

Multi-Purpose Cash and Sectoral Outcomes

A Review of Evidence and Learning

EXECUTIVE SUMMARY

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Paul Harvey and Sara Pavanello

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Advisory Board: Paul Spiegel – John Hopkins University; Jake Zarins – Habitat for Humanity; Pamela Eser – UNCDF; Peter Hailey – Center for Humanitarian Change; Francesca Battistin – Save the Children; Jenny Lamb – Oxfam/UNICEF; Tomas Declercq – UNEP-OCHA Joint Environment Unit; Prajna Khanna – Phillips Lighting Foundation; Dale Buscher – Women Refugee Commission; Volker Schimmel, Astrid de Valon, Annika Sjoberg – UNHCR.



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Growing attention to multi-purpose cash offers an exciting opportunity to redress a long-standing shortcoming of humanitarian response. There is a need to better understand and respond to crisis-affected people in a more holistic and coherent way, going beyond sectors to bring the emphasis back to how people live and perceive and prioritize their needs. Multi-purpose cash opens up possibilities for enhanced collaboration among technical sectors and between cash and sector experts. Sectoral expertise should be more adequately represented in multi-sectoral assessments, design, implementation and monitoring of multi-purpose cash.



Multi-purpose cash makes up the largest proportion of cash-based interventions implemented by UNHCR, but there is scope for further upscaling in displacement settings. This report sets out evidence and learning on the sectoral outcomes of multi-purpose cash, drawing on a literature review, key informant interviews and case studies from Greece and Afghanistan. As ample evidence of the past ten years demonstrates, cash is an important part of the humanitarian toolbox that can allow people to meet their basic needs effectively and with dignity. However, evidence is lacking on how far multi-purpose cash contributes to sectoral outcomes in health, WASH, shelter, food security and nutrition, education, livelihoods, energy and environment programming, and how sectoral interventions should include multi-purpose cash along with other activities to best reach intended sectoral outcomes that contribute to protection. This report helps address this gap.

Key Findings

Multi-purpose cash has positive outcomes, including in sectors beyond food security:

There is strong evidence for the positive impact of multi-purpose cash in relation to nutrition, food security and livelihoods. Whilst the evidence is weaker for WASH, health, education, shelter, and the energy and environment sectors, it is clear that people do put the cash assistance to use in such areas, for instance on improving their access to water, sanitation, health care and education. How people use cash is context specific, but it is usually spent according to a hierarchy of needs – most immediate needs first (food, basic shelter, primary or emergency health care) and other needs later (investments in livelihoods, secondary and tertiary health care, less essential goods).

Value, frequency, duration and seasonality affect the outcomes of multi-purpose cash:

The bigger the transfer the more impacts across sectors. Evidence from social transfers indicates that, simply put, “bigger transfers equal bigger impacts” (Devereux and Sabates-Wheeler, 2015: 7). Frequency, duration and seasonality (such as cash at the beginning of the school year, or for winterization) matter for outcomes. More evidence is needed on the right balance of small regular grants and larger one-off payments. Transparency on the duration of transfers is important. If people know for how long they will receive a regular grant they are better able to plan and budget how to use it.

Multi-purpose cash may meet cross-sectoral needs efficiently and effectively:

The provision of one grant that covers multiple sectors rather than several sector-specific grants can be more efficient and effective in meeting a wide range of needs. It can also foster greater flexibility and choice in ways that enable people to decide what to prioritize. Multi-purpose cash may also have multiplier effects in local economies and offer opportunities to promote longer-term financial inclusion and social protection.

Limitations of Multi-Purpose Cash

Protection and sector-specific programming remains essential: The evidence overwhelmingly indicates that cash is not the only form of assistance needed. Support for protection and sector-specific programming will remain vital for the supply of quality services and goods to affected populations, including displaced groups, and for the technical knowledge, training and behaviour change needed to achieve particular outcomes.

Multi-purpose cash cannot tackle systemic issues: Cash injections at the individual or household level are simply unable to tackle systemic issues around quality of service provision. Nor they can address legal and policy issues that often constrain livelihoods or access to services, particularly for refugees, such as the right to work or access to national health and education systems. Multi-purpose cash is also no substitute for technical skills and support, for instance to ensure that water is clean and safe, shelters are fit for purpose, and environmental risks are taken into account. Cash alone cannot address critical protection concerns related to marginalization, exclusion and rights violations, and is no substitute for the human resources needed to support case management approaches.

Inadequate multi-purpose cash value limits outcomes: Multi-purpose cash is usually calculated as a contribution to a Minimum Expenditure Basket (MEB), which represents the absolute minimum needed to survive and keep an individual or family from destitution and poverty. Multi-purpose cash is often too small to contribute much to outcomes across multiple sectors. There is therefore a need for realism around multiple sector outcomes that can be achieved through multi-purpose cash assistance, especially when the amount and duration of assistance are limited, as is often the case, because of funding or other constraints.

Minimum standards must be adhered to: Minimum standards in the technical areas should guide the interventions, including those provided through cash assistance. As with other forms of assistance, cash is not always appropriate and its use should always be a context-specific judgement based on sound response analysis. There may be public health arguments for not trusting people's own priorities, and for complementing general cash assistance with particular sector-specific investments to address public health risks (such as access to clean water).



Going Forward

Consider the best combination of multi-purpose cash and sectoral activities: There is huge scope for greater complementarity between cash and sector-specific programming in ways that can create synergistic impacts. In order to take better advantage of these opportunities, cash and sector specialists need to collaborate constructively and strategically to explore ways in which cash can best contribute to sectoral outcomes in conjunction with other forms of support. While the evidence base supports strategic complementarity in programming, the greater evidence challenge lies in more rigorously testing and examining what types and sequencing of interventions work best together, and what combinations of assistance can create synergistic impacts.

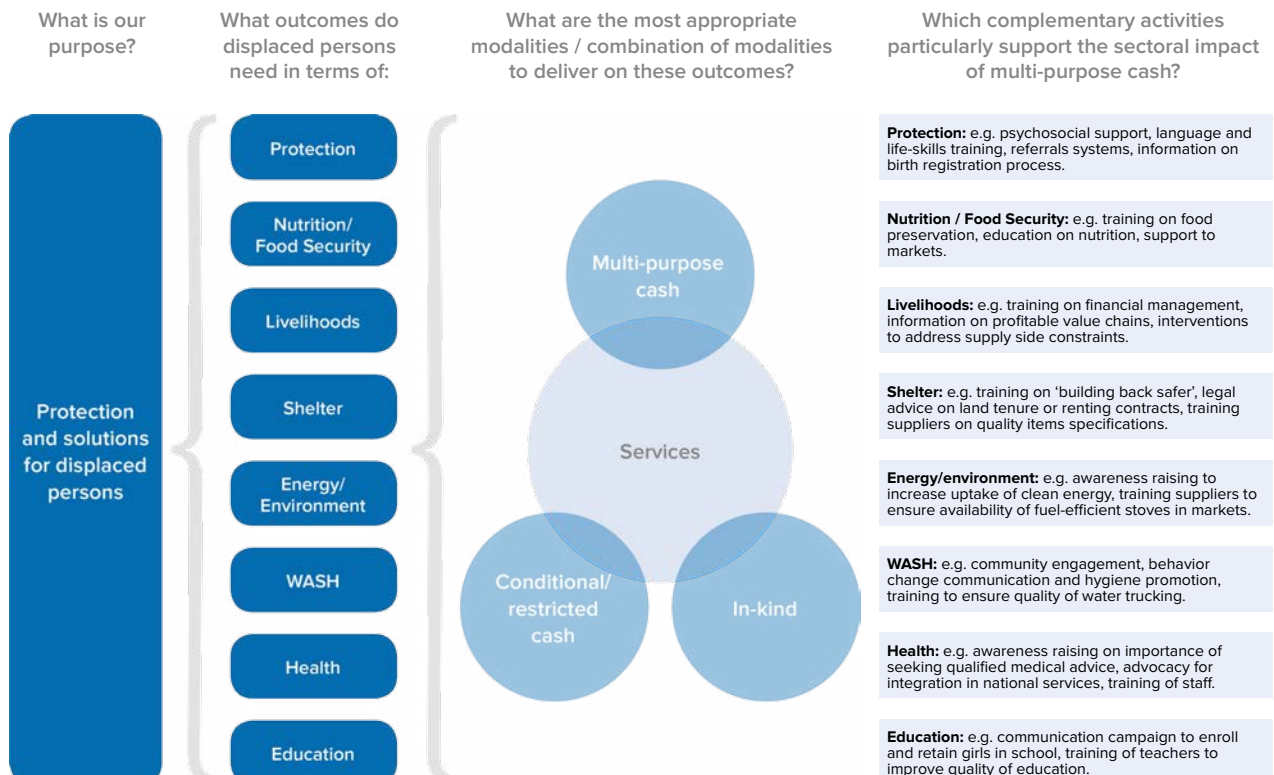
Sector engagement throughout the cash programme cycle is critical: Multi-purpose cash should also be seen as an opportunity for enhanced collaboration, both among technical sectors and between cash and technical sector experts. This is critical to ensure that existing

approaches to multi-purpose cash respond to the specific needs of each sector, and that sectoral expertise is adequately represented in multi-sectoral assessments, response analysis, design, implementation and monitoring of multi-purpose cash. The [Basic Needs Approach in the Refugee Response](#) and the [UNHCR Market Assessment: Companion Guide and Toolkit](#) provide useful platforms for holistic programming and strengthened and coordinated sector engagement.

Complementarity in programming:

The consideration of ‘complementarity’ in programming is distinct from ‘cash plus’, which can imply cash interventions as the starting point. Whilst there is a current trend towards exploring ‘cash plus’ approaches, UNHCR sees services, cash and in-kind as core businesses that complement each other to deliver on sectoral outcomes without one modality being subordinate to another. This is also the approach to complementary interventions adopted in this report.

UNHCR core business to deliver protection and solutions for displaced persons



Multi-purpose cash can increase the reach of sector activities: Multi-purpose cash transfer programmes may provide opportunities to increase the reach of sector-specific activities; for example, the inclusion of behaviour-change communication activities when people are registered at pay-points and during monitoring. There may also be opportunities to layer and integrate sector-specific programming into multi-purpose cash. For instance, case management and referral systems can use single registries and programme monitoring as key entry points, building on experience from social protection systems.

Measuring outcomes across sectors: Across humanitarian action there has been a long history of poor monitoring of activities and outputs, and thus an insufficient understanding of outcomes. Cash and particularly multi-purpose cash can enable a shift to better monitoring of outcomes across sectors. The question we should be asking is what is needed to help people achieve better standards of living in a given context? Are people food secure, living in safe accommodation and a healthy environment, able to access clean water and health care, and can they keep their children in school? The impact of multi-purpose cash should not be measured in isolation and should instead focus on what combinations of assistance and modalities can create synergistic impacts.

Integrate multi-purpose cash into an overall protection approach: Protection needs to be seen as a cross-cutting issue and protection outcomes need to be considered across all sectors. Multi-purpose cash can have positive protection outcomes within specific sectors, but also for cross-cutting issues such as gender, age and disability. Multi-purpose cash programmes need to be integrated into an overall protection approach, which remains the core of UNHCR's work. Analysis and mitigation of protection risks should be mainstreamed in the design and implementation of multi-purpose cash and attention should be given to risks of exclusion and discrimination. There is scope for greater complementarity between multi-purpose cash and protection programming and services to maximize positive protection outcomes and reduce risks.



Key Findings: Sectors

Shelter

- In some contexts a significant part of multi-purpose cash is spent on shelter needs, particularly for rent, but multi-purpose cash are often too small to cover shelter needs adequately.
- Shelter sector specialists fear that multi-purpose cash used for shelter could result in people living in sub-standard accommodation or continuing to live in unsafe buildings, or experiencing other environmental risks and a lack of technical support; although there is some evidence that this is taking place, more research is needed.
- Complementarity between cash and other forms of shelter programming – including in-kind assistance, technical support, work on the supply of adequate housing and advocacy on refugee rights – is needed to meet shelter outcomes.
- In Greece, the urban accommodation scheme has faced huge implementation challenges, including finding safe, affordable buildings in relatively central urban areas, and xenophobic attitudes in some municipalities. In non-European humanitarian contexts, where multi-purpose cash assistance is most often delivered, these implementation difficulties are likely to be amplified.
- In Afghanistan, the repatriation cash grant has made important contributions to shelter needs, enabling returnee beneficiaries to rent a home, buy land and/or construct houses. However, weak security of tenure and poor quality of shelter indicate the difficulties of ensuring quality of shelter outcomes with multi-purpose cash only, without complementary legal, technical or in-kind support.

WASH

- Little evidence exists on the effectiveness of multi-purpose cash in delivering WASH outcomes – access to water, sanitation and hygiene – in humanitarian contexts.
- There is some evidence that part of the multi-purpose cash is spent on water, sanitation and hygiene in ways that may contribute to desired outcomes.
- Cash transfers are not able (or designed) to substitute for the ‘software’ side of WASH programming, such as community mobilization, design and training in the use of WASH hardware, behaviour change communication and hygiene promotion. A mix of modalities and technical support has the greatest potential for meeting WASH outcomes.
- Risks need to be mitigated where multi-purpose cash may be used to purchase poor quality water, or water that is not subsequently treated, or used to build/maintain substandard latrines; or where cash use may present other public health risks or negative environmental consequences.
- In Greece, baby diapers and lice shampoo were the two main recurrent and occasional hygiene expenditures met in part or fully with the multi-purpose cash.
- In Afghanistan, a small part of the repatriation cash grant was used in some returnee households to address the specific hygiene needs of women and girls.
- UNHCR has developed some guidance in this area, including: [Cash-Based Interventions for WASH Programmes in Refugee Settings](#) as well as checklists such as Cash for Latrines, in collaboration with the Global WASH Cluster.



Health

- There is substantial evidence from development contexts that unconditional cash can have a positive impact on health outcomes, but evidence from multi-purpose cash in humanitarian crises is limited.
- Part of multi-purpose cash is spent on health care costs, such as transport to and from health facilities, and private health care.
- Multi-purpose cash is no substitute for a focus on improving the quality of health systems, on integrating refugees into national systems and on sustainable solutions to health care financing.
- There is scope for health sector specialists to engage more with cash to inform MEB calculations and to understand how cash is used for health care costs.
- Despite legal provisions that allow refugees and others of concern free access to the public primary health care system in Greece, supply and demand barriers make access an ongoing challenge: health personnel are not always aware of the legal framework, and without interpreters persons of concern find it difficult to interact with health providers.
- In Afghanistan, findings do not point to health as a widespread expenditure among returnees, and only a very small number reported having used the bulk of cash to address health needs. Mechanisms to identify vulnerable returnees, including those with serious medical conditions, are in place but some may be falling through the cracks. The difficulties associated with tracking returnees and the pattern of secondary displacement may be among the reasons.
- UNHCR has gathered some knowledge in this area, including [Cash-based interventions for health programmes in Refugee Settings: A Review](#) and [Cash for Health: Key learnings from a cash for health intervention in Jordan](#)

Education

- Cash transfers can play a role in promoting positive education outcomes through multiple pathways, from helping with direct costs (fees, uniforms, transport) to addressing barriers which keep children out of school (such as improving children’s nutrition and reducing child labour).
- Evidence of the impact of multi-purpose cash on education in humanitarian settings is limited; what evidence does exist (from Lebanon and Jordan) is positive although in these locations is related only to the duration of the assistance.
- Cash can contribute to meeting costs for education but is no substitute for support to improve the quality of education and addressing barriers of access, such as refugee exclusion from national education systems or access to accredited examinations.



- For example, despite legal provisions that allow refugees free access to the education system in Greece, indirect costs are a barrier of access, such as buying new clothes and providing children with lunch money. Recently, the Greek Ministry of Education, in cooperation with UNHCR and other agencies, established free preparatory classes for refugee children living in urban settings with a view to integrating them into public schools. However, there remain gaps around provision of pre-school education, senior secondary education (for youth over 15 years old), higher education and vocational training.
- In Afghanistan, distances children have to travel to their nearest public school and entrenched gender norms were key barriers to access, which the repatriation cash grant was unable to redress. The inclusion of returnee children in the education system was also hampered by a lengthy and expensive process that made recognition of school certificates extremely difficult to attain.

- UNHCR recently launched [Cash for education: A global review of UNHCR programs in refugee settings](#), which provides an overview of the use of cash assistance in 45 programmes and highlights some key opportunities and challenges on the use of cash for education in urban and camp settings.

Energy and the Environment

- In some contexts people spend a significant part of multi-purpose cash on fuel for cooking, heating and lighting, and it forms part of MEB calculations. In Afghanistan, part of the repatriation cash grant was used by beneficiaries who returned during the winter in 2016 to buy fuel for heating and warm clothes.
- There is clear scope for complementarity between cash and other activities to promote the use of clean fuels, market based approaches and more environmentally sustainable means for cooking, heating and lighting.





Nutrition and Food Security

- Evidence of the positive impact of multi-purpose cash on nutrition through multiple causal pathways is growing.
- There is some evidence that programmes combining multi-purpose cash, in-kind food assistance and behaviour change communication activities can be particularly effective at improving nutrition outcomes.
- There is a large body of evidence and a clear causal pathway for the positive contribution of multi-purpose cash to food security outcomes, including on hunger scores, dietary diversity and reducing negative coping strategies.
- Multi-purpose cash can improve household food security as well as the social, care and health environments, and therefore redress some of the underlying causes of malnutrition.
- People buy food with multi-purpose cash; it can enable people to do more work on their own production and can be spent on productive assets.
- In Greece, cash assistance was an appropriate response to the food needs of refugees and others of concern living in urban areas. However, virtually all refugees reported that even if all cash assistance was spent on food, the amount was insufficient to satisfy food needs for the whole month. Complementary activities that warrant attention in this context include the provision of additional transport services or monthly transport tickets/cards for refugees living in isolated areas, and stepping up work around value chain analysis to support access to food at reasonable prices to maximize the value of the cash transfer.
- In Afghanistan, returnee monitoring reports indicate that the bulk of the repatriation cash grant is spent on food, but no additional information is provided on related food security gains.



Livelihoods

- Multi-purpose cash provides a clear temporary income boost to livelihoods, but evidence on sustained impacts is less clear.
- Livelihoods activities that can be supported through multi-purpose cash include investments in businesses and trading, purchase of productive assets and enabling work on own production.
- A wide range of food security and livelihoods interventions exist – from credit to support to markets, training and provision of inputs – that could be complementary to multi-purpose cash, but evidence is limited on what combinations of modalities and assistance work best to create synergistic impacts.
- While refugees can legally access employment opportunities in Greece, in practice it is extremely difficult for them to do so. None of the Focus Group Discussion (FGD) participants stated that they were working and there were no reports that multi-purpose cash assistance had enhanced refugees' ability to work.
- In Afghanistan, the repatriation cash grant has catalysed investments in livelihoods for a minority. Scarce and poorly paid livelihood opportunities were prompting further migration of male youth to Pakistan and elsewhere. Despite the recent focus by UNHCR on livelihood activities as a way to mitigate protection risks, as well as on strengthening linkages between humanitarian assistance and development through partnerships, limited support to livelihoods was found in the areas visited.





