

Multipurpose Cash Assistance Sector Update



A beneficiary of USAID/BHA-funded MPCA programming in Peru shows off the prepaid debit card she will use to pay for basic household items. *Courtesy of USAID/Adam Bernstein.*

Enabling a Flexible Response to Crises

Since 2014, deteriorating economic and political conditions in Venezuela have decreased households' access to essential goods and services, triggering an influx of Venezuelans into neighboring countries. In FY 2021, two USAID/BHA partner consortia comprising 7 non-governmental organizations (NGOs) distributed more than \$58.4 million in cash assistance through prepaid debit cards and money transfers to vulnerable households in areas of Colombia hosting large numbers of Venezuelans. Many households reported prioritizing needs such as food, household items, school supplies, and shelter. Some families were also able to invest in their livelihoods, purchasing ingredients to make and sell food in their communities, or buying sewing machines for tailoring, among other income-generating opportunities. As a result of MPCA flexibility, cash recipients' food security improved considerably, as did their access to shelter and hygiene items, according to one USAID/BHA partner's monitoring.

Meanwhile, in Peru, USAID/BHA supported Save the Children Federation (SCF) and World Vision to provide cash assistance to nearly 45,900 Venezuelans and vulnerable Peruvians. SCF's MPCA programming supported Venezuelans settling in Peru's capital city of Lima and elsewhere in the country, as well as those staying temporarily in transit to other locations, helping them afford adequate food, safe shelter, and transportation. Additionally, World Vision coordinated direct cash assistance with the provision of hot meals at *comedores*—community kitchens—in order to best support migrants and vulnerable populations to meet their diverse needs.

OVERVIEW

After displacement or a disaster, affected people often have a variety of needs. When local markets are functioning and goods are available in sufficient quantity and quality, providing people with cash can help them access food, safe drinking water, shelter, household goods, and other necessities. Distributing cash can also be faster and more efficient than providing in-kind commodities, while also supporting local markets. USAID's Bureau of Humanitarian Assistance (USAID/BHA) supports multipurpose cash assistance (MPCA) activities in many disaster-affected communities. Cash distributions are either one-time or monthly transfers that partially or fully cover the cost of an average household's basic needs such as food, water, rent, household items, and transport during an emergency. The intent and calculation of the cash transfer are based upon specific needs identified by implementing partners in consultation with affected households, although ultimately beneficiaries decide how to use the money based on their priorities. In FY 2021, USAID/BHA supported MPCA interventions in 36 countries.

USAID/BHA MPCA Funding
in FY 2021

\$215,708,878

Improving Quality of Life via MPCA During Yemen's Civil War

Throughout Yemen, armed conflict has generated displacement and disrupted livelihood activities, increasing financial vulnerability for many Yemeni households. Approximately 20.7 million Yemenis were in need of humanitarian assistance in 2021, with many households continuing to rely on negative coping strategies—such as buying on credit, eating smaller meals, and withdrawing children from school—to meet basic needs, according to the UN. In FY 2021, USAID/BHA supported six NGOs to provide cash assistance to vulnerable households in conflict-affected areas of Yemen, enabling people to procure food, cooking gas, hygiene items, and other essential commodities. Some beneficiaries reported that the cash assistance they received allowed them to purchase essential goods that they otherwise would have been unable to access, including clothing, fuel, hygiene items, safe drinking water, and appropriate shelter. Additionally, partners coupled cash distribution with protection messaging to account for gender sensitivities and highlight the importance of empowering all adults in recipient households to use their assistance to meet basic needs. Adding protection activities into the trainings helped to maximize the effectiveness of the cash for vulnerable households.

Partnering with CashCap, CaLP to Strengthen Cash Programming

In addition to cash transfer programming, USAID/BHA also supports global endeavors to improve cash programming, coordination, and research. In FY 2021, USAID/BHA supported the Norwegian Refugee Council-managed Cash and Markets Standby Capacity Project (CashCap), which deploys experts to help improve the coordination and effectiveness of cash and markets programming in some of the most critical humanitarian responses around the world. USAID/BHA is also a contributing member of the Cash Learning Partnership (CaLP), an organization of more than 70 humanitarian agencies engaged in cash transfer programming. CaLP supports capacity building, research, coordination, strategy, and policy formation, in coordination with the global humanitarian architecture.

Additional information on USAID/BHA's activities can be found at: [usaid.gov/humanitarian-assistance/where-we-work](https://www.usaid.gov/humanitarian-assistance/where-we-work)