



Inter-Agency  
Coordination  
Türkiye

## CBI TWG ADVOCACY NOTE – MPCA and Sectoral CVA

July 2023

This fact sheet compiles the cash coordination highlights and advocacy messaging of the CBI TWG regarding the current economic situation, needs, and implementation of MPCA in the earthquake affected areas and transition to cash and voucher modality by other sectors. This document is established to support advocacy with the donor agencies to increase funding for sectoral and non-sectoral CVA, support partners in their program development and program revision, and support sectors in their strategy development regarding transition to CVA process.

### Background

- On February 6, 2023, two major earthquakes with the epicentre of Kahramanmaraş happened in Türkiye's South-East Anatolia and Eastern Mediterranean region and 11 provinces are declared as earthquake affected zone.<sup>i</sup> Infrastructure, shelters, market conditions, financial service providers and livelihoods opportunities have been disrupted as a result of the earthquake, Of the earthquake, called for immediate action from humanitarian actors in support of the GoT to provide in-kind assistance and services. As situation evolved in these cities, partners observed that need for cash assistance has increased on the side residents and local economy, especially in the current context in which the need for cash assistance has increased compared to the in-kind distribution needs, which were higher during the immediate aftermath of the earthquakes.
- The provinces affected by the earthquake had a share of **9.8% of the Gross Domestic Product (GDP) in 2021** and the earthquake affected provinces have an export rate of **5 billion USD and a 35% share in total textiles exports**.<sup>ii</sup> Along with institutionalized factories, small and medium-sized enterprises (SMEs) affected negatively from the EQ, resulting in lesser job and livelihoods opportunities.
- Disruption of livelihoods opportunities and destruction of shelters increased vulnerabilities in the region; also increased house owners' dependency on rent for their livelihoods. Due to several factors including above, scarcity of house vacancy, increased population density in safer cities, rent prices increased disproportionately.

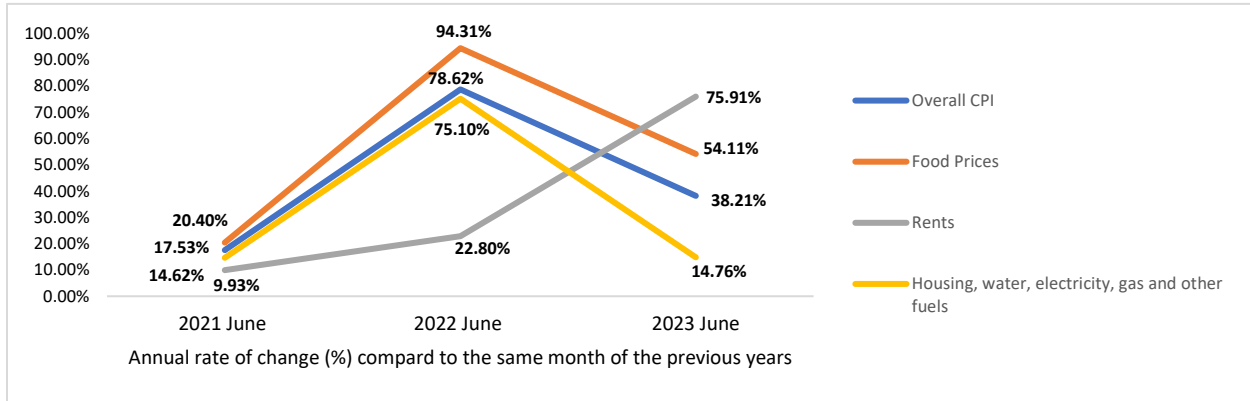
### CVA Highlights

- Provided MPCA and several other modalities of support helped many households; however, **MPCA needs remain** for the vulnerable families.
- Under the Flash Appeal, MPCA and Social Protection sector targeted to provide multi-purpose cash assistance to 2M individuals, yet as of **July 2023 partners provided MPCA assistance to 689,511 individuals**. Number of sectoral cash beneficiaries is reported as 1,695,356 individuals.
- CBI TWG partners conducted a Joint Market Assessment in the earthquake affected provinces, which revealed that location specific interruptions and challenges remain yet the markets in the earthquake impacted provinces recovered rapidly, can provide key items, and there does not exist significant supply chain interruptions. Rapidly increasing prices is the most concerning finding as per JMA.
- WFP, TRC and IFRC collaboratively conducted a MEB calculation to reflect current needs in the EQ zone. The total basket including Food, Non-food, Rent, Utilities, Health, Education, Transportation and Communication expenses has been calculated as 7,696 TRY for a HH of 5 and 1,539 TRY per person for February 2023 in the immediate aftermath of the earthquake.<sup>iii</sup> The amount of the per capita MEB calculated by TRC and IFRC in the context of the ESSN programme was 674 TL as of May 2022,<sup>iv</sup> showing that the February 2023 per capita MEB amount more than doubled the previous one. For June 2023, the per person MEB was calculated as 1,653 TRY and 8,265 TRY for a HH of 5.<sup>v</sup>
- CBI TWG publish a guidance document to ensure harmonisation of MPC programs in FA, which supported harmonisation of CVAs by several different partners. MPCA guidance document included macro level targeting, eligibility criteria and transfer value guidance.
- **Considering the rising prices of commodities, utilities, and rents, coupled with the additional economic challenges stemming from the earthquakes, the CBI TWG urges the provision of multi-purpose non-sectoral cash and sectoral cash assistance to people in need, while remaining committed to seeking and implementing inter-sectoral sustainable solutions that support individuals' self-sufficiency in the medium and long term.**



## Economic Facts

- As of July 2023, Turkstat data indicates that inflation and consumer prices have been increasing, which inevitably decreased the purchasing power of households and increased the cost of minimum expenditure basket.
- According to the latest figures, as of June 2023 the consumer price index (CPI) changed by 38.21% on to the same month of the previous year, marking a significant decrease compared to the June 2022 annual rate of change of 78.62%.<sup>vi</sup> However, this decrease is most likely due to a base effect considering that the annual rate of CPI change for June 2021 was 17.53%, indicating that overall consumer prices continue to be significantly higher in the country. Changes in CPI as per various relevant expenditure groups can be seen below:



Source: Turkish Statistical Institute (TURKSTAT), Consumer Price Index, June 2023, 5 July 2023, <https://data.tuik.gov.tr/Bulten/Index?p=Consumer-Price-Index-June-2023-49658>

- Recent increase in fuel prices and minimum wage have already been reflecting on consumer prices, which in turn, exacerbates the risk of decreasing purchasing power of the households.
- **Rents have skyrocketed in the EQ zone** and other provinces after the arrival of earthquake victims during the months following the earthquakes. When compared to last year, the rents increased drastically in Adana with 870%. Adana is followed by Mersin (494%), Hatay (367%), İzmir (353%) and Ankara (258%), respectively.<sup>vii</sup>
- The annual rate of increase in the average rental price per square meter throughout the country was 110.8% as of June 2023. Annual rent increase rate was 109.7% in Istanbul, 187.5% in Ankara and 146.6% in Izmir. Adjusted for inflation (real) rent prices also increased both throughout the country and in these three provinces.<sup>viii</sup>

## Advocacy Notes:

1. CBI TWG advocates that **continuation of multi-purpose cash assistances are necessary**.
  - 1.1. Sector appreciates the support of donor agencies to cash and voucher assistance across the board, and advocates for continuation of funding after the Flash Appeal coordination.
  - 1.2. Sector urges partners to expand their programs horizontally to maximize the number of households receiving cash and voucher assistance. This horizontal expansion will require remaining committed to preventing duplication. Depending on availability of funding, partners are kindly asked to consider vertical expansion of their programs (i.e. top-ups)
  - 1.3. Sector will keep abreast of economic situation and discuss revision of transfer amounts when relevant and feasible.
2. Sector reiterates its advocacy message regarding sectoral cash and voucher assistance: **Sectoral humanitarian assistance should shift from in-kind provision of goods to cash and voucher assistance**, which would restore dignity of individuals and increase local economic activities. Sectors should consider the JMA findings which point at feasibility of cash and voucher assistance in affected provinces.



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<sup>i</sup> The 11 most affected provinces include the 10 provinces where a state of emergency of three months has been declared (Adıyaman, Gaziantep, Kilis, Hatay, Malatya, Diyarbakır, Adana, Osmaniye, Kahramanmaraş and Şanlıurfa) and Elazığ. *Flash Appeal: Türkiye Earthquake* (February - April 2023), 21 March 2023, <https://data.unhcr.org/en/documents/details/98890>

<sup>ii</sup> According to data from 2021, there are 3.8 million employed persons in the disaster region and the share of regional employment in national employment is 13.3%. 2.3 million people are in formal and 1.5 million people are in informal employment. Informal employment across the disaster region is around 39%. *Presidency of Republic of Türkiye Strategy and Budget Office 2023 Kahramanmaraş and Hatay Earthquakes Report*, 21 March 2023, <https://www.sbb.gov.tr/wp-content/uploads/2023/03/2023-Kahramanmaraş-and-Hatay-Earthquakes-Report.pdf>

<sup>iii</sup> At an international level emergency, UN World Food Programme (WFP), Turkish Red Crescent (TRC) and International Federation of Red Cross and Red Crescent (IFRC) collaboratively designed a Minimum Expenditure Basket (MEB) and calculated monthly cost to suggest guidance for programs providing cash assistance to the affected population when determining transfer value. *Minimum Expenditure Basket Methodology and Analysis for Türkiye Earthquake Emergency*, 21 March 2023, <https://reliefweb.int/report/turkiye/minimum-expenditure-basket-methodology-and-analysis-turkiye-earthquake-emergency>

<sup>iv</sup> TRC & IFRC, *Emergency Social Safety Net (ESSN) Monthly Report: May 2022*, 16 June 2022, <https://www.ifrc.org/document/emergency-social-safety-net-essn-monthly-report-may-2022>

<sup>v</sup> WFP, IFRC & TRC, *Minimum Expenditure Basket After the Earthquake Disaster in Türkiye-June 2023*, 17 July 2023, <https://data.unhcr.org/en/documents/details/102003>

<sup>vi</sup> Turkish Statistical Institute (TURKSTAT), *Consumer Price Index, June 2023*, 5 July 2023, <https://data.tuik.gov.tr/Bulten/Index?p=Consumer-Price-Index-June-2023-49658>

<sup>vii</sup> IFRC Shelter Sector has conducted an initial analysis on rent increases compared to last year. Rental prices were scraped from *hepsiemlak.com*. Analysis was done for provinces with at least 25 listings in the last 10 days of the time of this analysis. Historical rental prices from *endeksa.com* were discounted for 50% inflation.

<sup>viii</sup> Bahçeşehir University Center for Economic and Social Research (BETAM), *sahibindex Housing Rental Market Outlook: July 2023*, July 2023, <https://betam.bahcesehir.edu.tr/2023/07/sahibindex-kiralik-konut-piyasasi-gorunumu-temmuz-2023/>