

USE OF THE PROVIDED CASH-BASED ASSISTANCE

Output indicator

Indicator Phrasing

English: % of cash-based assistance spent on meeting basic needs

French: % de l'assistance en espèces utilisée pour couvrir des besoins fondamentaux

Spanish: % de asistencia en efectivo gastado en satisfacer las necesidades básicas

Portuguese: % da assistência em dinheiro providenciada usada para atender as necessidades básicas

Czech: % poskytnuté peněžní pomoci využité na pokrytí základních potřeb

What is its purpose?

The indicator enables aid agencies to measure the extent to which beneficiaries used the provided cash-based assistance (CBA) for addressing the specific needs (e.g. food, hygiene items, etc. as relevant) that the project aimed to cover.

How to Collect and Analyse the Required Data

To determine the indicator's value, use the following methodology:

1) **Define the types of goods** (or services) that count as “basic needs”, such as food, hygiene items and other goods depending on the context and focus of the assistance. Do not quantify them – there is no need. Always consult the target groups on what they consider as “basic needs” and use their opinions accordingly. Be very careful about this – if you exclude good/services that many people at the time of your survey see as absolutely essential, it will (incorrectly) appear as if a larger part of your assistance was not used to meet basic needs.

2) **Collect the data** on how much CBA was spent on meeting “basic needs” in line with the criteria above. This can be done through several different methods, including:

A. If the used technology (e.g. electronic cards, mobile application, or scannable paper vouchers) allows, gain the required data by **analyzing the electronic records** of beneficiaries' spending. In the case of electronic/scannable vouchers, this can be done by:

- requiring vendors to manually enter items;

- requiring vendors to select them from drop-down/searchable menus of items on a mobile device or terminal; or
- in certain circumstances through scanning item barcodes (either on the item itself or a pre-printed list provided to each vendor)

Ideally, the mobile app or terminal should then require entry of the quantity (using pre-defined units) and price per unit for each item.

In the case of multiple multi-purpose cash transfers, it is possible to require beneficiaries to submit receipts from previous expenditures as a condition for receipt of subsequent transfers. However, 1) verify whether the participating vendors issue receipts; and 2) consider the significant administrative burden related to this method).

B. Conducting a quantitative post-distribution monitoring (PDM) survey among a [representative sample](#) of the CBA recipients (those who represent the target households), asking them how they spent the provided assistance. In the case of multi-purpose cash transfers, you can prepare questions covering the various categories of needs, such as:

- *How much of the money you received did you spend on food?*
- *How much of the money you received did you spend on rent?*
- *How much of the money you received did you spend on repaying debt?*
- etc.

Before you conduct the survey, **consider the following:**

- Pre-test whether it is easier for people to report 1) specific **amounts** spent on the given needs (e.g. 20 USD spent on food) or 2) approximate **proportion** of the money that was spent on the given needs (e.g. half of the money was spent on food). If you decide to record the proportion, you will later have to recalculate it into actual amounts (see step 3).
- If the respondents say that they **used the cash to repay debts**, always enquire what the loan money was used for.
- Encourage the enumerators to **verify** whether the sum of the expenses for individual categories is not higher than the total value of the assistance (for example, the sum is 130 USD but the CBA's value was only 100 USD). In such a case, the enumerator should ask the respondent to clarify her/his answers to gain information that is more precise.
- If many of the **respondents have very limited financial literacy**, consider using participatory methods to estimate the use of the provided assistance. For example, using 10 beans representing the money received and asking the respondent to divide them according to how the total amount was spent (e.g. if half of the money was spent on food, then half of the beans should be indicated as 'spent on food'). If you use this method, ensure that the data collectors are able to explain to the respondents the meaning and the value of the beans (or whatever other material you use). **Test this method** in your target area before you use it.
- It is important that the PDM is conducted only when it is reasonable to expect that people spent the provided money / vouchers; however, **not too late**, so that they still correctly remember what they did spend it on (for example, a PDM conducted two months after they spent the money is likely to generate imprecise results).

C. In the case of paper vouchers, you might consider asking (in advance) the participating **vendors to record, on provided forms**, how much money people spend on various categories of goods (in addition to giving you the physical vouchers).

D. Alternatively, you might ask the vendors to provide you with **receipts of the beneficiaries' purchases**. However, in both cases, consider the administrative burden these methods might pose to the vendors as well as your M&E/admin teams – always verify their capacity as well as willingness.

3) **Count the total amount spent on meeting basic needs.**

4) To **calculate the indicator's value**, divide the amount of CBA the recipients spent on meeting basic needs by the total amount of provided CBA. Multiply the result by 100 to convert it to a percentage.

Disaggregate by

[Disaggregate](#) the data by the type of basic needs (e.g. amount of money spent on food, on hygiene items, etc.). Report also on:

- % spent on addressing non-basic needs
- % of the provided CBA that was stolen, lost, etc.
- % of the provided CBA that – at the time of the monitoring – was not spent at all (e.g. due to the beneficiaries not yet using the full amount of the CBA they received)

Important Comments

1) In order to **understand why beneficiaries are spending the funds on items not intended within the project**, you can conduct focus group discussions. There may be a good justification for this different use of funds – for example, that certain needs were overlooked, or that households have a higher income than first calculated – so this qualitative data can help to inform improvements in targeting of assistance.

2) If you conduct cash transfers / voucher distributions in several phases (or in several locations), **do not wait to conduct the PDM until all distributions are over**. Starting with the PDM after the distributions in the first phase / location will help you identify potential weaknesses and address them in the remaining distributions.

3) It is very likely that the respondents will know what the “correct” answers should be and might be reluctant to admit that they spent part of the CBA on something that you consider as non-basic needs. If you want the respondents to provide truthful data, the **enumerators need to have the respondents' trust**. Ensure that before the interview the enumerators carefully explain why your agency needs the data; that the answers will have no impact on whether the household receives any further assistance; how the data will (not) be used; and why it is important that the information the respondent provides is correct. They should also mention that they know that some people **use cash to repay debts** and the respondents can feel free to talk about this openly.

4) If you are primarily **interested in “sector-specific” spending**, replace the indicator with the following one: *average proportion of the* [specify: cash transfer / voucher] *spent on* [specify the types of goods, e.g. “food items”]. If you are interested in the **proportion of CBA recipients who spent a certain percentage (or more) of cash** on meeting their basic needs, you can rephrase the indicator to: *% of cash recipients who spent at least* [specify the percentage] *of the provided cash on meeting their basic needs*. In such a case, you will only be able to use the first two data collection methods.

Access Additional Guidance

- CaLP (2017) [Monitoring Guidance for CTP in Emergencies](#)
- CaLP (2015) [Operational Guidance and Toolkit for Multipurpose Cash Grants](#)