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POLICY ON CASH-BASED INTERVENTIONS

2022 - 2026



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SUMMARY OUTCOMES

Refugees, IDPs and others of concern will:

1

Increasingly access CBI as the preferred modality of UNHCR assistance from emergency preparedness and response to the achievement of solutions

2

Receive CBI that promote inclusion and access to local sustainable services

3

Access unrestricted CBI along with services as part of a basic needs approach

4

Participate as partners in the design, delivery and monitoring of CBI to address their protection concerns

5

Access digital payment solutions where personal data is responsibly managed

6

Access CBI through collaborative cash approaches that minimize duplication

7

Receive rapid CBI in a simple, efficient, and accountable manner that addresses risks

PURPOSE

Building on the Policy on Cash-Based Interventions (CBI) 2016-2021¹, this Policy sets the overall direction for UNHCR's use of CBI from 2022 to 2026 inclusive, with the aim of scaling up and strengthening the use of CBI as a priority modality of assistance, service delivery and protection across the organization and its operations worldwide. The Policy reconfirms UNHCR's commitment to the increased use of CBI, describes the corporate vision and sets out the objectives and the outcomes to be pursued until 2026 for positive change in the lives of persons of concern.

SCOPE

The Policy is directed to the fullest range of UNHCR personnel engaged in both strategic and operational planning, design and delivery of activities in the field and overseeing or supporting such activities, including through the development of protection, programme and technical policies, guidance, tools, systems, training, communications and resource mobilization.

It should be implemented holistically, guiding strategic planning and programming from the outset of response through all phases of displacement. It applies to CBI for refugees, asylum-seekers, returnees, internally displaced, stateless people and host communities (*hereinafter* collectively referred to as persons of concern). The Policy may inform CBI strategies of partners.

Compliance with the Policy is mandatory.

RATIONALE

CBI provides persons of concern greater dignity of choice in meeting their needs. Experience and evidence² highlight that CBI increases protection outcomes, facilitates inclusion and solutions, and improves efficiency and effectiveness in programme delivery.

¹ [UNHCR - Policy on Cash-Based Interventions](#). The 2016-2020 Policy was extended to October 2021

² See evidence here: [UNHCR - Cash-Based Interventions](#)

As the preferred modality of assistance of persons of concern, CBI also contributes to the local economy and fosters positive relations with host communities.

Since 2016, UNHCR has implemented the objectives set out in the previous Policy on CBI that committed the organization to double its volume of CBI as a proportion of assistance by 2020.³ UNHCR has between 2016-2020 delivered some USD 3 billion in cash assistance to 25 million recipients in 100 countries. Most of UNHCR's CBI (95 per cent)⁴ is disbursed without restrictions giving the choice to the recipients on how best to meet their own needs. CBI now exceeds in-kind assistance.

In 2020, persons of concern could access bank accounts, mobile money and/ or other digital payment solutions in 47 countries, which represents an important pathway towards financial inclusion.⁵ UNHCR has harmonized its approach with partners and provides CBI through common cash transfer mechanisms in line with the UN Common Cash Statement⁶ and an open loop system⁷ approach. Strengthening CBI monitoring, UNHCR has rolled out its global results-based management framework, the post-distribution monitoring (PDM) tool and *CashAssist* – UNHCR's cash management system.

Learning⁸ suggests that CBI implementation may be challenging in specific and fragile contexts due to political or other impediments. Yet, operations have tested several effective and innovative CBI approaches and advocacy in such contexts, constituting a good basis for replication. UNHCR had also trained over 5,000 UNHCR personnel and partners by 2020, and established the systems, processes, tools and guidance required for the rapid and responsible implementation of CBI.

Still, significant opportunities exist to further expand the systematic and rapid use of CBI in UNHCR's response while maximizing its impact on people's well-being and protection, and opportunities for inclusion in national systems and solutions. Developments

and innovations in CBI happen fast and regularly. UNHCR must continue to be ahead of the curve, maximizing new developments, partnerships and agile approaches building on continued investment in strong organizational CBI capacity.

VISION

UNHCR's vision is that people it serves can meet their needs in dignity, are protected and can transition to sustainable solutions through the expanded and innovative use of efficient and effective CBI. In line with its commitment in 2016,⁹ the Policy commits UNHCR to continue scaling up the systematic use of CBI while also maximizing the quality and impact of its implementation. It sets out the framework for UNHCR to remain a thought leader on CBI in the humanitarian community, combining effective CBI that leverages new technology, evidence, and protection outcomes.

The successful realization of these commitments will require the active engagement of governments and the full spectrum of UNHCR's partners. UNHCR is committed to work through collaborative, open loop and joined-up approaches in ways that maximize synergies with and the comparative advantages of all stakeholders. UNHCR will further ensure that, pursuant to the Global Compact on Refugees, and the Sustainable Development Goals, its CBI is duly designed to advance the inclusion of persons of concern in national development systems, the UN Sustainable Development Cooperation Framework and social safety nets.

OVERALL OBJECTIVES

UNHCR will achieve its vision on CBI through the following global overall objectives, while additional regional or country-level objectives may be identified by regional bureaux and field operations:

³ See [UNHCR - 2016-2019 UNHCR Implementation of the Policy on Cash-Based Interventions](#) and [UNHCR - 2020 Annual Report Cash Assistance long version](#)

⁴ December 2020

⁵ [Digital payments to refugees – A pathway towards financial inclusion](#)

⁶ [UN Common Cash Statement Questions & Answers](#)

⁷ Commercially accessible payment solutions that involve a regulated payment processor

⁸ See evidence here: [UNHCR - Cash-Based Interventions](#)

⁹ [The World Humanitarian Summit in May 2016](#)



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1. To implement CBI through a **“why-not cash approach”**, whereby operations must give CBI priority consideration over in-kind assistance and seize every opportunity to deliver timely CBI where it contributes to protection and solutions outcomes and maximizes efficiency, effectiveness and impact in programme delivery.
2. To increase the **ownership** of CBI amongst all personnel with an emphasis on senior management, fully mainstreaming it in the country operations and the Regional Bureaux that support the design, implementation, and monitoring of CBI. Particular attention will be paid by operations to quality, speed, and innovation.
3. To imbed CBI in **protection and solutions strategies** in accordance with UNHCR’s policy commitments, including to the principles of accountability to affected populations and the systematic pursuit of a rights-based approach that considers the rights and specific needs, priorities and capacities of persons of concern of all backgrounds as fundamental guiding principles.¹⁰
4. To collaborate with stakeholders in CBI planning and implementation by working closely with **Governments**, building and strengthening strategic partnerships and alliances, including with sister agencies, NGOs, persons of concern and the private sector. UNHCR will advocate, coordinate and deliver CBI through **collaborative cash approaches** with partners that are coherent, avoid duplication and can leverage national systems in every feasible way with a view to transition to sustainable approaches post-emergency. Collaboration with local partners will be at the core of implementation.

¹⁰ UNHCR Policy on Age, Gender and Diversity - World I ReliefWeb and Strategy and Action Plan to Prevent and Respond to Sexual Exploitation and Abuse and Sexual Harassment: <https://www.unhcr.org/5f3cfec44>



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OPERATIONALIZING CBI

The implementation of this Policy requires concerted organization-wide commitment and effort at all levels.

Notably:

- **Field operations are principally accountable** for ensuring that CBI are used whenever possible and delivered efficiently and timely to persons of concern, and are reflected sufficiently in resource allocation, fundraising and planning processes.¹¹
- In field operations CBI must be implemented through a **Multi-Functional Team (MFT) approach** engaging all relevant personnel – such as programme, protection, supply, finance, technical sectors, development, external relations – in planning, implementation and monitoring.
- **Persons of concern will play a key role in the design, delivery and monitoring of CBI** with country offices using an age, gender and diversity lens implementing context-specific and inclusive approaches.
- **The overall roles and responsibilities for CBI** are complemented by the Administrative Instructions for Financial Procedures for Cash-Based Interventions which set out responsibilities for financial management of CBI.
- **Senior managers in field operations must increase their ownership** of CBI to ensure sufficient CBI staffing and capacity within available resources and implement CBI in line with the outcomes outlined below in this Policy.
- **A rich repository¹² of tools, systems, processes and guidance on CBI is in place** and will be maintained by Divisions to support policy implementation. It includes the appropriate tools for CBI feasibility, risk assessments, and due diligence.
- **Investment in global, regional and local capacity-building** efforts will continue to address urgent capacity gaps in operations along with new tools, research, training and guidance responding to the fast-moving developments in CBI.
- Country operations will include **UNHCR's identity management capabilities** in the cash delivery chain to the maximum degree possible.

¹¹ CBI have been mainstreamed in the new Results-Based Framework

¹² [Cash-Based Interventions \(unhcr.org\)](https://www.unhcr.org/cash-based-interventions)

- Multi-functional and technical support from the **Regional Bureaux and Headquarters Divisions** will remain throughout policy implementation. This is to ensure a coherent approach globally and support on issues and clearances. The support teams will also help operations to **stay on top of new developments and maximize the use of innovative approaches.**
- **Monitoring the process, outcomes and impact of CBI** is critical and will be done by country operations using the post-distribution monitoring tool (PDM) and evaluations, where appropriate.
- **Ensuring that safeguard measures** are considered and in place to prevent the risk of **Sexual Abuse and Exploitation (SEA)** for persons of concern.

SPECIFIC OUTCOMES FOR PERSONS OF CONCERN

Policy implementation is aimed at bringing about the below positive outcomes in the lives of persons of concern,¹³ with actions taken across the organization at country, bureau and divisional level.

Refugees, IDPs and Others of Concern will:

Increasingly access CBI as the preferred modality of UNHCR assistance from emergency preparedness and response to the achievement of solutions

UNHCR will replace the use of in-kind assistance with CBI in emergency and regular assistance and increase the use of CBI for services and protection alongside quality service delivery and protection programming, whenever possible. UNHCR will ensure that CBI is sufficiently reflected in interim and multi-year strategies, resource requirements and allocation. CBI emergency preparedness is essential, including cash feasibility assessments, response

analysis, innovative and remote cash delivery arrangements, SEA risk assessment, partnerships and contracting of financial service providers available to provide rapid CBI in areas with possible refugee influx or internal displacement. UNHCR will ensure a community-based and participatory approach to CBI, engaging persons of concern throughout the process of planning for and delivering CBI.

Receive CBI that promote inclusion and access to local sustainable services

UNHCR will leverage CBI to enhance opportunities for *leaving no one behind* through refugee inclusion in national systems and services. Working with regulators, particularly with Central Banks, UNHCR will advocate and address the challenges for persons of concern around legal and regulatory obstacles, such as requirements for authentication of an individual's

identity document before accessing a mobile connection, bank account or mobile money wallet. Maximizing engagement with local systems and partners, CBI will be linked to development efforts and plans. Financial inclusion will be a key focus through the recognition of refugee identify documents as reliable and independent evidence of official identity to access financial services.

¹³ These outcomes are contextualized by field operations in line with priority issues identified in situation analysis and strategic planning as well as experience and lessons learned. Operations define their own outcomes as part of interim and multi-year strategies in a process consistent with this and other policies and the priorities established with stakeholders

UNHCR will also invest in transitional safety nets and/or aligning CBI with social protection,¹⁴ when appropriate, as a transition for persons of concern to full inclusion. Scaling up the use of CBI to support livelihoods is a priority to contribute to

a transition from aid to development and self-reliance. Cash for return and reintegration will continue, when appropriate, along with increased focus on social cohesion outcomes in the implementation of CBI.

Access unrestricted CBI along with services as part of a basic needs approach

UNHCR will maximize the use of unrestricted CBI to meet basic needs of persons of concern, including for shelter, education, livelihoods, water, sanitation and hygiene and health, through a holistic basic needs approach,¹⁵ simplifying the cash process from the perspective of persons of concern while providing them with choice. To the extent possible, UNHCR will provide unrestricted CBI, without conditionalities and restrictions. Restricted CBI will only be used as a last resort to achieve specific pre-defined outcomes. Strong communication, awareness-

raising, outreach strategies and solid referral mechanisms are essential when implementing a basic needs approach. Strong monitoring of CBI through systematic CBI PDM and data analysis will inform and support adjustments to UNHCR's programming. Building on [UNHCR's Strategic Framework for Climate Action](#) and community sensitization, UNHCR will also integrate environmental considerations in the CBI design and implementation to reduce negative impact on the environment.

Participate as partners in the design, delivery and monitoring of CBI to help address their protection concerns

UNHCR commits to further expanding the use of community-based CBI as a core tool to achieve an array of protection objectives including in areas such as child protection, education, and gender-based violence programming, and in enhancing access to documentation. UNHCR will work in close collaboration with persons of concern of diverse profiles in the planning, delivery and monitoring of CBI to optimize gender equality and mitigate the specific protection risks frequently faced by women, children, persons who are older or living with a disability, LGBTIQ+ persons and other minority groups. The success and sustainability of CBI for protection requires their inclusion in a broader protection strategy that comprises other forms of community-based protection interventions, the collection and use of quality disaggregated data, advocacy and other

initiatives facilitating the inclusion of them in national services and development programmes. The establishment of a range of easily accessible and responsive channels through which persons of concern can provide feedback and have their concerns addressed in a timely manner is another key component of a holistic protection strategy. UNHCR and partners must also invest in strengthening the digital, numeric and financial literacy of cash recipients to facilitate their inclusion in CBI and reduced the risk of exploitation and other forms of abuse. UNHCR and partners are also required to assess the potential risk of SEA in targeting or disbursement of CBI and to develop safeguard measures to mitigate these risks.

¹⁴ [Aligning Humanitarian Cash Assistance with National Safety Nets in Refugee Settings - Key Considerations and Learning](#)

¹⁵ [Basic Needs Approach in the Refugee Response](#)



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Access digital payment solutions where personal data is responsibly managed

UNHCR's goal is to empower displaced people to address their needs through a range of technologies and to be part of a digital financial ecosystem, rather than simply delivering assistance. A range of digital payment solutions are required along with integrated technologies providing choice and digital access to persons of concern. Investment in financial literacy of beneficiaries is required to support the realization of such opportunities along with increased interoperability of beneficiary and

cash management systems, including with social registries and partner systems. UNHCR will continue investment in PRIMES¹⁶ to enable the delivery of CBI in an accountable manner. The implementation of UNHCR's [Policy on the Protection of Personal Data of Persons of Concern](#)¹⁷ remains a cornerstone of the implementation of the CBI policy going forward, including through specific data protection impact assessments and data-sharing agreements that ensure adequate safeguards.

Access CBI through collaborative cash approaches that minimize duplication

Persons of concern will receive CBI through collaborative cash systems in which UNHCR works in close partnership with governments, the private sector, UN agencies (in line with the UN Common Cash Statement), community-based and local partners, NGOs and development actors. This includes collaboration on procurement of financial services, systems interoperability, data-sharing and collaborative programming for CBI (i.e. feasibility assessments, targeting and monitoring).

Joint vulnerability assessments with partners will inform targeting methodologies, including for IDPs. Whenever possible, UNHCR will work through and link vulnerable populations to existing national systems under the leadership of host governments. UNHCR will continue coordinating CBI in pure refugee settings in line with the Refugee Coordination Model, often in collaboration with other partners, and engage in collaborative coordination of CBI for other persons of concern.

¹⁶ Registration tools – UNHCR – Guidance on Registration and Identity Management

¹⁷ Refworld | Policy on the Protection of Personal Data of Persons of Concern to UNHCR

Receive rapid CBI in a simple, efficient, and accountable manner that addresses risks

Operations will, wherever feasible, use direct implementation by setting up open loop transfer arrangements to deliver CBI and engaging the private sector for financial and mobile cash transfer capabilities and innovative solutions. Partners, with an emphasis on local capacities, will continue to play a critical role in the assessment, response analysis, targeting, community outreach and monitoring. UNHCR will continue strong financial management and accountability through further mainstreaming the corporate and comprehensive financial control system. This includes the required global roll-out of UNHCR's cash management system *CashAssist in operations*. Emphasis on having clear standard operating procedures in place

will be a continued priority while simplifying the processes and rules for delivering CBI. UNHCR will also invest in mitigating the risks in CBI when working with the private sector, focusing on a people-centered approach reflected in the contracts, capacity and work with financial service providers. UNHCR will also ensure that all partner personnel, including private sector partners, have been trained on the Code of Conduct and PSEA, and that such partners have systems in place to prevent and respond to SEA. Risks to achieving intended outcomes of CBI should be assessed and, where appropriate, captured in the Operational Risk Register. UNHCR will strengthen the implementation of the corporate PDM tool and increase impact evaluation of CBI along with continued research and learning.

TERMS AND DEFINITIONS

- **Cash-Based Interventions (CBI)** are interventions in which cash or vouchers for goods or services are provided to persons of concern on an individual or community basis. The concept does not include cash or vouchers provided to governments or other state actors or payments to humanitarian workers or service providers. The term can be used interchangeably with Cash Based Transfers and Cash Transfer Programming.
- **Unrestricted CBI** are CBI that can be used as the recipient chooses i.e. no effective limitations are imposed by the implementing agency on how the transfer is spent.
- **Conditionality** refers to prerequisite activities or obligations that a recipient must fulfil in order to receive assistance.
- **Social Safety Nets** are a sub-set of broader social protection systems that target people in situations of poverty or vulnerability with non-contributory transfers, such as in-kind food, cash, or vouchers. Transfers can be provided conditionally or unconditionally.
- **Financial inclusion** means that a full suite of financial services is provided, with quality, to all who can use them, by a range of providers, to financially capable clients.
- **Open loop approaches** are commercially accessible payment solutions that involve a regulated payment processor.