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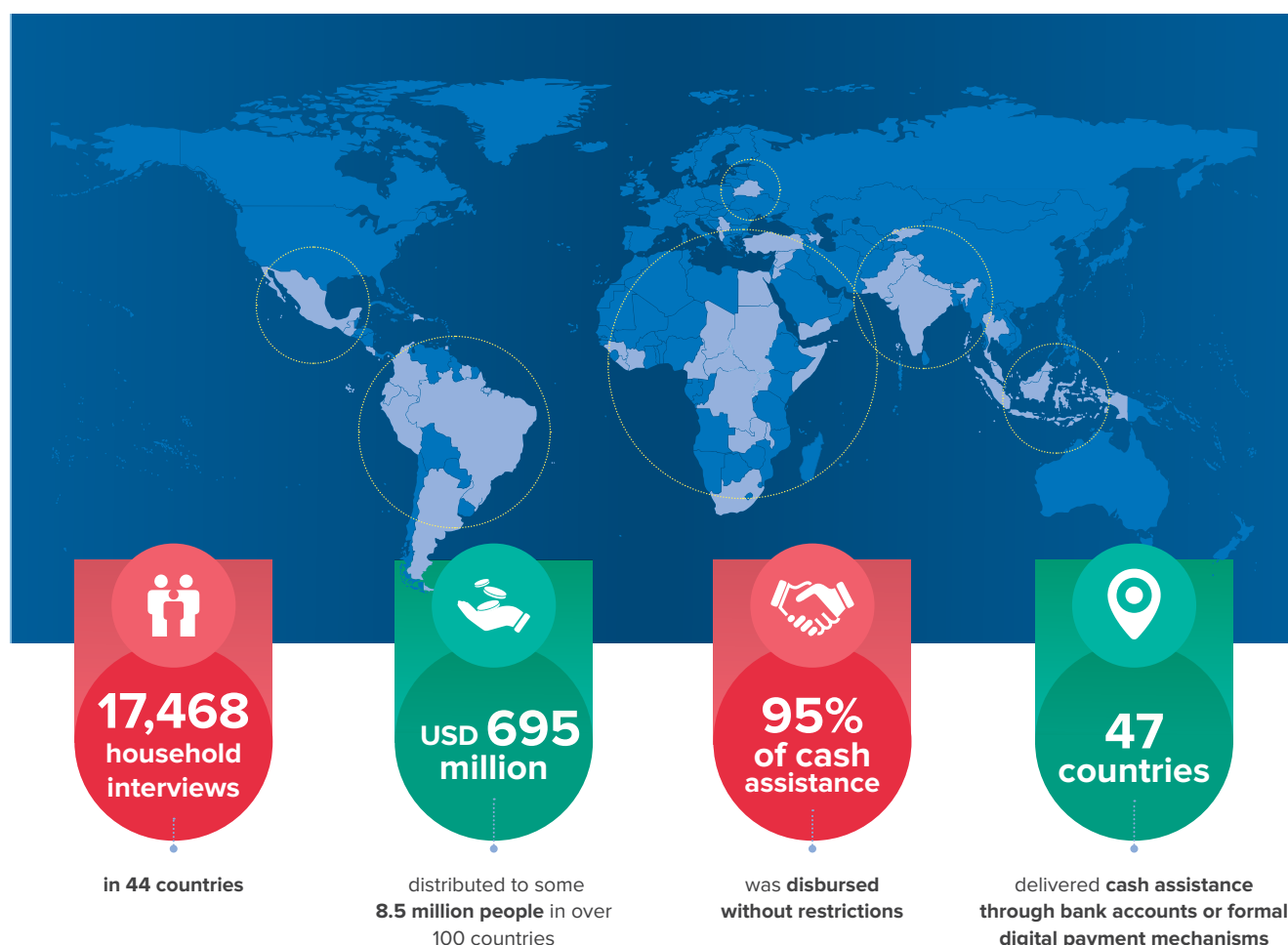
MULTI PURPOSE CASH ASSISTANCE in 2020

Main Outcomes from Post Distribution Monitoring

This document presents results of 2020 Cash Assistance Post Distribution Monitoring from 44 countries. Cash assistance was effective in responding to people’s increasing needs during the COVID pandemic and helped improving their living conditions and overall well-being. Markets remained functional despite the global challenges posed by the pandemic, and cash is the preferred modality for assistance. The findings, however, also highlight sustained needs and exacerbated protection risks in the long-term, including for children.

2020 was marked by the global COVID-19 pandemic that, according to the World Bank, caused the largest global economic contraction since the Great Depression began in 1929. Poverty was expected to rise in 2020 for the first time since 1998. COVID-19 has had a disproportional negative impact on vulnerable groups, including refugees and internally displaced persons (IDPs). In many refugee hosting countries, the pandemic has exacerbated an already fragile situation where assistance has been reduced globally due to funding shortfalls over the past few years.

The findings in this report are based on UNHCR’s Post-Distribution Monitoring (PDM) data. The data was collected through 17,468 household interviews in 44 countries between January 2020 and March 2021.¹



UNHCR’s Cash Assistance in 2020

In 2020, UNHCR delivered **USD 695 million to some 8.5 million people in over 100 countries**. UNHCR used cash for a wide range of purposes, including protection, basic needs, education, shelter, health, and livelihoods. A significant part of the cash was dedicated to meet specific protection purposes. **95% of the cash was disbursed without restrictions**, meaning that refugees chose how to spend it.

To promote financial inclusion, UNHCR’s cash assistance was disbursed through **bank accounts or formal digital payment mechanisms in 47 countries**. UNHCR’s assistance complements governments’ social assistance efforts by contributing an additional safety net for vulnerable refugees and others of concern – those left behind.

¹ The sampling methodologies vary, and the data is not strictly comparable or representative between countries. Countries covered: Albania, Argentina, Azerbaijan, Belarus, Brazil, Cameroon, Central African Republic, Chad, Colombia, Costa Rica, Côte d’Ivoire, Dominican Republic, DRC, Ecuador, Egypt, Guatemala, Guinea, India, Indonesia, Jordan, Kyrgyzstan, Lebanon, Liberia, Malawi, Malaysia, Mexico, Montenegro, Nepal, Pakistan, Peru, Rwanda, Serbia, Somalia, South Africa, South Sudan, Sudan, Suriname and Northern Caribbean, Syria, Thailand, Trinidad and Tobago, Turkey, Uganda, Yemen, Zambia.

CASH IMPROVED LIVING CONDITIONS AND WELL-BEING

Cash assistance has been critical for the wellbeing of refugees and others of concern in 2020. 95% of the respondents reported that cash assistance has improved their living conditions across the surveyed countries. Of these, 29% stated that cash assistance has significantly improved their living conditions while 66% reported moderate or slight improvements.

Cash assistance has also helped to reduce feelings of stress for 94% of the surveyed households, showing that cash assistance can have an important, positive psychosocial effect on the well-being of individuals.



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Emergency cash assistance protected refugee livelihoods in Turkey



UNHCR, in close partnership with the Turkish Government's Directorate General of Migration Management (DGMM), distributed **over 12 million USD to 85,000 families**, to cover their basic needs and protect their livelihoods during the COVID pandemic. More than half of the refugee households depend on informal income-generating activities and were hence badly affected by lock-down measures that hit hard the informal sector. PDM findings highlight that almost all the interviewed households ceased economic

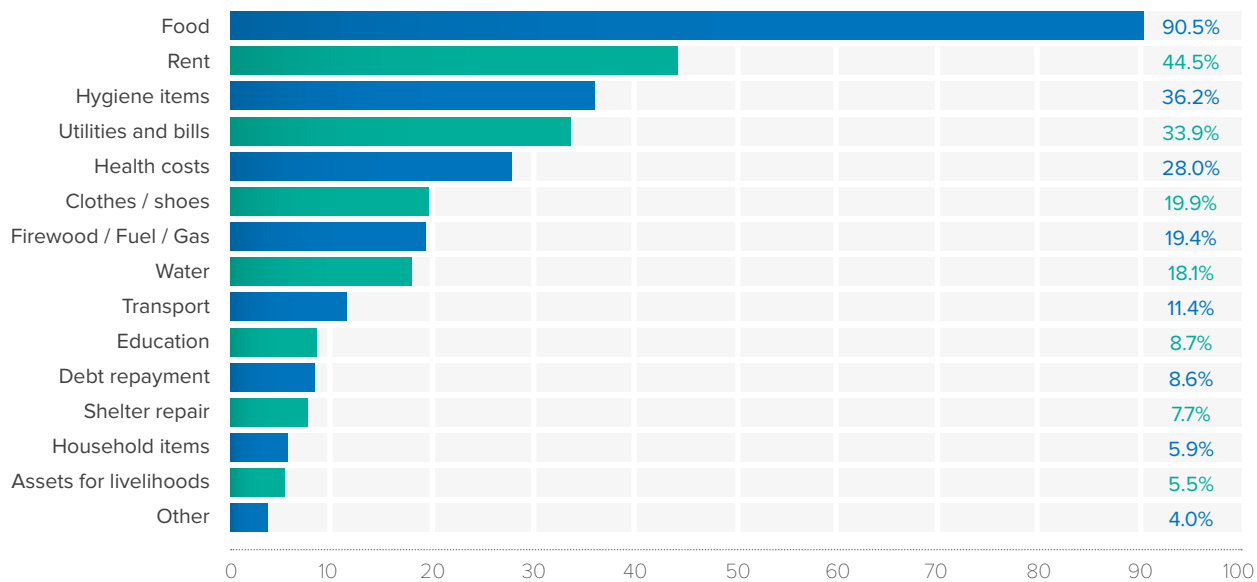
activity or had to close businesses during the pandemic. UNHCR's cash assistance allowed recipients to cover their most pressing needs, such as rent, food and water during this period. In addition, despite the widespread use of coping strategies, two-third of the recipients reported that thanks to cash assistance, they did not have to resort to selling livelihood assets and capital, showing how timely cash assistance protected their livelihoods in the medium term.

CASH IS USED TO MEET BASIC NEEDS

Cash assistance has been a crucial safety net for refugees and IDPs, allowing them to meet their immediate basic needs. Food, rent, utilities and bills, hygiene items, and health were the largest expenditure categories in most operations. As a result of the COVID-19 pandemic an increase in the expenditure on hygiene items is seen.

A small proportion of households has also invested their cash in livelihood assets and business start-up, showing how cash contributed to strengthening or regaining livelihoods when immediate basic needs were met.

Top expenditures, per % of households doing the purchase.



Cash assistance to support the government's local integration programme in Brazil



In Brazil, UNHCR's cash assistance supports the government's innovative Voluntary Internal Relocation Programme (*Programa de Interiorização*) that promotes the relocation of Venezuelans from Brazil's isolated northern state of Roraima to other parts of the country. Since 2018, the Interiorização programme has created new economic and local integration opportunities for **over 50,000 refugees and migrants in 675 Brazilian cities**. The PDM findings highlight that cash assistance

allowed families to cover their housing, food, and other basic needs during up to three months, until they received their first salary. **72%** of the respondents **reported improved living conditions**. The pandemic, however, also affected relocated households, and almost half of the households reported loss of income. For these, cash assistance was an essential temporary safety net allowing families to cover their immediate needs during this critical period.



High beneficiary satisfaction with UNHCR's and Government's cash transfers in Pakistan



UNHCR rolled out emergency cash assistance in close collaboration with the Government's Chief Commissionerate for Afghan Refugees (CCAR) and the Post Office, closely mirroring the government's EHSAAAS social assistance COVID response. **Over 75,000 refugee households received approximately six million USD in cash grants**, to mitigate the harsh socio-economic impacts of the pandemic. Monitoring shows that all households used cash to meet basic needs, and majority of households (95%) **could find what they needed at affordable prices**, although all households reported price increases attributed to general inflation.

The impact of the programme on local markets was in fact minimal as Afghan refugees represent around 3 % of the total population at the district level. Even if the large-scale programme was set up and rolled out in only a few months, the process worked well, and beneficiary satisfaction was high. The vast majority of households (84%) **could withdraw their money the same day** when communicated to them and **felt safe throughout the process (91%)**. However, most households did not know how to provide feedback on the process, emphasizing the need to strengthen two-way communication with communities.

MARKETS REMAINED FUNCTIONAL

Despite wide-spread movement restrictions that affected countries throughout the year, almost 80% of the households reported having access to key services and goods they needed in the local markets. Reduced availability of items was reported during the peaks of lock-down periods, but overall, these were temporary. In a handful of countries with weak market infrastructure combined with COVID, namely Central African Republic, Somalia and Chad, the availability of items was a bigger challenge. Price increases were, however, reported in various countries, such as Pakistan, Costa Rica, Jordan and Uganda, and general inflation and price fluctuations, e.g. due to ongoing conflict, affected prices in countries such as Syria, Lebanon, and Yemen.

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Functional markets and preference for cash in remote, conflict-affected border areas in Mali



UNHCR provided cash assistance to **over 1,100 newly arrived families** in the conflict-affected, remote area of Anderamboukane bordering with Sahara. Despite isolation and challenging environmental and security conditions, **over 90% of households could find the required goods and services in the local markets**, while 6% could find most of them. **Over 60% reported no change in prices**, confirming that local traders had strategies in place to supply remote markets

despite the socio-economic and security situation. However, 18% stated some increases in food prices, possibly due to security conditions along the route from Algeria and Niger from where cereals are supplied from. 68% of respondents reported that cash assistance significantly improved their living conditions, while 26% noted a moderate improvement. **A significant majority of respondents prefer cash to in-kind (74% vs. 5%).**

CASH IS THE PREFERRED MODALITY OF ASSISTANCE

Despite some price fluctuations, a clear majority of UNHCR's beneficiaries preferred cash or a combination of cash and in-kind as assistance modalities (90%). Preference for in-kind or a combination of cash and in-kind was most marked in countries where cash assistance was new or where locations were isolated, such as South Sudan or Yemen. 23% of respondents experienced challenges with receiving, keeping, or spending the cash. This, however, varied significantly between operations,

ranging from only 1% to over 50% of households reporting problems. The challenges largely related to COVID measures affecting withdrawal and spending due to movement restrictions, and the availability of the registered person to withdraw the assistance. In some operations, such as Cameroon, Uganda and Jordan, households also reported challenges with using digital cash delivery mechanisms that were new to them, or poor service by the Financial Service Provider.



Cash contributed to positive community dynamics in Jordan



UNHCR delivered **approximately 66 million USD to 33,000 refugee households** in Jordan through unrestricted cash grants for basic needs. The contributions of cash assistance to the living conditions of refugees were clear, with almost all respondents stating it improved their quality of life and reduced feelings of stress. In addition, the overwhelming majority reported that their relations with the host

community were good, and indeed for some, they were better thanks to the assistance. Close to one in five interviewed households agreed that their **relationship with the local population had changed since they started receiving cash assistance**, but only 6% noted that the impact had been negative, suggesting that there are indirect benefits of cash assistance to the host population.

NEEDS ARE SIGNIFICANT

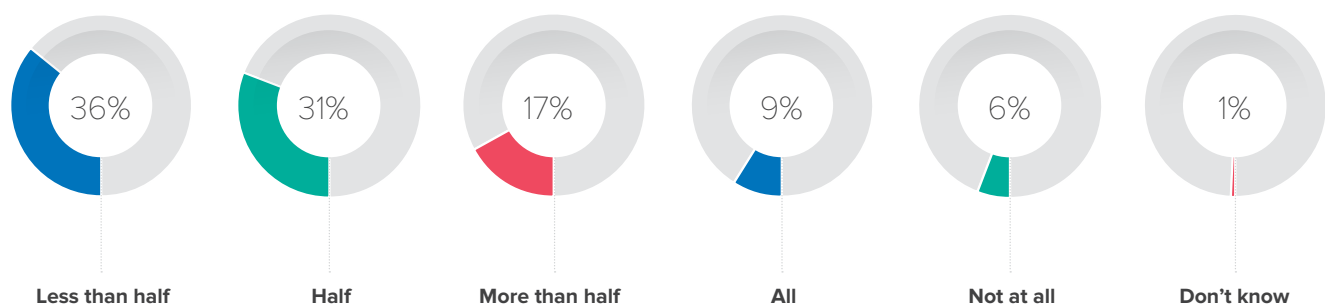
While cash assistance has undeniably helped refugees and others of concern to cover their basic needs, major gaps and protection risks remain. 73% of the households can meet only half or less of their basic needs, while only 17% and 9% report that they could meet more than half or all of their basic needs, respectively. Further, 77% of the surveyed households, ranging from 44 to over 90%, engaged in one or more negative coping mechanisms to meet their basic needs.

The situation is particularly concerning for refugees due to their often limited rights (i.e., freedom of movement, right to work, access to land etc.), affecting their ability to engage in sustainable livelihoods. Moreover, the lack of resources negatively affected transfer values, and, in most cases, cash grants only covered a limited proportion of the needs.



Photo credit: © UNHCR

% of households meeting basic needs.



COVID-19 EXACERBATED PROTECTION RISKS IN THE LONG-TERM, INCLUDING FOR CHILDREN

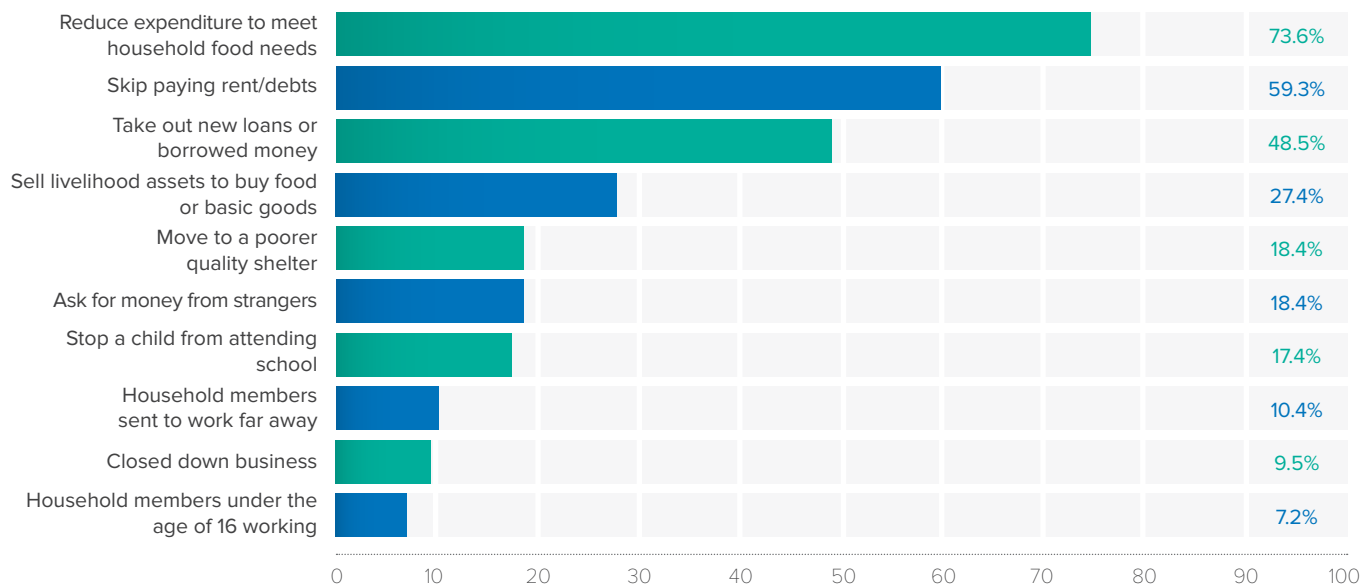
Refugees and IDPs engaged in various coping mechanisms to make ends meet. While reducing spending to buy food was the most common coping strategy (74%), some 60% skipped payments,

including rent, placing them at the risk of eviction. Almost 50% took out new loans. Livelihoods and businesses were hit hard with 27% of the respondents reporting sales of livelihoods assets and 10% closing

their businesses. Such actions are having negative, long-term socio-economic consequences on the overall well-being of the households. Almost 20% of households using negative coping strategies moved to poorer shelter or resorted to begging.

7% of households engaged in child labour and 17% pulled their children out of school. These protection risks demonstrate a need for continued investment in humanitarian assistance coupled with robust protection interventions and case management.

Most common coping strategies, per % of households using coping strategies.



“It is hard to find work in construction when you are 50 years old, and there are not many other fields we can work in. What would happen if we did not have the cash assistance? The first thing is that my children would stop going to school and start looking for work.”

Focus group discussion among Syrian refugees in Jordan, 2020

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