Cash and Market WG Meeting
8th of November 2022
AGENDA – Cash and Market WG

2 hours and 45 minutes

1. Welcome and Introduction (roundtable) – 15mins - Aftab

2. Background, ToR and WG functions and updates from members to be shared – 30 minutes (update CAG, MEB) - Corrie + Aftab and José

3. Current achievements for 2022 – 20 minutes (for the CMWG, presentation of the operational research) - Damien + Marie

4. WG and the new strategy: operationalization of thematic areas – 40mins - Aftab

5. WG and FSC teams & partners support in the field (technical issues, advocacy, strategic guidelines, etc.) – 30mins – Rami /Corrie

6. WG Work-plan for 2023 – 25mins - Damien

7. Wrap-up and closing remarks – 5mins - Aftab
1. Welcome and introduction
2. Background, ToR, WG functions and updates

1. The Cash and Market WG is the oldest WG

2. **Objective**: to facilitate and support the mainstreaming of Cash and Voucher Assistance (CVA) and other Market Based Approaches in the food security sector in close coordination with other clusters and cash and market working groups.

3. **ToR**:
   1. Revised in early 2022
   2. Focus more on sharing good practices and lesson learned
   3. Provide adhoc technical support when need (ex. Discussion on Hawala, change of modality, cash intervention during liquidity crisis)

4. The **key products developed so far** includes:
   1. CFW guidance
   2. Examples and good practices on the use of MPCA in the food security sector
   3. Cash intervention during Covid 19
   4. CVA stories from the field
2. Update

1. Update Cash Advisory Group (Aftab)

2. MEB (CaLP - José)
Background
The Global CAG -formed following the IASC Principal’s endorsement of a model for predictable cash coordination, developed by the Grand Bargain Cash Coordination Caucus. Established in June 2022 - entity associated with IASC, reporting- IASC Deputies Group.

Purpose

Principles of Cash Coordination

Role and Responsibilities: The CAG will focus on the following functional areas:
1. Standard setting and capacity building
2. Advocacy, global monitoring, and liaison
3. Resourcing and prioritization

Progress so far:
• TOR finalized for CAG
• Survey conducted with Working Groups including local agencies
• Workplan finalization in progress
• TOR of CWG- finalization under process

More here: https://lnkd.in/guSxxzAv
GUIDE PROCESS & OBJECTIVES

- Published end of October 2022 after a long process that started in 2020.
- Building on to the existing guidance + providing practical recommendations
- Objectives: key concepts, outline key MEB aspects (when an MEB is needed, what an MEB may achieve, what resources are needed, and guide practitioners and decision makers through key decisions in the process, discuss how incorporate basic needs under sectors/clusters.)
GUIDE PRODUCTS

• FULL GUIDE- INCLUDING SECTORAL INPUTS

• SECTOR SPECIFIC BRIEFING: WASH, HEALTH, PROTECTION AND EDUCATION

• SECTORS WHERE MAIN GAPS WERE IDENTIFIED
GUIDANCE PROVIDING KEY INFO:

• Do you need an MEB?
  • How do you clarify the objective (s) of the MEB?
  • What are the emerging best-practice approaches for developing an MEB?

• This guidance is targeting Cash Working Groups and other practitioners
  • Guidance
  • Best practices
  • Main challenges: technical, political.
SOME CONSIDERATIONS

- Applying typical socio-economically vulnerable household vs individual household members

- Development of an MEB requires agreement between sectors - not a science and subjective judgement is important

- MEB process is iterative and highly contextual
SOME DEBATES EMERGE…

• Is an MEB needed?
• How is a MEB used for? (inform transfer value, contribute to vulnerable analysis, build a common reference for monitoring)
• Inclusive process
• Light MEB process vs Full MEB process
• Plan for MEB reviews
MEB and Basic needs

- Basic needs: Essential goods, utilities, services or resources that households require on a regular or seasonal basis to ensure long term survival and maintain minimum standards.

- Monetizing basic needs is not always easy: Considering monetized goods and services available at the local market.

- No global agreement on the proportion that should be allocated to food and non-food items in an MEB—determined by context. (Food expenditures often collected using 7 or 30 day recall)
Other MEB considerations

- Adapting MEB per vulnerability needs
- Adapting MEB by different geographies
- Adapting MEB to data available (primary, secondary and hybrid approach)
- Different approaches: right based approach, expenditure based approach and hybrid approach.
- Survival minimum expenditure basket (SMEB) vs Minimum Expenditure Basket (MEB)
FOOD
The MEB is meant to provide a ‘healthy long-term diet’ that offers ‘reasonable dietary diversity’ based on locally available foods. The food basket, referred to as the healthy diet food basket, contains food items and nutrients required for a diverse and adequate quantity, and is designed to cover an average of 2,100 kcal per person per day.

EXPENDITURE-BASED APPROACH
The food basket is assembled by calculating the mean (and/or median) expenditures on key food items for the reference cohort. This requires analysing consumption patterns of households just able to meet their survival needs, taking into account cash expenditures, credit expenditures, the value of any food produced by the household, and the value of other assistance that is consumed.

RIGHTS-BASED APPROACH
The food basket is compiled from a list of locally consumed food items and their quantities that meet an individual’s survival energy needs in the short term (2,100 kcal).
Food is the largest component of most MEBs and there are Sphere standards governing the nutritional composition of food baskets that can and should be applied to the food component of the MEB. Thanks to the efforts of WFP, food security is the sector that has developed the most comprehensive global MEB guidance of all.

WFP’s guidance suggests defining the food basket in these steps:

1. Calculate mean (median) food expenditures by food group or item. If an explicit reference basket with quantities is not needed, stop here and simply use the expenditures as the food basket.

2. Estimate consumed quantities (by dividing expenditures by prices, or directly from data if it contains consumed quantities).

3. Check the resulting quantities and consider scaling to meet Sphere standards.

4. Price the basket using market prices, or prices derived from the household data.

For more detailed information on different approaches to designing the food component of the MEB and calculating its cost, see the WFP MEB Guidance (pp. 15-18).

World Food Programme (WFP), 2020, *Minimum Expenditure Baskets: Guidance Note* [https://docs.wfp.org/api/documents/WFP-0000074198/download/](https://docs.wfp.org/api/documents/WFP-0000074198/download/)


FSC Cluster/Cash and Markets Working Group (2020) *Examples and good practices on the use of multi-purpose cash in the food security sector*
3. Current achievements for 2022

1. Presentation of the operational research (Marie)

2. Countries update (Horn of Africa (Somalia and Ethiopia); Ukraine)

3. Donors update (ECHO Cash policy)

4. Election of 2 new chairs

5. Review ToR

6. Inputs for the MPC outcome indicators
Evidence review on the use of cash transfers in contexts of acute food insecurity
Objectives and scope of the research
Objective and Scope of the research

- Create an evidence base for the effective use of cash transfers for food security outcomes in contexts of acute food insecurity
- Acute food insecurity: regions classified IPC/CH Phase 3-5 or CARI level moderate or severe over the last two years (from 2020)
Objective and Scope of the research

Study scope

• **Response analysis**: show how decisions are made in these areas: why or why not cash

• **Outcomes and impact** of cash transfers on food security in contexts of acute food insecurity: effectiveness, timeliness, cost-efficiency, impact on local economy

• **Programme design**: cash plus, mixed modalities, transfer value
Objective and Scope of the research

- meant to be used by humanitarian organisations and donors to inform the design of future food security programmes
- aims to generate findings that can be applied globally
3 focus countries among hunger hotspots: Nigeria, Somalia and Syria
Methods and timeline
Methods and Timeline

**Sept 2022**
- Desk Review and Key Informant Interviews
  - Inception phase: Validation of focus countries
  - Desk review of research reports, PDMs, endlines...
  - 7 more planned
  - Ends Nov 8th

**Oct 2022**
- Key informant interviews
  - 27 interviews conducted across the 3 countries

**Nov 2022**
- End of KIIs and Desk review
- Analysis and Validation of findings
- Drafting of final report

**Dec 2022**
- Review of draft final report by the GFSC CM WG task team

**Jan 2023**
- Finalisation of final report
- Online presentation

**Feb 2023**
- Finalisation and presentation
- Report writing and review
- Draft inception report
- Final inception report
- 27 interviews conducted
Facts and Trends
Use of cash transfers as percentage of total food assistance

-Nigeria BAY states: 59% in CVA, of which 6% in cash (94% vouchers)

-Somalia: 80-90% CVA of which 60% cash (40% vouchers)

-Syria: 2% cash but 78% of CVA in the NW (voucher average is 5%)

State of the World Cash report (2020) reported 17.9% of humanitarian assistance delivered through CVA in 2019
Main trends:

Use of vouchers still widespread, very often for objective-related reasons (food security) and not related to market vibrancy or functionality.

Donor restriction and preferences are still influencing choice of modality.

Cash is doing well in terms of timeliness and effectiveness (for food security outcomes).

In Somalia, cash through mobile money allowed to reach hard-to-reach areas.

In Nigeria, progress on cash has been slowed down by government cash-movement restrictions.

In Syria, use of cash still challenged by numerous issues linked to infrastructure, currency fluctuations, political situation.
thank you
4. CMWG and the new strategy

1. WG and the new strategy: operationalization of thematic areas – 40mins
5. WG and FSC teams & partners support in the field

1. Lessons learnt on cash for food and market monitoring in Afghanistan – CRS
2. Standards / guidance for CVA for food transfers at country level remain fit for purpose in an environment of substantial global inflation (Ruco, BHA)
3. MEB guidance: nutritional composition of food baskets in the MEB (CoD)
Highlights from Afghanistan Cash Programming

Rami Beirkdar, CRS co-lead for CVWG
Outline

• CRS Cash for Food programming
• Market monitoring
• Program Lessons Learnt
• Q&A
CRS Cash for Food response

• Direct Cash Distribution
• Blanket Assistance
• Transfer Value coordinated with FSAC
Market price monitoring

Food price fluctuations in local markets require frequent monitoring, analysis, and decisions vis-a-vis the recommended basket.

Food prices in local markets are driven by USD exchange rate, proximity to major markets and road conditions.

CRS also uses secondary data from WFP and FEWSNET.
MEB and food basket revisions

• Measures taken to ensure interagency tools track and adapt to market volatility:
  • MEB in Afghanistan is on a 6-month review cycle
  • FSAC and the CVWG agreed review triggers based on thresholds related to price changes in food basket
    • Threshold 1: Food basket prices change + or - 10% as compared to last food basket value for a sustained period of 8 weeks
    • Threshold 2: Food basket prices change + or - 20% as compared to last food basket value for a sustained period of 4 weeks
Lessons Learnt
Questions & Answers
6. Workplan 2023

- Anticipatory Action, cash based forecasting
- presentation from private sector (FSP)
- inflation / exchange rate tools
- how to address local prices hike after cash distribution
- cash for community
- nutrition sensitive // collaboration with NC // review MEB
- Review MEB guidance
- Monitoring and evolution CVA
- more exchange / information sharing on CVA
- link btw social protection and humanitarian assistance (need to be more specific), ex. Ukraine, ECHO
  - => mapping where it is existing and working
  - => share good practices
  - => nexus coordination on cash
7. Wrap up and concluding remarks
THANK YOU!