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# Executive Summary

## Introduction and background

Cash-based interventions (CBIs) are increasingly used to deliver humanitarian assistance. They help to meet the basic needs of vulnerable and crisis-affected populations both by complementing in-kind interventions and as stand-alone interventions.

The UN High Commissioner for Refugees (UNHCR) has considered CBIs a priority modality since 2014 and is now a leading agency in providing cash assistance. UNHCR CBIs are provided through cash transfers, mostly in the form of unrestricted multi-purpose cash grants. In 2019, UNHCR provided US\$646 million in cash and voucher programmes across 100 countries, of which US\$614 million (i.e., 95 per cent) was as unrestricted cash.

## Rationale

By evaluating CBIs in different contexts, much can be understood about the effects of these interventions on different protection outcomes. Such evaluations also meet the need for evidence on CBIs' impact and effectiveness, address potential challenges in use of CBIs, and help develop recommendations for future programming.

This Rwanda evaluation had three objectives: to examine the contribution of CBIs towards sectoral and long-term protection outcomes; to measure the contribution of CBIs to broader protection outcomes in interaction with other support provided by UNHCR and partners (complementary assistance, referrals, protection); and to identify key contextual factors that influence the socioeconomic integration of cash recipients (i.e., refugees) and protection outcomes. To meet these objectives, three evaluation questions were defined that are used to shape the key findings.

## Rwanda

Rwanda's supportive legal and policy environment for refugees made it an interesting context to examine the longer-term protection outcomes and socioeconomic integration of cash recipients. Among the top 15 countries provided with cash in 2019, UNHCR Rwanda ranked 14th, and within Africa, it ranks fifth in terms of cash received.

Forced displacement has long been a characteristic of the Central/Eastern African region where Rwanda is located. The country – one of the smallest in Africa and the most densely populated – now hosts almost 150,000 refugees and asylum-seekers. Most have fled long-term instability in neighbouring Burundi and the Democratic Republic of the Congo (DRC).

Refugees in Rwanda have a de facto right to work, open borders and access to durable solutions (resettlement, local integration and return). Refugees have contributed to local economies through labour and trade, with positive income spillovers for host communities. Yet negative pressures exist, particularly as land for cultivation and farming is so scarce. The establishment of the camps for refugees – six in total, all of them crowded – has affected food availability locally.

## Cash-based interventions in Rwanda

All refugees in Rwandan camps receive unconditional UNHCR cash assistance, and cash-for-food from the World Food Programme (WFP), among other sources of cash assistance from other partners on an ad hoc basis. Amounts are progressive based on the number of household dependents. The combined UNHCR and WFP transfer is just below the national extreme poverty line amount<sup>I</sup>.

Refugees receive the cash assistance via bank transfers. UNHCR facilitates the opening of an individual bank account with Equity Bank for each registered refugee household. There is a linked debit card for electronic payments and cash withdrawals at designated points of sale in existing agent networks in the camps and/or at ATM machines in nearby towns<sup>II</sup>.

### Methodology

The evaluation research was undertaken by Action Against Hunger UK from October to December 2019 in selected refugee camps across Rwanda, using a mixed-methods approach. Primary evidence came from a semi-structured household survey; focus group discussions with cash recipients; key informant interviews with UNHCR staff, institutional and private sector stakeholders; and raw data sets from post-distribution monitoring data collected by UNHCR staff in 2018 and 2019. These sources were triangulated with secondary evidence from a desk review of existing documents, produced by UNHCR and other reputable agencies.

## Key findings

**Evaluation Question 1: To what extent are CBIs an appropriate programming modality in the given context, with an appropriate design and targeting strategies, and contributing to improved community-based protection measures and outcomes?**

### Summary of findings

- CBIs are well-adapted and appropriate as a programming modality in Rwanda. Most cash recipients expressed a preference for cash assistance compared to other assistance for meeting their basic needs. However, funding shortages for cash programmes and the extent to which a multi-agency plan is in place to deliver CBIs in the future, could affect appropriateness and scalability.
- The CBI programme in Rwanda performed relatively well in terms of design, but less so on targeting, communication, and feedback and complaints mechanisms (FCMs). Few recipients reported problems with accessing cash, yet 40 per cent said the amount received was not as much as expected. Around one third were unaware of FCMs. Those findings suggested a lack of effective communication about FCMs and unclear understanding about CBIs among significant numbers of cash recipients. Socioeconomic targeting strategies are not used because a blanket approach is favoured, so specific vulnerabilities within households could be missed.

I As calculated through the Rwandan government's Integrated Household Living Conditions Survey in 2017; see EICV 5, <https://www.statistics.gov.rw/publication/eicv-5-rwanda-poverty-profile-report-201617>

II Standard Operating Procedures for CBI in the Rwandan Refugee context, UNHCR, 2017.

- Most recipients reported feeling safe when accessing and using cash. Multiple feedback channels existed within the camps, indicating that the FCMs offered by CBI agencies complemented community-led channels and UNHCR's presence in the field. This improved CBI delivery and enabled refugees to interact with UNHCR staff and to give direct feedback, offering an additional protection dividend.
- Yet delays or failures to address complaints were reported and this may exacerbate protection risks. Technical issues were usually resolved, but this could take a long time. Other harder-to-detect risks concern debt, financial exploitation by agents and limits to UNHCR's power to enforce good practice among agents.

**Evaluation Question 2: How and to what extent have CBIs contributed to the protection and sectoral outcomes in the given context? What positive or negative, intended or unintended, outcomes and impacts have CBIs contributed to?**

*"You would find people in line fighting because of staying in lines for long. But now money comes to your account so no more fighting or other things that take away our dignity."*

*(Focus group participant from Gihembe)*

### Summary of findings

- Refugees are using cash to help meet their basic needs but the transfer amount is too small. Many find food items unaffordable and are using debt to fulfil all their basic needs. Larger households and those with disabilities report needing to use a higher frequency of negative coping strategies to meet all basic needs.
- Positive protection outcomes from CBIs in Rwanda include an increased sense of safety and dignity among refugees; an overall reduction in negative coping strategies; greater inclusion and interaction of refugees with local markets; and greater access to financial services. Cash is also having a positive effect on gender dynamics in that it enables a more equal distribution of decision-making power when female household representatives receive the transfer.
- Having more choice was the most transformational aspect of receiving cash instead of in-kind assistance, according to recipients. Cash helped to boost perceptions of feeling safe within households and of dignity in interactions with host communities. This has enabled greater access to varieties of food types and brought easier fulfilment of social expectations (e.g. buying school uniforms). However, concerns about the transfer amount may undermine some perceptions of being able to meet basic needs.
- Agents have a double function as vendors of goods and as holders of cash flow necessary to deliver cash assistance. CBIs have strengthened the relationship between agents and cash recipients, beyond a simple transfer of cash. However, a negative unintended consequence has been the consolidation of a dependency of refugees on agents, with almost 30 per cent of recipients giving their debit cards to the agents as collateral to repay debt, some of which is long-standing.
- Scope was limited for strengthening refugees' livelihoods as part of longer-term protection aims. Refugees had little awareness of existing schemes for business development skills and there were few livelihood opportunities available. Evidence instead showed how exclusive reliance on cash forces some recipients to use more frequent negative coping strategies.

- CBIs have helped refugees to access financial services but there is limited use of available services and products that could meet their needs beyond a debit card (e.g. credit and savings services). If financial services providers were to expand their client base of refugees, this would improve delivery of services and boost financial literacy. Formal inclusion in the banking sector improves refugees' ability to receive remittances, boosting their rates of savings.

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*"Whenever we meet at the market trying to buy rice, we are equal because the money they have is the same money."*  
(Focus group participant from Mahama)

### Summary of findings

- CBIs are associated with intensified economic exchanges between cash recipients and local communities, through the use of cash to meet basic needs. Evidence suggests that Rwandans living close to refugee camps benefit from economic and labour opportunities. Refugees reported improved interactions with local traders as a result of being able to exercise more choice. But there was little evidence that cash alone can advance long-term socioeconomic integration.
- Legal, policy and regulatory frameworks within which CBIs operate in Rwanda help to promote integration such as through the right of refugees to access an ID card and to work. Refugees largely know about these rights, but whether they act on them produced mixed responses. Structural issues such as poor access to employment or capital, or experiences of discrimination when doing so, hamper the achievement of longer-term protection outcomes. In that sense, the right to work does not guarantee that refugees will find security through earning other revenue.
- More than a quarter of refugees have complementary revenues aside from cash, through paid work, small businesses, trade or remittances, although these may be precarious. This signals a degree of socioeconomic integration with host communities; it also contributes towards protection outcomes and improves household financial security. Households with complementary revenues were more likely to build up savings, with these accumulated mainly for use in emergencies.
- The majority of refugees receive complementary assistance (food, health, education services). However, only 10 per cent receive business incubation services, limiting the prospects for long-term socioeconomic integration. Few agency-run schemes were available and few refugees were aware of any that exist. This inhibits their future income-generating abilities and engagement with local markets.
- CBIs provide easy access to bank accounts, cash and financial services. UNHCR's cash transfers are therefore a critical first step towards financial inclusion for cash recipients. The CBI process creates a formal relationship between the recipient and the financial institution, which should fast-track refugees towards a range of financial services that they could use for productive purposes. But for most refugees, this potential pathway is not producing sustainable livelihood opportunities that would further aid their integration.