



Cash Working Group (CWG) in Bangladesh- led by Oxfam

Multi-Purpose Cash Grant (MPCG) Operational Guidelines

Final Version 02

20th February 2018

1. Introduction

Bangladesh is one of the most disaster-prone countries in the world. Floods, riverbank erosion, cyclones, tidal surges and tornadoes are common phenomena of the country. In Bangladesh, national authorities have an expertise in providing cash assistance to the vulnerable individuals through social safety-net programs. This includes an unconditional cash assistance programme called the Gratuitous Relief (GR) Cash program that aims to mitigate the impact on affected people of natural and man-made disasters.

Humanitarian organizations in-country also promotes both conditional and unconditional cash assistance for humanitarian responses and recovery efforts. Given the growing importance of cash assistance in Bangladesh and the need to speed up assistance, improve effectiveness, facilitate reporting processes and, complement the Government's cash interventions, it is crucial to have a multi-sectoral standard cash package (or a Multi-Purpose Cash Grant – MPCG) to support the people affected by disaster to meet immediate basic needs covering the different areas like food, shelter repairing, hygiene , health, education, livelihood inputs, transports and other non-food items.

2. MPCG Revision Process

The 2017 Multi-Purpose Cash Grant (MPCG) package was determined through the technical desk reviews conducted by the Cash Working Group (CWG) using several key documents as reference. The MPCG was agreed by the Cash Working Group (CWG) member organizations/agencies in a Cash Working Group (CWG) meeting in November 2016. The CWG organised a National level workshop on 4th December 2016 in collaboration with the Humanitarian Coordination Task Team (HCTT), the Ministry of Disaster Management and Relief (MoDMR) and the United Nations Office for the Coordination of Humanitarian Affairs Regional Office for Asia and the Pacific (OCHA ROAP) to determine the standard package.

HCTT members participated in the workshop together with the representatives of MoDMR, OCHA ROAP, Oxfam Asia Regional Office, UN Resident Coordination Office, Donor Representatives, Financial Service Providers (FSP), IFRC, BDRCS, and International Organizations, national and local organizations who are actively involved in Cash Transfer Programming (CTP) in the country. Finally, the “MPCG” package was approved by the HCTT in their meeting on 24th January 2017.

In 2018, the MPCG revision process includes the following:

- Agreed to revise the package in the Cash Working Group Coordination meeting on 17th December 2017 based on inflation and/or locations/scenario considering the wider desk review and consultation with its members.
- Conducted a special meeting on “MPCG revision” on 15th February 2018 and the meeting participants agreed on two different packages based geographical locations; one common package for nationwide (Except Cox's Bazar & Chittagong Hill Tracts) and another one for the Cox's Bazar & Chittagong Hill Tracts (CHT) region.

3. Objectives

Assuming markets are functional and necessary goods are available within reasonable prices (i.e. with no or limited inflation): MPCG aims to:

- 3.1 Complement sectoral assistance for a certain period of time to be decided by the HCTT;
- 3.2 Provide a portion of the Minimum Expenditures Basket (MEB) complementing other assistance (including GoB's assistance) and, beneficiaries' own coping strategies;
- 3.3 Support the initial response to prevent affected people from using negative coping mechanism practices.

4. Key Decision of MPCG Implementation in Bangladesh

- 4.1 The MPCG package is developed for vulnerable Bangladeshi nationals targeted by the HCTT Humanitarian Response Plans (HRPs);
- 4.2 The revised package for the "MPCG" amounts to **BDT 4,500/month/household for all districts (except the districts of Cox's Bazar and Chittagong Hill Tracts)** and **BDT 5,500/month/household for the districts of Cox's Bazar and Chittagong Hill Tracts (CHT)** of an emergency response (assuming markets are functional and necessary goods are available with reasonable prices) - as per the SOP determined by the CWG.
- 4.3 The MPCG package represents 75% of the average Minimum Expenditures Basket (MEB) in the aftermath of any disaster. The remaining 25% would be covered by peoples' own coping mechanisms, local capacities and other assistance including the relief distributed by the Government of Bangladesh.
- 4.4 All humanitarian organizations in country are recommended to respect MPCG packages. This amount is not applicable for early recovery periods.
- 4.5 MPCG package does not replace any in-kind assistance or conditional cash assistance that would be part of any cluster assistance package.
- 4.6 Based on the current expenditure available data, Child protection Cluster and, Gender Based Violence (GBV) Cluster, WASH Cluster are recommended not to rely on MPCG to achieve their cluster targets.
- 4.7 Following the response, a Post-distribution monitoring (PDM) will be undertaken by participating organizations under the coordination of the CWG and based on a common PDM template. PDM will help to assess how the beneficiaries spent the cash, their satisfaction level and, to refine the MPCG when/if required.
- 4.8 The amount will be reviewed on a yearly-basis.

5. Minimum Expenditure Basket (MEB):

The MPCG content and value are based on the review of MoDMR "Cash Assistance Packages" in response of disasters; Household Economic Approach (HEA) study reports of North West (May to June 2016) and Satkhira (South West Bangladesh) (November 2014), Cox's Bazar Host Zone and Chittagong Hill Tracts (CHT) conducted by WFP in 2017 before arrival of the influx; the MPCG package also considered the Inflation¹ rate (5.7%) in 2017 and Post Distribution Monitoring (PDM)

¹ Inflation Rate 2017: <https://www.bb.org.bd/econdata/inflation.php>

reports conducted by NARRI & DeSHARI Consortia. The minimum expenditure pattern are as follows;

| Areas/Locations | MEB (BDT) | 75% MEB (BDT) |
|---|--------------|---------------|
| Total (Chittagong Hill Tracts & Cox's Bazar)/Year | 170,717 | - |
| Average (Chittagong Hill Tracts & Cox's Bazar)/month | 7,113 | 5,335 |
| Total (South West + North West)/Year | 129,602 | - |
| Average (South West + North West)/month | 5,400 | 4,050 |

The MPCG value is 75% of the MEB; equivalent to BDT 4,050/month/household nationwide and BDT 5,335/month/household for Cox's Bazar and Chittagong Hill Tracts (CHT) districts.

Revised Multi-Purpose Cash Grant (MPCG) in February 2018

| SL | Areas/Locations | Total BDT | Round Up (BDT) |
|----|--|-----------|----------------|
| a | Revised Nationwide (Except CHT & Cox's Bazar) including 5.7% in 2017 | 4,358 | 4,500 |
| b | Cox's Bazar & Chittagong Hill Tracts (CHT) – 75% of total MEB | 5,335 | 5,500 |

6. Transfer Modality

The Cash transfer modality should be selected based on considerations of market proximity and functionality, risk analysis, proximity of financial institutions, security-related issues, beneficiary preferences, cost-efficiency, gender and women accessibility.

7. Beneficiary's Selection Criteria

The following beneficiary selection criteria for the MPCG are:

- Household affected and/or displaced due to a particular disaster;
- Household lives on day labor or charity and having no regular income;
- Female- headed poor households (including widow, divorced, separated, single women);
- Poor household having pregnant and lactating women, differently-abled, elderly, child headed and chronically sick.

8. Coordination

The CWG is responsible for the MPCG technical² coordination, while the Humanitarian Coordination Task Team (HCTT) is responsible for MPCG strategic³ coordination. Furthermore,

² Develop technical guidance, standardize tools and delivery mechanisms, harmonize payment rates & targeting criteria, capacity building, share information and lessons learned

³ Relation to modalities and advocacy for appropriate use of cash with government, donors and clusters, conduct response analysis and decision-making on the appropriateness.

coordination between humanitarian agencies shall take place in the CWG meetings to avoid duplication of resources and ensure maximization of benefits to the targeted groups.

9. Planning and Reporting

MPCG will be presented separately, similarly to sector-based interventions in the Humanitarian Response Plans (HRPs) with the total value of MPCG intervention for a certain number of beneficiaries for a certain number of months. The Information Management Working Group (IMWG)⁴ will ensure the proper reporting of MPCG interventions in collaboration with the CWG Coordinator. The reporting documents will reflect MPCG interventions separately, similarly to sector-based interventions

10. Expectation from the Government:

Considering that the MPCG package has been developed notably to complement GoB's assistance, it is expected that the GoB considers the MPCG package when planning for its cash assistance programme to ensure full harmonization and complementarity. The GoB is expected to promote the use of the MPCG package by the humanitarian organizations for any future emergency response.

⁴ In the absence of a formal IMWG, the reporting will be supported by the RCO in collaboration with the CwG Coordinator.