



CASH ASSISTANCE TO ROHINGYA REFUGEES IN BANGLADESH

The Government and people of Bangladesh have shown exceptional hospitality by hosting refugees fleeing violence in their communities and sharing their resources. UNHCR is advocating for increased international support to complement these efforts.

An efficient way to support the host government is through the use of **cash grants**, which provide the opportunity to deliver humanitarian assistance efficiently and effectively, thereby **reaching more Rohingya and Bangladeshi households, and boosting the local economy of Cox's Bazar.**

Worldwide, UNHCR uses **cash assistance** to allow refugees to contribute to the local markets and economies, which often results in **increased coexistence**. Cash builds the capacity of the refugees and **prepares them for the return to their home country** if and when they decide the time is right.



CASH PILOT IN KUTUPALONG

In coordination with the government and the partners BRAC and Bangladesh Red Crescent Society, UNHCR provided cash assistance between April and May 2018 in the Kutupalong settlement. 9,015 families received a one-off payment of 2,500 Bangladesh taka (around 30 US dollars) to cover basic household needs.

A monitoring survey post-delivery revealed that **cash is safe and well received by the refugees. Host communities welcomed cash assistance for refugees as it bolstered local trade.** Rohingya households **used it to address their most urgent needs**, including food, health, clothing, debt repayment and fuel. The amount provided constitutes some half of the monthly Minimum Expenditure Basket (MEB) for a host family of five.

Refugees reported no difficulties in finding the items and services required in the market, both in quantity and quality. **The use of local markets directly benefits the local economy**, as small and medium business owners are mostly from host communities.

BENEFITS OF CASH ASSISTANCE FOR THE LOCAL ECONOMY IN COX'S BAZAR

- + Enables Rohingya households to purchase essential goods (food, hygiene items, utensils, bedding, bamboo, clothing) at local stores and pay for services (transport, porters) not covered by the standardized in-kind distribution or restricted e-vouchers.
- + Revitalises and strengthens the local economy and markets giving small and medium traders a chance to grow their businesses, encouraging traders to hire more casual labourers.
- + Reduces the inefficient use of aid (re-selling items in the market at lower price) and the competition for daily labour with a much lower daily rate, which could lead to tension between refugees and host communities.
- + Opens the door to UNHCR's holistic future ambition of providing cash to refugees and the Bangladeshi host community.
- + Enables families to be more self-reliant by encouraging savings, lending and income generating activities.
- + Enhances peaceful co-existence between refugees and host communities and reduces competition for limited resources (e.g. firewood for cooking.)
- + Unrestricted cash assistance benefits a larger number of local traders; voucher programmes involve a smaller number of market actors and therefore offer fewer benefits.



CASH ASSISTANCE BENEFITS GENEROUS HOST COUNTRIES

An estimated **80 percent of the Rohingya population** in Cox's Bazaar refugee settlements **relies on life-saving assistance**. While goods and services are available in local markets, refugees are unable to cover their basic needs. Some sell part of the in-kind assistance or goods redeemed with vouchers to have cash to buy urgent things they need in the local market.

Three out of four refugees are women and children. Cash assistance can reduce their protection risks, such as child exploitation, abuse, trafficking, food borrowing or firewood gathering.

Building on the experience with delivering cash assistance, UNHCR hopes to target more vulnerable refugees in settlements as well as vulnerable **Bangladeshi households with cash to cover part of their basic needs requirements**, such as shelter materials, clothing, basic households assets, soap and hygiene kits.

Rwanda

- ⊕ A study in Rwanda found that humanitarian assistance for refugees has a positive impact on the economies of surrounding host communities. Every dollar's worth of food for refugees increased real income for the community around a camp by US\$1.20. In two other camps where refugees received monthly cash assistance instead of food, each dollar they received translated into US\$1.51 to US\$1.95 in the local economy.

Uganda

- ⊕ A study conducted in Uganda found that cash assistance given to refugees produces an 'income multiplier' for host communities. Each dollar increased real income in and around the settlements by an additional US\$1 and US\$1.50.

Lebanon

- ⊕ An evaluation of the winterisation cash programme for Syrian refugees in Lebanon showed that cash assistance had a significant multiplier effect on the local economy. For each dollar spent, the programme generated about US\$2.13 in gross domestic product (GDP) for the Lebanese economy and had no significant impact on inflation.



UNHCR AND CASH ASSISTANCE

In 2016-2017, UNHCR provided USD 1.2 billion in cash assistance to protect and assist displaced people and host communities to meet their basic and other needs, along with in-kind support and services.

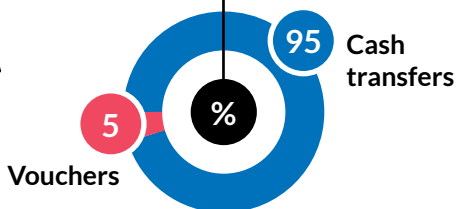
UNHCR delivers 95 percent as unrestricted cash and about 5 percent as vouchers, furthering refugee contribution to the local development and economy in the host country.

Donors and humanitarian agencies see cash as one way to provide assistance more effectively and efficiently, as it provides **value for money and contributes to the local economy**. It maximizes the impact of donors' funds, thereby reaching more people in need.

MORE CASH
THAN IN-KIND
ASSISTANCE



CASH vs.
VOUCHERS



For each \$

UNHCR delivered up to 93 cents to people (source: joint PwC/UNHCR study)



MORE INFORMATION

For more information, please contact hqcash@unhcr.org



UNHCR
The UN Refugee Agency