Policy on Cash-Based Interventions
Purpose

UNHCR’s Policy on Cash-Based Interventions (CBIs) is introduced herewith to expand and systematise the use of CBIs as a modality of assistance and service delivery across the organization and its operations worldwide. The Policy reconfirms UNHCR’s commitment to the increased use of CBIs and sets out the corporate vision and objectives to be achieved by 2020.

Scope

The Policy applies to UNHCR Headquarters, all its operations worldwide and in all phases of displacement from contingency preparedness through to emergency response, stable and protracted situations and the pursuit of durable solutions.

The Policy is directed to the fullest range of UNHCR personnel engaged in both strategic and operational planning, design and delivery of activities in the field and overseeing or supporting such activities among others through the development of protection, programme and technical policies, guidance, tools, systems, training, communications and resource mobilisation.

Compliance with the Policy is mandatory.
Rationale

Cash-based interventions and in-kind assistance are the principal modalities for delivering assistance and services. CBIs are intended to provide refugees, asylum-seekers, returnees, internally displaced and stateless people greater dignity of choice in meeting their needs. Designed and delivered appropriately, CBIs can reduce protection risks, facilitate solutions and improve efficiency and effectiveness in programme delivery. They can also contribute to the local economy and foster positive relations with host communities.

In light of its comprehensive mandate for protection and solutions, its direct engagement with and knowledge of its populations of concern and the multi-sectoral nature of its programming, UNHCR is well placed to use CBIs, particularly multipurpose grants.

UNHCR was one of the first agencies, starting in the mid-1980s, to employ CBIs in its programmes and has since gradually increased their use. Today, the organization is implementing CBIs in over 60 countries ranging from operations with large-scale multipurpose grants to programmes that are for now more limited in scope or scale. Pursuant to the High Commissioner’s pronouncement in 2014 that the expanded and systematic use of CBIs is a corporate priority, UNHCR is consolidating and scaling up the delivery of CBIs to their fullest potential in its operations across all regions and sectors.

Vision

UNHCR’s vision is that refugees and other people of concern can meet their needs in dignity, are protected and can transition to solutions through the expanded use of innovative, efficient and effective cash-based interventions.

In line with the global recognition of the value and importance of CBIs in humanitarian responses,1 UNHCR has made specific commitments to scale up the use of CBIs and to have doubled by 20202 the amount of funds programmed for its cash-based interventions.

UNHCR recognizes that the successful realization of these commitments will require the active engagement of host governments and the full spectrum of UNHCR’s partners, notably sister agencies of the United Nations, NGOs, development actors, private sector service providers and CBI networks and alliances. UNHCR is thus committed to work through common, collaborative and joined-up approaches in ways that maximize all synergies with and the comparative advantages of partner humanitarian actors.

UNHCR will further ensure that, pursuant to the Comprehensive Refugee Response Framework, its cash-based interventions are duly designed to leverage and take advantage of pertinent national development systems and social safety nets.

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1 Including in, among others, the package of reforms to humanitarian funding contained in the High Level Panel on Humanitarian Financing Report to the Secretary-General (http://reliefweb.int/report/world/high-level-panel-humanitarian-financing-report-secretary-general-too-important-to-fail) and the related Grand Bargain – A Shared Commitment to Better Serve People in Need (https://consultations.worldhumanitariansummit.org/bitcache/49e7f4ae0979bf859887e398adeda8f147450bf?vid=580250&disposition=inline&op=view).
2 This was one of UNHCR commitments made at the World Humanitarian Summit in Istanbul, Turkey in May 2016. See https://www.worldhumanitariansummit.org/.
Outcomes

UNHCR shall achieve its vision on CBIs through, among others, the following:

i. To scale up cash assistance and double the amount of funds programmed for its cash-based interventions by the end of 2020, UNHCR operations will seize every feasible opportunity to use CBIs where they contribute to realizing the organization’s protection and solutions objectives and maximize efficiency, effectiveness and value in programme delivery.

ii. Through a robust CBI organisational infrastructure and related capacity-building initiatives, UNHCR will become “CBI proficient” at all levels and across all functions and operations by 2020. All operations will be able to consider and use CBIs at par with in-kind assistance drawing on informed, comprehensive and joined-up needs analysis, programme design, the choice of appropriate transfer modalities and effective implementation, monitoring and reporting.

iii. CBIs will be imbedded in broader protection and solutions strategies and, particularly, designed and implemented with the protection of persons of concern and a rights-based approach that takes into account their needs, concerns and capacities as fundamental guiding objectives.3

iv. UNHCR will work closely with host Governments, build and strengthen strategic partnerships and alliances and advocate, programme for and deliver CBIs through common and joined-up approaches with UN and NGO partners that are coherent, avoid duplication and can leverage national protection, social and safety nets in every feasible way.

3 In line with UNHCR’s Age, Gender and Diversity Policy: Working with People and Communities for Equality and Protection; UNHCR’s commitments on accountability to affected populations (AAP); and UNHCR’s Policy for the Protection of Personal Data of Persons of Concern.
Operationalizing Cash-Based Interventions

The implementation of this Policy requires concerted organisation-wide commitment and effort. Notably:

i. The Senior Executive Team (SET), namely the High Commissioner, Deputy High Commissioner and Assistant High Commissioners for Operations and Protection shall in their leadership, oversight, management and support accountabilities prioritize the institutionalisation of CBIs in UNHCR as set out in this Policy.

ii. Regional Bureaux Directors, Regional and Country Representatives have a crucial accountability and responsibility for ensuring that the policy objective of expanding the systematic and expanded use of CBIs across all operations is achieved by the end of 2020.

iii. Directors of Divisions and Heads of Services are responsible for mainstreaming CBI objectives in their respective areas of work and ensure that the necessary capabilities, systems, processes and procedures are in place to guide and support the operations in their work to expand the use of CBIs.
The following further specific lines of action shall be taken:

**Imbed cash-based interventions as a corporate priority:** UNHCR will proactively invest in the systematic and expanded use of CBIs across its operations globally. A comprehensive *UNHCR Strategy for the Institutionalisation of Cash-Based Interventions* ("the Strategy") is being implemented over a five-year period (2016 — 2020) to mainstream CBIs throughout the organisation’s operational planning and management systems and build up the capacities, infrastructure and partnerships required at all levels fully to have integrated cash-based interventions in UNHCR by 2020.

**Proactively consider cash when selecting transfer modalities:** UNHCR will – based on sound response analysis - proactively and systematically consider the feasibility of using CBIs as the priority means of providing assistance and services across its programme planning and operational delivery and management spectrum in all phases of the displacement cycle.

**Exercise leadership and promote coherence and complementarity:** By virtue of the accountability drawing from its protection and solutions mandate to lead and coordinate cash assistance for refugees, UNHCR will proactively seek opportunities to mainstream cash into existing refugee coordination arrangements, leverage the expertise of CBI networks and alliances and complement and support national delivery, protection and social systems. In situations of internal displacement, UNHCR will work within established and agreed inter-agency coordination mechanisms to address the needs of IDPs and other affected populations.

**Maximize partnership through joined-up CBI mechanisms:** UNHCR will work with host governments, agency partners, private sector actors – particularly those demonstrating expertise or comparative advantages in aspects critical to the delivery and effectiveness of cash assistance assessment, response analysis, targeting, community outreach and monitoring - and donors through common mechanisms accessible to all humanitarian players on a direct and equal basis and promote a predictable, coordinated and fully joined-up CBI response that is efficient, avoids system duplication and supports strengthened collaboration and synergies on cash.

**Transfer cash assistance directly:** UNHCR operations will, wherever feasible, use direct transfer arrangements for delivering cash assistance to refugees and other persons of concern and rely on private sector financial and mobile cash transfer innovations and capabilities. Except where special local or other circumstances compel the use of other modalities, cash will ideally be provided through digital means such as bank cards and mobile money in preference over vouchers and other means considered as less optimal.

**Ensure due financial control in the use of CBIs:** Cash assistance will be anchored in a robust and integrated financial control framework. UNHCR will systematically address identified risks associated with CBIs and strive to ensure financial transparency, accountability, due diligence and compliance across all its operational contexts.

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4 The *UNHCR Strategy for the Institutionalization of Cash-Based Interventions 2016—2020* defines the goals, objectives and approaches that UNHCR will pursue in order to realize the implementation of this Policy.

5 Response analysis components include market capacity, risks, political feasibility, delivery options, efficiency and effectiveness, conditionality, skills and capacity and use and eligibility conditions.
**Functional support:** Field operations will be systematically supported through expert deployments, technical missions and capacity-building efforts aimed at strengthening CBI implementation at all levels within both UNHCR and its partners.

**Knowledge, capacity - building and learning:** UNHCR will work with its partners systematically to undertake research on, review and document its experience and innovations on cash including in such areas as child protection, SGBV, education, shelter and settlement, health and WASH, the application of common cash modalities, multi-agency tenders for procurement of financial service providers and advocacy for refugees to access financial services and financial inclusion.

This knowledge, evidence and good practices will be widely disseminated, show-cased and promoted internally and externally. They will also be used to support learning on CBI which will be mainstreamed into corporate training programmes covering all technical and functional areas of UNHCR’s work. UNHCR will further leverage the body of knowledge and capabilities of UN and NGO partners and CBI networks and resources such as the Cash Learning Partnership (CaLP) and the Cash and Markets Capacity-Building Roster (CashCap). The continuing cycle of knowledge build-up and learning will also be drawn on in the development of relevant programming and operational guidance.

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6 CashCap is hosted by the Norwegian Refugee Council’s Expert Deployment (NORCAP) programme, and is funded by ECHO and DFID.
Terms and Definitions

**Cash-Based Interventions (CBIs):** CBIs refer to all interventions in which cash or vouchers for goods or services are provided to refugees and other persons of concern on an individual or community basis. The concept does not include cash or vouchers provided to governments or other state actors or payments to humanitarian workers or service providers. The term can be used interchangeably with Cash Based Transfers and Cash Transfer Programming.

**Multipurpose Cash Grants (MPGs):** MPGs refer to regular or one-off cash transfers to a household to cover, fully or partially, a set of basic and/or recovery needs that span across different sectors (for instance shelter, food, education and livelihoods) and support protection and solutions outcomes. MPGs are by definition unrestricted cash transfers which place beneficiary choice and prioritisation of their own needs at the centre of programming. They are designed to offer refugees and other persons of concern the maximum degree of flexibility, dignity and efficiency commensurate with their diverse needs and capacities.
Somalia refugees from Dadaab camps return to their homeland in 2016. UNHCR assists returning refugees with cash grants, core relief items, food and other community-based support programmes. © UNHCR/Assadullah Nasrullah
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