive and</td>
<td>relationship with the preferred outcome.</td>
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<td>analytical statistics.</td>
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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.


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/hr](https://www.icrc.org/hr)).
**FIGURE 3.** MEB and MPG as foundation for sector-specific interventions

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 emergency 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.

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.

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:

\[
\text{Total Population} \times \text{Quantity per person/household} + \text{Government/Agency Purchases} = \text{Total Demand}
\]

TABLE 2. Excluding items from the MSMA

<table>
<thead>
<tr>
<th>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.</th>
</tr>
</thead>
<tbody>
<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 <strong>Willing to Pay</strong>, 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.
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>
<tr>
<td>Critical product or service</td>
<td>Information on demand</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----------------------</td>
</tr>
<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>
</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>
</tr>
<tr>
<td><strong>Fresh produce</strong></td>
<td>Interchangeable amount of tomatoes/spinach/potato/onions; 2kg/household/week</td>
</tr>
<tr>
<td><strong>Rental markets</strong></td>
<td>Medium-term shelter solution (3–6 months). One room per 2–3 people.</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>
</tr>
</tbody>
</table>

**TABLE 4. Examples of Representative Markets for Goods and Services**

**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.  

- **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.  

- 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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**BOX 6. MARKETPLACE AND MARKET SYSTEMS ANALYSIS IN NEPAL AND THE PHILIPPINES**

Following the earthquake in Nepal, historically developed and integrated markets were able to quickly reinitiate the flow and supply of goods despite the disruptions to infrastructure. For food and non-food items traded in markets, visiting markets and conducting trader surveys was adequate to determine reliable supply. For shelter items, where markets were not developed, more in-depth analysis was required to inform response.

In post-Haiyan Philippines, many items were needed to reconstruct shelter, provide basic needs and recover livelihoods. To meet needs, food, non-food and livelihood-inputs supply chains clearly needed reconstruction. The Market Systems Analysis informed appropriate market support, to avoid recreating the weak livelihood-input markets that existed prior to the disaster.

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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.
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 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

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 (¶) 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, 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 MPGs

<table>
<thead>
<tr>
<th>Desk Review and Needs Assessment</th>
</tr>
</thead>
<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>
</tr>
<tr>
<td>* Flag any information on economic or livelihoods-related root causes of protection risks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk, Vulnerability and Capacity Analysis</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligibility Criteria and Targeting</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Analysis</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Modality and Delivery Mechanism</th>
</tr>
</thead>
<tbody>
<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>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Design and Implementation</th>
</tr>
</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>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monitoring</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</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.).