

**Executive Committee of the
High Commissioner's Programme**

Distr. : Restricted
3 June 2015
English
Original : English and French

Standing Committee
63rd meeting

Innovation: Cash-based interventions*Summary*

The High Commissioner has made the expanded and systematic use of cash-based interventions (CBIs) an institutional priority. CBIs provide a flexible mechanism for delivery of assistance that enables refugees and others of concern to meet their priority needs with autonomy and dignity, while also supporting local markets.

This paper complements Chapter III. B. of the conference room paper on “Global programmes” (EC/66/SC/CRP.7), presented at the March 2015 meeting of the Standing Committee, and responds to requests for an update on UNHCR’s efforts with regard to CBIs. It provides an overview of UNHCR’s use of CBIs and also highlights efforts by UNHCR to strengthen its capacity to carry out effective and efficient cash programming, while ensuring integrity and accountability.

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I. Introduction

1. The increased use of cash-based interventions¹ (CBIs) by the humanitarian community represents a paradigm shift in the provision of humanitarian assistance, which has been dominated by “in-kind” transfers of food and core relief items for many decades. The expanded use of CBIs has accompanied improved understanding of the consequences of choosing different assistance modalities on markets and inter- and intra-community relations. The use of CBIs has also benefited from efforts to better understand the specific contexts in which assistance is provided, which can inform decisions about what form of assistance is most appropriate. The High Commissioner made the expanded and systematic use of CBIs an institutional priority in February 2013.

2. UNHCR has been using CBIs since the 1980s, largely for voluntary return and repatriation programmes, and has been a pioneer in the use of cash as a means of assistance. Where refugees have access to functioning markets, CBIs have proven to be appropriate means of delivering assistance both in camp and out-of-camp settings. Today, UNHCR is working to mainstream the use of cash and vouchers, with a view to fully capitalizing on the benefits of using this form of assistance in its operations worldwide.

3. UNHCR’s mandate for ensuring refugee protection and finding durable solutions lends itself particularly well to the use of CBIs as tools for assistance. Multi-purpose cash grants,² in particular, allow the needs of refugees and others of concern to be addressed in an efficient and comprehensive manner. CBIs also offer a cost-effective tool that allows refugees, returnees and internally displaced persons (IDPs) to determine and meet their own needs, providing more choice during displacement and/or on return to countries of origin.

II. Use of cash-based interventions

4. In the last fifteen years, UNHCR’s use of CBIs has expanded both in scope and scale. In 2000, some 15 UNHCR operations were implementing cash and cash alternatives activities. By 2015, more than 60 UNHCR country operations had budgeted an estimated US\$ 465 million for the delivery of assistance through cash and cash alternatives, such as vouchers. In light of this growth, UNHCR is developing guidance to assist country operations to budget for CBIs, with a view to ensuring consistency and capturing the full extent to which CBIs are used globally.

5. UNHCR’s focus on alternatives to camps³ and the increasingly urban nature of displacement call for innovative ways of reaching those in need of protection and assistance. CBIs are a particularly suitable way to deliver assistance in out-of-camp settings, where viable market and banking systems are often in place. In the Middle East region, for example, where large numbers of refugees are living outside of camps, UNHCR and its partners use CBIs in both urban and rural areas to complement other forms of assistance.

6. UNHCR increasingly uses CBIs to enable refugees to meet basic needs such as food, shelter, health and education. In 2015, cash assistance to address basic needs accounted for

¹ Cash-based interventions (CBIs) refer to the provision of cash or vouchers, which may be exchanged for goods or services, to individuals or households to increase purchasing power. They may be intended as emergency relief to meet basic needs for food and core relief items or services, to buy assets essential for the recovery of livelihoods, to facilitate return and reintegration in the country of origin, or increasingly to meet multiple needs as the recipient sees fit. They may be used as a modality of assistance for refugees, returnees or internally displaced persons (IDPs).

² Multi-purpose cash grants refer to cash grants which can be used by recipients as they see fit based on individual needs and preferences.

³ See further, UNHCR’s “Policy on alternatives to camps”, available from: <http://www.refworld.org/docid/5423ded84.html>.

82 per cent of the global amount budgeted for CBIs, or US\$ 391 million. UNHCR operations in Egypt, Jordan and Lebanon are leading this trend in terms of both the volume of CBIs being implemented and the number of refugees assisted. UNHCR's multi-purpose cash assistance programme in Jordan assisted an average of 20,000 families each month during 2014, with monthly disbursements to refugees totalling approximately US\$ 2.6 million. During the winter of 2014-2015, UNHCR met the most basic needs of Syrian refugees, such as shelter, heating and fuel, through seasonal cash assistance. In Africa, refugee access to food, energy and core relief items is increasingly ensured by many UNHCR operations through provision of cash and vouchers. In Niger, for example, refugees receive vouchers to buy gas bottles, while in Zambia UNHCR distributes cash to meet food requirements through the Government implementing partner, relying on the existing governmental safety net mechanism in place to assist Zambian citizens. In Eritrea, UNHCR addresses the food, energy and core relief item needs of refugees through a single multi-purpose cash grant.

7. UNHCR has also made significant efforts to expand CBIs in camp settings, including through its partnership with the World Food Programme (WFP). Today, refugees in nine operations in Africa receive food assistance through CBIs implemented by WFP. Operations in Burundi, Kenya, Niger and Sudan provide vouchers, while operations in Burkina Faso, Ethiopia, Djibouti, Rwanda and Uganda have opted to provide direct cash assistance. UNHCR's main role in relation to these food assistance activities is to ensure that protection risks are assessed and mitigated, protection benefits of the intervention are maximized, registration data are reliable and updated, and post-distribution monitoring is undertaken in conjunction with WFP. UNHCR and WFP have undertaken joint evaluations as well as joint feasibility assessments to determine whether the conditions (including functioning markets, availability of financial services, political acceptability, partner capacity and cost efficiency) are in place to introduce CBIs.

8. CBIs implemented by UNHCR and partners take a range of different forms, from the provision of fresh food through vouchers or simple "cash-in-hand" projects in camps to highly sophisticated electronic banking in urban areas. Whatever the context, a solid foundation of institutional policies, procedures, tools and capacities is essential for the effective use of this modality of assistance. In 2014, UNHCR released "Operational guidelines for cash-based interventions in displacement settings"⁴ that provide practical guidance for staff and partners on how to prepare, plan and implement CBIs. The CBI Section, established in 2014 in UNHCR's Division of Programme Support and Management (DPSM), provides strategic direction, coordination and guidance on CBIs to headquarters and UNHCR operations worldwide, and ensures the effective management of related partnerships. UNHCR's approach to CBIs also complements a range of UNHCR policies and new operational approaches.⁵

9. Since 2013, UNHCR has also benefited from technical expertise provided by the Swiss Agency for Development and Cooperation. UNHCR has strengthened the technical capacity of its field operations to carry out CBIs through trainings in Djibouti and Rwanda, as well as in Eastern and Southern Africa and Central America, and through missions or deployments to 14 operations in Africa and the Middle East. Together with WFP, UNHCR conducted joint evaluations of the use of CBIs in Burundi and Niger in 2013, which

⁴ Available from: <http://www.refworld.org/docid/54d387d14.html>.

⁵ These include: the "Policy on alternatives to camps", available from: <http://www.refworld.org/docid/5423ded84.html>; the "UNHCR Policy on refugee protection and solutions in urban areas", available from: <http://www.refworld.org/docid/4ab8e7f72.html>; the "Global strategy for settlement and shelter", available from: <http://www.unhcr.org/530f13aa9.pdf>; the "Global strategy for safe access to fuel and energy (SAFE)", available from: <http://www.unhcr.org/530f11ee6.pdf>; the "Global strategy for public health", available from: <http://www.unhcr.org/530f12d26.pdf>; and the "Global strategy for livelihoods", available from: <http://www.unhcr.org/530f107b6.html>. Further, UNHCR's age, gender and diversity (AGD) approach provides a framework to better understand populations of concern, and thus to ensure more effective use of CBIs to provide assistance.

informed programmes under the “Joint plan of action for cash and vouchers” for 2014-2015.

10. UNHCR is also consolidating lessons learned from its experience with the delivery of assistance through CBIs to improve current practices relating to assessment, registration, targeting of beneficiaries, monitoring, and data protection and security. In Jordan and Lebanon, common assessment tools have been developed in collaboration with WFP and the many non-governmental organizations (NGOs) working in these operations. A shared understanding of socio-economic vulnerability, elaborated together with the World Bank, is helping to guide agencies in targeting cash and voucher interventions. In Zambia, a monitoring and evaluation expert designed and piloted a monitoring framework for CBIs. Efforts such as these are compiled by the CBI Section into a repository of best practices, lessons learned and sample tools, which can be shared with operations initiating or seeking to improve their CBI activities.

11. Biometric identity verification and innovations such as mobile payment solutions can be used to ensure that cash-based assistance reaches the intended individuals and to reduce costs in the long term. In Jordan, UNHCR makes use of iris scan technology to verify identities and streamline the distribution of assistance to refugees through a partner financial institution, effectively eliminating the risk of double registration and reducing the risk of fraud. UNHCR is developing mandatory administrative instructions on the financial aspects of CBIs to mitigate some of the unique financial and accountability risks associated with this assistance modality. The “Policy on the protection of personal data of persons of concern to UNHCR”, issued in May 2015, also provides guidance on data protection and the safeguarding of individual privacy, including in cash-based programming.

12. Of UNHCR’s global CBI budget, 13 per cent is allocated to durable solutions activities in 2015. As in previous years, UNHCR’s operation in Afghanistan saw the highest level of disbursement of cash for voluntary return in 2014, assisting 17,000 Afghan returnees at five different encashment centres in Afghanistan. Besides being a traditional tool for facilitating return, CBIs can support the “progressive approach to solutions” advocated by UNHCR’s Solutions Steering Group and the Solutions Alliance, which aims to materially improve conditions for displaced persons pending the achievement of durable solutions.

13. UNHCR is working with a consortium of partners, including WFP, the United Nations Children’s Fund (UNICEF), Oxfam International, the Norwegian Refugee Council (NRC), the Danish Refugee Council (DRC), the International Rescue Committee (IRC), Save the Children and the Cash Learning Partnership, to develop common approaches to address challenges in the delivery of CBIs. Supported by an EU Humanitarian Aid and Civil Protection department (ECHO) Enhanced Response Capacity Grant for cash programming, UNHCR and partners are developing tools for vulnerability assessments, targeting and data privacy. UNHCR and partners are also developing and refining the “multi-purpose cash grant approach”.

14. The ECHO project further includes a range of activities to better understand the protection implications of cash-based assistance. In particular, it involves the examination of two distinct areas: the protection of beneficiaries as an outcome of CBIs and mainstreaming protection in CBIs. Multi-purpose cash assistance yields protection benefits by empowering refugees to make their own choices regarding how they spend their money, be it on health, energy, shelter or other areas. Protection mainstreaming in CBI activities can involve, for example, establishing “feedback mechanisms” to ensure reporting of abuse, participation by affected populations and impartial access to avoid exclusion or discrimination.

15. UNHCR and partners will also conduct field research to document contributions by CBIs to achieving protection outcomes. Such research will seek to document, for example, how cash spent by refugees and IDPs on local goods and services can strengthen the local economy, reinforcing community relations and contributing to peaceful coexistence and integration. Other key project activities led by UNHCR have included the organization of a

regional inter-agency workshop in Kenya in March 2015 and the deployment of cash and protection experts in Eastern Africa and the Middle East, as well as in Ukraine.

16. Together with the Office for the Coordination of Humanitarian Affairs (OCHA), several of the global clusters and a range of donors, UNHCR is working to develop models for predictable and sustainable coordination of cash-based assistance in emergencies, based on experience gained from recent refugee and natural disaster situations. As CBIs are a modality of assistance, not a “sector”, UNHCR and interagency partners are exploring how best to mainstream CBIs within the existing structures of the interagency cluster approach and the Refugee Coordination Model.

III. Strengthening UNHCR’s institutional capacity for effective and efficient cash programming

17. The shift from provision of in-kind assistance to increased use of CBIs – particularly multi-purpose cash assistance – implies a fundamental transformation in the way UNHCR and its partners deliver humanitarian assistance. Building on its experience to date, UNHCR is developing an institutional strategic plan to ensure the effective, efficient and financially sound implementation of CBIs, which will be finalized in 2015. The strategy will establish a framework for developing the policies, procedures, capacities and partnerships needed to ensure the responsible expansion of CBIs in UNHCR’s global operations. The strategy further aims to outline the extent, scope and pace of the institutionalization process within UNHCR, and will describe key steps to be taken towards achieving these objectives at all levels of the organization over the next five years.

18. To fully capitalize on the benefits of CBIs, UNHCR is focusing on creating the necessary capabilities that allow for their institutionalization. To this end, UNHCR is reviewing any additional capacity requirements, particularly in its protection, legal, financial, administrative, technical and programme services that may be required for effective implementation. The aim will be to ensure that UNHCR operations are able to consider the use of cash as an alternative to in-kind assistance in a systematic manner and to facilitate implementation through appropriate guidance and procedures.

19. UNHCR’s primary focus remains the quality and equity of its assistance programmes, and ensuring that they are tailored to the needs, context and preferences of refugees, IDPs and returnees. The three basic modalities for delivering assistance – in-kind, cash and vouchers – will all remain integral components of UNHCR’s programmes. The choice of assistance modality in a particular operational context will be based upon comparative analysis of appropriateness, feasibility, effectiveness and efficiency. Similarly, any assistance programme – whether delivered through CBIs or other modalities – must support UNHCR’s protection mandate and be consistent with humanitarian principles and UNHCR’s policies. Experience has shown that the most appropriate response in emergency situations often combines cash and vouchers with in-kind assistance.

20. The enhanced use of CBIs, in particular multi-purpose cash assistance, presents an opportunity for the humanitarian community to adopt a “common approach” to assistance delivery among humanitarian actors. A common approach includes coordinated preparedness planning, as well as joint needs and capability and market assessments at the programme design stage. It also includes common targeting, implementation and monitoring in the programme implementation phase. While a common assistance delivery mechanism may not always be feasible or desirable, a “common facility for cash” such as a single card for cash assistance used by several agencies can offer economies of scale and cost advantages. Such a common facility can also ensure that each organization maintains a separate and direct relationship with relevant financial service providers, upholding financial integrity and accountability. UNHCR and its partners are currently defining the parameters for such a common facility in Jordan. UNHCR’s CBI partners increasingly include both private and public financial institutions and service providers. UNHCR looks forward to engaging with these actors not only on a contractual basis at the country level, but also through sustainable technical partnerships.

IV. Conclusion

21. CBIs often provide a more effective way to assist refugees and other persons of concern, allowing individuals and households to determine their own needs and the best way to meet them. Well-designed and implemented, CBIs may promote peaceful co-existence with host communities, contribute to the local economy and yield additional protection benefits for refugees, IDPs and returnees.

22. UNHCR is working to strengthen the necessary policies, procedures, capacities and partnerships to ensure the systematic and expanded use of CBIs by its operations. The forthcoming strategic plan for CBIs will lay down a roadmap with concrete steps to achieve this goal. To ensure the success of these efforts, UNHCR will draw upon the flexibility, adaptability and creativity of its staff members, as well as the openness and engagement of partners, governments, the private sector and, of course, refugees and other persons of concern and the generous communities that host them.
