

Multi-Purpose Cash Grant

A collaborative model for North-East Nigeria

1- Background

A- Multi-Purpose Cash background and rationale

In recent years, there is an increasing commitment from donors and humanitarian actors to use cash transfers as a response modality **where appropriate** to meet multiple needs of the affected population in rapid onset and protracted emergencies. There is growing evidence that cash transfers give people choice and make humanitarian aid more accountable to crisis affected people, can help to make scarce resources go further, and can leverage the opportunities created by the global expansion of financial services, including digital payments, and the growing number of social safety nets.¹ Multi-Purpose Cash Grants (MPCG) are cross-sectorial, unrestricted and unconditional, increasing the effectiveness and efficiency of responses, allowing beneficiaries to purchase what they know to be their most urgent needs. Thus, it increases empowerment and dignity of beneficiaries, enables better equity of distributions, and reduces costs of implementation. “Currently, cash-based interventions have been focused on meeting basic needs. Moving forward, it is expected that cash is gradually used in sectors, where feasible and appropriate, and to move from in-kind to a cash-based transfer modality for assistance to the extent possible. This approach will be linked where feasible with a multi-sector/purpose approach and with the strategy to support local communities.”²

B- North-East Nigeria Context

Food security has improved throughout the North-East, as a result of improved security conditions, the scale-up of humanitarian food, nutrition and livelihoods assistance, as well as favorable climate conditions for agricultural production, and initial market and trade recovery in some areas.³

However, the humanitarian crisis in North-East Nigeria continues, with civilians still bearing the brunt of the conflict that has resulted in widespread displacement, destroyed infrastructure and collapsed basic social services. Threats of attacks by non-state armed groups and restrictions in movements continue to have negative impacts on trade, livelihoods and markets, leaving a substantial proportion of the civilian population relying on humanitarian assistance⁴. To date, 1.6 million people are still displaced in the three most affected states - Adamawa, Borno and Yobe States – with 79 percent of the displaced population being women and children⁵. The prevalence of malnutrition is unequally distributed across the country with the northern states disproportionately affected⁶.

¹ Doing Cash Differently: How cash transfers can transform humanitarian aid Report of the High Level Panel on Humanitarian Cash Transfers: September 2015:11

² UNHCR RRM RP May 2016

³ UNICEF and WFP concept note - Joint Approach for Nutrition and Food Security Assessment (JANFSA) in Nigeria - July 2018

⁴ UNOCHA – Humanitarian Response Plan 2018

⁵ IOM – Displacement Tracking Matrix – XXI Report February 2018

⁶ National Bureau of Statistics and UNICEF - Multi-Indicator Cluster Survey, Nigeria - October 2017.

Following a Cash Feasibility Assessment⁷ and a Basic Needs Assessment⁸, three Local Government Areas (LGA), have been identified as appropriate to implement Multi-Purpose Cash Grant interventions (MPCGI). Main findings regarding Maiduguri Metropolitan Council (MMC), Jere and Konduga:

- Targeted groups are facing severe deprivation across all basic needs⁹
- Commodity markets and systems of service provision are functioning
- 93% of the population can access basic goods and services in less than 2 hours from their home¹⁰
- Cash is the preferred assistance transfer modality in most places¹¹

Findings are related to the whole of the LGAs, therefore partners implementing MPCGI will need to verify that the specific locations they are targeting are indeed appropriate for MPCGI. Running a Rapid Market Assessment is recommended particularly for locations in Konduga where a higher number of CDG participants reported poor quality of goods available in the markets, and preferences for in-kind assistance.

2- A collaborative model

As of September 2018, five partners of the Cash Working Group have expressed interest in developing MPCGI in the LGAs identified: Save the Children, International Rescue Committee (IRC), Danish Refugee Council (DRC), ZOA and ADRA. All partners are willing to set-up a *Collaborative Model* that proposes a harmonization of program-design and common tools: program objective, targeting criteria, outcome indicators, MEB design, transfer value alignment, price monitoring, joint PDM mechanisms, and other collaborative actions. Partners will implement their programs separately; as well as solicit funds and report to donors separately. As multi-sectorial, the MPCGI will not be reported to sectors, but directly to the Cash Working Group, and feeding in a MPCGI Section of the HRP (advocacy on going to request a separate MPCGI section in the HRP). Such a collaborative model will considerably reduce duplication of work, as well as enable better quality programming by identifying areas for joint actions that increase efficiency. Partners recognize that a collaborative model can easily be adopted by other actors willing to implement MPCGI in other parts of North East Nigeria. Therefore, partners will support the scale-up and transition towards MPCGI when appropriate, spreading experiences around good practices and quality programming. The guidelines, recommendations and tools developed by the collaborative effort will be available for use by any partner interested in developing MPCGI; and the Technical Co-lead of the CWG will train partners and support them in potentially adapting them to new locations.

3- Design of the transfer value

A- Minimum Expenditure Basket background

In the past year, the CWG has been working to design a Minimum Expenditure Basket (MEB) for Borno State, using the three identified LGAs as a pilot.

The MEB design was originally constructed to identify households in a target population who cannot meet their basic needs. The MEB is useful in operations where the organizations respond with cash-based transfers to meet food needs and a broader set of basic needs through a multipurpose-cash intervention.

The MEB helps to achieve the following:

⁷ Joint Cash Feasibility Assessment: Overview – February 2018 – Conducted by REACH for the CWG

⁸ Basic Needs and Response Analysis Framework Report - Pilot Assessment In and Around Informal IDPs Settlements in Borno State, Nigeria – June 2017 -

⁹ *Ibid*

¹⁰ *Ibid* – 46% in less than an hour.

¹¹ precise

Multi-Purpose Cash Grants Interventions – A collaborative model for North-East Nigeria

- Support decisions on transfer value amounts for food and non-food needs, including supporting multi-sector coordination (government, partners and donors)
- Inform decisions on which goods and services to assess in a multi-sector market assessment
- Monitor immediate and longer-term food security and resilience outcomes by analyzing expenditure trends relative to the MEB
- Establish a baseline against which to monitor market prices and the cost of living.¹²

For Borno State, the MEB was designed based on a 7-person household. Each sector proposed the items (and quantity) related to their sectorial objectives, the CWG partners validated the MEB in June 2018. Save the Children and IRC collected the prices in the 3 identified LGAs.

B- MPCG Transfer value

i- MPCG Intervention objective

Partners agreed that the MPCG intervention should aim to reach the following objective: *Vulnerable households affected by the conflict can meet their monthly basic needs*. Partners agreed that the transfer value to be used for the MPCG Program should capture only monthly recurrent expenses that are likely to be purchased by beneficiaries to meet their basic needs. Partners recognize that in the given context, unconditional and unrestricted cash can't fulfill the objectives related to Shelter, WASH, Health, Livelihood or Education (even though some expenses linked to those sectors can obviously be addressed by the households when spending the grant). Therefore, one-off expenses¹³ related to those sectors were excluded for the calculation of the transfer value for MPCG (such as household items, schoolbags and uniforms, NFIs etc...) whereas recurrent expenses¹⁴ (such as soaps for example) were kept. Partners recommend that Shelter, WASH, Health, Livelihood and Education objectives should still be supported by the specific sectors to enable reaching the quality objectives (and to use conditionality and restriction if needed, as well as sensitization). Partners recommend those needs to be addressed as one-off grants or in tranches through market-based approaches when possible, or through in-kind when a cash transfer program is not possible. The extended MEB can support the program design and valuation of sectorial cash-based interventions (CBI). Partners recommend that the delivery of the MPCG should be accompanied by sensitization on nutrition and hygiene messages, but that no other food security interventions (either in-kind or vouchers) should be implemented in the locations receiving MPCG. The value is indeed intended to cover all the basic food needs.

Partners have agreed on the following items to be covered by the grant amount: Basic food items, condiments and supplements, cooking fuel (charcoal, firewood), water, laundry soap, bathing soap, sanitary pads, transportation, communication. An incidental of 6% is added to cover unexpected needs. These items are what beneficiaries are likely to consider as most urgent needs and are all available in the local markets. As of June 2018, the amount to cover MEB defined needs is **42,793 NGN** based on the average value for the 3 target LGAs.¹⁵

ii- Context considerations

A harmonized price monitoring system is to be set-up to control prices fluctuation. Prices are to be collected every month during the same week to allow consistency.¹⁶

¹² WFP – Minimum Expenditure Basket Interim guidance note – July 2017

¹³ Items not to be purchased on a monthly basis

¹⁴ Items purchased on a monthly basis

¹⁵ *Subject to change as some prices are under revision*

¹⁶ See Cash Working Group Market Monitoring Tool and Guidelines (under development)

- **Market considerations**
When designing the MPCG program, transfer values must be harmonized with other MPCG interventions when possible/appropriate, especially for close-by locations. However, the MPCG transfer value should be set-up considering the prices of the local markets, rather than average of all markets assessed in the LGA/State.
 - Recommendation: Update the MEB with current prices every 6 months.
 - Recommendation: Recalculate the transfer amount with the updated prices if a fluctuation of +/- 15% on key commodities is observed in the current market.¹⁷ Seasonality has an important impact on prices, therefore it is recommended to set-up a rainy-season and a dry-season transfer value, based on prices of the current market. Impact on prices can also come from fluctuation of the Naira value.
- **Gap considerations**
Whether partners should cover 100% of the needs amount or a portion of it depends on the gap identified and is a decision to be taken with the consideration of contextualized Needs Assessment¹⁸.
 - Recommendation: Harmonize the targeting approach, especially for close-by locations.
 - Recommendation: Set-up different coverage depending on the context of the location. Avoid setting up different coverage depending in the population status (IDPs/host communities) to avoid conflicts.

Illustrating example:

Location 1: Target population in Location 1 are settled and developed coping mechanisms to meet some of their needs. Livelihood programming for this target group is anticipated to come online by 2019. Population is therefore anticipated to be able to cover a30% or their basic needs, approximately. The recommended MPCG design should cover the 70% gap. This needs-based approach avoids increasing the dependency on aid by the target population.

Location 2: Targeted population in Location 2 is more vulnerable than those in Location 1. Population has a tendency to depend on negative coping strategies to meet their needs. Population continues to rise as insecurity and conflict-based displacement remains. The recommended MPCG design should cover a higher percentage: 90%.

iii- Households vs. Per Capita considerations

Partners recommend to avoid using Household approach for transfer value design, as needs significantly differ based on the number of individuals in the household.¹⁹ A Per Capita approach also carries several challenges. It doesn't take into consideration the economy of scale of sharing expenses. It is prone to fraud and of higher risk, requiring a thorough and extensive time-consuming monitoring; such as controlling the number of individuals declared is exact and accurate through monthly family-level site verifications. The Per Capita approach is a complicated implementation strategy.

An in-between approach of "household categories" is recommended by the partners²⁰.

Households fall into one of the four following categories: Category A (1 to 3 individuals), Category B (4 to 6 individuals), Category C (7 to 9 individuals), Category D (more than 9 individuals).

¹⁷ Nigeria Food Security Sector – Harmonization guide

¹⁸ See Needs Assessment Tool and Guidelines (under development)

¹⁹ See Transfer Value Design tool and guidelines

²⁰ See Transfer Value Design tool and guidelines

HH Category A gets the amount based on 3 individuals²¹ (= 42.8% of the amount)
 HH Category B gets the amount based on 5 individuals (= 71.4% of the amount)
 HH Category C gets the amount based on 8 individuals (= 114.3% of the amount)
 HH Category D gets the amount based on 10 individuals (= 142.8% of the amount)

As an example:

Considering 43,690 NGN the amount need for a household in the LGAs targeted.

Design of the transfer value for a household of 8 individuals in Maiduguri:

Location level 2 = 70% of 42,793 NGN = 29,955 NGN

HH Category C = 114.3% of 29,955 NGN = **33,378 NGN**

A Value Transfer Calculation tool and guidelines was developed by the CWG.

iv- Cycles / one-off considerations

Because the MPCG interventions are to address monthly basic needs, it is recommended that they happen in cycles over a fixed period of time. Partners recommend that the interventions:

- Be synchronized (beginning/end dates, and duration)
- Carried out during the lean season when needs are greatest.
- Be programmed to cover needs during critical times of the year (i.e. lean season) and avoid ending programming during these same times.

4- Program-design harmonization:

A- Targeting:

i- Targeted locations

Partners recognized the need to avoid duplication with food security activities; however, recommended that beneficiaries continue to benefit from WASH, Health, Livelihood, Education, and Shelter activities. Strong coordination with all sectors is recommended and will be facilitated by the CWG technical co-lead.

Partners	LGA	Wards	Communities	HH	Individual
ADRA	Konduga		Jakana, Auno Ward	1000	
ZOA	Jere	Gongulong community and 10 satellite villages		4,000	20,000
IRC	MMC	Maisandari	Suleimanti	1300	
		Maisandari	Kulluluri		
		Bolori 1	Sabon Gari		
		Maisandari	Dala Dairi		
		Maisandari	Dala Yajuwa		

²¹ Following FSS recommendations on protection of isolated individuals

Multi-Purpose Cash Grants Interventions – A collaborative model for North-East Nigeria

		Bolori 1	Buzu Quarters		
		Bolori 1	Shuwari DCC Camp		
	Jere	Bale Galtimari	Mairi Kuwait		
		Bale Galtimari	Ajajari		
		Bale Galtimari	Fori		
DRC	Jere		Farm Centre	976	6832
	Mafa		Mafa IDP Camp and Mafa HC	978	6846
	Michika		Zah, Medzi, Michika 1 and 2	976	6832
Save					

ii- Targeting criteria, registration and selection process

Partners who are already operating in a location and are simply transitioning from food in-kind or e-vouchers to MPCG Interventions will most likely keep the case-loads and targeting process they have been using so far. It is anticipated that partners were using criteria that were harmonized through the Food Security Sector, and are therefore appropriate.

Partners however recognize a need to set-up a harmonized approach for registration in locations that are not yet covered and/or for new arrivals.

- Registration tool:

Partners recommend using a common tool for registration that asks questions revolving around:

- access to basic needs: looking at the food consumption score, the reduced coping strategy index, the household hunger scale, and access to education, health, shelter etc...
- vulnerability criteria: elderly headed household, pregnant woman, child under 3 etc...

Each answer corresponds to a score. The highest the final score of the Household is, the most vulnerable it is considered to be²².

- Registration process:

Partners recommend that community engagement should be the first step when targeting a new location:

The community sensitization process generally includes the following steps²³:

- Meet with LGA Chair, communities, and other stakeholders to discuss ward accessibility
- LGA Chair links NGOs with community leaders in the wards
- Conduct community meetings within communities to sensitize on the project and obtain population information for the area
- Meetings with community leaders to explain the program and the process that will be followed for identification of beneficiary households

²² See Registration tool and guideline (under creation).

²³ Nigeria FSS – Targeting task Force – December 2017

Multi-Purpose Cash Grants Interventions – A collaborative model for North-East Nigeria

- For NGOs that work through village committees, NGO staff either work through existing committees or form a committee with key community stakeholders, such as an IDP leader, elder, female representative, host community representative, or youth representative.
- A meeting is held to discuss the criteria for inclusion into the program.
- Community volunteers are identified to support the whole process.
- Community volunteers receive orientation and briefing on their roles and responsibilities.

The agency should then confront the registration tool with the findings from the community consultation. If necessary, some questions can be added/removed, or the point system can be adapted.

It is recommended that partners conduct themselves the registration of the Households, with trained enumerators.

- Selection process

Once the registration done, selection of beneficiaries is made based on their final score. Households are ranked based on their respective scores, and those with the highest score are selected until the beneficiary target of the area is reached; or a threshold selected (ex: 11 points) above which all households are selected.

- Verification process

Partners should submit the list to the community committees to verify that all households are indeed living in the area and that their situation matches with what they have reported²⁴.

Partners should conduct spot-checks (%) of selected households to verify that families are indeed living in the area, and that their situation matches with what they have been reporting. If there is an error rate of more than ...%, the list is rejected, and the process should be conducted again.

It is strongly discouraged to let the registration be done solely by community leaders, even if verification and control measures are put into place.

B- Indicators

Partners recommend using the following OFDA indicators on Multi-purpose grants²⁵:

- Total number of people assisted through multipurpose cash activities
- Percent of beneficiaries self-reporting ability to meet their basic needs
- Percent of beneficiaries household with a Reduced Coping Strategies Index score of (ex:<20)
- Percent of beneficiary households with “acceptable” food consumption as measured by the Food Consumption Score
- Percent of beneficiary households reporting adequate access to water, as defined by Sphere or national standards
- Percent of beneficiaries accessing health services for their family when needed
- Percentage of school age girls and boys attending school
- *Percent of beneficiary households reporting adequate access to non-food items*

²⁴ See Guidelines for Community engagement (to develop)

²⁵ See Indicators tool and guidelines

C- Implementation considerations

i- Price monitoring

Partners recognize the need to have a common tool to monitor markets to:

- 1) Control price distortion
- 2) Adapt the amount of the MPCG transfer value if needed (and particularly for dry/rainy season)
- 3) Set-up transfer value in new locations targeted for MPCGI.

Partners recommend building-on from the system already in place within the Food Security Sector.

VAM (WFP) is already collecting prices in markets, with a methodology that's been harmonized with FEWSNET. Some of the partners have been trained on this methodology.

VAM has agreed to add in their tool non-food items that can be monitored in markets: body soap, laundry soap (discussion ongoing regarding adding cooking fuel and sanitary pads as well).

Prices on communication and transportation will be shared by VAM bi-annually (fluctuation are not expected).

Prices on water will be collected through the WASH sector bi-annually as they are only rarely fluctuating.

VAM is currently covering 9 markets, using a ODK tool. Recommendation is that VAM trains partners on the same methodology, and that the tool is shared and used by all. Thus, data will be automatically compiled in one platform, co-managed by VAM/WFP, the CWG and the Food Security Sector.

VAM would be in charge of analysis of the market data; while the CWG will add the non-market data to the analysis.

ii- PDM, feedback mechanism, communication strategy, protection strategy, security considerations etc...

Partners recognize that each organization will oversee the implementation of these aspects of their programming, but that having tools and guidelines developed will avoid duplication of work and enable better quality programming.

Some of these concerns will be addressed through task-team within the CWG (ex: protection task-team) whose role is to produce guidelines and recommendations.

In the absence of task-team within the CWG, such tools and guidelines will be developed by one or two lead agencies per subject with the support of the technical co-lead of the CWG. They will be discussed and validated by all five partners before been endorsed and shared with the whole CWG (to be used for MPCG or any CBI if applicable).

iii- Delivery mechanism:

Partners recognize that not a single harmonized delivery mechanism can be chosen to cover all locations, but rather, the delivery mechanism will depend on the location specificity as well as partner resources/culture of programming. Partners recommend however to share experiences and best practices to enable the decision making to be done with the best knowledge and to facilitate a harmonized approach if possible, with a particular focus on close-by locations). The technical co-lead of the CWG will conduct a mapping of the Financial Service Providers and support partners in the decision making regarding the choice, as well as support the coordination in between partners.

5- List of tools/ guidelines

- Transfer Value Calculation Tool and guidelines (Excel) – *Under construction (CWG Tech co-lead)*
- Joint Price Monitoring – *Under construction CWG + WFP/VAM*
- Rapid Needs Assessments – *ERC Tools and Guidelines*
- Market Assessments – *FSS Guidelines – To adapt*
- Registration Tool – *Task Team MPCG*
- Verification Tool (post-selection) – *Task Team MPCG*
- Registration and Verification Guidelines – *Task Team MPCG*
- M&E Plan – *ERC Tools and Guidelines*
- PDM Tool – *ERC Tools and Guidelines*
- PDM Guidelines – *ERC Guidelines*
- Feedback Mechanism Guidelines – *Task Team MPCG -*
- Communication Strategy Guidelines – *Task Team MPCG -*
- *Exit Strategy – Task Team MPCG*
- Protection Strategy Guidelines – *Task Team CWG*
- FSPs Map – *Task Team MPCG*
- Delivery mechanism recommendations – *Task Team MPCG*