

**Introductory Remarks of Steven Corliss
Director of the Division of Programme Support & Management
Global programmes (EC/69/SC/CRP/16)**

69th Meeting of the Standing Committee

29 June 2017

Thank you, Madame Chairperson,

Distinguished Delegates, Ladies and Gentlemen,

It is a pleasure to appear before this 69th Meeting of the Standing Committee to introduce the update on cash-based interventions. Since my last presentation to the Committee in 2015, we have made significant progress toward the expanded and systematic use of cash in our global programmes.

At last year's session of the Executive Committee, the High Commissioner renewed UNHCR's commitment to "significantly scaling up" and "fully institutionalising" the use of cash by 2020. The *Policy on Cash-Based Interventions* and the five-year *UNHCR Strategy for the Institutionalisation of Cash-Based Interventions* – both released in December 2016 – have provided a framework and new momentum for these intensive, ongoing efforts.

UNHCR's Strategic Directions for 2017 to 2021 similarly reaffirmed the greater use of cash as a corporate priority. This work also takes forward implementation of the World Humanitarian Summit outcomes and our Grand Bargain commitments and contributes to the vision of the Comprehensive Refugee Response Framework.

During my intervention, I will complement the update before you by speaking to four key dimensions of cash-based interventions: first, the impact of cash in the lives of people; second, our expanding use of cash in UNHCR operations; third, our strengthened institutional support for cash to ensure facility, effectiveness and integrity; and our approach to partnerships on cash.

Let me begin where cash-based interventions matter most – ensuring protection and the dignity of people. Cash-based assistance allows people to make choices, set their own priorities and preserve their ability to spend and participate in the economy. Standard "one size fits all" packages of in-kind assistance will never perfectly match what families and individuals need most. With your strong and generous support and the skills capacities and engagement of our partners, UNHCR's cash assistance is having a clear positive impact in helping refugee families to meet their most critical needs.

In Jordan, for example, 99 percent of Syrian refugees monitored confirmed that cash assistance led to an improvement in their living conditions and a reduction of their financial burdens. This is very encouraging given the high levels of destitution among these refugees. More than nine out of every ten Syrian refugees in Lebanon live below the poverty line and four in five resort to negative coping strategies in response to family emergencies. This may include skipping meals, taking children out of school and begging.

A third of Syrian refugee households in Lebanon are headed by women and half of all refugees are children. Some suffer from war-related trauma and physical disabilities. The NGO Lebanon Cash Consortium has found that refugee caretakers who receive cash are more likely to enrol their children in school and that children attend school more consistently, while child labour is reduced.

UNHCR has used cash assistance to support survivors and those at risk of sexual and gender-based violence in the Democratic Republic of Congo, the Republic of Congo and Morocco. Cash has also improved protection for people with specific needs in Kenya, Morocco, Tunisia and South Africa, and covers the subsistence needs of unaccompanied children in Ethiopia, Sudan and Yemen.

Cash enables people to retain greater independence by managing their own resources and can serve as a vehicle for financial inclusion. The Bank of Zambia has taken an important, positive step forward by recognising refugee identity documents as valid for opening bank and mobile money accounts, which will give them access to financial services. We look forward to working with other governments, the private sector, UN agencies and NGOs to build upon such good practice.

In Egypt and Costa Rica, through the Graduation Approach, we provide regular and time-bound cash transfers to the most vulnerable refugee households to enable them to meet basic needs. In parallel, we help them develop sustainable livelihoods, including enhancing their entrepreneurial skills through training, transferring productive assets to them and developing their ability to save money, which builds resilience.

Linking humanitarian cash to national social “safety net” programmes is an increasingly important dimension of our institutionalisation strategy and efforts to expand the use of cash. This allows for a more integrated approach to targeting the most vulnerable and may also serve as a pathway toward longer-term sustainability. In Brazil, for example, the government extends a cash allowance to poor families hosting refugees with the parallel objectives of reducing poverty, keeping children in school and promoting access to health care.

Finally, we are very conscious that well-designed and well-managed cash assistance programmes can also help build protection space. When refugees shop in local markets, they help stimulate the economy. This gives the host community a stake in their presence and helps to improve the environment for asylum.

Let me next update you on the expanding use of cash in UNHCR’s global operations. In 2016, UNHCR provided USD 688 million in cash assistance to vulnerable refugees in 60 countries – up from USD 325 million in 2015. Last year, for the first time, we delivered more cash than in-kind assistance. With this tremendous growth, UNHCR has already achieved its Grand Bargain commitment of doubling the use of cash as a proportion of assistance.

Having said this, we have to recognise that the Syria and Afghanistan situations accounted for most of the increase and the overall volume. Going forward, we are focusing on expanding the use of cash in other regions and in smaller operations where implementation can be more challenging. Our objective is to ensure that all UNHCR operations can opt for cash, whenever appropriate.

UNHCR currently uses cash for a wide range of purposes, including meeting basic needs, strengthening protection, supporting return and facilitating access to essential services. Most cash assistance took the form of unrestricted multi-purpose grants that give refugee families maximum freedom of choice. In fact, UNHCR now delivers more cash than any other humanitarian agency, with vouchers representing less than 1 percent of our cash-based interventions overall.

Let me also be very clear that cash is not a panacea or the right choice in every situation. Cash cannot always replace in-kind assistance. Importantly, more than half of UNHCR’s operational budget supports essential services, such as health care and education. Such support to government institutions and local and community actors, as well as much of UNHCR’s protection work, cannot be replaced with a cash grant.

Maximising the opportunities presented by cash requires solid institutional support and important changes to our internal policies, procedures, systems, tools and capacities. Through the *UNHCR Strategy for the Institutionalisation of Cash-Based Interventions*, we are mainstreaming cash assistance and making the organisation “fit for purpose” at all levels and in all functions. This represents an important strategic investment.

Allow me to provide a few examples of areas where we are making progress. Giving people the knowledge and skills they need is obviously crucial. By the end of 2017, we will have trained 2,000 UNHCR staff members and colleagues from partner organisations. Our goal is to ensure that at least half of all UNHCR staff members receive training by 2020. UNHCR’s training programmes are based on newly-developed materials and learning programmes. We have also introduced cash components into a wide range of corporate training programmes.

Ensuring effective financial control and accountability is also a key priority. Last year, we strengthened the financial control framework for cash, incorporating effective measures to guard against risks, which we are currently introducing in the field. We developed the framework based upon an end-to-end review of our largest cash operations, with the objective of further strengthening financial safeguards for implementing cash at large scale.

We are also ensuring the traceability and tracking of cash assistance – with due attention to data protection considerations – through our new cash assistance management system, which we call *CashAssist*. UNHCR developed and deployed *CashAssist* to the Greece operation, and we plan to introduce the new system in twenty large cash operations by the end of 2018. *CashAssist* is fully integrated with *proGres*, UNHCR’s registration and case management system, and links with financial service providers to provide an end-to-end view of cash delivery.

UNHCR’s systematic registration and case management work provide crucial insight into who people are, where they are and what they need. Our biometric identity management tools – BIMS and *IrisGuard* – also allow us to verify that the right person is receiving protection and assistance. Working together – and with *CashAssist* – they provide an essential foundation for delivering cash efficiently, effectively and with integrity. We are complementing these systems with a solid monitoring framework for cash assistance, including strengthened post-distribution monitoring.

We are realising the efficiency gains and reduced costs that cash can offer in comparison with in-kind assistance. A recent study of our three largest cash operations – Jordan, Lebanon and Afghanistan – found that between 88 and 93 cents of each dollar went directly to people of concern. The study also highlighted, however, that the cost of delivering cash will vary with the size and maturity of the programme, with new operations requiring larger initial investments.

We are also exploring how to expand the use of cash into a broader range of programmatic areas. Most current knowledge concerns the use of cash to meet food security needs. We believe that the humanitarian community must move beyond this limited scope and learn more about the use of cash for other purposes. In 2016, we undertook research on the introduction of cash to meet health and WASH needs. This year, our focus is on the contribution that multi-purpose grants can make toward achieving outcomes in technical areas, such as shelter, as well as the impacts of multi-purpose grants and conditional cash transfers on refugee health, including mental health.

Let me now highlight our work with partners. UNHCR promotes collaborative and common delivery approaches for cash transfers that maximise efficiency and predictability, ensure effective coordination, leverage the expertise of all partners and maximise economies of scale. We place private sector service providers at the centre of cash delivery, which allows us and our partners to benefit from the most innovative and cost effective solutions available.

Through the Common Cash Facility established by UNHCR in Jordan, nine organisations are sharing cash transfer services through a payment platform managed by a bank and available to all partners on the same terms and conditions. Combining forces increases the volume of cash flowing through the Facility and allows all participating agencies to achieve economies of scale. As a result, bank fees have fallen from 5 percent to only 1.67 percent.

UNHCR's objective is to create a discipline around standards for humanitarian cash transfers so that private sector services secured by one agency or jointly are available to all partners on an equal basis. UNHCR commissioned the Cash Learning Partnership (CaLP) to review the Common Cash Facility in Jordan, which concluded that the approach has strong potential for replication in other contexts. CaLP found that the Facility is secure, efficient and innovative and has resulted in improved efficiency, accountability and coordination of cash assistance, while also reducing duplication.

Last month, the High Commissioner and the new Executive Director of the World Food Programme signed an Addendum on Cash Assistance for Refugees to the global memorandum of understanding between our organisations. The Addendum signals our commitment to collaboration and coordination, pursuing joint analysis and assessment and using shared delivery systems, including through joint procurement of financial services. We are keen to have other key partners, such as UNICEF, join us in adopting the principles and approaches set out in the new agreement.

Before closing, I would like to express my appreciation to the governments that support our move toward the greater use of cash. UNHCR has benefited from a continuing – sometimes intensive – dialogue on how best to realise the full potential of cash, including efficiency gains, while ensuring that our programmes serve and remain fundamentally focused on protection outcomes.

Going forward, UNHCR will continue to promote and advocate for the common cash approach, which we see as the best way to remain people-centred and protection-oriented, retain the skills and capacities of our partners – who will continue to be an essential interface with the people we protect and assist – and leverage the possibilities offered by engagement with the private sector.

Madame Chairperson, let me conclude here. I hope that my remarks have given the Committee a sense of our strategic orientation and the progress we are making toward the expanded and systematic use of cash in UNHCR's global programmes.

As always, I look forward to hearing the Committee's views and answering any questions that you may have, together with my colleague Mr. Mehdiabadi.

Thank you.