

Cash based interventions (CBIs)

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Key points

- Analyse the feasibility of cash, and justify the reasons for not using cash.
- Establish SOPs for CBI.
- Agree with partners on a collaborative approach to CBI.
- Establish a multi-functional team to oversee a CBI.
- Involve PoC in all the steps of cash delivery.
- Reach out to CBI experts in house.

1. Overview

This Entry provides guidance to field operations when they consider the introduction of cash based interventions (CBIs), including multi-purpose cash grants (MPGs).

A '**cash-based intervention**' is any intervention in which cash or vouchers for goods or services are provided to refugees and other persons of concern (PoC) either as individuals or as representatives of a community.

Note. Cash or vouchers that are provided to governments or other state actors, or to humanitarian workers or service providers, are not CBIs. The terms CBI, 'cash-based transfer' and 'cash transfer programming' are interchangeable.

Multipurpose cash grants (MPGs) are regular or one-off cash transfers to a household that fully or partially cover a set of basic or recovery needs in different sectors (for instance, for shelter, food, education, and livelihood) and support protection and solutions outcomes. By definition, MPGs are unrestricted cash transfers that put beneficiary choice (the prioritisation by beneficiaries of their own needs) at the centre of programming. They are designed to offer

refugees and other PoC as much dignity, flexibility and efficiency as possible commensurate with their needs and capacities.

Assuming the context is appropriate, the steps and tools for implementing CBIs are outlined below.

2. Main guidance

Protection objectives

- To give PoC the right to choose how they meet their basic needs, taking their changing needs into consideration.
- To boost the host economy and so create a better environment for asylum and co-existence.
- To facilitate PoC access to national services.
- To promote a rights-based, community-based and participatory approach.
- To increase refugees' self-reliance, by combining cash and livelihood interventions.
- To help people to be economically active, and thereby achieve financial inclusion.
- To link humanitarian cash programmes to national social safety net programmes, whenever possible. If this cannot be done at the outset, programmes should mirror existing systems in order to facilitate a smooth transition later on.

CBI policy outlines the following lines of action:

- Embed CBI as a corporate priority.
- Proactively consider cash when you evaluate different forms of transfer.
- Exercise leadership; promote coherence and complementarity.
- Maximize partnership by ensuring that all aspects of CBI programmes are joined up.
- Use direct transfer wherever possible to deliver cash assistance to refugees and other PoC.
- Ensure that CBI programmes are subject to appropriate financial controls.

Do a cash feasibility and response analysis

UNHCR multi-functional teams should employ the **Cash feasibility and response analysis toolkit** to decide whether CBI is feasible in a given operation. Use the toolkit after undertaking a needs assessment and if there is evidence that CBI is an appropriate way to address PoC needs.

To establish the feasibility of CBI, analyse the seven key areas outlined below.

Area of analysis	Key questions and main tools
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<p>1. Market access and capacity</p>	<p>Are local, regional, and national markets accessible? Can they provide the goods or services that are required? Can they do so at an appropriate price? If demand increases following the introduction of a CBI programme, can markets respond ?</p> <p>UNHCR, Market Assessment Companion Guide and Toolkit.</p>
<p>2. Protection risks and benefits</p>	<p>What are the protection risks and benefits of using CBIs compared with alternatives? What are the protection implications for individuals, households and communities? How can these risks be mitigated and managed?</p> <p>UNHCR, Guide for Protection in Cash-Based Interventions; and UNHCR, Protection Risk and Benefit Analysis Tool.</p>
<p>3. Financial risks and benefits</p>	<p>What are the potential financial risks and benefits of using CBIs? How can risks be mitigated and managed?</p> <p>UNHCR, Template for country-level standard operating procedures (SOPs) for UNHCR cash-based interventions (CBIintranet).</p>
<p>4. Political context</p>	<p>What is the host government's position on providing CBIs to PoC, nationally or locally? What are other CBI actors, including the Government, doing? What is the regulatory environment? Best practice is summarised in UNHCR, Cash feasibility and response analysis toolkit.</p>
<p>5. Transfer mechanisms and delivery options</p>	<p>Which organizations provide financial services? What is their coverage and how reliable is the service they provide? How long might it take to contract and establish the required services? What is the regulatory environment?</p> <p>UNHCR, Cash Delivery Mechanism Assessment Tool (CDMAT).</p>
<p>6. Costs and cost-efficiency</p>	<p>What is the cost of delivering CBIs, relative to alternative options? What are the costs of different transfer mechanisms? Maintool. Best practice is summarised in UNHCR, Cash feasibility and response analysis toolkit.</p>

7. Skills and capacity

What skills are available in the operation that will assist delivery of CBI? What level of commitment is there? Consider a range of functions, including information technology (IT) and budgeting and accounting. What additional internal capacity is needed? An overview of the steps required to establish a CBI is attached to this Entry.

Protection Risks

Always prepare a protection risk mitigation matrix when you design an assistance programme. It will help you to identify the potential harmful effects and risks of CBIs, who is at risk, how serious the harms might be, how likely they are to occur, and whether the programme's design can mitigate risks (by selecting particular payment, delivery or feedback mechanisms, for example). An example of a protection risk mitigation matrix can be found on the [intranet](#).

Weigh risks against potential benefits; consider alternative forms of transfer if risks cannot be mitigated. Monitor programmes regularly; establish accountability frameworks with effective feedback and response mechanisms.

In summary, when you assess whether a CBI programme is feasible, ask the following key questions to assess protection risks and benefits:

- Are affected communities included as participants in all phases of the programme cycle?
- Will MPGs create or exacerbate protection risks or improve benefits for individuals, households and communities?
- Have individuals with different or specific needs and protection risks been consulted?
- Have two-way feedback mechanisms and focal points been established to ensure regular communication?
- Are we working closely with colleagues in protection and other relevant sectors?
- Have we done a gender, age and diversity analysis?
- Does the MPG design take account of complementary activities and services?

For further information on protection risk and benefits analysis, see UNHCR, [Operational Guidance and Toolkit for Multipurpose Cash Grants](#), pp. 33-35.

Other risks

During feasibility planning, it is important to assess the financial and operational risks associated with particular methods of transfer and delivery mechanism, including the harms they might

cause, and the probability that harm will occur. Use UNHCR's **Risk Mitigation Matrix** to assess risks, identify who is at risk and the possible harms, and set out mitigating measures. Based on this analysis, assess whether the risks are such that a CBI programme cannot be justified or cannot be implemented. Additional risks that need to be analysed include legal, political and socio-economic risks.

An example of a financial risk mitigation matrix can be found on the [intranet](#).

Key decision points

The multi-sectoral nature of UNHCR's refugee mandate makes it sensible to use CBIs because they can address a range of needs cost-effectively, during displacement and on return. Before designing and implementing a CBI response, it is essential to:

- Determine whether to use cash, based on a feasibility assessment and analysis.
- Agree collaboration arrangements with partners if cash is feasible. In refugee settings, UNHCR should coordinate a cash approach with sectors and agencies, as well as with the Government and safety net programmes.

UNHCR's [Guidance on Cash-Based Interventions in Displacement Settings](#) will help teams to analyse whether CBIs are an appropriate way to achieve protection and assistance goals, and to design suitable programmes.

Key steps

To implement a CBI in an emergency, take the following steps:

- Establish a multi-functional team (MFT). Include staff who have expertise in [cash management](#) and distribution.
- Establish a CBI focal point who can coordinate with counterparts in HQ, with the MFT, and with partners.
- Link with existing coordination systems and partners who are already implementing CBIs (on advocacy, data collection, targeting, delivery of assistance, etc.).
- Do a rapid needs assessment (or similar programme) to guide your programme design.
- Assess the market (for access, availability of goods, prices, etc.).
- Consider political factors, including support for cash and CBI.
- Consider the relative merits of multipurpose cash grants and sectoral cash grants and decide the value of the grants that will be distributed.
- Identify an appropriate financial service provider or partner who is competent to deliver the services you require swiftly and in an appropriate manner.
- Because it is a priority to facilitate the financial inclusion of refugees, seek arrangements that will enable them to open individual bank accounts.

- Develop standard operating procedures (SOPs) that set out in precise terms how the CBI is to be implemented. Make use of technology wherever it will improve efficiency or access.

The table below indicates how a CBI should be designed and implemented in an emergency.

Note. The sub-steps are not always chronological. These activities can and should happen in parallel.

Analyse options and choose the best combination

Plan, design and implement the response

Engage with stakeholders	Identify a CBI focal point.
	Establish or activate a multi-functional team (MFT) or cash task team (CTT).
	Contact external stakeholders and find out whether a cash working group (CWG) is active.
	Assess the skills and capacity of the MFT and partners.
	Design and conduct a training for (i) UNHCR staff and (ii) partners (if needed).
Assess needs and determine objectives	Identify and analyse existing CBI assessments and reports.
	Analyse needs.
	Determine programme objectives.

Analyse options and choose the best combination	Assess political feasibility.
	Conduct a market analysis.
	Assess protection risks and benefits, and safety considerations (macro).
	Assess delivery options. (Include a macro risk assessment of the financial sector.)
	Assess cost efficiency.
	Assess the skills and capacity of potential implementing partners and financial service providers.
	Determine whether it is appropriate to apply conditionalities.
	Select a form of transfer or a combination of forms; and a delivery mechanism.
	Refine objectives.

Plan, design and implement the response	Develop the programme strategy. Decide how you will target beneficiaries, and the value of the cash transfer.
	Design and test IT solutions.
	Assess operational and financial risks and develop a strategy to mitigate them.
	Assess protection risks and develop a strategy to mitigate them.
	Develop a communications and information strategy for internal and external stakeholders.
	Plan the allocation of resources.
	Draft and publicise terms of reference and a request-for-proposals. Select partners (financial service providers or implementing partners) and finalize contracts.
	Determine criteria for selecting retailers who will participate (if appropriate).
	Select a vendor to create or manage vouchers (if required).
	Develop country-specific SOPs that set out administrative and financial procedures.
	Secure approval for the SOPs.
	Train partners.
	Establish financial arrangements and transfer funds.

Monitor, listen, evaluate and learn	Manage the caseload.
	Monitor the distribution of cash or vouchers.
	Make changes to the CBI as necessary.
	Monitor financial reconciliation and service payments.
	Report.
	Review the programme.

Key management considerations

- In line with UNHCR's policy on CBI, operations will systematically and proactively consider the feasibility of using CBIs as the preferred form of transfer in emergencies.
- Decisions to use only in-kind assistance must be based on solid evidence that this option is preferred by beneficiaries, or is a necessary response to the weakness of markets or financial service providers.
- In inter-agency fora, UNHCR should seek proactively to integrate CBIs in emergency responses and accept a coordination role where CBIs are adopted.
- UNHCR should not allow a position to arise in which it loses cash funding because of the food/non-food division of responsibilities with WFP. Where donors push for a single agency model, UNHCR should seek to be the lead agency for multi-purpose cash, including for food and non-food.
- Where it does not use CBIs in an emergency, notably after the first six months, UNHCR must be able to explain why.

Resources and partnerships

- UNHCR will cooperate on CBI with host governments, agency partners, PoC, donors, and private sector actors (particularly if they have expertise or comparative advantages in areas critical to the delivery and effectiveness of cash assistance). Use shared mechanisms accessible to all the humanitarian actors in a response. Do not establish parallel delivery systems for CBI unless there is no other option.
- Wherever possible, transfer cash assistance through a financial service provider.
- If they are to function effectively, CBIs must be supported by an active multi-functional team that includes (at minimum) colleagues from supply, finance, programming, and protection, as well as sectoral colleagues. Each has a role to play in the different phases of

a CBI: assessment of needs, markets, and financial service providers; analysis of risks; choice of the transfer and delivery mechanism; procurement and contracting; implementation and monitoring.

- Seek support. The CBI Section at HQ stands ready to offer technical advice, deploy CBI experts, provide training, support the procurement process, communicate CBI achievements, and more.

Annexes

[UNHCR, Policy on Cash-Based Interventions](#)

[UNHCR, Strategy for the Institutionalization of Cash-Based Interventions 2016-2020](#)

[UNHCR, Basic needs approach](#)

[UNHCR-WFP Addendum on Cash Assistance to Refugees to the January 2011 MoU](#)

3. Learning and field practices

4. Links

[Cash for Health: Key learnings from a cash for health intervention in Jordan CaLP/UNHCR, Review of the Common Cash Facility in Jordan The Greece Cash Alliance, Meeting Basic Needs through a harmonized Partnership ... Cash for education – A global review of UNHCR programs in refugee situations Cash Based Interventions for WASH Programmes in Refugee Settings](#)

5. Main contacts

Contact the CBI Section in UNHCR Headquarters. At: hqcash@unhcr.org.