

# Designing Humanitarian Cash Transfer Programmes to Reach the Most Vulnerable Population

Cash transfer programs play a crucial role in providing essential assistance to individuals in crisis situations. Due to budget constraints, these programs may need to be targeted towards the most vulnerable populations in specific contexts, albeit with its accompanying challenges. The targeting challenge is particularly pronounced in humanitarian settings, where accurate analysis is hindered by significant constraints and contextual complexities. Humanitarian agencies often rely on a variety of targeting mechanisms to address these challenges effectively, from straightforward methods like geographic or demographic targeting, to more intricate allocation systems such as self- or community targeting, or proxy means tests (PMTs). The effectiveness of these strategies varies significantly across contexts.

It is crucial to effectively adapt these mechanisms and better target humanitarian aid, gaining comprehensive insights into the characteristics and needs of their intended recipients. This requires collaborative effort developing forward-thinking targeting scenarios for cost-efficient and equitable approaches to cash transfer.



© European Union, 2021 (photographer: Begüm Iman), Retrieved from [this link](#).

The Development Analytics team has partnered with organizations, such as UNHCR, IFRC, and WFP, to explore how to effectively revise cash transfer strategies to include assess poverty and household welfare, and addressing the refugee crisis in Lebanon, Türkiye, and Iraq. To tackle the unique challenges in each country, our expert team has created and validated microsimulation models that integrate diverse targeting methods, ranging from universal targeting to categorical targeting and proxy means testing (PMT). Our unique multifaceted approach has entailed synthesizing prior discussions on various targeting strategies in distinct country contexts and evaluating their existing targeting practices.

## *How would this research study be useful?*

- Analyzing the poverty and vulnerability profiles of beneficiaries and non-beneficiaries of humanitarian cash transfer programmes.
- Evaluating the effectiveness of the current targeting mechanism by leveraging available data resources.
- Designing and presenting diverse targeting approaches, supported by methodological justifications, stakeholder input, insights from similar contexts, budget considerations, and humanitarian requirements.
- Developing machine learning models to enhance the accuracy of estimating vulnerabilities within the targeted population, thereby improving model performance.
- Creating interactive tools to empower policymakers, humanitarian agencies, and governments to engage with data directly, enabling them to simulate various outcomes independently of predefined targeting scenarios crafted by technical experts.

---

## *What kind of datasets are needed to carry out such a study?*

In order to carry out this type of a study, a **household survey** containing details on expenditure or income, alongside the beneficiary status of households, is indispensable. These surveys yield invaluable insights into the economic status and overall well-being of households by gathering data on expenditure, income, and/or asset status. Moreover, this systematically collected data from a sample of the targeted population enables us to scrutinize vulnerability patterns, assess welfare levels, and delineate the characteristics distinguishing beneficiaries from non-beneficiaries of humanitarian cash transfer programmes. Through rigorous data collection and analysis, our team endeavors to utilize household surveys in informing policy decisions and shaping interventions aimed at designing or revising humanitarian cash transfer programmes.

Furthermore, to conduct a thorough study with practical implementation for targeting, access to **registration/administrative data containing demographic details** of the targeted population is essential. This data fusion enables an assessment of individuals most likely to meet targeting criteria by combining nationally representative socioeconomic surveys with routinely collected administrative data. The cross-validation of this combined dataset is central to generating a robust prediction model, providing insights into the demographic characteristics of the target population and facilitating effective targeting strategies.

## Our cash transfer programme portfolio

Development Analytics has led several mixed methods analyses at the intersection of revising cash transfer approaches, measuring poverty and household welfare as well as the refugee crisis in Lebanon, Iraq and Türkiye. Development Analytics has an expert team in quantitative and qualitative research techniques and a demonstrated record of projects over the last 20 years with many international multilateral and bilateral agencies. Projects to date include:

### Targeting Study for the Emergency Social Safety Net (ESSN) Assistance for Refugees in Türkiye.

- The ESSN programme, run by the IFRC and Turkish Red Crescent Society (TRC) and funded by the European Union, has provided regular cash assistance to more than 1.5 million refugees living in Türkiye, as the largest humanitarian programme in the history of the EU and the largest programme ever implemented by the IFRC.
- To design future-looking targeting scenarios, we proposed adaptations to the existing targeting approach, criteria, and payment structures, considering the evolving needs, vulnerabilities, and capacities of the beneficiaries. Our recommendations also factored in financial parameters and broader strategic considerations.
- This approach enabled IFRC and TRC to enhance the effectiveness and inclusivity of the ESSN programme, ensuring that it remains responsive to the dynamic needs of refugee populations in Türkiye.

### Annual Re-estimation of the Proxy Means Test Regression Model Used to Target Refugees for Multipurpose Cash in Lebanon.

- In Lebanon, UNHCR, WFP, and collaborating partners across sectors rely on an econometric model, specifically a Proxy Means Test Regression Model, to assess the socio-economic vulnerability of the refugee population. This model predicts household expenditures, aiding in the identification of families eligible for cash and food assistance programmes.
- To ensure the accuracy and relevance of this targeting methodology, and to maintain consistency across UNHCR's multipurpose cash programme, WFP's food assistance initiatives, and programmes led by sector partners, Development Analytics has been spearheading a comprehensive approach since 2018. This approach aims to optimize the delivery of multipurpose cash and food assistance interventions, effectively addressing the fundamental needs of refugees in Lebanon.
- By annually re-estimating the Proxy Means Test Regression Model, we ensure that the targeting methodology remains current and reflective of the evolving socio-economic landscape. This ongoing

effort ensures that vulnerable refugee families receive the support they require, fostering resilience and dignity within the refugee community.

### Review of the Targeting Approach and Re-estimation of the Proxy Means Test (PMT) Regression Model Used to Target Refugees for Multipurpose Cash Assistance Programme in Iraq.

- For decades, Iraq has grappled with prolonged displacement and instability stemming from both domestic and regional conflicts. UNHCR's objective is to provide assistance to the most vulnerable households in Iraq through its Multi-Purpose Cash Assistance (MPCA) programme.
- In addressing the complex and context-specific challenges inherent in revising the targeting approach of MPCA, the Development Analytics team has formulated a comprehensive set of analytical procedures. These steps aim to bolster the efficacy of the targeting strategy, facilitating a more nuanced and adaptable approach to address the requirements of refugees in Iraq.
- Throughout the design of the simulation model, the team ensures the integration of a holistic methodology for assessing vulnerability among refugees. This approach supports a cohesive and efficient response, tailored to meet the diverse needs of the refugee population.


If you're interested in reaching out to us to explore conducting a study in your country that assesses and revises the humanitarian cash transfer programme, please click to register your interest and discuss the specifics with us. Following your registration, we'll reach out to coordinate a suitable date and time for a meeting to understand your research needs and the details of such a study.

[Register your Interest](#)


We look forward to being in touch !

Development Analytics Team

### Contact Us

 9 Marlborough Court OX2 0QT Oxford,  
United Kingdom  
21 Toraman Sokak, Emirgan 34467, İstanbul,  
Turkey

 [research@developmentanalytics.org](mailto:research@developmentanalytics.org)

 Development Analytics

 @Dev\_Analytics