



# Cash and Market Working Group GPM November 2023

14 November 2023



# Agenda

<b>9:00-9:15</b>	Welcome and introduction	15 Minutes
<b>9:15 – 10:00</b>	Presentation results key workstream	45 minutes
	Inflation guidance	30 minutes
	Safety net and humanitarian response	15 minutes
<b>10:00 – 10:30</b>	Workplan 2024	30 minutes
<b>10:50 – 10:55</b>	MiC	5 minutes
<b>10:55 – 11: 00</b>	AOB and closure	5 minutes

# 1. Welcome

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# 1. Introduction

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**Objective 1: Sharing, Learning and Innovation:** The CMWG shall work to undertake knowledge management of existing resources, disseminate, and promote best practice and share learning and innovation with Food Security partners.

**Objective 2: Technical Support and Capacity Building:** The CMWG will further provide technical support and capacity building on CVA to FSC members and Coordinators in the field and to all Food Security cluster stakeholders.

The CMWG comprises 2 chairs and is supported by the gFSC secretariat. The Co-chairs are Corrie (CRS) and Aftab (Plan International); the gFSC focal point is: Damien

# gFSC CMWG Inflation Guidance Workstream - Resource Presentation

Alessia Volpe, Guadalupe Galambos, Corrie Sissons  
13th November 2023

# Background: Inflation Guidance Workstream

- FAQ approach: Intention is not be duplicative or reinvent the wheel. Rather, provide resources and practical responses to FAQs related to implementing and adaptive management of CVA in contexts of high inflation, depreciation, and other economic shocks.
- Audience: Food Security Clusters coordinators
- Drawing on learning and experiences globally, rather than focusing on one continent or sub-continent.
- Workstream participants and contributors to the FAQ represent a range of organizations and roles within FSCs.:

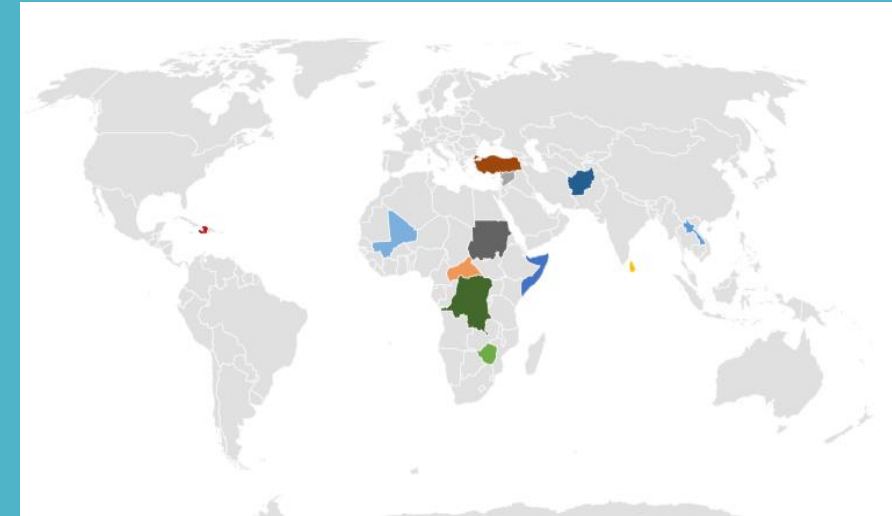
***Sonja Perakis, CRS ,Corrie Sissons, CRS; Chris Paci, REACH; Alessia Volpe, Cash Advisor; Rami Beirkdar, Previously with CRS; Guadalupe Galambos, WFP; Sapezie Ojiambo, CaLP;***

January	<ul style="list-style-type: none"> <li>• Workplanning and coordination with CaLP</li> <li>• Decision made to focus on FAQs</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>• Cluster coordinator survey to orient FAQ list</li> <li>• Alignment with other recent or ongoing efforts</li> </ul>
<b>March-April</b>	<ul style="list-style-type: none"> <li>• Feedback on CaLP CWG workshop reports and participation in CaLP led discussion with DCF.</li> </ul>
<b>May-September</b>	<ul style="list-style-type: none"> <li>• Draft responses to FAQs around 4 broad themes:             <ol style="list-style-type: none"> <li>(1) Data and Analysis</li> <li>(2) Operationalization</li> <li>(3) Triggers and processes for decision making and adaptive management</li> <li>(4) Coordination and advocacy</li> </ol> </li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• Deliberation around “sticky” questions from FAQ</li> <li>• Present initial content to BHA and ECHO counterparts</li> <li>• Revise and finalize</li> </ul>

## Process and timeline (2023)

<b>Common challenges</b>	<ul style="list-style-type: none"> <li>•Lack of clear triggers and related processes</li> <li>•Government and donor engagement</li> <li>•Lack of predictive analysis &amp; scenario planning</li> </ul>
<b>Common questions</b>	<ul style="list-style-type: none"> <li>•Incorporating both national and local trends into analyses and adjustments</li> <li>•Roles and responsibilities for key tasks</li> </ul>
<b>Major successes and learning opportunities</b>	<ul style="list-style-type: none"> <li>•Stakeholder engagement and buy in</li> <li>•Context monitoring information</li> <li>•Disseminating information and informing key decisions <i>within</i> organizations</li> </ul>
<b>Prerequisites for success</b>	<ul style="list-style-type: none"> <li>•Collaborative spirit and buy in among stakeholders</li> <li>•Availability of required data to support decision making</li> </ul>

# FSC Coordinator Survey responses



-~50% response rate

-14 responses total, 11 complete responses



CALP (2021) Good Practice Review on Cash Assistance in Contexts of High Inflation and Depreciation

<https://www.calpnetwork.org/publication/good-practice-review-on-cash-assistance-in-contextsof-high-inflation-and-depreciation/>

CALP (2023) Adapting Cash Programming to Inflation, Depreciation and Economic Volatility

<https://www.calpnetwork.org/publication/adapting-cash-programming-to-inflation-depreciation-and-economic-volatility/>

DG ECHO (2022) Thematic Policy Document No 3: Cash Transfers

[https://ec.europa.eu/echo/files/policies/sectoral/thematic\\_policy\\_document\\_no\\_3\\_cash\\_transfers\\_en.pdf](https://ec.europa.eu/echo/files/policies/sectoral/thematic_policy_document_no_3_cash_transfers_en.pdf)

World Food Programme (2023) WFP Cash Policy

[https://docs.wfp.org/api/documents/WFP-0000150584/download/?\\_ga=2.217640598.1205125719.1698002360-1281385266.1695998619](https://docs.wfp.org/api/documents/WFP-0000150584/download/?_ga=2.217640598.1205125719.1698002360-1281385266.1695998619)

World Food Programme (2022) Doing Cash in a context of economic volatility: What to do and what to keep in mind <https://www.calpnetwork.org/wp-content/uploads/ninja-forms/2/WFP-Interim-Guidance-Cash-and-economic-volatility-EXT.pdf>

REACH (2021) Introduction to the Joint Market Monitoring Initiative (JMMI)

<https://www.reachresourcecentre.info/wp-content/uploads/2022/01/REACH-Global-JMMI-Toolkit-Introduction-to-the-JMMI-external-v1.pdf>

FEWS NET (2018) Developing Price Projections for Food Security Early Warning

<https://fews.net/global/guidance-documents/april-2018>

Catholic Relief Services (2020) MARKit: CRS Market Monitoring, Analysis and Response Kit-2nd Edition <https://www.crs.org/our-work-overseas/research-publications/markit-crs-market-monitoring-analysis-and-response-kit-2nd>

# Important Resources

THE GLOBAL FOOD SECURITY CLUSTER CASH AND MARKET WORKING  
GROUP (GFSC CMWG)



## **Adjusting CVA Transfer Values for Inflation**

*Frequently Asked Questions (FAQ) for Food  
Security Cluster Coordinators*

# The FAQ Itself

- 4 themes : data and analysis, operationalization, triggers and processes for decision making and coordination and advocacy.
- 17 Questions
- Case studies
- Resources

*What type of monitoring and analysis should be done in contexts of inflation?*

*What data are needed to calculate standard multi-purpose cash transfer values?*

*Where can the necessary datasets be found and what are the minimum standards they must meet?*

*If no adequate secondary data are available, what can be done*

*Which currencies and exchange rates should be used for price monitoring, analysis, and program management?*

*Is there any other monitoring that should be done in contexts of inflation?*

## Data and Analysis FAQs

*With what frequency should prices be monitored?*

*Which price variable should we monitor to decide upon increases of the transfer value?*

*How can data and analysis be shared / presented in way that is more transparent as to how aggregated trends are arrived at.*

Is it recommended to do transfers in hard currency (e.g. USD or EURO) in contexts of inflation and/or depreciation?

*How to reconcile differences in trends between value of MEB and the national inflation rate?*

*Scenario and contingency planning: How to incorporate predictive analyses into response preparedness and contingency planning?*

# Operationalization FAQs

*What are the guidelines when highly localized market trends result in a prevailing cost of the MEB that varies widely from other national or subnational trends (e.g. provincial)?*

*With what frequency should the transfer value be increased?*

*Should we set thresholds for increasing the transfer value? If so, which one/s?*

*Should the frequency of the transfers themselves change in contexts of high inflation and/or depreciation?*

*If and when do we switch to in-kind or engage in MBP to address market failures?*

*Should available resources vs needs be considered as a factor while determining /recommending transfer values? If so, how should this be presented?*

## Triggers and Processes for Decision Making FAQs

*Who is ultimately responsible for making decisions about changes to TVs in the face of inflation or depreciation?*

*How to ensure donor and government buy-in and support? How can government and donors be supported so they (1) understand the issues at play and (2) have the information and resources they require to make budgetary adjustments, as necessary?*

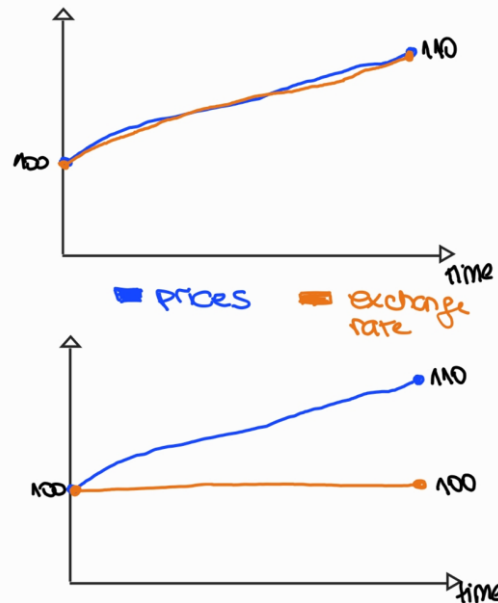
# Coordination and Advocacy FAQs

**It depends:** it can be useful in contexts of high inflation where depreciation and inflation more or less aligned

Focus should be to **maintain purchasing power**

Some important **considerations:**

- People's preferences
- Feasibility and regulation
- Protection and social cohesion
- Economic implications
- Other ways of mitigating currency and price volatility related risks



## Question 1

***Is it recommended to do transfers in hard currency (e.g. USD or EURO) in contexts of inflation and/or depreciation?***

Check CALP's case studies on [Lebanon](#) and [Zimbabwe](#) for examples

#### Food basket re-costing triggers and entailed procedures

During the month of June 2022, cash actors implementing Cash for food projects raised the alarm on rising food prices in local markets. Partner PDAs recorded a decline in Food Consumption Score (FCS) and previously set targets became increasingly unreachable with current transfer values. FSAC and CVWG held a series of meetings to elaborate on JMMI and WFP VAM market price data – The discussions between UN agencies, Local and International NGOs resulted in an agreement to define a process to fast-track food basket costs changes and to decide about related potential revisions of the transfer value to be adopted by implementing partners.

On 6<sup>th</sup> July 2022 the CVWG facilitated a consultative discussion on setting triggers/thresholds to enable food basket value revisions in a manner more responsive to market prices. The suggestions from this meeting were later presented to the FSAC's Agriculture and Livelihoods Working Group (ALWG) on 19<sup>th</sup> July 2022 and to the wider FSAC partners at the national FSAC's monthly meeting on 20<sup>th</sup> July 2022. This document summarizes the FSAC partners endorsed agreements on variables to be considered, the parameters set for such a policy, and the modalities of implementation.

#### The objectives of this guideline and related instruments are:

- to standardize the criteria that trigger an adjustment in the food basket transfer value
- to agree on a robust source of market price that is agreed upon all stakeholders
- to minimize the reaction time between a significant change in the retail prices, in order to minimize the impact on the beneficiaries' purchasing power
- to advocate improved flexibility from donors engaged in emergency food assistance in order to avoid either reduction of beneficiaries being served, or reduction of the value of assistance being provided.

#### The main variables discussed and agreed by CVWG, ALWG and FSAC partners were the following:

- Percentage price difference of food basket costs as compared to the previous basket endorsed by the partners
- Sustained period the above price change persists

#### Technical discussions resulted in a consensus and the participants agreed to the following:

- A) Thresholds that trigger food basket revision process:
1. Threshold 1: A change in food basket cost =>  $\pm 10\%$  ( $\pm 1$  percentage point) and  $< 20\%$  sustained for a period of eight consecutive weeks.
  2. Threshold 2: A change in food basket cost =>  $\pm 20\%$  ( $\pm 2$  percentage points) sustained for a period of four consecutive weeks.

## Question 2

***Should FSCs set thresholds for increasing the transfer value? If so, which one/s?***

It is encouraged to set **thresholds that are relevant and feasible for the context** based on capacity to monitor prices, to update transfer values, and any other considerations including alignment across CVA actors.

Lower thresholds lead to ensuring people have their purchase power preserved. Yet, if it is too low, this would lead to continuous amendments.

Countries witnessing hyperinflation require a contextualized approach to ensure the purchasing power is preserved, including more than simply setting a threshold that might be reached in a matter of days.



Type of data	Common sources
National, market-level and vendor-level price data for essential goods and services (including key commodities)	<ul style="list-style-type: none"> <li>• WFP VAM Market Monitor and Economic Explorer</li> <li>• REACH Joint Market Monitoring Initiative (JMMI)</li> <li>• FEWS NET Price Bulletins &amp; market data sets</li> <li>• Government-run market information system</li> </ul>
Household-level and community-level data (expenditures, income, household production, assistance)	<ul style="list-style-type: none"> <li>• Multi-Sector Needs Assessment (MSNA)</li> <li>• Essential Needs Assessment (ENA)</li> <li>• Household Economy Analysis (HEA)</li> <li>• Harmonized post-distribution monitoring (PDM)</li> <li>• Key informant interviews (KIIs) or focus group discussions (FGDs)</li> </ul>

CVA actors should calculate transfer values based on **existing secondary data wherever possible.**

Consider quality aspects such as time, standardized units, varieties, multiple data points and including socioeconomically vulnerable groups

## Question 3 : Data and Analysis

***Where can the necessary datasets be found and what are the minimum standards they must meet?***



# Discussion and Questions

# Thank you

Find the resource online at <https://fscluster.org/cash-and-markets-working-group/document/gfsc-inflation-faq>

# Humanitarian cash and social protection



During the Cash and Market Working Group of the FSC General partners meeting in November 2022, a group of partners established a task team on the linkages between humanitarian cash and social protection considering that Humanitarian Cash, Social Protection, and Food Security are increasingly tightly interwoven in humanitarian responses.

## Participants

**Aftab Alam:** Plan International, CMWG co-chair, [aftab.alam@plan-international.org](mailto:aftab.alam@plan-international.org)

**Martina Iannizzotto:** gFSC Programme Officer, [martina.iannizzotto@wfp.org](mailto:martina.iannizzotto@wfp.org)

**Carla LACERDA:** WFP, Senior Cash Coordination [carla.lacerda@wfp.org](mailto:carla.lacerda@wfp.org)

**Faniya Mussayeva,** WFP, Social Protection [Faniya.mussayeva@wfp.org](mailto:Faniya.mussayeva@wfp.org)

**Emmanuel Moncada:** FAO, [Emmanuel.Moncada@fao.org](mailto:Emmanuel.Moncada@fao.org)

**Mark Johnson:** FAO, Social Protection Unit, [mark.johnson@fao.org](mailto:mark.johnson@fao.org)

**Anna Kondakhchyan:** Head of Cash and Markets (with oversight of CashCap), [anna.kondakhchyan@nrc.no](mailto:anna.kondakhchyan@nrc.no)

**Olivia FALKOWITZ :** REACH, Food Security and Livelihoods Assessment Specialist, [olivia.falkowitz@impact-initiatives.org](mailto:olivia.falkowitz@impact-initiatives.org)

**Sabah Fara:** Relief International, Global Cash Advisor, [sabah.fara@ri.org](mailto:sabah.fara@ri.org)

**Maria Pia Ferrari:** ACF, CVA and Social protection Specialist, [mpferrari@accioncontraelhambre.org](mailto:mpferrari@accioncontraelhambre.org)

# Humanitarian cash and social protection

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## RESOURCE SHEET

<https://fscluster.org/cash-and-markets-working-group/document/resource-sheet-humanitarian-cash-social>

- Curated list of resources:
- Written resources (blog, webinars, youtube, etc.)
- Humanitarian cash, Social protection and linkages with food security, nutrition, Anticipatory Action,



## Survey for FSC/FSS Cluster coordination teams.

- 14 replies out of 33 FSC/FSS (Turkey, Ethiopia, Cameroon, Mozambique, Somalia, Nigeria, NW Syria, Chad, Yemen, Honduras, Madagascar, Afghanistan, Colombia, Sri Lanka)
- 92% replied there are social protection programs in the country (except Syria)
- 64% replied there are linkages between humanitarian cash and social protection interventions

# Humanitarian cash and social protection

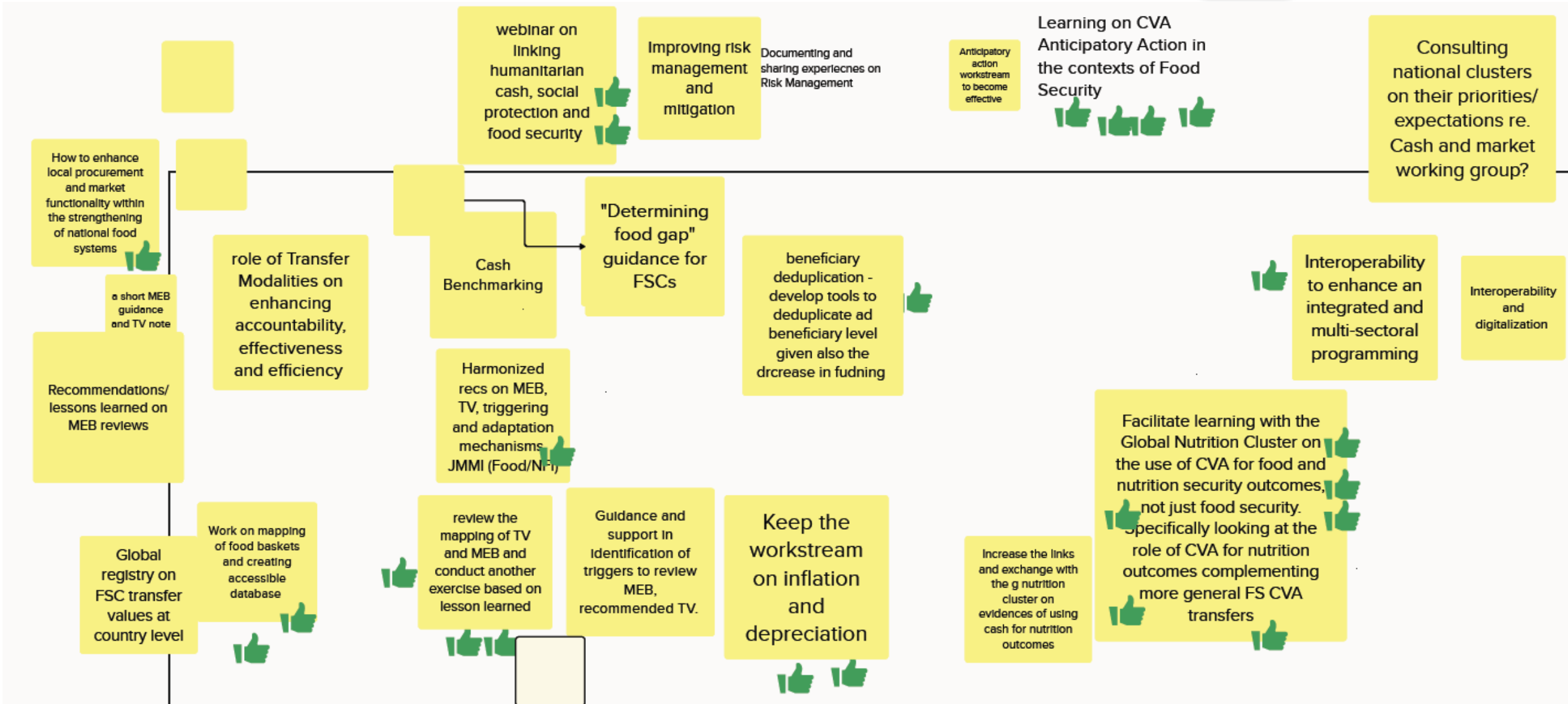
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- 50% replied that social protection interventions are reported to FSC (14% to CWG and remainder to other structures)
- 92% replied they are interested in activities linking humanitarian cash and social protection
  1. Best practices/ country examples of coordination FS, humanitarian cash and social protection
  2. Collection of Resources and practices
  3. Tip sheet on how to support coordination of social protection and humanitarian cash
  4. Webinars

=> Interest to continue...

# 3. Workplan 2024





### 3. Workplan

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Key topics – with the highest votes

1. Facilitate learning with the Global Nutrition Cluster on the use of CVA for food and nutrition security outcomes; special focus on the role of CVA for nutrition outcomes complementing more general FS CVA transfers (7 votes)
2. Learning on CVA Anticipatory Action in the contexts of food security (4 votes)
3. Mapping food basket and creating accessible database (5 votes)
4. Webinar on linking humanitarian cash, social protection and food security (2 votes)
5. Keep the workstream on inflation and depreciation (2 votes)

Other suggestions

1. Guidance on MEB: harmonized recommendations on MEB, triggering and adaption mechanism JIMMI (food and NFI);
2. Beneficiary deduplication: tools to deduplicate at the beneficiary level
3. Interoperability to enhance an integrated and multi-sectoral programming
4. How to enhance local procurement and market functionality within the strengthening of national food system

# Workplan discussion

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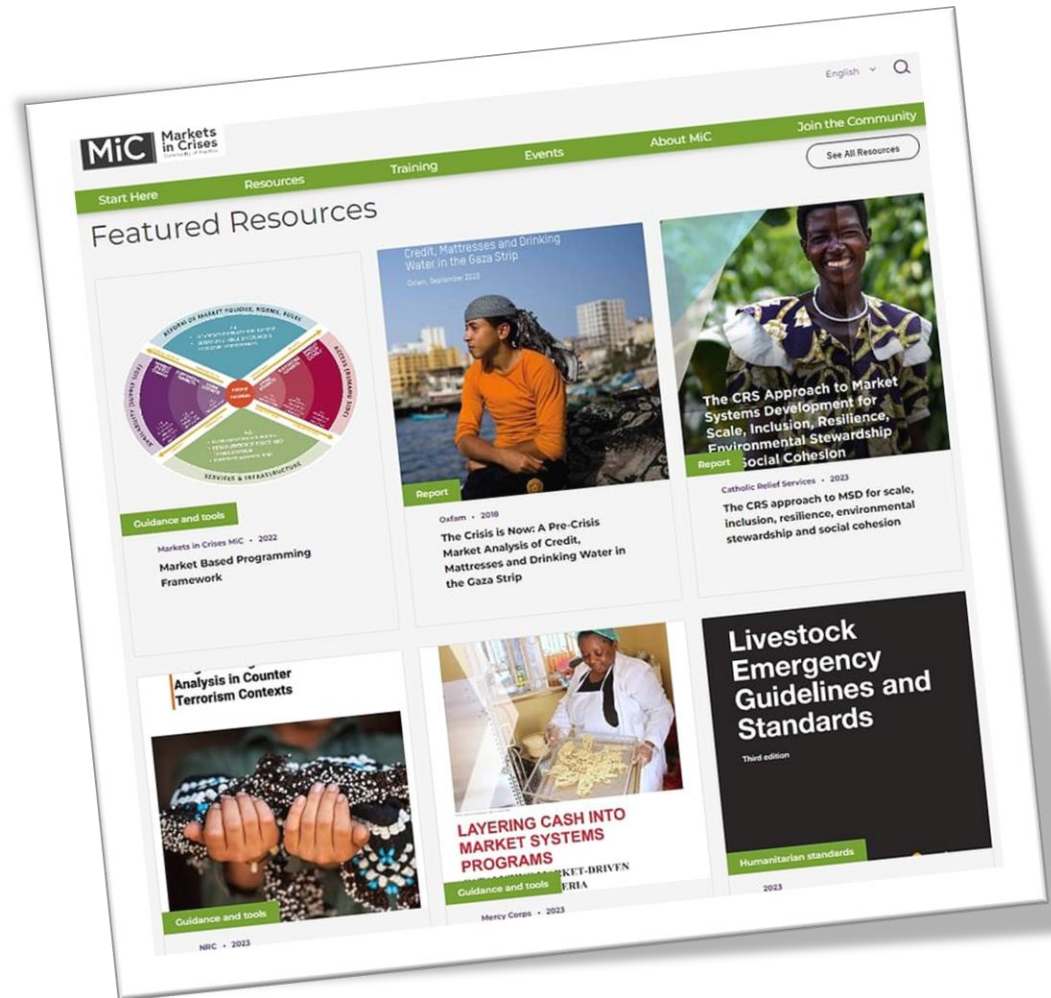
## Proposition

- Mapping food basket and CVA
- CVA and Anticipatory Action in the contexts of food security
- Other?

# 5. MiC update



- Markets in Crises Community of Practice (MiC) provides a forum for practitioners engaging with markets in emergency and recovery contexts to share ideas, experience, resources, and learning with the aim of improving market-based programming.
- Currently hosted by the International Rescue Committee with USAID funding, the Markets in Crises (MiC) Community of Practice is a unique online forum of practitioners engaging with markets in crisis contexts. Our members represent NGOs, multilateral agencies, academics, funders, and the private sector.
- The MiC now has a new website!  
<http://marketsincrisis.net/> - take a MiC card and check it out



## 5. AOB

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