Cash & Market Working Group
May 2022
<table>
<thead>
<tr>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Welcome and introduction</td>
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<tr>
<td>2. Update on CAG</td>
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<tr>
<td>3. Update from members, with a special focus on Horn of Africa</td>
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<td>4. Applied research / activities</td>
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<td>5. ECHO Policy</td>
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<td>6. Election chairs CMWG</td>
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<td>7. Sharing about next GPM / other meeting</td>
</tr>
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<td>8. AOB</td>
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</tbody>
</table>
1. Welcome and introduction
<table>
<thead>
<tr>
<th>Activity</th>
<th>PiC</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Cash coordination model: presentation to the FSC teams</td>
<td>Damien</td>
<td>Email sent to the country FSC but only one country responded</td>
</tr>
<tr>
<td>ToR inputs: any additional inputs can be sent by Friday 15th April, COB.</td>
<td>CM WG members</td>
<td>Completed, final version is <a href="#">here</a></td>
</tr>
</tbody>
</table>
2. Update on CAG

Dina Morad, WFP
3. Update from members, with a special focus on Horn of Africa

Sidy – FAO Ethiopia
Gordon – FSC Somalia
The deterioration of the food security in the Horn of Africa, Rapid market assessment Southern Oromia, Ethiopia

May, 2022, Addis Ababa
Background and methodology

- May 2022,
- FAO partners: Action Against Hunger and VSF-Suisse
- RMA in six woredas of Oromia Region – Borena and Dawa zones
- + recent FAO Livestock experts and animal feed distributions team’s observations in Borena zone of Oromia Region
- JMMI Ethiopia data

Methodology: primary and secondary data collection.

Two sample woredas: Dillo and Dubluk
2021

land preparation

planting

off-season harvest

No pasture regeneration

Harvest

- Massive livestock death
- Low price for live animals
- Low availability of animal products
- High price of cereal crops and other staple food

Low self production
Low coping strategy
Decreasing purchasing power
High malnutrition status

Food security deterioration
Rain below normal average

- **Low pasture regeneration**
- **Poor Livestock body condition**
- **Livestock adaptation** (Camel and shoat eating leaves on branches of a vegetation and trees)
Livestock price

Minimum Livestock prices before and during/after drought

<table>
<thead>
<tr>
<th>Animal</th>
<th>Minimum Before Drought</th>
<th>Minimum After/During Drought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxen 2-3 years unfattened</td>
<td>16,000</td>
<td>1,200</td>
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<tr>
<td>Camel male 4-5 years local quality</td>
<td>15,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Goats 2-3 years unfattened</td>
<td>2,500 1,600</td>
<td>1,200 700</td>
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<tr>
<td>Sheep 2-3 years unfattened</td>
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Maximum Livestock prices before and during/after drought

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<thead>
<tr>
<th>Animal</th>
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<tbody>
<tr>
<td>Oxen 2-3 years unfattened</td>
<td>22,000</td>
<td>11,000</td>
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<tr>
<td>Camel male 4-5 years local quality</td>
<td>19,000</td>
<td>15,000</td>
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<tr>
<td>Goats 2-3 years unfattened</td>
<td>3,500 2,200</td>
<td>2,000 1,000</td>
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<tr>
<td>Sheep 2-3 years unfattened</td>
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</table>
Overall high inflation in Ethiopia: 34.5% (Jan 21 – Jan 22)

Somali: Early price inflation
- Oct: +2%
- Dec 21: +52%
- Jan 22: +5%
## Drivers of inflation

- Currency exchange rate (ETB/USD)
- Energy cost (electricity, fuel)
- Drought, Tigray conflict
- International market disruptions (Covid-19, Ukraine conflict)

### Market price trends and variation

<table>
<thead>
<tr>
<th>Item</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
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<td>Wheat</td>
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<td>Barley</td>
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<td>Rice</td>
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<tr>
<td>Goat meat</td>
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<tr>
<td>Leafy vegetables</td>
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<tr>
<td>Cooking oil</td>
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Needs assessment and products availability

The top priority needs identified by the FGD participants across the intervention woredas includes,

• **Cereal and bean**: maize, white grain, maize flour, haricot bean, wheat flour, pasta/macaroni, rice

• **Other food items**: refined sugar, refined vegetable oil, onion, tea leaves,

• **Non-food items**: detergent/cleaning soap and

Availability of products is not an issue... but

• Lower traders capacity to restock
Conclusion

• Early high inflation in affected areas (Dec 21); now same level of national inflation rate

• Inflation led by internal (drought, conflict) and external shocks (Covid, Ukraine conflict, export restrictions in Asia, low production in Argentina, etc.)

• Markets are open functioning, with more supply of live animal and less availability of livestock products

• Needed products are available

• Cash transfer is feasible in the drought affected areas
Thank you
Background: Food Security Situation - April to June 2022

Over 6 million people face Crisis or worse (IPC Phase 3 or above) levels of acute food insecurity between April and June 2022, including 1.7 million people in Emergency (IPC Phase 4) and 81,000 people in Catastrophe (IPC Phase 5).

Risk of Famine in 3 areas and 3 IDP population groups settlements through June 2022 under a scenario where the 2022 Gu rains fail, food prices continue to rise sharply, conflict and displacement increase, and humanitarian assistance fails to keep up with increased needs and is unable to reach the most vulnerable populations.

Nutrition situation has deteriorated significantly.

Initial indications of the rapid Integrated food security and nutrition assessment carried out in April-May 2022 show that food insecurity levels are increasing.
CVA as part of the Famine Prevention Strategy

- Two pronged Strategy focusing on life-saving emergency food and livelihoods assistance over the next 6 months

**SO1: Life-saving Food Assistance**

- Massive and rapid scale up of urgent life-saving food assistance targeting populations most at risk of Famine
  - **Target** - 5.4 million people per month in all accessible areas experiencing severe to extreme food insecurity (IPC Phase 3+)
  - Key vulnerable groups - Newly displaced IDPs, HHs with SAM/MAM U5 and PLWs, Minority and marginalized populations, PWDs, FHHs

**SO2: Emergency Livelihoods Assistance**

- Providing lifesaving and life sustaining emergency livelihoods assistance to the most vulnerable farmers, pastoralists, agro pastoralists and rural IDPs affected by drought and at risk of Famine
  - **Target** - 2.4 million people facing IPC Phase 3+ in riverine, agro-pastoral and pastoral areas (including rural IDPs)
  - Focus is providing UCT in tandem with emergency livelihood inputs (cash+ approach)

- CVA main modality of assistance for up to 80% of the response where markets are fully integrated and functional to increase cost effectiveness and efficiency, and expand access to persons at highest risk of Famine

- USD $93.8 M disbursed since January 2022
FSC Response: SO1 - Improving Access to Food (April 2022)

**PEOPLE TARGETED**

5.4M

**RESPONSE BY MODALITY**

- 2.6 million
  - People assisted through SO1 in April 2022
  - 50% Cash
  - 38% Voucher
  - In-kind food assistance and Trainings 12%
  - Conditional & unconditional cash
  - Conditional & unconditional Voucher
- USD 81.5 Million
  - Cash/Vouchers Transferred

**PARTNERS REPORTING**

- 31 partners
  - UN: 2, INGO: 19, NNGO: 10

**Improved Access To Food**

Response analysis: Percentage of people assisted by district as of April 2022

**Target vs # of Beneficiaies assisted**

- Jan: 5,358,350
  - 1,258,643
- Feb: 5,358,350
  - 2,012,617
- March: 5,358,350
  - 2,602,309
- April: 5,358,350
  - 2,563,504

**PERCENTAGE RESPONSE AT DISTRICT LEVEL**

- 40% or more
- 31% - 70%
- 20% - 30%
- 11% - 20%
- 1% - 10%
- 0%
FSC Response: SO2 - Protecting livelihoods

**People assisted through SO2**

- **Jan-April 2022:** 279,000
- **Livelihood inputs (in-kind):** 93%

**RESPONSE BY MODALITY**

- **Cash:** 3%
- **Voucher:** 1%
- **12.3 M USD Cash/Vouchers Transferred**

**PARTNERS REPORTING**

- **22 partners**
  - UN: 1, INGO: 13, NNGO: 8

**Target vs. Assistance**

- **January:** Target 2,376,910, Assistance 185,000
- **February:** Target 2,376,910, Assistance 203,671
- **March:** Target 2,376,910, Assistance 251,278
- **April:** Target 2,376,910

**Seasonally appropriate Livelihood Inputs (Agriculture & Livestock)**

- **January:** 185,000
- **February:** 203,671
- **March:** 251,278
- **April:** 278,528

**UN:** 1, **INGO:** 13, **NNGO:** 8
Current Market Price Trends

[Graphs showing local cereal and imported rice price trends in Somalia]
### Current Market Price Trends Contd.

<table>
<thead>
<tr>
<th>Local Cerelas</th>
<th>Jan 2022</th>
<th>Apr 2021</th>
<th>Apr-5yr average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awdal (White sorghum)</td>
<td>0%</td>
<td>58%</td>
<td>34%</td>
</tr>
<tr>
<td>Togdheer (White sorghum)</td>
<td>0%</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>W. Galbeed (White sorghum)</td>
<td>14%</td>
<td>41%</td>
<td>57%</td>
</tr>
<tr>
<td>Sanaag (White sorghum)</td>
<td>30%</td>
<td>6%</td>
<td>32%</td>
</tr>
<tr>
<td>Sool (White sorghum)</td>
<td>0%</td>
<td>8%</td>
<td>46%</td>
</tr>
<tr>
<td>Bari (Red sorghum)</td>
<td>0%</td>
<td>26%</td>
<td>57%</td>
</tr>
<tr>
<td>Nugaal (Red sorghum)</td>
<td>12%</td>
<td>38%</td>
<td>71%</td>
</tr>
<tr>
<td>Mudug (Red sorghum)</td>
<td>57%</td>
<td>63%</td>
<td>67%</td>
</tr>
<tr>
<td>Galgaduud (Red sorghum)</td>
<td>9%</td>
<td>46%</td>
<td>67%</td>
</tr>
<tr>
<td>Bakool (Red Sorghum 1 kg)</td>
<td>21%</td>
<td>77%</td>
<td>114%</td>
</tr>
<tr>
<td>Bay (Red Sorghum 1 kg)</td>
<td>18%</td>
<td>207%</td>
<td>234%</td>
</tr>
<tr>
<td>Guedo (Red Sorghum 1 kg)</td>
<td>4%</td>
<td>38%</td>
<td>57%</td>
</tr>
<tr>
<td>Hiran (White Sorghum 1 kg)</td>
<td>8%</td>
<td>30%</td>
<td>52%</td>
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<tr>
<td>M. Juba (White Maize 1 kg)</td>
<td>-11%</td>
<td>41%</td>
<td>72%</td>
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<tr>
<td>L. Juba (White Maize 1 kg)</td>
<td>6%</td>
<td>23%</td>
<td>41%</td>
</tr>
<tr>
<td>M. Shabelle (White Maize 1 kg)</td>
<td>31%</td>
<td>74%</td>
<td>96%</td>
</tr>
<tr>
<td>L. Shabelle (White Maize 1 kg)</td>
<td>22%</td>
<td>83%</td>
<td>90%</td>
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### Imported Rice

<table>
<thead>
<tr>
<th>Imported Rice</th>
<th>Jan 2022</th>
<th>Apr 2021</th>
<th>Apr-5yr average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awdal</td>
<td>3%</td>
<td>14%</td>
<td>8%</td>
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<tr>
<td>Togdheer</td>
<td>0%</td>
<td>10%</td>
<td>5%</td>
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<tr>
<td>W. Galbeed</td>
<td>17%</td>
<td>47%</td>
<td>40%</td>
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<td>Sanaag</td>
<td>17%</td>
<td>23%</td>
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<td>Sool</td>
<td>1%</td>
<td>13%</td>
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<td>Bari</td>
<td>5%</td>
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<tr>
<td>Nugaal</td>
<td>16%</td>
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<td>66%</td>
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<tr>
<td>Mudug</td>
<td>7%</td>
<td>12%</td>
<td>32%</td>
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<tr>
<td>Galgaduud</td>
<td>1%</td>
<td>15%</td>
<td>28%</td>
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<tr>
<td>Bakool</td>
<td>2%</td>
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<td>30%</td>
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<tr>
<td>Bay</td>
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<tr>
<td>Guedo</td>
<td>11%</td>
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<td>27%</td>
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<tr>
<td>Hiraan</td>
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<td>22%</td>
<td>21%</td>
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<tr>
<td>Middle Juba</td>
<td>10%</td>
<td>17%</td>
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<tr>
<td>Lower Juba</td>
<td>7%</td>
<td>14%</td>
<td>24%</td>
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<tr>
<td>M. Shabelle</td>
<td>16%</td>
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Current Market Price Trends Contd.
## Current Market Price Trends Contd.

<table>
<thead>
<tr>
<th>Petrol</th>
<th>April 2022 Price Change (%)</th>
<th>Apr-5yr average</th>
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<tbody>
<tr>
<td>Awdal</td>
<td>25%</td>
<td>49%</td>
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<tr>
<td>Togdheer</td>
<td>41%</td>
<td>69%</td>
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<td>Woqooyi Galbeed</td>
<td>19%</td>
<td>37%</td>
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<tr>
<td>Sanaag</td>
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<td>67%</td>
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<td>Lower Shabelle</td>
<td>35%</td>
<td>57%</td>
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<table>
<thead>
<tr>
<th>MEB</th>
<th>April 2022 Price Change (%)</th>
<th>Apr-5yr average</th>
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</thead>
<tbody>
<tr>
<td>Awdal</td>
<td>4%</td>
<td>22%</td>
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<td>Togdheer</td>
<td>-7%</td>
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<tr>
<td>Bay</td>
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<tr>
<td>Gedo</td>
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Issues Regarding CVA

- HEIGHTENED HUMANITARIAN NEEDS due to multiple shocks
- RESOURCE CONSTRAINTS - leading to response gaps in locations with high severity of needs
- ACCESS/INSECURITY - Approximately 900,000 people living in non-accessible/ very difficult to access areas
- MASSIVE POPULATION DISPLACEMENT - 771,000 people have been displaced since Jan 22 making it difficult to keep pace with the new arrivals every week
- SOARING FOOD AND COMMODITY PRICES - significantly increasing costs for delivery of humanitarian assistance necessitating frequent TV revisions
- Setting up of the Food and MPCA TVs - Fluid situation, different regions/states, different rates by different partners, frequency of TV revision etc.
THANK YOU!
4. Applied research / activities

Corrie
5. ECHO Policy

- DI GLORIA Calogero (ECHO Nairobi) Calogero.Di-Gloria@echofield.eu
DG ECHO Thematic Policy Document No 3 Cash Transfers

gFSC CMWG, 27/05/2022
Objectives of the session

- Presenting an overview of Thematic Policy on cash transfers
- Linkages with Food security:
  - coordination,
  - assessment,
- Geo- and HH-targeting,
- BNA and harmonized approach
- Common outcome monitoring
Presentation overview

Topic 3.2. Adequate and equitable transfers
Topic 3.3. Timeliness
Topic 4.1. Harmonised cash operations
Topic 4.2. Operational models
Topic 4.3. Digitalisation and data protection
Topic 4.4. Interoperability of databases and registries
Topic 4.5. Measuring cost-efficiency and effectiveness

Topic 5.1. Accountability to affected populations
Topic 5.2. Group cash transfers
Topic 5.3. Financial risk and compliance
Topic 6.1. Tracking cash and vouchers
Topic 6.2. Common monitoring, evaluation, accountability and learning frameworks
Topic 6.3. Third-party monitoring and independent MEAL
Presentation overview

Internal only – what does the policy mean for ECHO in practice?

External only – what does the policy mean for partners?

External only – what does the policy mean for donor coordination?
Key messages on cash transfers

- Value for money (efficiency and effectiveness)
- Accountability to affected populations and taxpayers
- Gives choice and dignity
- Cross sectoral – a basis to meet multiple basic needs
- Multiplier effect on local economies
- Linkages with social protection
- Catalyst for innovation
The broader context for cash assistance

- Evidence base on efficiency and effectiveness of cash – explicit **focus on cash**
- **Increased use** of cash globally
- DG ECHO’s commitment to deliver 35% of assistance through cash
Overview of the policy

- **Targets**: DG ECHO humanitarian partners and staff as main audience
- **Applies**: to all cash programmes
- **Aligns**: with Joint Donor Statement on humanitarian cash transfers
- **Sets out**: DG ECHO’s expectations for quality cash assistance
- **Considers**: multi-purpose cash for basic needs
- **Applies**: to MPC and cash/vouchers for specific sectoral outcomes
What is new?

- A more comprehensive document
- Focus on cash over vouchers
- Linkages between cash and social protection
- Multiple avenues for innovation (digitalisation, market support, group cash transfers)
- Interoperability and data protection
- Linkages with other humanitarian reforms and policy developments
Overview of outcomes

1. Operationalises the H-P-D Nexus
   1.1 Sequencing projects
   1.2 Linking humanitarian cash with social protection systems, including shock-responsiveness

2. Targets the most vulnerable
   2.1 Risk-informed approach
   2.2 Assessments/response analysis/modality selection
   2.3 Safe inclusion of the most vulnerable

3. Adequate, equitable and timely
   3.1 Enhancing sector outcomes through a Basic Needs Approach
   3.2 Adequate and equitable transfers
   3.3 Preparedness

4. Provides value for money
   4.1 Harmonised cash operations
   4.2 Operational models
   4.3 Digitalisation and data protection
   4.4 Interoperability of databases and registries
   4.5 Measuring cost efficiency and effectiveness

5. Accountable
   5.1 Accountability
   5.2 Group cash transfers
   5.3 Financial risk and compliance

6. Measurable
   6.1 Tracking cash and vouchers
   6.2 Common MEAL frameworks
   6.3 Third party monitoring and independent MEAL
   6.4 Market monitoring (including of inflation, currency depreciation and exchange rates)
Checklist for appraising cash projects and results

- Designed to mirror the single form and be used for proposal review and monitoring
- Some mandatory requirements (in bold)
- References relevant sections of the policy

**Sections:**
- Transfer modalities and budget
- Humanitarian organisation in the area
- Needs assessment and risks analysis
- Response analysis
- Data protection

<table>
<thead>
<tr>
<th>Transfer modalities and budget</th>
<th>Reference to policy topics</th>
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</thead>
<tbody>
<tr>
<td>Has 'multi-purpose cash transfers' been selected as a standalone sector where relevant?</td>
<td>6.1. Tracking cash and vouchers</td>
</tr>
<tr>
<td>Are cash and vouchers disaggregated in the proposal and budget?</td>
<td></td>
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<tr>
<td>Are TVIs and associated costs included and disaggregated?</td>
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<tr>
<td>For large-scale programmes (≥EUR 10m), have other transparency requirements been met?</td>
<td>4.5. Measuring cost-efficiency and effectiveness</td>
</tr>
<tr>
<td>Is the budget sufficiently detailed and transparent to calculate TCTR (by result when relevant)?</td>
<td></td>
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<tr>
<td>Has the TCTR calculation been accurately done (for programmes above the defined threshold)?</td>
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<tr>
<td>Is the TCTR appropriate considering the size of programme, and is it justified against context and programmatic features?</td>
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<tr>
<td>For large-scale programmes (≥EUR 10m), is the TCTR at least 85%?</td>
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<tr>
<td>Is the TCTR ratio set at proposal stage maintained throughout the action, including in the event of modification requests?</td>
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<tr>
<th>Humanitarian organisation in the area</th>
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<tbody>
<tr>
<td>Has the organisation described its experience with cash in the area?</td>
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<tr>
<td>Has the intervention been presented within a BNA (as part of the wider response)?</td>
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<tr>
<td>If relevant, has the agency demonstrated the required capacity to facilitate GCIs, in particular on financial risk and compliance?</td>
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<thead>
<tr>
<th>Needs assessment and risks analysis</th>
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<tbody>
<tr>
<td>Has a multi-hazard risk and vulnerability assessment been conducted (including gender-age and protection considerations)?</td>
</tr>
<tr>
<td>2.3. Safe inclusion of the most vulnerable</td>
</tr>
</tbody>
</table>

- Beneficiaries
- Gender and age marker
- Logic of intervention
- Preparedness
- Monitoring & Evaluation
- Implementation
- Field coordination
Topic 1.1. Sequencing projects

- **Response mechanisms:** Anticipatory Action, Rapid Response, Crisis modifiers, Recurrent humanitarian cash transfers, Shock-Responsive Social Protection
- **What we may fund:** livelihood recovery programmes, financial and digital inclusion, social insurance
- **What we don’t typically fund:** CFW

**Key considerations for DG ECHO partners:**

- What are the opportunities, assessments and analysis?
- Is DG ECHO implementing a nexus approach?
- What programming approaches are feasible?
- Are there opportunities for longer-term approaches and solutions?

- **Lay foundations** for longer-term programmes & **advocate** for others to support innovations with LT impacts
Topic 2.2. Assessments, response analysis and modality selection

- Multi-sectoral and inter-agency assessments based on EWS and possibly going beyond the district level to facilitate geo-targeting.
- Capacity of markets and services to meet humanitarian needs
- Operational feasibility of cash assistance (FSPs & regulatory environment)
- Robust response analysis including gender-age and protection risk analyses
- Systematic consideration of MPC to meet basic needs
Topic 2.3. Safe inclusion of the most vulnerable

- Vulnerability-based targeting (blanket in exceptional cases, e.g. rapid response).
- No status-based targeting
- Targeting errors: cost-efficiency trade-offs
- Specific considerations on disability inclusion, Gender Equality and Social Inclusion
- Directly targeting women for cash: contextual analysis is key
- Directly targeting children for cash: ok for 15+

Box 3: Targeting in Shock-Responsive Social Protection

Humanitarian assistance and social protection have different but, in some instances, overlapping objectives, and in turn may have different approaches to targeting. SRSP involves adjustments to targeting to better meet humanitarian needs. This can take the form of design tweaks depending on the shock type and response objective, vertical expansion (i.e. providing a top-up to existing beneficiaries) or horizontal expansion, where by additional beneficiaries who have been affected by shock may be targeted for assistance for a time-bound period. In the latter case, humanitarian targeting criteria could be applied, aligned with those being used for other humanitarian operations. In some cases, households may be pre-identified for horizontal scale-up.

Table 1. Beneficiary selection: advantages and risks across the humanitarian-development nexus (for each type of shock response) in SPaN curatorial note No. 2 (p. 7)
Topic 3.1. Enabling sector outcomes through a basic needs approach

• The basic needs approach (BNA), seeks to address people’s multiple needs in a coordinated and demand-driven way

• DG ECHO prioritises MPC to meet basic needs complemented by sector-specific assistance and timely referrals

• Measure collective outcomes of the BNA
Topic 3.2. Adequate and equitable transfers

- A single (one-off or recurrent) payment to meet multiple basic needs
- Transfer Value (TV) based on a Minimum Expenditure Basket
- TV harmonised across the response
- MPC based on the estimated gap between MPC and what beneficiaries can contribute themselves
- Sector-specific TV based on estimated costs of specific items or services
- MPC complemented by top-ups to meet seasonal or time-bound needs, and/or for specific vulnerabilities
- TVs adapted based on market monitoring data
Topic 4.1. Harmonised cash operations

- Harmonisation drives efficiency and effectiveness
- Common programming approach = streamlined systems  reduced fragmentation and simplicity for beneficiaries
- Collaboration for mapping, assessment and contracting of FSPs
- Digital do no harm
- Common payment platforms
Topic 4.4. Interoperability of databases and registries

- Responsible sharing of data to maximise efficiency and effectiveness of humanitarian action
- Facilitate optimal levels of data sharing, through integrated or interoperable registries
- Develop non-proprietary interoperable databases as a common service, based on joint standards
- Biometric data collection: assess and mitigate risks
Topic 4.5. Measuring cost-efficiency & effectiveness

- Optimal cost-efficiency whilst maintaining quality and impact
- Cost-efficiency alongside relevance, effectiveness, feasibility and appropriateness
- TCTR as the measure of cost-efficiency
- TCTR targets are contextual but minimum of 85:15 for large-scale programmes
- Effectiveness measured through outcome indicators, as part of common MEAL frameworks
Annex 3 – Enhancing sectorial outcomes through CVA –

**Food assistance and livelihoods**

- Unconditional cash as default
- Full food assistance outcomes expected with MPC
- Do not lump cash transfers
- Vouchers for food diversity outcomes *if* cost-efficient and effective
- Cash for livelihoods recovery *if* basic needs are being met
- Value of complementary activities (market-based and behaviour change)
Topic 6.2. Common monitoring, evaluation, accountability & learning frameworks

- Monitoring registration, verification and cash delivery: safe? efficient? meet purpose?
- PDM: cash received safely? right person? right amount?
- As part of Basic Needs Approach: monitor the collective outcomes of layered interventions
- MPC: use cross-sectoral outcome indicators from Grand Bargain guidance
- Common MEAL frameworks
Topic 6.4. Market monitoring

- Understand the context: inflation trends, macro-economic and regulatory environment
- Agree on triggers for reviewing cost of the MEB and associated TVs
- Joint market monitoring initiatives
- Regular monitoring of the MEB with increased frequency in contexts of high inflation/depreciation + monitoring of parallel exchange rates
- Possible adaptations: TV, shift to hard currency, shift modalities
Source: Good Practice Review on cash assistance in contexts of inflation and depreciation (CaLP Network, 2021)
Annex 1 - Large-scale cash guidance note

Specific considerations for large-scale:

- Segregation of functions
- Cost-efficiency (including indirect costs)
- Transparency

New elements:

- Annex of the Thematic policy
- Reduction of indirect costs for a net cash transfer of EUR 25 million & above
- *Quid pro quo* with new expectations on Annex 1 - Large-scale cash guidance note
Annex 3 – Enhancing sectorial outcomes through CVA - Protection

1) Designing, implementing and monitoring MPC so that it can contribute to reducing protection risks and mitigating protection-related negative coping strategies:
   - Protection risk analysis
   - Targeting
   - Referrals
   - Monitoring of outcomes
   - MEB includes protection expenses

2) C or V explicitly for protection outcomes:
   - Context-specific analysis and objectives
   - As part of case management (one-off or recurrent assistance)
   - Vouchers if cash exacerbates protection risks
Annex 3 – Enhancing sectorial outcomes through CVA - Health

- Health should be provided free of charge. DG ECHO will only fund C&V for residual health expenditures that cannot be further reduced by supply-side interventions.

- Recurrent direct and indirect costs can be captured in an MEB but MPC = last resort

- Unconditional cash is linked to risk of poor provider quality

- Conditional cash supported – if based on robust analysis of providers

- Vouchers supported, as they contribute to demand for and quality of services
Annex 3 – Enhancing sectorial outcomes through CVA - Nutrition

• Cash alone insufficient to meet nutrition outcomes

• For undernutrition cash can support attendance at treatment services

• For prevention cash (+BCC) to: improve dietary diversity or incentivise attendance at preventive health services

• IF undernutrition is a proxy for vulnerability: clear conditions & risk mitigation measures to be in place

• Cash in context of BMS ok alongside IYCF

• Commodity vouchers for BMS ok if code compliant

• MPC can contribute to nutrition outcomes if relevant goods and services in MEB and in TV
Annex 3 – Enhancing sectorial outcomes through CVA - Education

- Barriers to education must be financial (direct and opportunity costs)
- Cash can reduce demand-side barriers for direct and indirect educational costs
- Cash not effective as standalone / does not influence quality
- MPC can be appropriate for recurring and/or one-off costs
- Choice of modality dependent on thorough understanding of barriers and socio-cultural context – with clearly defined objectives and outcome monitoring
- Vouchers ok for specific types of support
- No transfer modalities as part of school-feeding
Annex 3 – Enhancing sectorial outcomes through CVA – Shelter and Settlements

- Cash can support S&S needs and the purchase of NFIs
- Appropriate technical support required for S&S interventions
- MPC appropriate for recurring rather than one-off costs
- CFW can support community S&S activities
- Unconditional cash relevant for NFIs
- Conditional cash for shelter reconstruction and repair or to pay for utilities and services
- Vouchers if restriction is essential
- Monitoring: ECHO S&S KOI/KRI + safety/quality + market impact

Global Shelter Cluster
ShelterCluster.org
Coordinating Humanitarian Shelter
Annex 3 – Enhancing sectorial outcomes through CVA - WASH

- Cash for WASH must be layered with complementary approaches
- MBP to be considered from the outset
- MPC for small-scale items/services in Water, Sanitation and Hygiene
- Conditional or labelled transfers based on certain conditions
- Vouchers for water supply or hygiene/dignity kits
- Beware of risk of monetisation of free services
- Monitoring: ECHO WASH KOI/KRI + safety/quality
Annex 4 – Total Cost to Transfer Ratio (TCTR) guidance for cash programmes

• For all cash assistance results or actions above EUR 1 million, partners are required to calculate the TCTR.

Four scenarios:

• Actions with ONE result and SINGLE transfer modality;

• Actions with ONE result with MULTIPLE transfer modalities;

• Actions with MULTIPLE sector results, all of them with a transfer component (single or multiple modalities);

• Actions with ONE or more results with transfer to individuals/HH, and ONE or more sector results without transfers.
Annex 4 – Total Cost to Transfer Ratio (TCTR) guidance for cash programmes

- Indirect costs should always be included in TCTR calculations

<table>
<thead>
<tr>
<th>TYPE OF ACTION</th>
<th>TOTAL COST</th>
<th>TRANSFER VALUE</th>
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<tbody>
<tr>
<td>Actions with combined modalities e.g.: Cash, fresh food (fertilizers)</td>
<td>Calculate TCTR SEPARATELY for each RESULT</td>
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<td>2</td>
<td>4</td>
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**Calculate TCTR SEPARATELY for each RESULT**

**Total Cost**: use the Cost of each transfer Result separately. Applies only to results with a transfer component to individuals/HH. (R2; R3)

**Transfer Value**: use the sum of values of all modalities (cash + vouchers + in-kind) for each result separately as in SECTION 4.2.5 and budget. Applies only to results with a transfer component to individuals/HH. (R2; R3)

TCTR is calculated separately only for each sector result which has a transfer component to individuals/HH.

\[
\text{TCTR of RESULT 2} = \frac{\text{Total net transfer value of cash + vouchers + inkind of RESULT 2}}{\text{Total cost of the RESULT 2 including related\% of indirect costs}}
\]

\[
\text{TCTR of RESULT 3} = \frac{\text{Total net transfer value of cash + vouchers + inkind of RESULT 3}}{\text{Total cost of the RESULT 3 including related\% of indirect costs}}
\]
What does the policy mean for ECHO in practice?

Discussion points:
- What are the implications for your work in practice?
- Which section of the policy are of interest for you and why?
- What support do you think you will require from policy/technical colleagues to implement the policy?
What does the policy mean for partners?

Discussion points:
- What seems new to you in the policy?
- What are you most excited about?
- What are you most concerned about?
- What support do you think you will require from ECHO to implement the policy?
What does the policy mean for donor coordination?

Discussion points:
- To what extent does this resonate with your own policies?
- Do you see any areas of discordance?
- How can we use this policy to advance our collective priorities as donors?
Thank you!
6. New chairs / election

- As per the ToR, election after 2 year
- Submission of interest:
  - 1 interest per organisation
  - If more than 2 persons/organisation => election
  - if no interest, the 2 current co-chairs will continue

Interest received so far from:
- Aftab (Plan International)
- Belete (World Vision)
- Corrie (CRS)
7. Next GPM / other meeting

- No date for the next Global Partners’ Meeting

- Adhoc special meeting on 10 countries with high level of food insecurity/IPC4+ on 26 May 2022 at 2pm Rom time
8. AOB