Cash Learning Partnership

Working together to improve the quality of humanitarian cash and voucher transfer programming

The CaLP aims to ensure that, by the end of 2015, timely humanitarian response will routinely consider appropriate and accountable cash transfer programmes at scale.

Supported by

Adapted from materials provided by

International Federation of Red Cross and Red Crescent Societies
Module 2

When to use cash transfers?

Session 2.1
Assessment and vulnerability targeting
Module 2 Objectives

- Describe the stages in the CTP process.
- Identify additional information to collect to estimate if CTP is a feasible programming option.
- Define survival and livelihoods protection thresholds.
- Consider how to set targeting criteria for CTP programmes.
- Describe why market analysis is a critical factor in the planning process.
- List and describe different tools for collecting additional market assessment data (including EMMA, the Oxfam 48 hour Assessment Tool, the RAM and the MAG, MFIRA and the MMIR).
- Map and interpret baselines and emergency markets.
- Map and interpret emergency market systems.
- Consider potential entry points for emergency response.
Module 2 Content

- Assessment and vulnerability targeting
- Assessing the feasibility of using cash
- Tools for market analysis
- Mapping baseline market systems
- Interpreting the impact on market systems
What is a needs assessment?
Evaluation process

- Quick evaluation (first few days): Determine scale of the crisis and help needed.
- Initial evaluation (first few weeks): Understand causes, impact and scale of support needed.
- Detailed evaluation (first month): collect specific information (coordination, evaluation sharing, multi sectoral and technical evaluations (HEA, EMMA...)).
Needs assessment

Understanding needs in your sector – what do you need to know to design a programme?

- The type and quantity of commodities / services needed at a household level.
- The length of time this support will be needed (either one off or over a period of time).
- The scale of the needs.
Needs assessment and CTP

Understanding needs in your sector – what do you need to know to assess whether using CTP is feasible?

More detailed information in areas such as:

- markets
- financial institutional capacity
- technology
- institutional capacity
- social issues including beneficiary preferences
Common issues in urban assessment

- Assessment results can be misleading.
- Geographical targeting is not carried out.
- Assessments don’t collect income and expenditure data.
- The tools used are the same in a rural assessment.
Urban household survey tips

- Differentiate between chronic problems and the acute trigger or cut-off in relation to IPC.
- Capture different food sources.
- Capture all livelihood strategies.
- Use urban-specific poverty measures developed in conjunction with the local community.
- Include a power analysis to understand the different stakeholders.
Oxfam 48 Hour Assessment Tool

Which contains:

1. guidance on how to use the tool
2. questionnaires for relevant groups (communities and HHs, markets and traders, money agents, other humanitarian agencies)
3. decision trees leading to response options
4. Response Options Menu
5. 48 Hour Assessment report template
Oxfam 48 Hour Assessment Tool

Four sections

1. Community and Household Focus Group Discussion Section
2. Markets and Traders Status After the Disaster: Questions for Traders
3. Cash Delivery Structures: Questions for Money Transfer Agents
4. Coordination and Other Actors’ Response Plans
Task

1. Read through the following documents:
   - Case Study Stage 1a: Freedonia country profile
   - Case Study Stage 1b: Newspaper article
   - Case Study Stage 1d/e/f: EFSA/WASH/SHELTER

2. In your groups use the documents to see how much information you have in each of the categories of additional information required for assessing the feasibility of using CTP.

3. Pose a question for each category of information (Markets, Financial institutional capacity, Technology, Institutional capacity, Social issues including beneficiary preferences) that is missing.

4. Indicate who should collect this information.

5. Write your answers on a flip chart.

30 minutes
Questions?
Module 2

When to use cash transfers?

Session 2.2

Assessing the feasibility of using cash
Module 2 Content

- Assessment and vulnerability targeting
- Assessing the feasibility of using cash
- Tools for market analysis
- Mapping baseline market systems
- Interpreting the impact on market systems
Targeting for CTP

Who are the transfer recipients?

How are they targeted?
Relative household wealth in communities

- Housing
- Land
- Livestock
- Family members
- Wages, remittances, income sources
- Lending, borrowing
- Status, power, networks
- Luxury items…
Vulnerability criteria

- Physical condition
- Age
- Gender
- Marital status
- Health
- Environment
- Risk exposure
- People in charge
- Status (ex; refugee)
- Others
Targeting criteria

- Objective oriented
- Locally accepted
- Transparent
- Keep it SIMPLE!
Estimating household asset loss in urban contexts

An estimation of urban asset loss should be expanded to include:

- house owner occupier
- apartment owner occupier
- apartment tenant
- land / house tenant
- occupancy with no legal status – squatting
- informal makeshift housing
- kiosks and small vending stands
- in-home production (sewing, food preparation, packaging)
- casual labour equipment (tools, carts, uniforms)
- transportation assets (bicycles, carts).
Targeting methodology

- Depends on the modality.
- Define level of targeting (geographic, community, household, by category)
- Assess power and decision making structure in the community.
- Decide to what extent and at which step to involve the community.
- Dynamic process.
- Identify and mitigate bias.
- Identify direct beneficiaries / indirect beneficiaries and how to link them.
- Coordinate with other humanitarian actors and governments on criteria and indicators.
- Self targeting, community targeting, work with authorities...
- Other sources: HEA (thresholds), markets, UN data...
Checking targeting

- By using documents, interviews or intermediaries:
  - lead regular consultations throughout the project to check targeting acceptance and transparency
  - carry out formal validation and list sharing (when security context is safe)
  - always check security context before sharing beneficiary data
  - assess fraud risks and threshold effects
  - mix teams and change staff
  - use community committees for self-checking
  - put in place signed agreements with the community defining sanctions in case of fraud.

*Don’t forget: there is no definitive or perfect targeting!*
CTP and gender findings

(Adapted from Oxfam/Concern study, Walking the Talk, 2011)

- CTP design is usually based on gender assumptions, not gender analysis.
- Gender roles are usually reinforced, not transformed.
- For some women it is their first time handling larger amounts of cash.
- Sex-disaggregated M & E data is uncommon.

-> Need to go beyond sex ratio in CTP design, by including an analysis of the impact of CTP on gender relations.

Other risks to be considered in the targeting; stigmatization of beneficiaries, inter-generational conflicts ...
## Vulnerability and CTP matrix

<table>
<thead>
<tr>
<th>Conditional grants</th>
<th>Unconditional grants</th>
<th>Commodity vouchers</th>
<th>Cash vouchers</th>
<th>Cash for work</th>
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<tbody>
<tr>
<td>Older</td>
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<td>Younger</td>
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<td>Nutrition</td>
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<td>HIV/AIDS</td>
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<tr>
<td>Gender</td>
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</tr>
</tbody>
</table>
Thresholds

Livelihoods protection

Survival

Very poor

Food aid
Cash income
Own production

Thresholds

Very poor

Livelihoods protection

Survival

Very poor

Food aid
Cash income
Own production
Survival threshold

Total income required to cover:

a. 100% of minimum food energy needs (2,100 kcals per person), plus..

b. the costs associated with food preparation and consumption (i.e. salt, soap, kerosene and/or firewood for cooking and basic lighting), plus..

c. any expenditure on water for human consumption.

\[ a = \text{food basket} \]
\[ b \text{ and } c = \text{non food expenditure basket} \]
Livelihoods protection threshold

Total income required to cover:

a. basic survival, plus..

b. access to basic services (e.g. routine medical and schooling expenses), plus

c. livelihoods in the medium to long term (e.g. regular purchases of seeds, fertiliser, veterinary drugs, etc.), plus..

d. a minimum locally acceptable standard of living (e.g. purchase of basic clothing, coffee/tea, etc.)
Measuring the gap

Setting the value through a gap analysis

Basket of needs

Livelihood protection needs
Non Food needs
Food needs

Gap

Humanitarian or govt. support
Remittances
Casual work

What people do for themselves

e.g.
Key messages

- Survival threshold
- Livelihoods protection threshold
- Includes shelter, nutrition, wash, health, food, livelihoods...
- We should look beyond survival programming
- Transfers can reverse or mitigate coping strategies to help reach or pass thresholds
Questions?
Module 2

When to use cash transfers?

Session 2.3

Tools for market analysis & Mapping baseline market systems
Module 2 Content

- Assessment and vulnerability targeting
- Assessing the feasibility of using cash
  - Tools for market analysis
  - Mapping baseline market systems
- Interpreting the impact on market systems
Needs assessment and CTP

Understanding needs in your sector – what do you need to know to assess whether using CTP is feasible?

More detailed information in areas such as:

- markets
- financial institutional capacity
- technology
- institutional capacity
- social issues including beneficiary preferences
What is a market?

- A market is not just a physical place where goods are sold; a market includes the whole supply chain from producers to consumers and the factors that influence them.
Three broad questions

1. Are the goods and services that people need available locally?
2. Are markets able to respond to an increased demand for commodities?
3. Can cash be delivered and spent safely?
Further questions

1. What might the entry points for a response be?
2. Could our response harm the market?
3. Might there be multiplier effects for markets?
4. What risks can be anticipated? (inflation, price distortion, security)
What should be in place?

- Supply (and re-supply) of goods
- Sellers with resources
- Physical access
- People with purchasing power
- Trader willingness and capacity
- Reliable payment systems
- Reasonable and stable prices
Purpose of market analysis

1. **To assess the capacity** of markets to respond to increased demand caused by crisis and response (in kind & cash).

2. **To reduce the risk** of humanitarian responses doing harm to existing markets.

3. **To stimulate markets** and market linked livelihoods.
4. To use humanitarian resources **more efficiently**.

5. To create earlier and **better informed decisions** about recovery.

6. To broaden the range of response options to suit the market capacity, including both **direct** and **indirect** response options.
Approaches to market analysis

- Market Information and Food Insecurity Response Analysis (MFIRA)
- Emergency Market Mapping Analysis (EMMA)
- RAM and MAG (RC movement)
- Oxfam 48 hour Assessment Trader Questionnaire
- CaLP’s Minimum Requirements for Market Analysis in Emergencies
- Others?
The RAM and the MAG

Rapid Assessment for Markets (RAM) and Market Analysis Guidance (MAG) – an RC Movement set of tools and processes.

RAM: Emergency market assessment tool

- Delivers a quick understanding of the market situation within the first few days of a shock.
- Informs decision making on appropriate modalities for immediate relief interventions.

MAG: More detailed analysis than the RAM

- Integrates market analysis into the phases of the project cycle.
- Inform market-related decisions on relief and early recovery intervention in each of the respective project cycle phases.
Minimum Requirements for Market Analysis in Emergencies (MRs)

Provides checklists, tips and guidance on what to collect in a market assessment.

Not an assessment or analytical tool, but can be used in conjunction with tools.

Focuses on four thematic areas:

- scope of assessment
- analysis
- data collection
- monitoring and ensuring data validity
Main components of EMMA

- Selection of critical markets
- Gap analysis
- Baseline Mapping
- Emergency Mapping
- Response options and recommendations

http://emma-toolkit.org
Energiser – market systems
Market system map

Small Fishing Nets – Ayeyarwady Delta, Myanmar – Before NARGIS

Institutions, Rules & Norms
- Import Permits
- Bribes
- Foreign Exchange
- Seasonal Fishing Licences
- Gender Roles

Supply-Chain Market Actors
- Thai Manufacturers
- Importers & Wholesalers
  - Yangon: 5
  - Pathein: 3

Market Towns
- Retailers
  - Pathein: 10
  - Bogale: 10
  - Hlaing Bon: 5
  - Aywgyun: 15
  - Pyapone: 5
- Village Shops
- Large Boat Owners / Fish Traders

Villages
- Poor Fishing Households

Key Infrastructure & Services
- Warehouse Storage
- Transport & Fuel
- Boats, Nylon, Floats
- Credit Availability
Task

Using all the information available, please draw an initial baseline map of the allocated market system.

30 minutes – use the post-its and flip chart provided.
Module 2

When to use cash transfers?

Session 2.4

Interpreting the impact on market systems
Module Content

- Assessment and vulnerability targeting
- Assessing the feasibility of using cash
- Tools for market analysis
- Mapping baseline market systems
- Interpreting the impact on market systems
Market system map

Small Fishing Nets – Ayeyarwady Delta, Myanmar – After NARGIS

Institutions, Rules & Norms

Import Permits
Foreign Exchange
Bribes
Seasonal Fishing Licences
Gender Roles

Yangon / Pathein
Market Towns
Villages

MFF
Retailers

Thai Manufacturers

Supply-Chain Market Actors

Key Infrastructure & Services

Disruption
Complete
Partial

Smaller Traders

Importers & Wholesalers

Yangon = 20
Yangon = 5
Pathein = 3

Village Shops

NGO & Religious

Large Boat Owners / Fish Traders

Warehouse Storage
Transport & Fuel
Boats, Nylon, Floats

Credit Availability
Task

Using all the information available, show the impact of the flood on your baseline map.

Answer the following questions:

1. What is happening in the market system?
2. Is there a supply or demand problem?
3. List a few ‘best guess’ recommendations for responses that might be suitable.

30 minutes
Key market information

- What impact on the market has been observed?
- Are food insecure households well connected to local markets?
- How is the market level of trade and availability?
- Is the market performance limited by supply, demand or both?
- How well integrated are markets?
- Do local traders behave competitively?
- What might be the entry points for humanitarian assistance?
Why is inflation a problem?

- A CTP intervention may create inflation.
- Inflation may increase the vulnerability of people who are not-participating in the programme.
- It may increase the amount of cash needed to access a given level of resources.
Potential causes of inflation

- Causal effects of intervention (linked to scale).
- Lack of market integration between surplus and deficit areas.
- Lack of market competitiveness.
Intervention scale

What is it?
The intervention scale is given by the amount of cash injected in relation to the local economy.

Why does it matter?
The bigger the cash injection the bigger the impact on supply and demand and therefore the risk of inflation.

Indicators

- Proportion between the amount of cash injected and the regular cash flow.
- Rate between the value of the transfers and household income or expenditure.
- Geographical coverage.
- Percentage of the population targeted.
Market integration

What is it?

Market integration is given by the existence of both:

- good linkages between local, regional and national market actors
- alternative suppliers, producers and sellers that can step in.

Why does it matter?

Well integrated markets are less vulnerable to price distortions.

Indicators

- Difference in prices for likely purchases between two markets, minus the cost of transporting the goods.
- Price pattern over time.
- Price trends in previous comparable emergency scenarios.
Market competitiveness

What is it?
Competition depends on the existence of a sufficient number of traders so that no single individual or enterprise dominates the market.

Why does it matter?
Competitive markets provide better information and less probability that prices are artificially distorted.

Indicators
- Number, size, distribution and differentiation of suppliers.
Assessing the feasibility of CTP

What else do you need to know to design a programme using CTP?

More detailed information in areas such as:

- markets
- financial institutional capacity
- technology
- institutional capacity
- social issues including beneficiary preferences
Who might collect this information?

- Programme staff
- Finance staff
- IT staff
- Logistics staff
- Procurement staff
- Other?
Dealing with inflation

In case of foreseeable inflation:

- Take it into account in the project design.
- Plan seasonal variations of cash transfers.
Dealing with inflation

In case of volatile inflation:

- Regularly review the amount and frequency of transfers.
- Determine ‘acceptable’ ceilings for price inflation.
- Sensitize beneficiaries to the changes of transfer amount.
- Budget and prepare a contingency plan.

Source: WFP Cash Manual 2009, CaLP GPR, P. Harvey, 2011
Key messages

1. To consider the feasibility of using CTP additional information is required.
2. A lot of the information may be secondary.
3. Non-programme staff (such as finance, logistics or IT may need to be involved) and should be involved from the start.
Questions?
Thank you