

Cash and Sustainable Responses

Geneva, October 2024

This paper provides key actions for **CBI** to contribute to the **sustainable responses' objectives**, building on opportunities with using cash early on in a response, and strengthening resilience to shocks. It recognizes that providing assistance is a core mandate of UNHCR and any downscaling will take significant time and must be done responsibly. [UNHCR's CBI Policy 2022-2026](#) commits the agency to leverage CBI to enhance opportunities for “*leaving no one behind*” through different approaches, including the “*why not cash approach*”. **The use of CBI can enhance the Sustainable Responses' objectives through the following ways. UNHCR will:**

- **Leverage cash** as a vehicle for *digital payments and financial inclusion*;
- **Promote the use of cash** for *access to national services*;
- **Leverage cash and CBI staff**, as an entry point to *Social Protection*;
- **Use** well-designed **MPCA** to increase *protection, purchasing power, resilience and self-reliance*;
- **Support cash** for *return and social cohesion*;
- **Promote cash** through *local sustainable arrangements*;
- **Use cash** to *save costs and contribute to local economies and development*;
- **Transition responsibly** from some of the cash assistance when *viable exit strategies* are in place.

Leveraging cash as a vehicle for digital payments and financial inclusion

UNHCR is increasingly [leveraging cash to promote financial inclusion](#) and has facilitated FDPs' access to formal bank and mobile money accounts. In 2023, some 5 million persons of concern assisted by UNHCR with cash, accessed digital payments with over 30% in their own bank or mobile money accounts. More emphasis will be put on women to ensure their equal access to accounts.

Cash as a vehicle for financial inclusion in Jordan

UNHCR Jordan uses mobile wallets to streamline the delivery of its multipurpose cash, but more importantly, to build a foundation for expanding refugee access and usage of financial services and products for more independent financial decision-making. As the mobile wallets are refugee owned, they provide a safe place to save and store their money, pay their bills, send/receive money, and make purchases, when and where they want. Refugee trust in the product has been building over time, with more and more refugees using the wallets as financial planning tools. Refugees are now one of six priority groups under the government of Jordan's 2023-2028 National Financial Inclusion Strategy thanks to the close work with the Central Bank of Jordan to increase the variety of financial services and products available to refugees and their access to other affordable financial services and products, such as credit. This approach will significantly increase their resilience and facilitate investment in their futures.

UNHCR ACTIONS

- Address challenges around legal and regulatory requirements mandating an individual's ID to be authenticated before accessing a mobile connection, bank or mobile money account. This includes advocate consistently with entities that decide on Know Your Customer requirements and financial inclusion regulations, including Central Banks, National Telecommunication Agencies and Legal ID Authorities, using the CBI guidance [Cash Assistance and Access to Formal Financial Services](#). Engage with financial service providers in innovative approaches to inclusive delivery systems.
- Support the development of new financial products (to be reflected in the [SoPs](#)) and pursue digital transfer mechanisms whenever possible when contracting Financial Service Providers.
- Share learning based on numerous good practices on cash and financial inclusion, including on access to transitional accounts for FDPs and mapping of legal frameworks.
- Implement the upcoming document: *Increasing opportunities for women to become cash recipient on behalf of the household – A Core Commitment*. Investing in women will generate positive results on the household and the economy furthering opportunities for FDP resilience and self-reliance.
- Working closer with financial inclusion staff so to leverage the cash-related accounts to enhance access to a broader range of financial services, such as credit and insurance.

Cash assistance in Uganda: an infusion to inclusion

In Uganda, cash assistance goes beyond mere survival; it is an entry point to financial and digital inclusion for refugees, making it a crucial element of their protection, self-reliance, and resilience. By June 2024, UNHCR, WFP, and 20 other partners had provided cash to over 1M refugees, with 78% receiving funds through refugee-owned bank accounts and 22% via refugee-owned mobile money accounts. This digital delivery is made possible by a favorable KYC policy, which the Government has progressively expanded over the years, thanks to concerted advocacy efforts by UNHCR, the Cash Working Group (CWG), and other humanitarian cash actors. In 2023, refugees were identified as a special group of interest in the latest five-year National Financial Inclusion Strategy issued by the Bank of Uganda. Many refugees receiving CBI also benefit from financial literacy training, equipping them with the skills to be financially active. In 2023, the CWG, in collaboration with the Bank of Uganda, developed minimum standards for financial literacy trainings. While Financial Service Providers are increasing their presence in the settlements, the CWG is also advocating for more established providers to join this initiative, diversify their services, and place a stronger emphasis on women's financial inclusion.

Promote the use of cash for access to national services

Cash for documentation results in increased access to any type of national services. Access to cash also helps FDPs to access national services, ie. legal/ protection, health, livelihoods and education.

Cash: an enabler for access to national protection services in the Ukraine Crisis

In the surrounding countries of Ukraine, UNHCR used cash as an enabler for protection through rapidly opening community-based centers where Ukrainians were enrolled for cash assistance. This is where UNHCR did most of its protection work. Refugees came for cash but ended up being referred to national protection mechanisms, seeing mental health experts; it was where child protection, GBV risks, or other protection challenges were addressed. Ukrainians also used the cash for documentation and fees to access other services.

UNHCR ACTIONS

- Continue the use of cash for documentation along with complementary support.
- Promote the use of cash for accessing national services and draw on existing resources ([health](#), [education](#), [housing](#), protection) along with the recent collection of good practices on [WASH](#), [Education](#) and [Health](#) documenting inspiring examples in **Burkina Faso, DRC, Kenya, Chad, Morocco, Turkey, Egypt, Costa Rica, Egypt, Iraq, Mexico and Peru**.
- Use cash as an enabler for referral to national services.

Cash expands access to national health care services

UNHCR's goal is for FDPs to have access to health services. In line with the global compact on refugees, UNHCR maximizes opportunities to integrate refugees into the national public health system. CBI can play an important role in achieving this goal. CBIs can increase access to, and utilization of health services by reducing financial barriers. However, CBI has some limitations; it cannot remedy the lack of, or poorly functioning health services, or tackle systemic issues. It can be an appropriate tool to complement efforts to strengthen national health systems and enable integration of refugees into the national health system. Expanding access to health services for refugees often requires a combination of complementary interventions, and there are different supply-side and demand-side response options where CBI can contribute to health outcomes. See good practices from **Costa Rica, Egypt, Iraq, Mexico and Peru** [here](#).

Leverage cash and CBI staff as an entry point to Social Protection

Cash is often an entry points to social protection, either through leveraging data used for cash for assessment or inclusion in social registries/ joint targeting, provision of common payment platforms (social assistance/ UNHCR CBI), discussion on eligibility or overall alignment through transitional cash opening further inclusion opportunities, and international funding available for inclusion. CBI staff are often the ones working with the relevant ministries and task forces on social protection inclusion.

CBI as a pathway for refugee inclusion in social protection in Iraq

UNHCR Iraq assists 32,000 refugees with monthly MPCA, totalling \$20 million annually. The MPCA is a cornerstone of UNHCR's strategy to integrate refugees in the social protection framework and advance collaboration with both government and development partners. In addition to direct financial assistance, MPCA is a critical entry point for engaging with national social protection actors and development donors. By aligning the MPCA with the government social safety nets (SSNs), UNHCR wants a pathway for FDPs to transition from humanitarian aid to more sustainable, government-led support mechanisms. The CBI team actively participates in the Targeting Working Group alongside government counterparts, ensuring that methodologies and transfer values are consistent with that of the SSN. Such alignment strengthens UNHCR's advocacy for the inclusion of refugees in the SSN supporting households below the poverty line. By leveraging MPCA, UNHCR seeks to bridge the gap between humanitarian cash and national social protection, driving long-term solutions for refugees. In the Kurdistan Region of Iraq (KRG), the MPCA is also central to our efforts to ensure that refugees are assessed and eligible for support on equal footing with Kurdish Iraqis.

UNHCR ACTIONS

- Maximize opportunities and existing collaboration stemming from the cash assistance to engage in relevant social protection fora and leverage existing cash partnerships.
- When implementing, use the guidance: [Aligning Humanitarian Cash Assistance with National Social Safety Nets in Refugee Settings - Key Considerations and Learning](#).
- Work towards a change in government frameworks relevant to inclusion, including by implementing the new Social Protection Strategy, technical guidance, partnerships and tools.
- Build more capacity on cash and social protection among senior, CBI, livelihoods and SDO staff, and improve collaboration through a Multi-Functional Team approach.
- Document and share good practices on cash and social protection.
- Work with CBI staff who can provide strategic support on alignment, targeting and inclusion in relation to social protection, and provide technical assistance to host governments.
- Support the establishment of shock-responsive Social Safety Nets, including for refugees.
- Leverage UNHCR's lead role in CWGs to promote the inclusion of non-nationals in social protection-related work, promoting harmonized approaches.

Drought cash as entry point for refugees in social protection in Zambia

For effective implementation of cash assistance both for the current flood emergency and for long-term UNHCR initiatives beyond 2024, UNHCR Zambia has designed a cash intervention through a Partnership Agreement with the Ministry of Community Development and Social Services (MCDSS). It keeps some scale of UNHCR direct Implementation, while the partnership agreement is being discussed and finalized. The operation has been using direct implementation for its ongoing targeted CBI for persons with specific needs, and has a standing agreement with a financial service provider. Engaging MCDSS as a partner will not only ensure consistency in the drought response but also help advance UNHCR's strategic direction for refugee inclusion in the national social protection programme.

Use well-designed MPCA to increase protection, purchasing power, resilience and self-reliance

Well-designed MPCA can help families to mitigate protection risks while moving into sustainable livelihoods and resilience (here we do not mean traditional cash for livelihoods activities).

UNHCR's comparative advantage with MPCA is protection dividends whereby cash is an important component in facilitating case management, referrals, outreach, and overall delivery of protection services. UNHCR's CBI is often the basis for updated enrolment and assessment data, furthering data quality and evidence to be used for inclusion purposes. CBI also strengthens our protection space, outcomes and credibility, both when using cash for basic needs or directly for protection purpose.

Even short-term cash transfer programs can drive longer-term impacts

USAID Direct Monetary Transfers Position Paper: Quote "while scarcity can help people focus on costs and benefits, it can also cause stress that shifts attention and steals cognitive bandwidth." This research helps to explain how even short-term transfers can drive longer-term impacts on household well-being. Transfers help people meet basic needs, and in doing so they can also free up mental space to invest in businesses, education, or other opportunities that generate longer-term gain.

In line with [UNHCR Focus Area Strategic Plan for Climate Action 2024-30](#), CBI plays a key role in helping FDPs affected by climate shocks to be protected and resilient – through improved shock-responsive, climate-adaptive social protection, anticipatory action and humanitarian cash assistance. UNHCR is increasingly using cash to build FDPs’ resilience in the event of climate shocks and stresses.

UNHCR ACTIONS

- Forge closer collaboration between SDOs, livelihoods, sectors and cash staff to leverage UNHCR’s basic needs cash and CBI staff engagement with Ministries, in work with development actors, private sector, governments and private sector on livelihoods opportunities. CBI SoPs to reflect this approach from the start.
- Promote the use of cash in the context of livelihoods opportunities, such as land.
- Ensure well-designed MPCA whereby the assistance is not symbolic (low transfer value in favor of large number of people) or too proliferated (introducing multiple CBI).
- Implement [UNHCR’s Approach and Definition to Cash and Protection](#).
- Promote cross-fertilization of good practices on [Livelihoods and Economic Inclusion](#) from **Brazil, Colombia, Mauritania and Mozambique**.
- Promote the use of CBI to help FDPs to have improved physical and economic means to prepare, withstand, recover and be protected from the impacts of climate change.

Support Cash for Return and Social Cohesion

Cash assistance in UNHCR has long been used in the context of refugee return. Since 2016, UNHCR has transferred hundreds of million in cash to assist returning refugees and IDPs. The use of cash reduces logistics overheads associated with in-kind repatriation assistance packages, while also ensuring that returnees have resources available to rebuild their lives and livelihoods, make their own choices and stimulate the local economy in the areas of return. When FDPs shop in the local markets and use local traders, social cohesion improves.

Cash Assistance impact on Returning Afghan Refugees

The recent [“More Is Better : Evaluating the Impact of a Variation in Cash Assistance on the Reintegration Outcomes of Returning Afghan Refugees \(worldbank.org\)”](#) provides new evidence on the effects of cash transfers on refugee reintegration and show that larger cash transfers can have a large and long-term impact following refugees’ return. Data and post-return monitoring data on Afghan refugees returning from Pakistan suggest that more than 16 months after their return, returnees who received a larger cash allowance of \$350 per returnee—equivalent to 2.5 times the average annual pre-return annual income—were better off than those who received \$150. Recipients of the \$350 cash assistance were more likely to invest in durable assets, such as a house or land (17%); recipients of the \$150 cash allowance were more likely to use the assistance for immediate food consumption needs (40 % difference). Households that received \$350 per returnee were significantly more likely to have been issued legal documentation for their household members.

UNHCR ACTIONS

- Continue using cash in the context of return as opposed to in-kind, not only because it is the preferred modality of FDPs but significantly more cost-efficient.

- Support set up and implementation of cash transfer approaches and mechanisms for return through [existing guidance](#).
- Promote targeting of a % of host communities with the cash to promote social cohesion and inclusion in communities.

Promote Cash through Local Sustainable Arrangement

Cash assistance is provided through close collaboration with national financial service providers to avoid parallel systems; this also enhances collaboration with the private sector while increasing opportunities for digital financial inclusion – see above. To achieve sustainable arrangements for cash coordination, UNHCR aims more and more to have local actors as co-chairs of Cash Working Groups.

UNHCR ACTIONS

- Continue supporting partnership and capacity-building of the [private sector](#) (for example the use of the CoC) to enhance FDP integration in financial services.
- Continue promoting the onboarding of local co-chairs of CWGs with a view to ensure sustainable cash coordination arrangements.

Working towards sustainable cash coordination arrangements

During the transition to the new cash coordination model, 83% of Cash Working Groups in refugee settings have onboarded a local co-chair. This requires investment in mentoring and capacity-building. In Poland, this has resulted in a gradual handover of responsibility and a withdrawal of UNHCR as co-chair.

Use cash to save costs and contribute to local economies and development

Cash is the most cost-efficient modality in UNHCR, some 40% cheaper than delivering in-kind. Cash assistance also boosts local economies by increasing purchases, production, and by creating new businesses and employment opportunities.

CBI – a multiplier effect in Yemen, Zimbabwe and Malawi

A pilot study by the Cash Consortium in Yemen measuring the multiplier effect of MPCA in Yemen indicates that every US dollar (USD) of MPCA distributed in Ad-Dali is estimated to generate USD 2.56 of economic activity, and USD 2.29 of economic activity in Ja'ar. Similar studies in Zimbabwe and Malawi found a multiplier effect ranging between 2.02 and 2.59.

UNHCR ACTIONS

- Implement the “**Why not Cash Approach**”, including in emergencies but also as part of on-going on longer-term programming.

Transition responsibly from some of the cash assistance when viable exit strategies are in place

Providing assistance to FDPs is a core mandate of UNHCR. Downscaling assistance should only take place when viable exit options exist (e.g. government actually includes refugees in social protection). Such downscaling should be carefully assessed and planned, and due consideration must be given to existing vulnerabilities (economic / protection risks), funding opportunities (donors interest, development proposal, communication materials) and mapping/discussing with other agencies/organizations to assist instead of us. Quality data and evidence must be in place to avoid doing harm.

UNHCR ACTIONS

- Ensure to have quality data on FDP's situation, including socio-economic vulnerability, protection risks and mid- and long-term solutions opportunities.
- Based on data and evidence, develop a mid- and long-term and responsible strategy for the downscaling of assistance, including elements such as, vulnerability of the population, protection environment, access to national services, level of self-reliance etc.

Responsibly transitioning from emergency cash in Moldova

A UNHCR launched MPCA in response to the Ukraine crisis. Since then, it has provided CBI to some 130,000 individuals. In mid-2023, UNHCR and partners, including the Ministry of Labour and Social Protection (MoLSP), introduced several strategic and programmatic changes to ensure the sustainability of the program through paving the way for transition to refugees' inclusion to national safety nets (SSN) and to enhance the CBI impact. The approach reflects the evolving humanitarian landscape, where resource constraints demand innovative solutions to balance the needs of displaced populations with available funds. The strategic changes represent a decisive shift toward enhancing efficiency, accountability, and targeting accuracy in the MPCA. By adopting the Common Cash Facility approach, linking assistance to legal status, and refining the targeting methodology, UNHCR optimized its resources to ensure that cash support reached those most in need. The inclusion of a reconsideration process for assistance further strengthened the program's commitment to fairness, giving ineligible households an opportunity to appeal their status, ensuring that no vulnerable group was left without the chance to be considered. Meanwhile, UNHCR has with MoLSP developed a plan for inclusion of refugees in national SSN.

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