

**Introductory Remarks of Steven Corliss
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**Innovation: Cash-Based Interventions (EC/66/SC/CRP.13)
63rd Meeting of the Standing Committee
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Thank you, Mr Chairman,

Distinguished Delegates, Ladies and Gentlemen,

I would now like to introduce Conference Room Paper 13, which sets out UNHCR's strategic directions, the challenges and opportunities and our current work and future plans in the area of cash-based interventions.

Cash-based interventions are not new for UNHCR. When I was a young Protection Officer in Pakistan in the late 1980s, we supported urban refugees with monthly payments that allowed them to rent a place to stay, buy food and survive in Rawalpindi and Karachi. During this time, UNHCR also facilitated the first repatriation movements to Afghanistan through a ration card encashment programme.

More recently, the High Commissioner has called upon UNHCR to pursue the expanded and systematic use of cash-based interventions in our global operations. This is part of a broader movement within the humanitarian community toward cash that we believe will bring fundamental changes to the way we conceptualise and deliver assistance.

UNHCR's mandate for protection and solutions – and the comprehensive and multi-sector assistance programmes that flow from it – make cash a very appropriate way to meet the needs of refugees. The growing urbanisation of displacement and UNHCR's pursuit of alternatives to camps also make it imperative to have cash-based interventions as fully part of our standard "toolkit" for assistance.

Let me highlight three of the most important benefits and opportunities we see:

First, cash assistance offers the dignity of choice and allows people to make basic decisions about how best to manage their family's needs and household budget. Giving refugees a more normal daily life is perhaps the most important protection benefit of cash.

Second, cash assistance also stimulates markets, rather than undermining them with a flood of donated goods. This benefits local businesses and the economy. When host communities see such tangible positive impacts, the protection space for refugees will grow.

Third and finally, cash provides an opportunity to make humanitarian assistance more efficient and effective by allowing refugees to purchase what they need most and eliminating some of the costs associated with the delivery of in-kind assistances.

Let me elaborate further. UNHCR provides refugees with blankets, jerry cans for carrying water, kitchen sets, plastic sheeting and other core relief items – a standard "one size fits all" package that cannot fully match actual household needs. Refugees will often sell part of what they receive from UNHCR – often at a steep discount. Cash eliminates these "transaction costs" and the resulting efficiency loss.

Using cash can also allow UNHCR to reduce investments in the “hardware” needed to deliver material assistance – global stockpiles, international shipping, airlifts and trucking, warehouses and distribution points – and the staff and partners needed to manage each step of the process. Where markets are able to respond, all of these activities and the related costs shift to the private sector.

At the same time, we will need to invest more in the “software” of delivering humanitarian assistance through cash – building a better capacity for market assessments, improving vulnerability assessment, developing new methodologies for targeting, strengthening community outreach, expanding home visits and other forms of monitoring and doing better at evaluating impact.

UNHCR is convinced that the broader use of cash – specifically multipurpose cash grants – will transform humanitarian operations. The traditional model for delivering assistance – with separate “silos” for each sector – will almost inevitably break down in favour of an approach that views and addresses overall household needs in a more comprehensive way.

Refugees know best what they need most. Whether we give cash for shelter, cash for food, cash for medical expenses or cash for school fees, refugees will use the resources at their disposal to meet their highest priority expenses. Humanitarian assistance almost never fully covers household needs, so fragmenting assistance further along sectoral lines simply does not make sense.

These dynamics are evident in UNHCR operations where cash plays an important role. In Lebanon, Syrian refugees who received cash grants for winterization needs, such as heating, spent some of this money on food to supplement assistance from WFP. Others likely sold part of the food purchased through the WFP voucher programme to meet other household expenses.

Together with WFP – and with the encouragement of donors – we have focused much attention on the mechanics of delivering cash – pursuing common platforms, “one-card” solutions and using the same banks, with a view to rationalise commercial arrangements, realising efficiencies and achieving economies of scale that reduce overhead costs and make more resources available to people.

Delivery is the perhaps most visible aspect of cash-based interventions. Technology and new partnerships with financial and mobile telephone service providers are driving change and creating opportunities for innovation, such as the Common Facility for Cash (CFC) that UNHCR is seeking to introduce in Jordan. But this is really not the most complex dimension of cash assistance.

The expanded use of cash demands new and greater levels of collaboration within the humanitarian community. UNHCR and WFP are only two of the many agencies using cash assistance. We all need a common understanding of who the refugees are, where they are, what they need and what they have received, in order to ensure good coordination and avoid duplication and gaps in assistance.

UNHCR’s engagement with communities and our rich data on refugees is a tremendous asset. The deployment of proGres in Partnership – our upgraded registration and case management tool – and UNHCR’s new global biometrics solution – the Biometric Identity Management System (BIMS) – will further strengthen our capacity to support interagency coordination and collaboration on cash.

So far, my statements has focused mainly on the opportunities and challenges presented by cash-based interventions. Let me now turn to how we are seizing these opportunities and responding to the challenges on the global level, in our field operations and through our partnerships.

Globally, we are adapting our policies and procedures, developing new operational guidelines and approaches, improving our tools and systems and strengthening our capacities at Headquarters and in the field. Our aim is to ensure that UNHCR can use cash-based interventions in a systematic way, with adequate controls and assurances of integrity and without causing unintended negative impacts for refugees or host communities.

Earlier this year, UNHCR issued new Operational Guidelines for Cash-Based Interventions in Displacement Settings. We also incorporated specific guidance on cash in the programme planning instructions for the 2016—2017 biennium.

DFAM is finalising new instructions on managing the financial and administrative aspects of cash-based interventions. Updated procedures and standards for the procurement of financial services, including standard model agreements, are also planned.

UNHCR's new *Policy on the Protection of Personal Data of Persons of Concern to UNHCR* provides an essential framework for data sharing with third parties. The new policy will guide us in striking the right balance between what banks need to know to implement cash transfers responsibly, while protecting the security of sensitive individual data on refugees.

We are nearing completion of a pilot project on vulnerability assessment and targeting with the World Bank in Jordan. Drawing upon this experience and UNHCR's work in other operations, we plan to develop new operational guidelines on targeting for both cash and in-kind assistance and new tools for market assessment.

At the operational level, we are providing targeted training and direct technical support to UNHCR teams in the field. UNHCR is now able to deploy cash experts to undertake feasibility studies and market assessments, provide support with programme design and give advice on the partnerships, required commercial services and monitoring systems that need to be put in place. We need more capacity to meet growing demands for support in field in these areas.

Over the past few years, we have benefited tremendously from support provided by the Swiss Agency for Development and Cooperation (SDC) to build our expertise in this area. The High Commissioner also prioritised the creation of cash expert positions in Dakar, Kinshasa and Pretoria through his Capacity-Building Initiative. They will join a growing network of cash experts working in UNHCR operations around the world.

During 2015, we will be working intensively with the country operations that are already using cash-based interventions, to ensure alignment with the new operational guidelines and global good practices. We will also be encouraging other operations to consider cash and will provide priority operations – those where the opportunities are greatest – with targeted support.

Let me then return to the theme of partnership. WFP continues to be our principal strategic partner for cash-based interventions. We are working together to combine our efforts, wherever possible, and to align and make them complementary in all circumstances. Broader interagency learning and collaboration is essential.

With the support of ECHO, UNHCR has brought together a consortium of partners – including WFP, OCHA, UNICEF, Oxfam, the Norwegian Refugee Council, the Danish Refugee Council, International Rescue Committee, Save the Children UK and the Cash Learning Partnership (CaLP) – to work on some of the most pressing common challenges, such as assessment and targeting, common delivery systems, the implementation of multipurpose cash grants and data privacy.

We have appreciated the strong interest and continuing support of governments for UNHCR's move toward the greater use of cash. Going forward, we will need to engage with donor governments, in particular, to develop new understandings about measuring the impact of cash-based interventions, reporting on results and, importantly, how to ensure visibility.

To bring these elements together, we are preparing a strategic plan for cash-based interventions. The plan will define where UNHCR needs to be in the five years, the lines of action we must pursue to reach our goals and a specific roadmap for re-engineering our internal systems, mainstreaming new capacities in our field operations and building both strengthened and new partnerships.

Through the Cash-Based Interventions Section (CBIS), DPSM plays a convening and coordinating role within UNHCR, but implementation of the strategic plan will involve almost every Headquarters Division and Service, the Regional Bureaux and each of the country operations where UNHCR is providing direct assistance to refugees.

We look forward to keeping the Committee informed of our progress and the challenges that we are facing through regular updates. Let me stop here to leave time for an exchange with the delegations. We look forward to receiving your advice and answering any questions that you may have.

Thank you.