



# UNHCR AND CASH ASSISTANCE

## 2020 ANNUAL REPORT

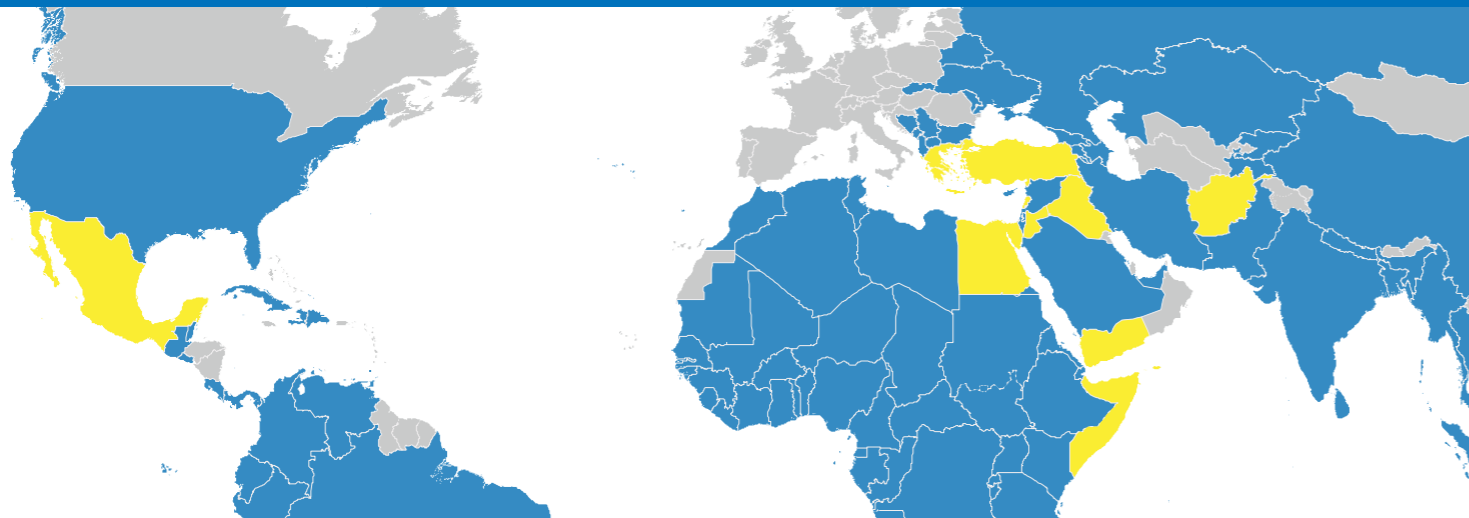
# OVERVIEW UNHCR CASH ASSISTANCE

## 2016-2020

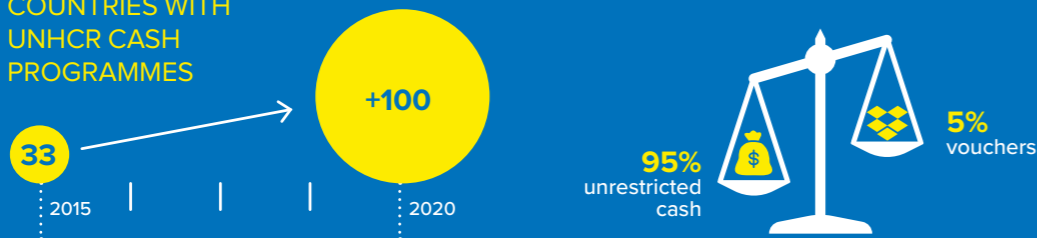
This report highlights UNHCR's progress on expanding the systematic use of cash assistance in its final year of cash institutionalization in line with the [Policy on Cash-Based Interventions](#). The report provides an overview of the use of cash assistance in UNHCR country operations and the work to make UNHCR cash enabled at all levels of the organisation.

### 10 LARGEST CASH OPERATIONS IN 2020

1. Lebanon 2. Greece 3. Jordan 4. Iraq 5. Yemen 6. Egypt 7. Turkey 8. Afghanistan 9. Mexico 10. Somalia



### COUNTRIES WITH UNHCR CASH PROGRAMMES



More than **25 Million** people receiving cash assistance

**\$3 Billion** cash assistance reaching people

**80%** bank account / mobile money

**72 SOP** for DI Imp. cleared

**57** Active Contract with FSPs

**40** Procurement ongoing

**+60 PDMs** Countries

# KEY HIGHLIGHTS

- Meeting its Grand Bargain commitment, UNHCR delivered some **USD 700 million to 8.5 million people in 100 countries**.
- UNHCR responded rapidly and effectively to COVID, scaling up and/or launching cash in **65 countries**.
- **95%** of the cash was **unrestricted**, providing the choice to the beneficiaries.
- UNHCR largest operations delivering cash assistance were: Lebanon, Greece, Jordan, Iraq, Yemen, Egypt, Turkey, Afghanistan, Mexico, and Somalia
- Refugees accessed **digital payments in 47 UNHCR operations**; a pathway to financial inclusion.
- The UN Common Cash Statement resulted in **common transfer mechanisms in +24 countries**<sup>1</sup>.
- A **network of 100 cash experts** exist in UNHCR operations and across regions.
- UNHCR has trained **+ 5,000 staff** and launched an **online cash learning toolkit** and a ToT.
- UNHCR rolled out CashAssist - UNHCR Cash Management System – to **14 operations in 2020**.
- **+60 countries** conducted **post-distribution monitoring** using UNHCR's corporate tool.
- New guidance on market assessment, COVID, CBI tool repository, child protection and health, and researched the impact of cash on the environment and child protection.

<sup>1</sup> Including arrangements made in 2019



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# KEY ACHIEVEMENTS AGAINST UNHCR 2020 DIRECTIONS AND PRIORITIES

This annual report outlines progress made against UNHCR's Direction and Priorities for Cash Assistance outlined in [2016-2019 UNHCR Implementation of the Policy on Cash-Based Interventions](#) whereby vulnerable populations are to:

## 1. HAVE INCREASED ACCESS TO CASH ASSISTANCE, INCLUDING IN EMERGENCIES

### Continued scale up of cash

Reaching the end of the cash institutionalization process in December 2020, UNHCR has implemented the [CBI Policy](#). In line with its Grand Bargain commitment to double the use of cash as a proportion of its assistance by 2020, cash assistance exceeds in-kind assistance. In 2020, UNHCR delivered some USD 700 million to some 8.5 million people in 100 countries. UNHCR uses cash for a wide range of purposes, including protection, basic needs, education, shelter, health, livelihoods and protection against winter conditions. A significant part of the cash was dedicated to meet specific protection purposes. Most of the cash is disbursed without restrictions, meaning that refugees can choose how they spend it.

### Cash and COVID

The COVID-19 response in 2020 demonstrated that UNHCR is fit for purpose to deliver cash at scale and rapidly. In collaboration with governments and other partners, more than 65 UNHCR operations launched new cash initiatives and/ or expanded existing cash assistance. The operations adapted existing cash assistance, introducing new approaches and technology, designing new cash

grants and targeting criteria to assist new vulnerable populations, developing exit strategies, increasing the use of digital payments, adjusting systems and complaints and feedback mechanisms and, where appropriate, aligning cash assistance with the government social assistance. Good practices are consolidated from 24 operations in the [UNHCR Cash Assistance and COVID 19: Emerging Field Practices I](#) and [II](#). UNHCR issued several cash guidance for the COVID response including for the different sectors such as shelter and education.

### Capacity-Building

UNHCR trained 5,000 staff and continues its capacity-building efforts with the launch of an online cash learning toolkit, including a new e-learning on cash, a webinar series, a community of practice and a range of training modules on priority topics. UNHCR conducted a comprehensive Training of Trainers adding to the roster of available cash training capacities across the regions. Training through webinars were conducted on cash and protection, KYC, PDM, cash and health, cash and environment, digital payments, systems interoperability and cash alignment with social protection.

## 2. RECEIVE CASH THROUGH A COLLABORATIVE APPROACH

The UN Common Cash Statement agencies provided both guidance and technical support to country operations, and launched in 2020 the [UNCCS Questions & Answers](#), which outlines the UNCCS fundamentals, guides collaboration and highlights the achievements in the focus countries<sup>2</sup> and through the global workstreams. With the implementation of the [Guidance on Collaborative Procurement](#), more than 24 countries now use shared cash transfer mechanisms as opposed to only a few countries in 2018.

The seven focus countries progressed with the implementation of their UNCCS action plans with some launching joint procurement of financial services, systems interoperability mapping or pilot exercises, joint cash feasibility or risk exercises, and joint post-distribution monitoring. To advance on the complex agenda of interoperability, UNICEF, WFP and UNHCR developed and signed a trilateral data-sharing agreement for cash assistance, and launched the [Minimum Core Data Set for the Purpose of Assistance](#).



UNHCR also engaged and led joint procurement with NGOs, such as in Mexico and Jordan.

UNHCR also organized an NGO partner reflective meeting focused on building on good practices in the cash and COVID response including a panel with UNHCR, NRC, ICRC and IFRC including more than 60 partner organizations.

2 Afghanistan, Bangladesh, Central African Republic (CAR), the Democratic republic of Congo (DRC), Ecuador, Niger and Yemen

## UNHCR AND WFP JOINT CASH ASSISTANCE AND MONITORING FOR URBAN REFUGEES IN UGANDA

Following the restrictions and measures of the government to curb the spread of COVID 19, many refugees were unable to engage in their regular casual work, leaving them vulnerable with challenges to meet basic needs. WFP and UNHCR jointly provided one-time cash assistance to all urban refugees in Kampala through mobile money. The joint PDM demonstrated that over 74% of refugees were able to withdraw the assistance within one kilometer from their home. Food, rent, health costs, utilities, fuel and hygiene items were among the top expenses. 60% of the cash recipients had experienced a recent increase in prices of commodities, such as rice and beans. Almost all (95%) emphasized that the cash assistance improved their living conditions and reduced financial burden. A majority prefers receiving cash assistance (68%) or a combination (25%) of cash and in-kind. The use of negative coping strategies remained high. 68% of respondents also resorted to using their savings indicating decapitalization due to COVID.

### 3. PROGRESSIVELY EMPLOY SUSTAINABLE APPROACHES AS OPPOSED TO SHORT-TERM ASSISTANCE

#### Linking cash with social safety nets

While the main aim of UNHCR is to work towards inclusion of refugees and other vulnerable people in the social assistance efforts of governments, access remains limited. UNHCR's cash assistance complements the government efforts by contributing an additional safety net for vulnerable refugees and others of concern.

In the COVID response, UNHCR managed to align its cash assistance (mostly transfer values but also other elements such as eligibility criteria for receiving cash) with that of the government social safety nets in several countries, including in Armenia, Azerbaijan, Costa Rica, Mauritania, Morocco, Pakistan, Peru, and to some extent in Rwanda and Uganda. This approach is in line with the 2019 UNHCR guidance [Aligning Humanitarian Cash Assistance with National Social Safety Nets in Refugee Settings - Key Considerations and Learning](#).

#### Working towards sustainability and inclusion

UNHCR provided cash for livelihoods in 52 operations, including in Mozambique during COVID to support refugees and Mozambicans to cope through the crisis without being forced to sell productive assets under the duress of loss of income. In the COVID response, Jordan developed an exit strategy to ensure that the population does not move into a "welfare status" but can continue to work towards self-reliance, once the economy opens and restrictions on access to jobs ease. In Greece, UNHCR will in 2021 be handing over the cash assistance to refugees to the government. The increase in digital payments of UNHCR's cash assistance, now in 47 countries, provided a pathway to financial inclusion with refugees accessing their own bank or mobile money accounts. See Priority 4 below.



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### ALIGNING LARGE-SCALE EMERGENCY CASH GRANTS IN PAKISTAN WITH THE NATIONAL SOCIAL SAFETY NET

In Pakistan, UNHCR launched an emergency cash grant distribution to over 216,000 affected persons to tackle the negative socio-economic impacts of COVID-19. Sudden lockdowns affected population movements coupled with the resulting economic slowdown greatly impacted citizens in Pakistan, including refugee communities without access to Government's social welfare systems. UNHCR's cash assistance, set up in close coordination with the Commissionerate for Afghan Refugees, aligns with Government's *Ehsaas Emergency Cash Programme* and mirrors its targeting strategy and cash transfer grant size. Accessible to refugees, the 75 USD cash grants were delivered country-wide through Pakistan Post Office's Urgent Money Order service.

### 4. BE PART OF A DIGITAL FINANCIAL ECOSYSTEM IN WHICH PERSONAL DATA IS PROTECTED

#### Increased Digital Payments

In 2016, digital payments to refugees, including access to bank and or mobile money, was limited to only a few countries in the operations where UNHCR provides cash assistance. In 2020, as a result of the cash institutionalization process, 47 countries have managed to negotiate access of which 32% has set

up mobile money. Financial and digital inclusion is a vital component of their protection, self-reliance and resilience. The progress and challenges with enabling refugee access to bank accounts and mobile money are outlined in the [Digital payments to refugees- A pathway towards financial inclusion](#), launched in December 2020.

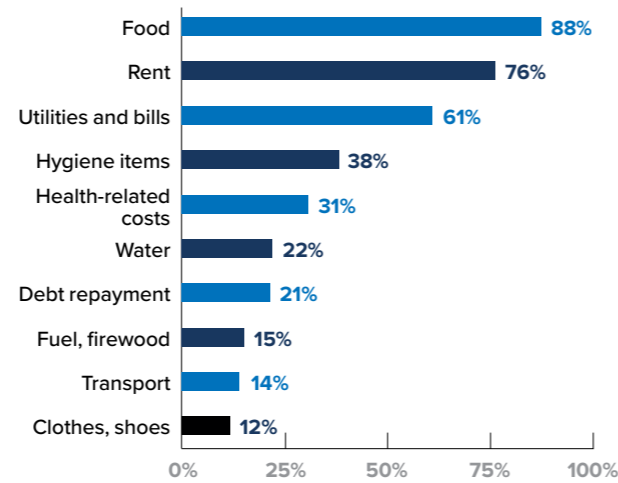
### A COMMUNITY-BASED APPROACH TO FINANCIAL INCLUSION IN ZAMBIA

Following advocacy by UNHCR, approval was received from the Bank of Zambia and ZICTA, the telecommunications regulator, to use the, refugee certificate and refugee ID card as valid ID for mobile wallet registration. This allows **refugees to have access to formal financial services under their own name**. UNHCR partnered with MicroSave, to review how the shift to mobile money could concretely improve cash assistance for refugees in Meheba to make it more effective, efficient and impactful. The **MicroSave** team spent significant time in the camp and despite their technical and digital expertise, they immersed themselves in the new context to achieve a human-centred design. Simply setting up digital systems is not enough to bring about efficiency and effectiveness gains. Customers need practical solutions, such as training on how to keep their PIN code safe, how to raise complaints or to seek assistance, for the shift to bring about efficiency and effectiveness gains. Going forward, the team hopes that the new approach will result in a gradual shift in behaviour and develop the pathway to financial inclusion through access to more financial services such as microcredit.

## 5. ACCESS CASH AND SERVICES AS PART OF A BASIC NEEDS APPROACH: QUALITY AND MONITORING

### Post-Distribution Monitoring

UNHCR continued rolling out its corporate post-distribution monitoring (PDM) tool, now in over 60 operations. A [PDM analysis during COVID](#) highlighted that a majority of cash recipients indicates a high satisfaction with cash assistance, that they could find what they needed in the market and that cash has helped to mitigate some of the negative impacts of COVID-19. However, the results paint a bleak picture of the overall well-being and protection of refugees and others of concern in times of COVID with 74% of them meeting only half or less of their basic needs.



### Cash, markets and sectors

UNHCR developed and launched with the Norwegian Refugee Council the revised [Joint UNHCR-NRC Multi-Sector Market Assessment \(MSMA\) Toolkit](#) which considers not only goods but services. UNHCR also launched the CBI Toolkit; a comprehensive package of all relevant tools required for cash assistance;

and guidance on [cash and health](#)<sup>3</sup> and research on [cash and environment](#)<sup>4</sup> along with an [Environment Checklist](#), currently being piloted in Colombia. The guidance and research were implemented and/or introduced through several webinars.

3 The Role of Cash Assistance in Financing Access to Health Care in Refugee Settings

4 Review of Environmental Impact of Cash and In-Kind Assistance

## MONITORING CASH ASSISTANCE FOR HYGIENE AND COMMUNICATION IN GREECE

UNHCR Greece increased the transfer value of the unrestricted monthly cash assistance for the 100,000 refugees and others of concern in the country to cover for COVID-related expenditure. Food remained the top expense, followed by hygiene items which increased significantly compared to pre-COVID average hygiene expenditure. Some 90% of the cash recipients stated that the additional cash contributed to communicating with friends and family, ensuring physical distancing measures, and meeting their needs for seeking COVID-19 related information. Over 80% said they spend more time on the phone and online, as compared to pre-COVID. Beneficiaries' own perception of risk of Covid-19 infection varies; however more than half (57%) believe they are somewhat or very likely to become infected. The cash recipients found the required goods and services in the market, at correct prices, and the overall satisfaction with cash assistance was high. Even during the pandemic, 74% of households reported a clear preference for cash assistance for hygiene items, while 12% and 11% would prefer respectively a combination of in-kind and cash or only in-kind for hygiene items.

## 6. RECEIVE CASH THAT “DO NO HARM” AND HELPS TO ADDRESS SPECIFIC PROTECTION RISKS

### Impact of cash on protection

A large part of UNHCR's cash assistance was dedicated to achieving specific protection outcomes, including in the COVID-19 response. Monitoring and evaluation in operations show that cash, together with in-kind assistance and services, contribute to preventing displaced populations from resorting to negative survival strategies, such as removing children from schools, child labour and begging,

survival sex, early marriage or returning prematurely to conflict zones. Evaluations on cash assistance have been conducted in Jordan, Rwanda and Greece, and UNHCR released [a summary of the findings 2020](#). Building on cash and SGBV research and e-learning, operations used cash to prevent, mitigate and respond to SGBV, including Turkey where UNHCR thanks to EU funding provided SGBV survivors with a small monthly amount to help them through the recovery.



## COVID-19: CASH FOR PROTECTION AND EMERGENCY CASH GRANTS IN UKRAINE

Jointly with its NGO partners, UNHCR provided cash for protection to persons with specific needs in Donetsk and Luhansk oblasts. This included individuals who remained stranded at the Entry-Exit Checkpoints (EECP) in eastern Ukraine since the movement across the contact line was suspended on 22 March. Among those supported with cash for protection were families stranded at all the EECPs. With this assistance, affected persons were able to rent apartments close to the checkpoints, allowing them to stay in dignified spaces while waiting for permission to cross to their places of residence in the nongovernment-controlled areas (NGCA).

### Evidence and guidance on cash and protection

UNHCR developed guidance on cash and child protection<sup>5</sup>, and reviewed the impact of cash on child protection in Jordan, Lebanon and Egypt. The findings are available in the [Protection Impacts of Cash Assistance with a focus on Child Protection](#).

UNHCR and WFP developed, under the joint [Mitigating the Risks of Abuse of Power project](#), a

comprehensive toolkit targeting humanitarian and development actors as well as the private sector. Building on learnings from the implementation of the joint project in eight countries, the Toolkit includes for example a new Code of Conduct targeting financial service providers. UNHCR also launched the Strengthening Cash and Protection Initiative, which includes further internal capacity-building, piloting and collection of good practices on cash and protection.

## 7. BE ASSISTED IN AN ACCOUNTABLE MANNER THAT MAXIMIZES AVAILABLE RESOURCES AND ADDRESSES RISKS

As part of its global roll out plan of UNHCR's Cash Management System – *CashAssist* - 14 operations<sup>6</sup> are now using the system to manage lists, payments, tracking and reconciliation for cash assistance. Some 20 operations were trained on its use and many are planned for roll-out early 2021, moving closer to the target of 70 operations using *CashAssist* by 2021. UNICEF will start using the system in 2021 building on joint development and adjustments in 2020 and a joint mission to Jordan.

UNHCR also launched a Procurement Toolkit to support systematic due diligence and clearance in the procurement process of financial service providers, and a Risk Management Toolkit for Cash Assistance, which assists in identifying, treating and monitoring risks in relation to UNHCR's work with financial service providers.

<sup>5</sup> Promoting Child Protection Outcomes through Cash-based Interventions

<sup>6</sup> Greece, Rwanda, Jordan, Ethiopia, Kenya, Zambia, DRC, Ghana, Cameroon, Burkina Faso, Mexico, Costa Rica, Guatemala and Brazil.



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