



# Examples and good practices on the use of multi-purpose cash in the food security sector

## Introduction

In recent years, multi-purpose cash (MPC) has been adopted more widely to address the diverse needs of affected populations during and in the aftermath of crises. As a result, efforts towards harmonizing and institutionalizing different aspects of MPC programming have also increased. Different tools and methodologies for programme design and monitoring have been developed, while coordination around MPC initiatives has improved and strengthened. Sectors, Clusters and partners at country level have been involved in implementing MPC approaches based on needs and tailored to context-based solutions.

This document has been developed under the umbrella of the global Food Security Cluster (gFSC) Cash and Markets Working Group (CMWG) to highlight the role and engagement of food security actors based on different country experiences and good practices.

A survey was conducted with Food Security Cluster/Sector Coordinators (FSC-SC) and information management officers (IMOs) in 2018, with webinars organized between 2017 and 2018 and discussions with key experts (mainly FSC-SC) to capture lessons learned. These activities mapped out some good practices and provided related recommendations and examples of feasible approaches from various countries where the FSC/Sectors (FSC/S) are active.

This document is not intended to institutionalize the “how to”, but rather to provide examples of the operationalization of MPC that could be useful for the FSC as well as other sectors. This is a living

document and will be updated at regular intervals by incorporating new good practices and/or global decisions affecting the MPC reporting and coordination.

Additionally, this document is aimed at creating a shared understanding on reporting sectoral outcomes, thus avoiding double counting across clusters/sectors on MPC. The new 2020 HNO/HRP templates have a separate optional section on MPC, which includes figures such as targeted populations and funding required.

## Involvement of FSC/S in MPC

In general, FSC/S are involved in several phases and aspects of MPC programming, such as assessments, design, implementation and monitoring, which are all highly dependent on context. Moreover, depending on the scale of MPC programmes during the humanitarian response and/or the humanitarian architecture in place, the role and participation of the FSC/S could vary. Where there is an active Cash Working Group (CWG)<sup>1</sup> taking the lead in the design of the MPC, FSC/S is a member of the CWG. In particular, the FSC Cluster Coordinator (CC) participates actively in the CWG, whereas the FSC-IMO provides necessary information and data as evidence for all cash and voucher assistance (CVA).

FSC/S should be actively involved in different MPC-related fora to ensure general guidelines are adopted for harmonized design and response. This includes:

- Assessments, in particular multisector and food security-specific assessments;
- Strategic country response and contingency plans;
- Minimum expenditure basket (MEB) and/or survival minimum expenditure basket (SMEB). The clusters/sectors define the gaps and needs in their respective sectors, which the FSC/S analyse to provide the size of the food basket (and the corresponding value) to the CWG. It is crucial to include specific items for a balanced diet in MEB definitions (and MPC grant calculation), i.e. fresh produce, condiments, and cooking fuel, as food baskets are not only about caloric intake. Tools such as *Household economic analyses* or *Cost of diet* can be used. The lead (e.g. CWG, Basic Needs WG (BNWG), etc.) together with the different sectors/clusters/working groups compiles and harmonizes transfer values to define national or subnational MEB/SMEB. Where the CWG and/or BNWG are not active or functional, the FSC can take the lead to develop MEB and SMEB.
- Programme transfer value, linked to MEB: the proportion of the MEB/SMEB dedicated to food security is a good basis for estimating the transfer value for the FSC/S to follow up and report on.
- Monitoring and reporting on interventions and their impact through regular 3/4/5W data collections with sector/cluster partners, as well as post-distribution and outcome monitoring on the impact of MPC on beneficiaries.
- Coordination and harmonization, to which the FSC/S contributes as much as possible and across sectors, particularly on calculating transfer values and their use. Ill-coordinated MPC responses could create higher risks and even cause more harm for the affected population, as they could lead to inequity among beneficiaries. Therefore, the FSC/S team liaises regularly with CVA focal points of FSC member agencies and other sectors through the CWG/BNWG.

<sup>1</sup> In some cases, if the Basic Needs Working Group takes the lead on MPC, the FSC/S participates as a member of the WG and takes part in response analysis exercises and project panel reviews

**Where there is an active CWG, take the lead in designing the MPC:**

1. Active FSC/S involvement is highly recommended from the very start of discussions on MPC, as a lack of or limited involvement by FSC/S could lead to an unharmonized response.
2. The FSC-CC participates in the CWG, while FSC-IMOs provide necessary information and data as evidence for CVA. The FSC team liaises regularly with CVA focal points of FSC member agencies.
3. If the BNWG takes the lead on MPC, then the sector coordinator takes part in a response analysis exercise and project panel reviews.
4. FSC/S contributes to strategic response analysis discussions, and where possible participates in multisector/multicluster needs assessments in a given country.
5. Discussions on a joint assessment for MPC are held at various levels, such as at the Inter-Cluster Coordinators Group (ICCG), with donors, technical working groups, or the Humanitarian Country Team (HCT).
6. To estimate their respective transfer value, all clusters/sectors including FSC/S are involved in the design of MEB and SMEB, regardless of the lead.
7. Direct participation of FSC/S in the design of the MPC supports the inclusion of food and livelihood components, including indicators for the sector.<sup>2</sup>
8. The cluster/sector defines the gaps and needs in their respective sectors/cluster, based on which the FSC/S provides the size of the food basket and transfer value to the CWG.
9. Thereafter, the CWG together with the different sectors/clusters/working groups harmonizes the transfer value.
10. MPC calculated and implemented on an individual basis could create higher risk and may do more harm to the affected population, as it could lead to tension among the different groups; hence, it is important to discuss an individual MEB calculation for MPC at the cluster/sector level as well as at the CWG, where this exists.
11. If FSC/S takes the lead in developing the MEB, this must be a collaboration with the CWG and other clusters/sectors.

**Where CWG is missing or not active**

1. The FSC can take the lead in coordinating MEB and SMEB<sup>3</sup> for MPC transfer values, or could develop the MEB in collaboration with one or more sectors.
2. Ensure all other sectors and clusters are consulted and provide inputs to the MEB and transfer value calculations.
3. Coordinate with other stakeholders to harmonize transfer values for efficient and effective response.

<sup>2</sup> FSC Bangladesh

<sup>3</sup> FSC Bangladesh

## Strategic country response plan and contingency plans

### Good practice: FSC Bangladesh on Cash preparedness

Cash preparedness is key to a successful cash-based response. The FSC team's contact with the CWG, other clusters, the OCHA regional office, the Humanitarian Affairs advisor of the RC office and more specifically among the FSC members, led to the development of a harmonized MEB and consequently a harmonized MPC amount. Bangladesh is a good example where several decisions and agreements were reached in advance of the crisis to ensure an effective, timely and principled humanitarian response. For example, the FSC in Bangladesh played a leading role in defining the MEB (using Household Economy Approach (HEA) surveys conducted by WFP and the FSC). The transfer value was then agreed during a workshop led by the Government of Bangladesh with the support of the Humanitarian Affairs adviser of the RC office, the CWG members and the FSC. Where there is a humanitarian response, it was easy and fast to implement MPC and to mobilize donor funding. Agreement on coordination arrangements, familiarization with existing donor and government policies, mapping of financial service providers and markets, assessing partners' capacities and agreeing on the MEB were reached before the emergency happened.

## Calculation of MEB/SMEB linked to sectoral transfer value

### Guidance used by FSC/S to calculate the transfer value of the food needs:

- Defining the objective: the FSC should play an active role in defining MPC objectives and help identify food needs, to calculate the food basket based on gaps. Livelihood and cooking energy needs can also be included in the MEB (Bangladesh and Nigeria for example) based on the approach agreed by the FSC/S.
- Transfer value based on food basket and MEB: there are two ways of calculating the Minimum Expenditure Basket (MEB) – either at organization level (e.g. WFP monetizing the in-kind food basket and quantifying the value for MEB, including *other food items which should be part of a balanced diet*) or at the cluster/sector level through consultation with all partners based on the MEB identified for the community. In both cases, it is important to harmonize the transfer value/rate, based on needs assessments and market monitoring data.
- Determination of food component (proportion) in MEB: using surveys such as HEA to calculate the expenditures of the most vulnerable groups, and the proportion of food in this. Livelihood expenditures can also be included. In many cases, the HEA or similar surveys show around 60 to 70 percent is spent on food. This percentage changes, however, depending on the type and stage of response (i.e. in the early phases or acute emergencies, the food proportion is usually higher than during "quiet" times). Information on price inflation should be considered when designing or reviewing MPC/MEB amounts. The cost of diet analysis is a useful tool for assessing nutrition, however it requires specific skills and expertise that are not always available in country. Intention surveys are also helpful, for example interviewing beneficiaries on how they are going to spend the cash they receive.

## Examples of good practices

Interesting examples were shared by Afghanistan and Bangladesh in a gFSC Cash & Markets WG webinar organized in 2017, which can be accessed [here](#).

### Good practice: Afghanistan FSAC and transfer values

The table below shows how the transfer value was calculated in Afghanistan, which is based on a 2,100 Kcal intake per person per day with an average household size of 7 individuals.

#### How cash transfer value was determined: (Food basket)

Cluster recommended basic food basket for population (100% - 2,100Kcal/person/day for a family of seven) January 2017					
S. No	Name of the commodity	Unit	Quantity	Unit price	Total price in Afs
1	Wheat Flour	Kg	60	29.50	1,770
2	Local Rice	Kg	29	76	2,204
3	Vegetable Oil	Litre	6	81	486
4	Pulses	Kg	14	77	1,078
5	Salt	Kg	1	14	14
6	Sugar	Kg	6	55	330
	<b>Total</b>				<b>5,882</b>
	<b>Total in USD @ 66.5 Afs=1USD</b>				<b>88</b>
	<i>FSAC recommend 6,000 Afs or 90 USD for one month food basket.</i>				

- Minimum 2100 Kcal/person/day for emergencies but it varies with climatic conditions, type of work/livelihoods and vulnerable groups.
- Family size
- Nutritional balance
- Cultural food habits and practices
- Cost associated with transportation and cooking and logistic constraints
- Specific need coming from evidence based assessment (nutritional deficiency etc.)
- Overall needs vs funding availability
- Equality, equity and do no harm
- Host government technical ministry recommendations



### Example from Nigeria FSS: Transfer value calculation

The sector provides an agreed rationale and methodology to determine a transfer value, rather than imposing a single fixed rate. The minimum transfer amount per household is based on three data points: food basket items (fixed – as discussed and agreed with the FSS members), unit price (variable) and average household size (variable). And then, depending on the location, if price monitoring indicates that the transfer value varies by around 15 percent from current market prices, they may consider revising the transfer value. Transfer Value Calculator: [Transfer Value Calculator – Harmonization Guide FSS – Final](#)

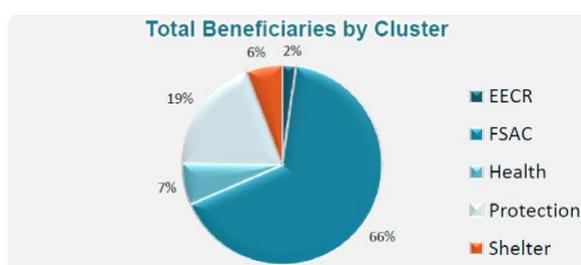
### Example from FSS Nigeria: Inclusion of condiments and cooking fuel in MEB

Nigeria FSS was actively involved in the design of MEB for MPC, and they were able to include the cost for condiments and cooking fuel. Advocacy based on partners' discussions of harmonization since 2017 contributed to a donor decision to include food utilization needs in their technical guidelines (e.g. ECHO HIP for Nigeria). The advocacy at donor level helped in including these items and increasing the amount of the basket. Failing to incorporate these items/rates would have resulted in key gaps negatively affecting food utilization and increasing protection risks, among others.

### Example from FSAC Yemen: Transfer value

MPC food component is calculated on a percentage basis agreed with all cluster partners and is mostly fixed.

### Yemen - Cash and Market Based Response



## Minimum Expenditure Basket - Food

### Minimum Food Basket - Wheat Flour & Rice as Sources of Cereal (No Sugar)

1st Food basket with Wheat & Rice (15 kg) and no sugar.	Daily Ration	Required Quantity for 7 persons per month (KGs)	Av. Price /kg	Cost of commodity /family per month YER	USD	USD (10% Contingency)
Food Item	g/person/day	75%				
WHEAT FLOUR	311	75	190	14,270	57	63
RICE, WHITE, MEDIUM GRAIN	69	15	413	6,284	25	28
OIL, VEGETABLE [WFP]	21	5	500	2,315	9	10
BEANS, KIDNEY, ALL TYPES	26	6	520	3,120	12	14
SALT, IODISED [WFP]	5	1	127	140	1	1
				<b>26,129</b>	<b>105</b>	<b>115</b>

### Good practice: Bangladesh and transfer values

HEA surveys were conducted in Bangladesh across various parts of the country (such as the southwest following waterlogging episodes and the northwest following floods).

Based on the results of the HEA, it was possible to extract the expenditures of the most vulnerable population group (i.e. the poorest) and determine the average amount.

According to HEA Studies Reports		
Area	MEB/year (Very Poor)	Average MEB /month (Very Poor)
North West	58,124	5,400
South West	71,478	
<b>Average MEB/Year</b>	<b>64,801</b>	

The “**multi-purpose cash assistance**” amount was agreed at **BDT 4,000 (four thousand)** per month, which is about 75 percent of the MEB for the north and south in the aftermath of any disaster. The remaining 25 percent is covered by coping mechanisms, local capacities and other assistance.

The amount was rounded for practical reasons, as it is sometimes distributed through cash in hand.

The average percentage was calculated as per the breakdown below, which was used later for reporting and monitoring.

Items	Average (%)
Food	38
Shelter	18
Livelihood	15
Education	3
Health	7
Loan repayment	4
Clothes	3
Saving	3
Transport	1
Other	8

## Monitoring sectoral outcomes

In most cases, output indicators are used for monitoring, i.e. the number of people reached and the amount of money transferred to those affected by a crisis. The new 2020 HPC Guidance advocates for a move from output- to outcome-based monitoring. The FSC/S will continue collecting both as they are essential and serve different purposes.

The Grand Bargain Cash Workstream has adopted MPC assistance indicators ([Grand Bargain Cash Workstream Multipurpose Cash Outcome Indicators document](#)). Some CMWGs publish regular cash and markets dashboards with information on monitoring and the MEB. This provides an indication on the number of people reached, the sectors covered by cash interventions, and so on.

The guidance on collecting expenditure data in the MPC Outcome Indicators document and in CaLP’s Monitoring Guidance<sup>4</sup> are useful, as they highlight the recommendation that expenditure data should be collected in terms of overall household expenditure, rather than specific to MPC assistance (difficulties for households to separate expenditure in terms of sources of income).

<sup>4</sup> <https://www.calpnetwork.org/wp-content/uploads/2020/03/calp-ctp-monitoring-web-1.pdf>

In addition, this was used to report against the HRP targets (number of people covered and amount received by beneficiaries per sector). In Bangladesh, a joint monitoring tool was developed by all clusters and used to segregate information for sector-specific reporting.

PDM surveys are designed to evaluate the distribution process (including accountability aspects), and to some extent the impact of assistance. For MPC, PDM exercises usually enquire about the proportion of cash spent of food and/or livelihood items and other expenditures. In this regard, the PDM validates the data or the percentage of food security-related expenditure defined by the HEA. This validation process is very important, because HEAs are mostly done during normal/quiet times or before a crisis, while MPC is distributed during/after a crisis, so household expenditures may differ.

**Useful guidance for monitoring:**

Under the Grand Bargain Cash Workstream, an MPC Outcome Indicators List was developed in 2019. As part of the Grand Bargain's commitment to "increase the use and coordination of cash-based programming," the need for better and more consistent measurement of the outcomes to which MPC contributes was identified<sup>5</sup>.

The indicators in the document focus on the primary objectives of humanitarian MPC, and the outcomes to which this can most strongly contribute. The aim is to gather a core minimum group of indicators that have sufficient level of familiarity and acceptance across humanitarian stakeholders - and, for sectoral indicators, across sector clusters and experts.

Food Security Indicators:

- Percentage of households by [Food Consumption Score](#) (FCS) phase (Poor, Borderline, and Acceptable).
- [Reduced Coping Strategy Index](#) (rCSI): an experience-based indicator measuring the behaviour of households over the past seven days when they did not have enough food or money to purchase food.
- [Livelihood Coping Strategies](#) (LCS) phase: an indicator to measure the extent of livelihood coping that households need in response to lack of food or money to purchase food.

**Note:**

- 1) The above-mentioned points are in line with the new 2020 HPC Guidance, which advocates for a move from output- to outcome-based monitoring.
- 2) FCS should be used for essentially all MPC. rCSI and LCS is recommended as an additional indicator for longer-term MPC<sup>6</sup> (e.g. over 6 months).

<sup>5</sup> <http://www.cashlearning.org/downloads/multipurpose-cash-outcome-indicatorsfinal-draft-for-testingjuly-2019.pdf>

<sup>6</sup> <https://reliefweb.int/sites/reliefweb.int/files/resources/multipurpose-cash-outcome-indicatorsfinal-draft-for-testingjuly-2019.pdf>

### Example from Bangladesh: Post-distribution monitoring (PDM)

A PDM template and methodology were agreed by several organizations (INGOs, LNGOs and the UN) and used for reporting. PDMs compare the actual MEB percentage spent on food/livelihoods with that defined from the HEA, which can lead to modification of the sectors' MEB percentage if needed.

#### Average use (PDM)

Items	Average (%)
Food	38
Shelter	18
Livelihood	15
Education	3
Health	7
Loan repayment	4
Clothes	3
Saving	3
Transport	1
Other	8

- PDM = Post Distribution Monitoring
- Use of UCG after a disaster
- Based on 3,000 & 4,000 BDT/month/HH for up to 3 months

(UCG: Unconditional Cash Grant, same as MPC)

## Reporting

Reporting/sharing and accessing data: special focus should be placed on monitoring MPC programming. Cluster/Sector partners should be encouraged to share their data.

Tools used by FSC/S for reporting by partners are usually typical information management tools such as 3/4/5 Ws. There is no agreed standard at the global level on MPC reporting, only recommendations. It is recommended that country-level CWGs and other actors agree on harmonized reporting mechanisms.

#### Challenges related to monitoring:

In some countries, implementation data are collected through the Cash (or Basic Needs) WG. The FSC/S should ensure no duplication of collected data and access to information when needed.

With regards to using the MEB for reporting there are two possible scenarios:

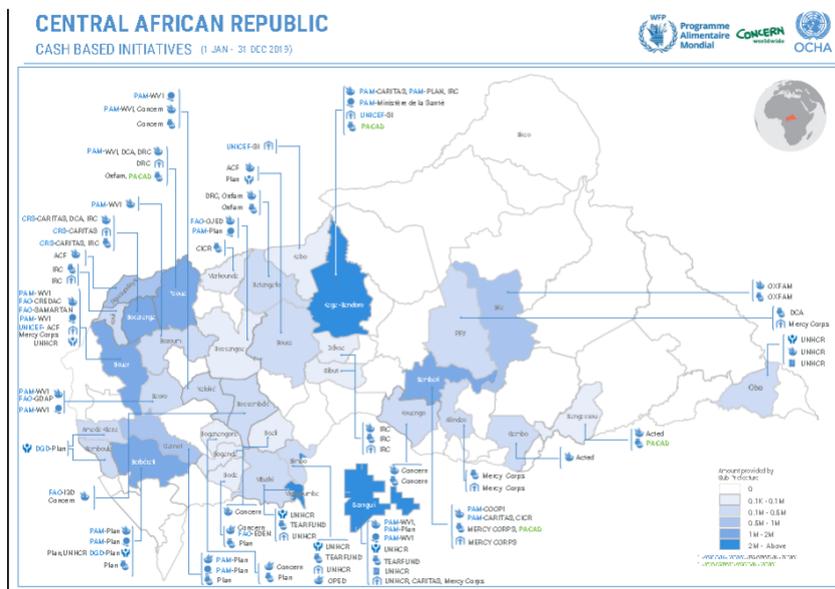
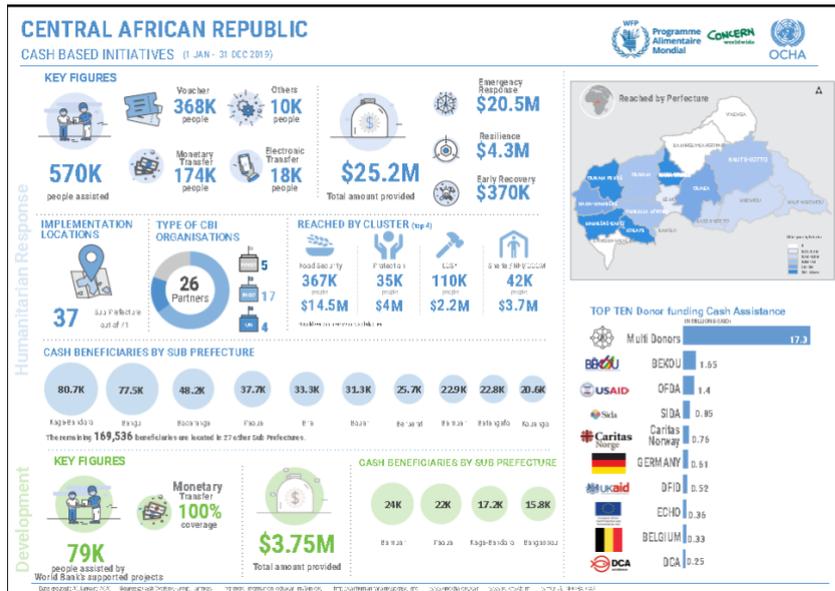
- An organization has designed the MPC using MEB and funds for one donor have been used. The organization will have to determine if they report the MPC to one sector (predominantly Food Security and Livelihoods, due to an average 70 percent food component in MEB) or break the package down by sector and report to multiple clusters.
- Multiple organizations come together with independent funding and agree on an MPC package (through MEB), agreeing also on how to report this and to whom. MPC could be reported as a single package and/or if multisector outputs and outcomes were planned during the design of the programme, sector- and donor-specific reporting could become a challenge and need to be agreed on.

At the end of November 2019, the Global Clusters Coordination Group (GCCG) and Global Clusters IM focal points worked on an effective and standardized operational tracking of cash and voucher assistance (CVA). A template with recommended standard and optional reporting requirements for sectoral CVA was developed (accessible [here](#)). The template refers to intersector operational reporting requirements and does not affect the additional data required by clusters for internal use. The

reporting requirements should be included within the regular 3/4W template, which FSC teams are already using at the country level. This will allow for sectoral CVA programming to be reported via the relevant cluster/sector, in line with existing processes for tracking in-kind assistance. The template can be adjusted according to context.

## Example from Central African Republic CWG: Cash dashboards

The CWG in CAR regularly produces Cash dashboards, including all types of CVA modalities. Data are collected through regular 4Ws.



### Example from Afghanistan FSAC: Reporting of MPC and cash for food

In Afghanistan there is a CMWG that primarily coordinates the design, implementation and monitoring of MPC, with regular support from clusters. Cluster partners report through the online IMMAP *Report Hub*. In such a system, cash for food is reported under FSAC, while MPC is reported under the CMWG. Under MPC, if cash is intended to fulfill food needs, the FSAC IMO has access to these data in order to conduct a proper gap analysis.

### Example from Syria: reporting guidance

A CashCap expert deployed in 2018/2019 as inter-agency Cash and Markets Advisor for the Whole of Syria developed reporting guidance on CBT, including MPC. In the Whole of Syria response, all MPC activities are reported only to CWGs (one in each of the three response hubs) through their 4Ws. This decision was taken at Whole of Syria Inter-Sector Group level and at CWGs and all clusters hub level.

## 3. Guiding principles and MPC reporting protocol

### Guiding principles

- Multipurpose cash transfers (MPCs) should **NOT** be reported to more than one sector/cluster.
- **Always be guided by your project's primary objective** when determining to which sector should you report your cash-based project.
- **Information sharing is an integral part of coordination.** Donors and funding mechanisms are increasingly including indicators for coordination of cash-based projects. Reporting to the 4Ws could be among a set of measurable coordination indicators.

### MPC reporting protocol

- **Every 1<sup>st</sup> week of the month:** The Cash Working Group lead sends an email reminder to CWG members to submit their MPC information using the 4Ws template, **on or before the 10th day of each month.**
- The CWG coordinator or IMO then submits the completed MPC 4Ws to OCHA at hub level, or, in the case of NES, to the NES NGO Forum IMO.)
- IMOs or CWG coordinators at hub-level then submit the 4Ws to OCHA's Regional Office for the Syria Crisis (ROSC) for processing and analysis.

## Available tools and guidelines at global and gFSC level

- 1) [gFSC CMWG webpage](#)
- 2) [gFSC CBT Cluster Coordinators Briefing Package](#)
- 3) [Operational Guidance and Toolkit for MPC \(CaLP, UNHCR, OCHA, DRC, Oxfam, SCI, WFP\)](#)
- 4) [CaLP MPC Webpage](#)
- 5) [CaLP MEB Decision making tools](#)
- 6) [WFP VAM, Essential Needs Assessment Guidance](#)
- 7) [WFP VAM, Minimum Expenditure Baskets Guidance](#)
- 8) [GB Cash Workstream – MPC Outcome Indicators](#)
- 9) [ERC Consortium: Multipurpose Cash Grants - Standard Operating Procedures](#)
- 10) [gFSC and CashCap - LLs on ESSN Turkey – Coordination](#)