



KEEP-IT-SIMPLE SERIES

This series showcases diverse technical components of cash and voucher assistance programming for greater clarity, understanding and implementation in humanitarian response. For technical, program and business development staff involved in the design of humanitarian response programs, this series offers simple, clear explanations of cash and voucher assistance.

The transfer amounts for multipurpose cash assistance are calculated to meet the basic needs of families. Photo by Georgina Goodwin for CRS

Multipurpose Cash Assistance

What is multipurpose cash assistance?

Multipurpose cash assistance, or MPCA, is a cash distribution approach designed to flexibly meet basic needs in a humanitarian response. Because it is “multipurpose,” it offers the simplest, most direct method of meeting a crisis-affected community’s diverse needs, such as food, rent, water and bus fare. MPCA is both *unconditional* and *unrestricted*.

What is MPCA not?

MPCA is not designed to meet sectoral goals, such as for water, sanitation and hygiene (WASH) or shelter. It cannot be distributed through vouchers, as vouchers are, by definition, restricted. Also, cash for work is not MPCA, either. Rather, MPCA is unconditional and unrestricted cash. It is unique in that the assistance meets multiple needs, including food, water and hygiene items, rent, transportation and communication.

What is the objective of MPCA?

The main objective of an MPCA program is to meet the basic needs of vulnerable households. Growing evidence shows that MPCA is able to address the diverse needs of crisis-affected people. ¹ Humanitarian programs with MPCA components prioritize recipients’ choice, enabling program participants to define and meet their own needs.

What does MPCA not accomplish?

MPCA alone will not achieve sector-specific goals in the long-term, beyond a family’s immediate and emergency needs. While some research suggests that cash can have significant results in medium- to long-term sectoral programming, initial evidence indicates that the impact is smaller in short-term responses. ² Transfer amounts for MPCA are calculated to meet the basic needs of families, with values often being too small to have significant impact across multiple sectors. In addition, emergency needs are complex and go beyond the problem of a lack of cash. MPCA implemented alone is likely insufficient for solving long-term problems such as water access, infrastructure or technical shelter issues.

“Multipurpose cash transfers are either periodic or one-off transfers corresponding to the amount of money required to cover, fully or partially, a household’s basic and/or recovery needs. The term refers to transfers designed to address multiple needs, with the transfer value calculated accordingly.”

[Cash Learning Partnership](#)

When should MPCA be used?

- As part of humanitarian responses to rapid-onset and protracted crises.
- When the target population has unique and diverse needs.
- Where markets can offer basic goods and essential services.
- When people are not able to meet their own basic needs.
- To support people to prevent them resorting to negative coping mechanisms.

What sectors should be included in the design of an MPCA program?

The effectiveness of all sectoral programs can benefit from MPCA when it is used in tandem with specific sectoral interventions. The cash amount provided as MPCA can help affected families and communities reach sectoral outcomes related to food security, WASH, shelter and protection.

The minimum expenditure basket, or MEB (see chart), represents such costs. It is the sum of what a beneficiary household requires to meet its basic monthly needs, and typically includes expenses such as food, shelter, water and hygiene, transportation and communication. To achieve the best outcomes for people in need, MEBs require meaningful collaboration and coordination among cash practitioners and program sector leads to integrate efforts focused on programming and targeting, and, where relevant, combine different transfer modalities (cash, in-kind, technical assistance, service delivery, etc.).

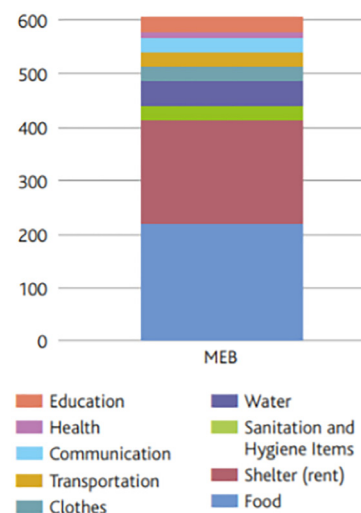
For example: A clear link exists between MPCA and the improved food security of target populations. In fact, food items are often the first goods purchased with MPCA.³ Strong evidence suggests that MPCA also has significant impacts beyond food security, by preventing malnutrition, and recovering livelihoods.⁴ Other sectors—such as health, education and shelter—have seen positive impacts in certain contexts, especially when MPCA is used as one component of a wider response approach.⁵

How is the transfer value for MPCA determined?

In non-crisis situations, the MPCA transfer value can be based on national benchmarks, such as the country's poverty line or national food basket value. During humanitarian responses, an MEB is developed in coordination with other actors, such as the Cash Working Group, to define the basic needs of the crisis-affected population. In emergency situations, the affected populations provide the best insight into the design of the MEB.

The MEB value is often different from the MPCA transfer amount. The MPCA value represents the gap between the MEB and what the affected population can cover from their own resources or from other external sources. A simple equation representing this is as follows:

$$\begin{aligned} &\text{Total need (MEB)} \\ &- \text{Needs met by population and} \\ &\text{other actors} = \text{Need gap (transfer amount)} \end{aligned}$$



MEB from Syria Crisis: Lebanon (UNHCR)

In designing MPCA programs, it is important to define values for each of the three variables in the above equation. Proposed transfer amounts can also include one-time expenses, or “top-ups.” These may be to cover the replacement of lost goods or transfer-related service fees. These transfers should be repeated until incomes are restored, such as through individual recovery or government assistance.⁶

How is MPCA measured?

The [Grand Bargain](#)—a global agreement between donors and humanitarian organizations to improve humanitarian action—has recommended a core set of minimum outcome indicators for MPCA as part of its cash-based programming workstream. These indicators are comprised of both cross-cutting and sectoral indicators.⁷ Sectoral indicators measure the impact of the MPC transfer on sectoral needs, while cross-cutting indicators measure the ability of recipients to meet their basic needs and their use of negative coping mechanisms, among others.

What do donors think of MPCA?

Donors differ significantly in their positions on MPCA. USAID's Bureau for Humanitarian Assistance presents MPCA as a separate sector in its donor guidance; meanwhile the State Department's Bureau of Population, Refugees, and Migration has yet to define where MPCA is housed. ECHO; UK Foreign, Commonwealth & Development Office; and other European donors are supportive and have led the conversation on MPCA. Reach out to the [HRD Markets Team](#) with further inquiries on donor interests or technical support in designing an MPCA intervention.

- Find out more at [CVA Center](#) > [KIS Series MPCA Resources](#)