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## **Cash-based interventions**

*Summary*

This paper highlights the progress achieved in expanding the systematic use of cash assistance through UNHCR's "Policy on cash-based interventions" and the "Strategy for the institutionalization of cash-based interventions in UNHCR" (2016-2020). It provides an overview of the increasing use of cash-based interventions in field operations and of the steps taken to enable UNHCR to implement cash assistance at all levels of the organization.

## Contents

<i>Chapter</i>	<i>Paragraphs</i>	<i>Page</i>
I. Introduction .....	1-3	3
II. Scaling up cash assistance in UNHCR operations .....	4-9	3
III. Institution-building .....	10-18	4
IV. Delivery of cash in partnership .....	19-26	6
V. Conclusion .....	27-28	8

## I. Introduction

1. UNHCR's "Policy on cash-based interventions"<sup>1</sup> and the "Strategy for the institutionalization of cash-based interventions in UNHCR" (2016-2020)<sup>2</sup> set out the organizational commitment and objectives for the expanded, systematic and innovative use of cash assistance. The Office's vision is for refugees and other persons of concern to meet their basic needs, be protected and make the transition to solutions through the expanded use of efficient and effective cash-based interventions (CBIs).

2. In previous years, CBIs have increased both in scope and scale. In line with its "Grand Bargain" commitment to double the use of cash as a proportion of its assistance by 2020, UNHCR has expanded cash-based programming from \$325 million in 2015 to \$688 million in 2016, exceeding in-kind assistance for the first time ever. It has also reached some 2.5 million vulnerable refugees and others of concern in more than 60 operations worldwide.

3. UNHCR has implemented cash assistance for a wide range of purposes, including protection, basic needs, education, shelter, health and livelihoods. A majority of CBIs have taken the form of multi-purpose cash grants. Together with in-kind assistance and services, cash has reduced reliance on negative coping strategies, such as child labour and begging, survival sex, early marriage or premature return to conflict zones. It can also contribute to peaceful coexistence by boosting the local economy and strengthening ties between communities.

## II. Scaling up cash assistance in UNHCR operations

4. UNHCR's CBI institutionalization strategy seeks to enable all field operations to consider and implement cash assistance, where appropriate. In 2016, UNHCR's ten largest CBIs were in Afghanistan, Egypt, Iraq, Jordan, Lebanon, Somalia, Sudan, the Syrian Arab Republic, Turkey and Ukraine. The Afghanistan and Syria situations accounted for the largest share of cash assistance. In the Middle East, the use of cash grew considerably, both in terms of volume and the number of people assisted, with some 2 million Syrian and Iraqi refugees and internally displaced persons (IDPs) receiving such assistance. In Jordan, UNHCR also provided \$98 million to 40,000 vulnerable refugee families, 93 per cent of whom live below the poverty line and 80 per cent reside outside of camps. Using the EyeCloud® system,<sup>3</sup> the identity of those withdrawing cash assistance was verified against UNHCR's biometric registration database.

5. In Lebanon, UNHCR, the United Nations Children's Fund (UNICEF) and the Lebanese Cash Consortium channelled a total of \$431 million in cash and vouchers last year to persons of concern facing harsh winter conditions. Of this amount, UNHCR delivered \$211 million. In Iraq, UNHCR is providing some 10,000 Syrian refugee families and 21,000 IDP families living outside of camps, including extremely vulnerable ones, with multi-purpose cash grants amounting to some \$22 million.

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<sup>1</sup> Available from <http://www.unhcr.org/581363414.pdf>.

<sup>2</sup> Available from <http://www.unhcr.org/584131cd7.pdf>.

<sup>3</sup> The EyeCloud® system uses iris scanning technology to authenticate identities against UNHCR's biometric registration database.

6. In 2016, UNHCR also launched a major CBI in Greece supported by CashAssist<sup>4</sup> to cover the basic needs of vulnerable refugees. Coordinated through the Cash Alliance,<sup>5</sup> a grant of over \$60 million will help some 50,000 refugees receive monthly cash transfers from different partners using only one card and one financial service provider. In Africa, following feasibility studies, the use of cash assistance will be expanded in Cameroon, the Democratic Republic of the Congo, Ethiopia, Kenya, Niger, Nigeria, Rwanda and Sudan.

#### *Cash to support return*

7. In 2016, UNHCR provided \$145 million in cash to refugee returnees. In Afghanistan, some 370,000 refugee returnees, mainly from Pakistan, received repatriation grants, while UNHCR is planning to provide multi-purpose cash grants to refugees who choose to repatriate from Thailand to Myanmar this year. In Somalia, UNHCR expects to provide some 75,000 people, mainly refugee returnees from Djibouti, Kenya and Yemen, with over \$22.5 million in cash assistance by the end of 2017.

8. The use of cash has reduced overhead costs associated with in-kind repatriation assistance packages and ensured that returnees can choose where they wish to return to build their lives. Refugee returnees mainly reported using cash to purchase basic household items and food, secure interim shelter and pay for educational expenses.

#### *Cash expertise*

9. In 2017, UNHCR is further developing its global network of cash experts working in regional offices and field operations. UNHCR has adopted a focus country approach to enable field operations to assess opportunities related to CBIs and to implement robust cash assistance programmes.<sup>6</sup> Focus countries with limited prior experience with CBIs receive dedicated support through technical specialist missions, the deployment of experts, and training and capacity-building. Other operations are supported through the CBI Section at Headquarters, which undertook 58 missions to 47 country operations in 2016.

### **III. Institution-building**

10. Delivering protection, assistance and services through cash represents an important change in outlook for UNHCR. Since early 2016, the Office has worked with an external consultancy firm to review the key risks and gaps related to the use of cash and to further support the Office in developing the roadmap of the organizational capacities and resources required to fully institutionalize the use of cash by 2020.

#### *Capacity-building*

11. Capacity-building is a core element of cash mainstreaming. With the aim to train 50 per cent of all staff and 90 per cent of staff directly engaging in delivering cash by 2020, UNHCR launched two new learning programmes in 2016 and trained 700 staff and partners. This year, UNHCR is delivering specific training programmes adapted to the needs of the 15 focus countries and 460 staff at Headquarters. In addition, some 160 UNHCR staff will graduate from a four-month advanced learning programme on CBIs. As of May 2017,

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<sup>4</sup> CashAssist is UNHCR's new cash assistance management system, which provides full traceability and accountability for cash assistance.

<sup>5</sup> The Cash Alliance is a partnership between UNHCR and non-governmental organizations in Greece to support the delivery of multi-purpose cash grants.

<sup>6</sup> The 2017 focus countries are Afghanistan, Cameroon, Chad, the Democratic Republic of the Congo, Ethiopia, Iran (Islamic Republic of), Kenya, Myanmar, Niger, Rwanda, Somalia, Sudan, the Republic of the Congo, Uganda and the United Republic of Tanzania.

1,100 UNHCR staff completed UNHCR's e-learning programme. The Office is also integrating cash into a broad range of important corporate training programmes, including the Workshop on Emergency Management and the Senior Emergency Leadership Programme, and is developing new trainings covering areas such as finance, targeting, needs assessments, market assessments and social protection.

#### *Cash and protection*

12. UNHCR is building the knowledge and capacities required to increase the use of CBIs as a tool for protection and solutions. Today, cash assistance is implemented to meet specific protection needs in more than 30 operations. In Iran (Islamic Republic of), Jordan, the Syrian Arab Republic, Turkey and Ukraine, UNHCR and partners have met the urgent and monthly needs of refugees and others of concern through cash transfers. Cash assistance in Kenya, Morocco, South Africa and Tunisia has helped people with specific needs and also covered the subsistence needs of unaccompanied children in Ethiopia, Sudan and Yemen. In the Democratic Republic of the Congo, Morocco and the Republic of the Congo, survivors and people at risk of sexual and gender-based violence (SGBV) also received cash assistance, along with counselling and livelihood support. UNHCR is now conducting research to develop guidance on the use of cash to mitigate the risks of SGBV and will provide UNHCR staff with training on cash and child protection, building on experience gained in Egypt, Ethiopia, Sudan and Yemen in 2016.

#### *Cash and technical sectors*

13. UNHCR is expanding the use of cash assistance, including multi-purpose cash grants, across technical sectors, working with partners also implementing multi-sectoral programmes. With this in mind, UNHCR conducted a mapping exercise covering 49 interventions across 15 operations using cash to meet school-related needs, including by paying for expenses and providing subsistence allowances to students. The exercise demonstrated how cash assistance can help achieve education outcomes and empower persons of concern. UNHCR will develop a toolkit based on findings to enable staff and partners in country operations currently using or planning to use cash to support education.

14. The Office has also explored the potential of cash to meet health and water, sanitation and hygiene (WASH) needs. A review of "Cash-based interventions for health programmes in refugee settings"<sup>7</sup> described the barriers to accessing health services and highlighted how the use of cash can address such barriers and improves health outcomes. In Jordan, it was found that the provision of cash assistance enables a more cost-efficient access to national health services compared to when UNHCR's partners cover the related costs. A review of "Cash-based interventions for WASH programmes in refugee settings"<sup>8</sup> further suggests that there is potential for the increased use of cash to support refugee access to WASH commodities and services outside of camps, where markets are accessible and fees are charged for services.

15. During post-distribution monitoring in Jordan in 2016, 64 per cent of the Syrian refugee respondents reported that cash assistance has a positive impact on their psychological well-being. More than half stated that cash helps to pay rent, and a quarter felt that their housing quality improved. UNHCR, together with the University of Oxford, has recently

<sup>7</sup> Available from <http://www.unhcr.org/afr/research/evalreports/568bce619/cash-based-interventions-health-programmes-refugee-settings-review.html>.

<sup>8</sup> See <http://wash.unhcr.org/download/cash-based-interventions-for-wash-programmes-in-refugee-settings/>.

initiated a study on the impact of cash assistance on mental health in refugee contexts. The Office is also collaborating with John Hopkins University to assess the effectiveness of different types of cash transfers in health interventions.

#### *Systems and tools*

16. Building on an analysis of the delivery of CBIs in Jordan, Lebanon and Somalia, UNHCR developed a “financial control framework” and “contextual risk matrix” to strengthen the financial management and accountability of cash assistance. UNHCR is implementing this framework across field operations and will extend the use of CashAssist – which enables an interface between *proGres*<sup>9</sup> and a financial service provider’s system – to six additional countries in 2017. It will also enhance CashAssist’s functionalities to accommodate different payment modalities.

17. UNHCR’s multi-sectoral market assessment companion guide and toolkit, which provide guidance and practical tools for conducting market assessments and monitoring, will be introduced globally following testing in Myanmar, the Republic of the Congo, the United Republic of Tanzania and Zimbabwe. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA), UNHCR and Save the Children are using these tools in Nigeria as part of the Consortium for the Uptake of Multi-purpose Grants in Emergency Response.

18. UNHCR’s innovative cash delivery mechanism assessment tool (CDMAT) helps staff and partners to assess the adequacy of cash delivery mechanisms. The humanitarian community now uses CDMAT widely, including in Afghanistan, Burundi, Côte d’Ivoire, Myanmar, Niger and Nigeria.

## **IV. Delivery of cash in partnership**

19. Through a common cash delivery approach, UNHCR promotes collaborative approaches for cash transfer mechanisms that ensure efficiency and predictability, facilitate effective coordination, leverage the expertise of partners, as well as maximize economies of scale. UNHCR negotiates and establishes cash transfer services that are managed by the private sector but are available to all partners under the same terms and conditions. The Cash Learning Partnership (CaLP) is currently conducting a review of a common cash facility<sup>10</sup> in Jordan, which is used by several agencies and is the pioneering model of this approach. The review will assess the strengths and potential of such common facilities to be used in diverse operational settings.

20. The common cash facility in Jordan helps provide 90 per cent of cash assistance to vulnerable refugees living outside of camps. With partners joining this common cash facility and increasing the volume of cash assistance provided to refugees, bank fees for cash transfers have fallen from as high as 5 per cent to 1.67 per cent. In Lebanon, the Lebanon Cash Consortium, UNHCR and the World Food Programme (WFP) found that through collaboration, unprecedented cost efficiency and effectiveness was achieved by eliminating duplicate assessments, targeting and monitoring. A joint tender for a common financial service provider to deliver cash assistance to refugees also lowered bank fees. For example,

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<sup>9</sup> *ProGres* is UNHCR’s bespoke application used for registration and related population data management activities for refugees and other persons of concern.

<sup>10</sup> A common cash facility is a platform used by humanitarian actors to deliver cash assistance through a single mechanism to the most vulnerable refugees living outside of camps.

the cost of issuing cards for cash assistance dropped from \$3.25 to zero. The cost of issuing personal identification numbers fell from \$0.75 to zero, and the monthly card maintenance fee was reduced by half to \$0.15.

21. A study of UNHCR's three largest CBIs in Afghanistan, Jordan and Lebanon found that between 88 and 93 cents of each dollar went to persons of concern. This range compares favourably with other humanitarian agencies delivering cash assistance. The study showed, however, that the cost varies according to the size and maturity of programmes, with new interventions requiring larger initial investments.

22. UNHCR launched a "request for information" to identify a possible regional cash delivery arrangement in East Africa. The 12 submissions received from financial service providers and technology companies in response provided important insights into market opportunities. Based on these results, UNHCR will develop a portfolio of cash transfer arrangements and aim to keep pace with trends in digital payments.

23. In May 2017, UNHCR and WFP signed an addendum to the 2011 UNHCR-WFP global memorandum of understanding on cash assistance to refugees. The addendum will provide a predictable framework for collaboration on cash assistance, which ensures greater complementarity. Joint initiatives are under way at the field level, including in Cameroon and Rwanda. In these countries, UNHCR is seeking to harmonize its interventions through established contractual arrangements with financial service providers to increase cost efficiency.

24. In March 2017, OCHA, UNICEF, UNHCR and WFP concluded an inter-agency preparedness project, which entailed CBI feasibility assessments and related training in Afghanistan, Burundi, Myanmar and Niger. UNHCR and partners will integrate the results of this project into contingency planning and preparedness. UNHCR will also continue to engage in a broad range of inter-agency processes and working groups for cash.<sup>11</sup>

25. Through cash assistance, UNHCR seeks to promote the financial inclusion of refugees. The United Nations Capital Development Fund (UNCDF) and UNHCR collaborate to enable refugees to access and use financial services such as savings, credit and insurance. Recently, advocacy with UNCDF and the private sector led to the Bank of Zambia's recognition of refugee identification as valid civil documents for opening mobile money accounts.

26. UNHCR also continues to work with governments in several countries to leverage national social protection structures and safety nets, as well as cash delivery systems. In Brazil, the government has extended cash allowances to refugees through "*bolsa familia*". "*Bolsa familia*" is a national assistance programme aimed at reducing poverty, keeping children in school and promoting access to health care. In follow-up to its "Grand Bargain" commitments, the Office will also aim to increase the visibility of unearmarked and softly earmarked funding used for cash assistance and to jointly determine with donors the most effective and efficient way of reporting on such funding.

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<sup>11</sup> These processes and groups include the CaLP Technical Advisory Group and Monitoring and Evaluation Working Group, the CaLP Social Protection Working Group, the CaLP Electronic Transfers Working Group, the Geneva-based Cash Working Group, the CashCap Steering Committee, the CALP Global Cash Advocacy Network, and the Task Force on Child Protection and Cash.

## V. Conclusion

27. UNHCR will continue to focus on scaling up the use of cash, while ensuring robust financial management and accountability, quality interventions, strong monitoring, and institutional and inter-agency learning. Through the comprehensive refugee response framework, the Office will also explore opportunities to better meet short-term humanitarian assistance needs and to increasingly pursue approaches emphasizing financial inclusion and access to national social protection systems. Partnerships will be crucial in producing and sharing knowledge, systems and tools, and adopting common approaches to cash delivery.

28. UNHCR will continue working towards realizing efficiency gains through cash assistance and ensuring that its overall assistance remains people-centred and context specific. Cash assistance will not substitute all means of delivering assistance, such as where protection and solutions are best delivered through services or national and local structures. UNHCR will continue to ensure that decisions on the means of delivering assistance in every operation are based on sound evidence and analysis.

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