

UNHCR Strategy for the Institutionalisation of Cash-Based Interventions 2016-2020



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UNHCR is developing some of its most innovative and cost-effective interventions in the area of cash-based assistance in response to the Syria refugee crisis. In the photo, UNHCR staff process new refugees using iris scanning technology at the agency's registration point in Amman, Jordan. The most vulnerable refugee families are eligible to receive UNHCR's cash assistance. Iris scanning technology allows refugees to access cash at ATMs around Jordan without having to carry a bank card or remember a PIN.

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COVER PHOTO:

UNHCR income generation project saw the building of a market in Mohammed Mooge settlement, Hargesia, *Somaliland* (northern Somalia) in which mainly women sell a variety of fresh produce and manufactured products. © UNHCR/Alexia Webster





**UNHCR Strategy
for the Institutionalisation
of Cash-Based
Interventions
2016-2020**



UNHCR
The UN Refugee Agency

Introduction

UNHCR's Strategy for the Institutionalisation of Cash-Based Interventions 2016—2020 will implement the *Policy on Cash-Based Interventions* (UNHCR/HCP2016/2). The purpose of the Policy is to expand and systematise the use of cash-based interventions¹ – or CBIs – as a modality of assistance and service delivery that provides greater dignity of choice to refugees and other people of concern and improves efficiency and effectiveness in the realisation of protection and solutions.

Systematising the use of CBIs across UNHCR's operations calls for a sustained multi-year commitment and fundamental transformations in the way the organisation plans and delivers protection, assistance and solutions. UNHCR can only succeed with implementation of the Strategy through coordinated and broad-based collaboration across the organisation. Field operations, the Regional Bureaux and the relevant support Divisions and Services at Headquarters must assume ownership of this transformational process. The Cash-Based Interventions Section in the Division of Programme Support and Management (DPSM) will coordinate implementation of the Strategy and the overall process of CBI institutionalisation.

The Strategy offers an overview of UNHCR's engagement with cash-based interventions and their relevance to the organisation's mandate for protection and solutions. It introduces the overall strategic goal, sets out the strategic objectives and approaches, and the governance arrangements for implementation. It concludes by providing a glossary of terms and definitions, references, the effective dates for the Strategy and contact information.

Overview

Cash-based interventions allow refugees and other people of concern to live with greater dignity by preserving their ability to spend money and make decisions regarding their priority needs. They enable people to prioritise and meet their needs through existing markets. This helps them to live with more stability during displacement and facilitates their return to a productive and independent life, with sustainable livelihoods and durable solutions as the ultimate aim.

Where people can access functioning markets, cash-based interventions can be an efficient and effective way of delivering assistance and services and contributing to protection and solutions. This is true for people living in camps and outside of camps, whether in rural and urban settings. CBIs can also build “protection space” by reducing tensions and encouraging positive interaction with host communities. When refugees and other people of concern spend money in local shops and on services, community relations improve as well as the quality of life during displacement.

¹ Cash-based interventions (CBIs) refer to the provision of cash or vouchers to individuals or households to increase purchasing power. They may provide emergency relief to meet basic needs for food or other essential goods and services. They may allow people to assets essential to the recovery of livelihood, facilitate return and reintegration or meet several of these needs as the recipient sees fit.

Cash-based interventions address diverse needs, reduce protection risks and contribute to solutions through rights-based and community-based approaches with individual dignity and choice at the centre. When combined with new payment technologies, CBIs can help put people on the pathway to sustainable solutions by facilitating financial inclusion. They may also be the mechanism for linking people to national social protection and safety net schemes.

UNHCR's mandate for refugee protection and durable solutions and the comprehensive, multi-sectoral programmes that it delivers give the organisation a fundamental responsibility and an important comparative advantage in leading and coordinating cash-based interventions for refugees. UNHCR's use of cash-based interventions began in the early 1980s, when they were mainly used to support voluntary repatriation programmes. Humanitarian assistance has otherwise been limited to in-kind assistance through the direct provision of goods and services, such as food and core relief items, to persons of concern.

Over the years, UNHCR has expanded the use of cash-based interventions in different programmatic areas, including shelter, WASH, education, health and food security, as well as the use of multipurpose cash grants. UNHCR is also exploring the increased use of CBIs for protection results, including access to education, supporting unaccompanied and separated children, and SGBV prevention and response. As a result, UNHCR is well placed to lead CBIs for refugees.

Since 2012, UNHCR has been establishing the foundations for the delivery of effective, efficient and financially sound cash-based interventions. These efforts have included the establishment of the Cash-Based Interventions Section at Headquarters in late 2014; development of the *UNHCR Operational Guidelines for Cash-Based Interventions in Displacement Settings* (2015) and issuance of administrative instructions on finance procedures for operations implementing CBIs (2015).

Most recently, UNHCR has developed and delivered new CBI training programmes and strengthened technical support to field operations, while also reinforcing strategic partnerships on cash-based interventions with governments, WFP, UNICEF and NGOs. UNHCR has also sharpened its profile within the interagency community on cash-based interventions through an ECHO-funded project that contributed to improvements in programming with multipurpose cash grants and supported research on CBIs and protection.

In the Syria situation operations, UNHCR has delivered effective cash-based interventions on a very large scale. In Jordan and Lebanon, UNHCR has operationalised ground breaking and innovative approaches, such as “common cash facilities” that provide an agency-neutral platform for UNHCR and partners to deliver CBIs in a cost-effective way and with sound financial management. These experiences have also strengthened UNHCR's capacities for protection outreach, targeting and monitoring, working closely with partners.

UNHCR's institutionalisation process for cash-based interventions takes place within and responds to the broader environment and will fully involve governments that host refugees and are affected by internal displacement, governments and regional organisations that support the organisation's work, humanitarian partners and development actors and the private sector. Current humanitarian reform initiatives, as reflected in the outcomes of the World Humanitarian Summit, *High Level Panel on Humanitarian Financing Report to the*

*Secretary-General*² and the related *Grand Bargain – A Shared Commitment to Better Serve People in Need*³ all convey a strong message that cash-based interventions will be an essential feature of humanitarian response in the future. UNHCR has made important commitments related to CBIs, as have its principal donors and partner organizations.


Goal

The Strategy pursues the goal of institutionalising cash-based interventions within UNHCR by 2020. Ensuring the expanded and systematic use of CBIs across UNHCR's operations, as foreseen in the High Commissioner's policy calls for three fundamental transformations:

First, UNHCR Operations are enabled to consider and use CBIs on par with in-kind assistance, based on an informed choice of transfer modalities, through consultation with persons of concern and effective response analysis, programme design, implementation and monitoring.

Second, UNHCR's Regional Bureaux and support Divisions and Services have mainstreamed cash-based interventions within their corporate policies, guidance, procedures, processes, systems and tools and are able to adequately facilitate and support the delivery of CBIs; and

Third, UNHCR has the strategic, operational and implementation partnerships, and commercial relationships and arrangements needed to ensure the delivery of CBIs with quality, predictability and integrity.



Syrian refugee Hamid with his daughter Aya. Hamid relies on UNHCR's cash assistance to support his family. They live in a tiny shelter near downtown Amman, Jordan, surviving only through the support they receive from UNHCR and partners.

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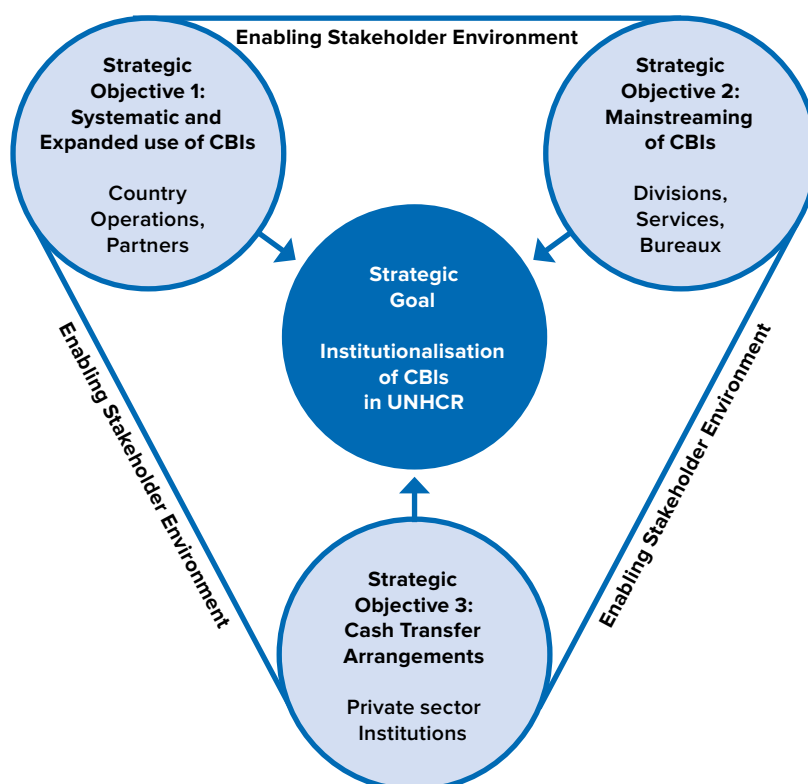
2 <http://reliefweb.int/report/world/high-level-panel-humanitarian-financing-report-secretary-general-too-important-fail>

3 <https://consultations.worldhumanitariansummit.org/bitcache/49e7f4a097b98159887e398aded818147450fb7?vid=580250&disposition=inline&op=view>

Objectives

Through the Strategy, UNHCR will pursue three Strategic Objectives to effect these transformations. The Strategic Objectives are interdependent. They must be achieved together and fully, as half-measures will compromise the institutionalisation process.

Strategic Objectives of CBI Institutionalisation



Objective 1: Expand and systematise the use of CBIs across all operations

Through the Strategy, UNHCR will equip all field operations with the necessary knowledge, skills and capacities to consider the use of cash-based interventions and design and deliver them with quality, effectiveness and integrity.

Expected outcomes:

- UNHCR operations systematically consider the use of CBIs for assistance and services;
- Operations implement CBIs as a transfer modality, wherever appropriate;
- Operations use multipurpose cash grants and expand the use of CBIs across sectors; and
- UNHCR doubles the percentage of operational expenditures through CBIs by 2020.

UNHCR operations in the field have very different capacities for the use of cash-based interventions. In some countries, UNHCR is already implementing large-scale programmes through CBIs with cutting edge technology, while knowledge and experience with CBIs is very limited in other operations. Cash-based interventions remain underutilized in many country operations and the potential for CBIs to support protection and solutions outcomes and sector activities can be further developed.

UNHCR has traditionally delivered in-kind assistance through NGO partners. For cash-based interventions, direct implementation through commercial arrangements with private sector partners will enable UNHCR to achieve economies of scale and cost efficiencies. The role of NGO partners will expand and remain crucial in the “upstream” and “downstream” dimensions of CBI delivery that are crucial to programme effectiveness, such as assessment, response analysis, targeting, monitoring and community outreach.

UNHCR will pursue Objective 1 through a three-tiered approach designed to ensure that CBI institutionalisation reaches most field operations by 2020 and is sustainable. The approach will also adapt and target technical support to the specific needs of each operation, as there is no “one size fits all” approach.

Tier 1 – Focus Countries

Under Tier 1, UNHCR will identify Focus Countries among the operations that have limited experience with cash-based interventions or related capacities. This approach will ensure that selected operations are provided with the sustained technical and capacity-building support needed to achieve lasting transformations. The Focus Countries will be operations that are considering moving to CBIs and also provide an environment conducive to their use.

UNHCR will deploy CBI experts to the Focus Countries to provide direct onsite support and mentoring, complemented by remote guidance, during a full one-year operations cycle. The CBI experts will build the capacity of the UNHCR Multi-Functional Team and partners to assess, plan, design, implement and monitor cash-based interventions. Following a year of dedicated support, Focus Countries are expected to have developed the skills and capacities needed to use CBIs independently, with remote “backstopping” and missions by the Cash-Based Interventions Section in DPSM at Headquarters and regional CBI Officers as needed. The Regional Bureaux will identify the Focus Countries, in consultation with DPSM’s Cash-Based Interventions Section, which will mobilise and manage the CBI experts.

Tier 2 – Self-Starter Operations

Tier 2 operations are “self-starters” that have taken the initiative to implement cash-based interventions but have limited experience, expertise and capacities. While the Tier 2 operations will not have been prioritised by the Regional Bureaux as Focus Countries, UNHCR will provide support to them with a view to expanding the use of cash-based interventions as broadly as possible. As the CBI institutionalisation process gains momentum, UNHCR anticipates that the number of Tier 2 self-starter operations will increase.

The Cash-Based Interventions Section and other relevant Headquarters Divisions and Services will guide Tier 2 operations remotely and through technical missions and expert deployments. To meet their support needs, UNHCR will “pair” Tier 2 operations with Tier 1 Focus Countries and operations that already have significant CBI experience and capabilities.

(See below regarding Tier 3 countries.) This will require cooperation and collaboration across Regional Bureaux and UNHCR operations. Over time, UNHCR can expect the rotation and reassignment of staff to facilitate the transfer of knowledge and expertise among field operations.

Tier 3 – Established CBI Operations

Tier 3 operations are already successfully implementing CBIs at scale and have developed relevant capacity and expertise. As part of the Strategy, the Cash-Based Interventions Section and relevant Divisions and Services at Headquarters will have resources in place to ensure that Tier 3 operations receive expert support and timely backstopping when required to address emerging challenges, such as data security and the protection of personal data; new payment systems and private sector solutions; multi-agency payment facilities; and areas where current corporate procedures are complex, inconsistent or undefined.

Objective 2: Mainstream CBIs across Regional Bureaux, Divisions and Services

The Strategy aims to mainstream cash-based interventions within all Regional Bureaux, Divisions and Services at Headquarters as a core part of their management and support functions. The assumption of ownership, responsibility and accountability for CBIs within existing corporate structures is essential for institutionalisation and to avoid the creation of parallel structures and mechanisms.

Expected outcomes:

- Regional Bureaux, Divisions and Services at Headquarters are empowered and enabled to assume their responsibilities and accountabilities for relevant CBI issues;
- Divisions and Services mainstream and integrate CBIs within the guidance and functional support that they provide to field operations;
- Divisions and Services develop and revise their policies, procedures, processes, guidance, tools and systems to accommodate and facilitate the use of CBIs.
- UNHCR field operations receive timely and effective support for all aspects of CBIs from Divisions and Services and the Regional Bureaux and regional structures.

Under Objective 2, Divisions and Services at Headquarters will provide focused support in a range of areas, as set out more fully below.

Capacity-building

Building the capacity of UNHCR's field operations and partners will be crucial to successfully mainstreaming cash-based interventions. Given the scale, scope and dynamic nature of UNHCR's operations, the frequent rotation of staff and new recruitment, capacity-building efforts must be institutionalised and continuous. The Strategy will be supported by well-structured and properly resourced training efforts with clearly defined targets and milestones.



A Syrian refugee in Lebanon uses a UNHCR card to withdraw money from an ATM machine. The cash assistance is part of the winterization campaign to keep families warm during winter. © UNHCR/Andrew McConnell

DPSM's Cash-Based Interventions Section has worked closely with the UNHCR Global Learning Centre to develop and make available a range of corporate CBI training packages, including an introductory level e-learning course accessible to all staff and an advanced-level Cash-Based Interventions Learning Programme. In addition, CBIs are also being mainstreamed into current and forthcoming corporate training programmes, with the aim of integrating CBIs into all functional areas, including protection, programme, finance and the technical sectors. In addition to formal training, UNHCR will rely upon mentoring as a key capacity-building strategy.

Protection will be a key dimension of CBI training, including the importance of individual data privacy and data protection considerations that arise when implementing CBIs, particularly when working with financial services providers and other commercial partners. UNHCR will also make CBI training available to partners, given their crucial role in the protection of and assistance to persons of concern.

Delivering cash-based interventions with quality, effectiveness and integrity will also require UNHCR to build capacities in new areas and bring on board different knowledge and skills, including systems from the commercial, financial, banking, telecommunications and IT areas relevant to CBIs.

Emergency Preparedness

UNHCR will integrate cash-based interventions into planning and preparedness for emergency response. Delivering CBIs in emergencies will require new and adapted guidelines, tools and partnerships and rapidly deployable cash delivery arrangements that can be rolled out across sectors. Contingency planning at the country level will systematically consider the possibilities and options for using CBIs and, where feasible, will put in place the arrangements needed to quickly stand up cash delivery. In this context, a detailed review and analysis of national laws, policies and regulations concerning access to financial services becomes an essential part of contingency planning.

The Cash-Based Interventions Section, in collaboration with the Division of Human Resources Management and the Division of Emergency, Security and Supply, will develop and maintain a roster of UNHCR staff and affiliated workforce having CBI experience for rapid deployment in emergencies, which will become more robust as expertise grows within the organisation. The roster will also support technical missions, training and other punctual support to field operations. UNHCR will also continue to strengthen institutional capacity for cash-based interventions through external recruitment as staff or affiliated workforce, consultancies, secondments and deployments by standby partners.

Financial and Legal Frameworks

Through the Strategy, UNHCR is systematically reviewing, adapting and reinforcing the financial control framework to enable and facilitate the expanded use of cash-based interventions by field operations, while ensuring integrity and managing risks. In this connection, UNHCR will also develop standard specifications and the minimum requirements for accountability and reporting that financial service providers must meet in connection with cash transfer modalities. UNHCR will develop standard contract clauses for commercial service providers governing CBI transactions and support field operations with the advice and expertise needed in the areas of financial services and general commercial law when negotiating and preparing contracts.

Systems Development

UNHCR will also undertake an end-to-end review of key corporate systems under the Strategy, in order to ensure that they are adapted and equipped with the functionalities required to support the planning, implementation and monitoring of cash-based interventions. As part of the institutionalisation process, UNHCR will work to ensure that different UNHCR systems interface smoothly and effectively internally and are aligned and interoperable with commercial service providers and key partners, such as WFP, to the extent required to facilitate the delivery of CBIs in an efficient, coordinated and accountable way.

Guidance and Tools

UNHCR will adapt current operational guidance and tools to support the delivery of cash-based interventions and develop new approaches where needed. The UNHCR Programme Manual and the UNHCR Emergency Information Management Toolkit, for example, will be updated to provide the guidance and support that field operations will need to use CBIs. UNHCR will develop new tools to support key aspects of CBIs, such as market assessments, monitoring and the screening of financial service providers during the procurement process. New tools and methodologies will also be needed to measure the protection impacts and results of cash-based interventions, as well as their cost effectiveness and cost efficiency.

Communication

Effective communication will be essential to the success of the CBI institutionalisation process. DPSM's Cash-Based Interventions Section will work closely with the Division of External Relations to strengthen communications aimed at familiarising UNHCR personnel and relevant external stakeholders with the important role of CBIs as a way to strengthen the protection of refugees and other people of concern, provide them with the dignity of choice, uphold our accountabilities to them and create awareness of the Strategy and institutionalisation process and related progress and achievements. This will include improved knowledge management and the dissemination of operational experience and good practices.

Through enhanced communications efforts, UNHCR will ensure that the move to cash-based interventions and the key elements of the Strategy are understood and supported internally and inform planning, prioritisation and work at all levels of the organisation from the field operations to the Regional Bureaux, Divisions and Services at Headquarters. Externally, UNHCR will communicate to build support for the CBI institutionalisation process among governments, partners and other key stakeholders, including building understanding that UNHCR's leadership and coordination in refugee contexts is essential to delivering on the High Commissioner's mandate and also regarding the organisation's comparative advantages and growing capabilities.

Research and Learning

Research on cash-based interventions has grown over recent years, but the body of knowledge and experience remains limited in key areas, such as child protection, SGBV, education, shelter and settlement, health and WASH. Documenting and learning from experience will be an important component of the Strategy. UNHCR will build and consolidate the knowledge and evidence base by supporting and encouraging research, reviews and studies in collaboration with partners and academic institutions, using the findings to develop

new guidance and tools and improve the use of both multi-purpose grants and CBIs in specific sectors.

Objective 3: Develop a portfolio of well-defined cash transfer arrangements

Through the Strategy, UNHCR will develop a portfolio of standard cash transfer arrangements, with supporting standards, guidance and tools, that are well-defined, carry corporate endorsement and can be adapted to displacement situations of different scale and complexity.

Expected achievements:

- National, regional and global “standby arrangements” and capabilities are in place to deliver CBIs in a variety of contexts, including in collaboration with partners; and
- UNHCR operations are enabled to screen and engage financial service providers and define technical specifications, undertake procurement and conclude agreements.

UNHCR’s current arrangements and agreements are mainly tailored to the procurement, shipping, warehousing and distribution of in-kind assistance, which have limited relevance for the use of cash-based interventions. The development of standard delivery arrangements for CBIs is essential to the institutionalisation process.

Under Strategic Objective 3, UNHCR will develop a variety of standard payment arrangements that can be rapidly adapted and deployed in both emergency and protracted displacement contexts in different parts of the world. Such arrangements and related protocols must be sufficiently flexible to accommodate the specific requirements of the operating environment, including available infrastructure, technology and private sector presence. Such standard arrangements will include:

- Specific cash transfer solutions for camp and non-camp situations in different connectivity environments and varied levels of access to financial services;
- Systems for delivering cash-based interventions where the financial sector and technology infrastructure offer the possibility for good quality services;
- Measures to ensuring compliance with UNHCR’s *Policy on the Protection of Personal Data of Persons of Concern*, including through standard Data Sharing Agreements; and
- Arrangements for identifying and meeting country-specific regulatory requirements, as a necessary part of CBI preparedness.

Through this process, UNHCR will seek to define universal standards and principles for the delivery of CBIs, working together with partners such as WFP, UNICEF, international NGOs and the private sector. This should make cash transfer arrangements streamlined and coherent to achieve cost-efficiencies, avoid establishing parallel systems and make best use of market-based payment innovations. A fundamental objective is ensuring that all agencies have equal and direct access to a shared service provider and common cash delivery instruments.

UNHCR will pursue these actions in collaboration with financial services providers and other private sector partners having specific expertise in analysing the relevant infrastructure and regulatory environment and the options for digital payments and “one-to-many” cash transfer solutions.⁴ UNHCR will build upon the knowledge and experience gained from current operations and innovative approaches, most notably the Common Cash Facility (CCF)⁵ and UNHCR’s corporate systems for registration and case management, biometrics and identity management, and assistance delivery and tracking systems.

Under Objective 3, UNHCR will also strengthen preparedness for the delivery of CBIs in emergencies and will improve inter-agency collaboration through the development of common approaches to cash delivery with UN and NGO partners. Through these efforts, UNHCR will also expand financial literacy and knowledge among both UNHCR and partner agency staff, as new financial solutions are developed and delivered.



IDs of Sri Lankan displaced families returning to their hometowns. UNHCR provided each IDP returnee family with a shelter cash grant to ease their reintegration. © UNHCR/Devaka Seneviratne

4 “One-to-many” payment solutions include, for example, one bank account with multiple users. These solutions are particularly relevant for UNHCR as refugees may not have the right to open bank or mobile phone accounts in the country of asylum.

5 With the Common Cash Facility, UNHCR negotiates an agreement with a financial service provider that can be accessed by partners engaged in CBIs on the same contractual terms. Each partner, however, has its own contract and direct access to the service provider, and cash may be channeled to the beneficiaries through one vehicle (e.g. one card), while ensuring end-to-end traceability of funds. All partners will benefit from advantageous rates as service fees will reduce as the number of transactions increase.

Strategic Approach

Accountability to People of Concern

UNHCR will leverage the power of cash-based interventions to uphold its fundamental accountability to refugees and other people of concern. Through participatory assessments using the Age, Gender and Diversity approach, consultations with individuals and communities and monitoring, UNHCR has found that people in most contexts view CBIs as a more flexible, appropriate and effective approach in meeting their needs than in-kind assistance.

Cash-based interventions will be designed and implemented in a manner that takes into account specific protection risks they face and their assessed needs, as well as their capacities. CBIs will be anchored in UNHCR's protection priorities and will reflect a rights-based approach. They will be implemented within the framework of the *UNHCR Age, Gender and Diversity Policy* and consistently with the *UNHCR Policy for the Protection of Personal Data of People of Concern*.

Coordination

Coordination is essential to ensure that cash-based interventions serve protection objectives and meet the most critical humanitarian needs in an effective manner. In refugee contexts, UNHCR will ensure that CBIs are implemented in support of the overall protection and solutions strategy and in different sectors and by different actors through the Refugee Coordination Model (RCM), which provides the overall framework for coordinating and delivering protection and assistance in refugee operations and alignment with other humanitarian and development planning. In situations of internal displacement, UNHCR will work within the established inter-agency coordination mechanisms.

UNHCR Representatives will ensure that strategic and operational planning processes systematically consider CBIs as a modality for delivering assistance. At the technical level, UNHCR will ensure that cash-based interventions feature in discussions on the multi-sector and sector response. UNHCR programme and technical staff are responsible for reviewing the feasibility and appropriateness of using CBIs at the sector level or through multipurpose cash grants, working in coordination and collaboration with partners.

Partnership

Successful implementation of the Strategy will depend fundamentally on partnerships. UNHCR will build upon traditional partnerships with governments, UN agencies and international NGOs, while developing new relationships with the national and local actors and the private sector.

Governments

Governments in countries hosting refugees are essential partners for UNHCR. As with any form of humanitarian assistance, cash-based interventions can only be delivered with the cooperation and consent of governments and typically rely upon national or local infrastructure. The implementation of CBIs and payment arrangements also takes place within the framework of national legal and regulatory requirements. Where feasible, UNHCR will seek to achieve synergies with national social “safety net” programmes established for the local population. This can increase efficiency and help avoid the necessity of setting up parallel structures for refugees and other people of concern.

Governments and regional organisations that support UNHCR’s work financially are playing a key role in reshaping the humanitarian architecture to accommodate cash-based interventions. Importantly, donor funding and reporting mechanisms reinforce a sector approach to humanitarian assistance that does not allow humanitarian actors to fully realise the potential and benefits of multipurpose cash grants. ECHO’s *10 Common Principles for Multi-Purpose Cash to respond to humanitarian needs* (March 2015⁶) and the *High Level Panel on Humanitarian Cash Transfers* recommendations (September 2015⁷) are welcome steps toward a more enabling environment for CBIs.

UN Agencies, NGOs and CBI Networks

UNHCR must base implementation of the Strategy upon a foundation of strong partnerships with UN agencies and NGOs. During the institutionalisation process, UNHCR has sought to leverage the experiences and lessons learned of partner agencies that are pursuing a similar transformation. WFP will remain a key strategic partner, and UNHCR will work with WFP, UNICEF and other agencies to develop common approaches and pursue innovation in the area of cash-based interventions.

Over the past few years, UNHCR has built a solid partnership network including key international NGOs and CBI networks, such as the Cash Learning Partnership (CaLP) and Cash and Markets Capacity Building Roster (CashCap), which is hosted by the Norwegian Refugee Council and funded by ECHO and DFID. During 2014 and 2015, UNHCR coordinated implementation of an interagency project that focused on multipurpose cash grants funded under an ECHO Enhanced Response Capacity Grant. Going forward, UNHCR will reinforce these efforts, including by updating standard partnership agreements to facilitate the delivery of CBIs and joining forces with partners to build the knowledge and evidence base.

UNHCR recognises the essential role that national and local NGOs and civil society organisations must play in the new humanitarian architecture, including for the delivery of CBIs. Localisation was a key strategic direction emerging from the World Humanitarian Summit held in Istanbul in May 2016. Under the Strategy, UNHCR will seek to build the CBI-related capacities of national and local partners and will engage them in such areas as assessment, sensitisation and communication, targeting, verification and monitoring, all of which are crucial to the effectiveness of cash-based interventions.

6 http://ec.europa.eu/echo/files/policies/sectoral/concept_paper_common_top_line_principles_en.pdf

7 <http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf>

Private Sector

UNHCR must adopt a broader understanding and vision of partnership to seize the opportunities presented by cash-based interventions. New and non-traditional partners will include financial sector experts, institutions, companies and research bodies. Accessing such expertise is necessary to enable UNHCR to navigate complex regulatory environments arrangements, challenging data protection issues and the possibilities created by rapid innovation in technology. UNHCR's relationships with these partners may take the form of commercial contracts in some cases or may be managed as private sector partnerships.

Cash-based interventions are on the agenda in UNHCR's growing strategic partnership with the World Bank through collaborative work on market analysis, vulnerability assessment and targeting. The disruptive nature and promise of cash-based interventions have also caught the imagination of private philanthropy and financial inclusion activists, creating possibilities for new partnerships and funding.

Innovation

Innovation is a driving force in the movement toward cash-based interventions. New solutions to support digital payments, access to financial services and identity management are shaping the environment and creating new opportunities for delivering CBIs. In Jordan and Lebanon, UNHCR has acquired the latest technology for biometric verification and data encryption. These operations have also demonstrated that technology is only one facet of innovation, as they have adapted their programmes to integrate these new tools in an effective way to deliver CBIs.

UNHCR is confident that the expanded and systematic use of CBIs will lead to innovation in other key areas of work. Cash-based interventions are a vehicle for financial inclusion and can support efforts to achieve self-reliance and build sustainable livelihoods. As previously noted, CBIs can provide a bridge between UNHCR's humanitarian programmes and national social "safety net" programmes, reinforcing both. Innovation in fundraising, for example, could mean enabling private sector donors to contribute directly and support CBIs benefitting refugees and other people concern.

Monitoring and Evaluation

UNHCR must be able to demonstrate the impact that cash-based interventions have in the lives of people. Tents and truckloads of wheat flour may be less efficient and effective than cash in many contexts but they are more visible. UNHCR's current monitoring and reporting systems are not adapted to CBIs. New approaches and indicators are needed to measure the results achieved by multipurpose grants. UNHCR's planned reform of results-based management offers an opportunity to adapt the current systems. UNHCR will commission evaluations of cash-based interventions with a global and thematic focus and at the country level.

Governance

UNHCR has established a governance structure to ensure broad corporate ownership and effective oversight for the planning and implementation of the Strategy. Each level has a specific and mutually-reinforcing role to play. They include the following:

1. The **Cash-Based Interventions Steering Committee (CSC)** is chaired by the Assistant High Commissioner (Operations). All Division and Bureau Directors are members. The Steering Committee ensures broad senior management commitment to CBI institutionalisation and carries overall responsibility for operationalising the Strategy. A core group composed of the DPSM Director, who chairs, with the participation of the Directors of DFAM and DIST meets to provide ongoing oversight and coordination.
2. The **Cash-Based Interventions Senior Working Group (SWG)** reports to the CSC and brings together senior staff from the Divisions, Services and Regional Bureaux at Headquarters. The SWG identifies and addresses gaps related to CBI institutionalisation and coordinates support to operations in the respective areas of responsibility of the Divisions and Services. The Regional Bureaux members comprise a Reference Group and provide advice and support for decision-making on issues related to operations.
3. The **Cash-Based Interventions Section (CBIS)** within DPSM plays a leadership, coordination and catalytic role in moving forward all aspects of the Strategy, keeping the SWG regularly updated on the progress achieved and challenges encountered. CBIS provides technical expertise and coordinates capacity-building work in support of the Regional Bureaux and field operations, and facilitates the development of standard cash transfer arrangements needed for the institutionalisation of CBIs.

Governance Structure for CBI Institutionalisation





A Sri Lankan woman returnee waits for the distribution of UNHCR's shelter grant in Jaffna, northern Sri Lanka. UNHCR provided each IDP family with a shelter cash grant to help them resettle in their areas of origin. © UNHCR/Devaka Seneviratne

Terms and Definitions

Cash-based Interventions are all interventions where cash or vouchers for goods or services are provided to individuals, households or community recipients and not to governments or other state actors. CBIs do not include payments to humanitarian workers or service providers. The term can be used interchangeably with cash-based transfers and cash transfer programming.

Conditionality means that beneficiary must fulfil a prerequisite or qualifying condition in order to receive a cash transfer or voucher. These may be activities that must be undertaken or obligations that must be fulfilled before receiving assistance (e.g. attending school, doing work or securing land for agricultural activities or shelter). Conditionality is distinct from restriction (see below), which only concern how transfers are utilised. Conditionality can be used with any kind of cash-based intervention, depending on the objectives and design of the programme.

Restriction is a limitation on the use of a cash-based intervention after it has been received by a beneficiary. A restriction, for example, may require that the beneficiary uses the transfer for a certain type of service or goods. Shelter grants, cash for food, transport vouchers or voucher fairs are examples of restricted CBIs. Restriction is distinct from conditionality (see above), which pertains only to conditions that a beneficiary must fulfil in order to receive a transfer.

Multipurpose Cash Grants (MPGs) are a regular or one-off transfer corresponding to the amount of money that a household needs to cover, fully or partially, a set of basic and/or recovery needs that span across different sectors, such as shelter, food and livelihoods. Multipurpose Cash Grants are by definition unrestricted cash transfers. MPGs contribute to meeting the Minimum Expenditure Basket. The term can be used interchangeably with Multipurpose Cash Transfers and Multi-Sector Cash Grants. UNHCR actively promotes the use of MPGs where feasible.

Minimum Expenditure Basket (MEB) represents the value of a household's basic needs on a regular or seasonal basis and its average cost over time, but can also include recovery or other one-off requirements.

References

Operational Guidelines for Cash-Based Interventions in Displacement Settings, UNHCR (<http://www.refworld.org/docid/54d387d14.html>)

Operational Guidance and Toolkit for Multipurpose Cash Grants, UNHCR and partners (<http://www.cashlearning.org/resources/library/813-operational-guidance-and-toolkit-for-multipurpose-cash-grants>)

What is and is not a Cash-based Intervention?, UNHCR https://intranet.unhcr.org/content/intranet/unhcr/en/home/support_services/operations_management0/instructions_guidelines/planning-for-2017/_jcr_content/mainpar/multidownload_1/multidownloadItems/multidownloadfile_1/file.res/CBI%20-%20What%20is%20and%20is%20not%20-%20Additional%20Guidance%20for%202017%20Planning.docx

Guide for Protection in Cash-Based Interventions, UNHCR (<http://www.cashlearning.org/downloads/erc-guide-for-protection-in-cash-based-interventions-web.pdf>)

10 Common principles for multi-purpose cash to respond to humanitarian needs, ECHO (http://ec.europa.eu/echo/files/policies/sectoral/concept_paper_common_top_line_principles_en.pdf)

Report of the High Level Panel on Humanitarian Cash Transfers, ODI (<http://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf>)

Dates

UNHCR began the cash-based interventions institutionalisation process in January 2016, prior to the formal adoption of the Strategy on 10 October 2016. Implementation will run through 31 December 2020 and will be subject to periodic review and revision.

Contact

For queries or support with implementation of the Strategy, please contact the Chief of the Cash-Based Interventions Section (CBIS), Division of Programme Support and Management (DPSM). Contact: HQCASH@unhcr.org



Voluntary repatriation to *Somaliland* (northern Somalia) from Aisha refugee camp in Ethiopia. Refugees received a cash incentive to assist reintegration. © UNHCR/ Boris Heger



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UNHCR Strategy for the Institutionalisation of Cash-Based Interventions 2016-2020