Cash Based Interventions (CBIs)

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Key points

- Use the "why-not cash approach": give CBI priority consideration over in-kind assistance or justify reasons for not using CBI

- Develop CBI and related tools at the preparedness stage and include CBI in contingency plans

- Establish a multi-functional team to oversee CBI

- Establish SOPs for CBI and procure FSP at early stages

- Lead and coordinate with other actors (including through Cash Working Group); establish strong collaboration with HQ and the Regional Bureau

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1. Overview

Operations must give CBI priority consideration over in-kind assistance and seize every opportunity to deliver timely CBI in emergencies - in line with the UNHCR Policy on CBI 2022-2026. UNHCR shall provide unrestricted CBI (with no restrictions in what can be purchased with the received assistance), without conditionalities, to meet the basic needs of the forcibly displaced, including for shelter, education, livelihoods, water, sanitation, hygiene and health, through a holistic basic needs approach, providing the forcibly displaced with choice and to preserve their dignity. Restricted CBI shall be used as a last resort only, to achieve specific pre-defined outcomes.

2. Relevance for emergency operations

As per the UNHCR Policy on CBI 2022-2026, CBI is the preferred modality of UNHCR assistance from emergency preparedness and response to the achievement of solutions, committing UNHCR to continue scaling up CBI while maximizing the quality and impact of its implementation.

Through a "why not cash" approach, UNHCR is committed to replacing the use of in-kind assistance with CBI in emergency and regular assistance, as well as to increasing the use of CBI for services and protection alongside quality service delivery and protection programming. Providing forcibly displaced people with cash enables them to fulfil their needs in a dignified manner and contributes to the local economy, including in emergencies. CBI helps the displaced meet a variety of needs efficiently and timely, including access to food, water, healthcare, shelter, and allows them to build and support livelihoods. As per the policy-sought outcomes, CBI emergency preparedness is essential, including cash feasibility assessments, response analysis, developing innovative and remote cash delivery arrangements, SEA risk assessment, establishing partnerships and contracting suitable financial service providers, to deliver rapid CBI in areas with possible refugee influx or internal displacement. Strong monitoring of CBI through systematic CBI PDM and data analysis will then inform and support adjustments to UNHCR's programming.

3. Main guidance

Rationale – CBI in Emergencies

Adequate emergency preparedness and contingency planning is important to initiate or scale up CBI in an emergency. UNHCR's reference document that sets the standards for preparing for emergencies is the [UNHCR Policy on Emergency Preparedness and Response (UNHCR/HCP/2023/01)](#) and [UNHCR's Guidance on Emergency Preparedness (UNHCR-OG-2023-02)](#) The latter provides a practical framework to support effective operationalization and implementation of the Policy. The most important preparedness measures are listed below, including relevant policy, guidance, resources and tools.

Key Actions for effective preparedness and Emergency response: Pre-design cash assistance: Have clarity on the objectives, targets, budget, timelines and context.

- Basic questions to address are: whether CBI can meet the needs, population preferences, pre-crisis coping mechanisms, and market functionality – see the [Needs Assessment Handbook](#), including tools in Annex 2 and [UNHCR Tool for Participatory Assessment.](#)
- Ensure that CBI related questions are integrated in any initial or rapid assessment, for example the [Needs Assessment for Refugee Emergencies (NARE)](#).
- Consider joint needs assessments and assessments from other actors, see for example [Learning from UNHCR/WFP Joint Needs Assessments.](#)
- Consider which targeting method is most appropriate to the context and resources at hand:
    - Status-based assistance may be provided to all persons who are displaced within a certain time period, within a certain geographical area.
    - Alternatively, assistance may be prioritized for some households considered in greater need than others. Simple targeting, e.g. through demographic characteristics of households, such as dependency ratio, specific needs codes, is more viable in emergencies than e.g. score cards.
- Screen markets or use pre-existing market assessments to ensure existing markets and service providers supply the goods or services needed by the target populations, that prices are adequate, and that the elasticity of supply is appropriate. Full-fledged market

assessment is only required if targeted people represent more than 20% of the total population in the catchment area and the likely increase in demand represents more than 10% of usual trader flows in rural and 25% in urban markets. See [Multi-Sectoral Market Assessment - Companion Guide and Toolkit](#)

- Transfer size and frequency of CBI depend on intervention objectives. Guidance on [Quantifying Cost - Minimum Expenditure Basket and Setting the Transfer Value (unhcr.org)](#) include building on context, e.g. national poverty line, minimum wage, and safety net transfer values – as well as target population needs, political acceptability, resource availability, and income differentials. Transfer frequency depends on elements including the type of needs, intervention objectives, security, recipient preferences, and overall cost-efficiency.

- **Advocate for active Government and local authority engagement and buy-in.** Evidence demonstrating CBI feasibility and related pre-design can guide discussions at management level.
  - Analysis of the local political context and policy is key in understanding the host government's acceptance of CBI - review of the government's priorities, annual plans, programs, legislation, and regulatory environment. Key considerations for aligning humanitarian cash assistance with national social safety net are provided [here.](#)
  - The analysis can also include needs for capacity-building, coordination mechanisms, and opportunities for partnerships and inclusion.
  - Analysis of the regulatory environment on access to financial services for forcibly displaced people is required to understand whether direct CBI assistance is an option, including related negotiations with the government, where required. An understanding of Know Your Customer (KYC) requirements and Customer Due Diligence (CDD) processes is needed to guide discussions with Governments and Central Banks, where required.
  - [“Cash-Based Interventions and Access to Formal Financial Services”](#) provides guidance on how to promote access to formal financial services, to be taken into consideration during procurement of financial service providers.
  - Alignment and inclusion possibilities may emerge from assessment of the government's social protection and assistance programs, particularly those similar to the planned CBI.

- **Collaborate internally** and implement CBI through a Multi-Functional Team (MFT) approach.
  - Different functions and sectors play a role in the delivery of CBI – depending on the organizational set-up. Where necessary, capacity building should be done.
- **Conduct a light and rapid feasibility review** and put in place actions to mitigate any risks.
  - Adjust the feasibility review and analysis based on the operation's specific context and requirements.
  - Results of feasibility analysis remain valid unless major contextual changes occur.
  - Feasibility analysis can be conducted jointly with other organizations, and existing assessments from UN agencies, governments, NGOs – information available within the CWG should be used. Ideally, the discussion and conclusion about the feasibility

and information available in country should be conducted within the CWG, or in consultation with CWG, where it exists. Common cash delivery methods should be explored based on context, through mapping out of existing cash assistance programs in country.

- Ensure adherence to Do No Harm, protection principles and protection mainstreaming, when analyzing feasibility and designing CBI. Refer to guidance document [Cash Assistance and Protection: Why, What and How?](#)

- **Check if the operation already has a valid contract in place with a Financial Service Provider** covering the required modality. If not, initiate the procurement process.
    - Map out available FSPs, e.g. banks, mobile network operators (MNOs), and FinTech companies – also looking at what is already in place for social protection programmes, if any.
    - Identify the types of cash delivery services on offer, e.g. pre-paid cards, smart cards, mobile money, bank accounts, cardless withdrawals (e.g. ATM codes), and direct cash payments through agents or over the counter (OTC) methods. Procurement processes can lead towards selection of one or more FSPs and delivery modalities.
    - Identified risks should be incorporated into the operational and financial risk matrix and considered in the CBI feasibility assessment.
    - Consider collaborative procurement, e.g. piggybacking on other agencies' contracts and procurement processes.

- **Collaborate and coordinate with cash partners** (including the Cash Working Group) to provide strong cash coordination in refugee settings, a coherent approach and avoid duplication. Refer to the Cash Coordination Checklist. [Refer to the IASC Cash Coordination Model.](#)
    - Establish strong representation and leadership of UNHCR in CWGs
    - Ensure inclusive membership and strong CWG structure
    - Align with global tools and ensure transparent processes
    - Develop a workplan or a strategy through participatory priority setting
    - Map out and consolidate who does what where through IM products
    - Lead and coordinate common assessments, tools and standards
    - Ensure common systems, data-sharing and interoperability
    - Put in place a coherent/coordinated approach to targeting
    - Harmonize post-distribution monitoring (PDM)
    - Ensure common/coordinated cash transfer mechanisms
    - Coordinate with sectors/clusters and other actors
    - Link with cross-cutting initiatives and protection mainstreaming

- **Ensure registration or enrolment data are available rapidly** for delivery of assistance. The minimal requirements to initiate assistance include basic biodata and a unique identifier (e.g. proGres ID, existing national ID credentials such as passport or ID number, or an identifier through a national database). Internal coordination is required to ensure at least minimal requirements are in place to register persons, deduplicate beneficiaries, and start delivery of CBI, while the timeline for complete and more comprehensive registration often takes longer. See also the [EHB chapter](#) on registration for more details. Coordinate also internally to promote solid financial management, identity management, traceability, and audit trail.

- **Ensure CBI and registration personnel are timely deployed**.

- **Put in place Post Distribution Monitoring of cash assistance**.
- Identify the risks and establish mitigating measures to define the feasibility of CBI. Consider that many of the risks associated to CBI are applicable to assistance in general, and not necessarily specific to this modality.

Accountability to affected populations

- Feedback and complaints mechanisms form an integral part of AAP in the context of CBI. UNHCR Age, Gender and Diversity Policy focuses on communication and dialogue with the forcibly displaced to ensure that programme interventions, including CBI, are shaped by what they express about their needs, expectations and aspirations ([UNHCR Programme Handbook for Partners](#)). FSPs are usually contractually requested to put in place a feedback and response mechanism related to technical issues with the means of payment. This includes, for example, a telephone hotline through which the FSP addresses technical problems with e.g. payments, SIM cards or PINs.
- UNHCR has its own feedback and complaints mechanism, which should be used to address broader issues related to CBI, such as questions related to targeting, transfer values or protection incidents.
- It is also essential to mitigate the risks of abuse of power in cash assistance. Many also use financial services for the first time, making them particularly vulnerable to potential abuse. Key tool is UNHCR-WFP Toolkit for humanitarian agencies on how to Mitigate Risks of Abuse of Power in Cash Assistance and the UNHCR Code of Conduct for FSPs, which is a standard annex to CBI contracts with FSPs.
- Risks are assessed and documented in the Operational Risk Register.

Protection Risks

A protection risk mitigation matrix 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 design can mitigate risks (by selecting a particular payment, delivery or feedback mechanisms, for example).

When setting up CBI as part of the emergency response, you should 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?
- Do people have access to registration, allowing them to benefit from CBI, protection and services?

Post emergency phase

✓ Ensure continued monitoring (PDM).

✓ Adjust and finetune CBI based on evolved needs and findings from monitoring.

✓ If blanket assistance was provided during the emergency, transit assistance to a targeted approach.

✓ Ensure CBI capacity in the post emergency phase.

Checklist: CBI in Emergencies

- Include CBI in emergency preparedness plans.

- CBI related questions should be part of all initial/rapid needs assessments.

- Decide which targeting method is suitable given the context and resources.

- Conduct a market screening or use existing data to ensure markets are functional and to help determine the transfer value.

- Review host country context information (social, legal, economic) to determine CBI feasibility, in particular KYC requirements and CDD process.

- Determine transfer size and frequency based on intervention objective and context.

- Design UNHCR CBI intervention and develop SOPs as multi-functional team.

- Apply the protection risks and benefits tool.

- Cooperate with Registration Unit to ensure rapid enrolment of the target population.

- Map out FSPs and identify the types of cash delivery services offered.

- Undertake the procurement process for contracting a FSP or ensure that existing FSP contracts or other delivery options can be used in the emergency response.

- Establish feedback and complaint mechanisms for AAP.

- Ensure monitoring, PDM and data management.

- Collaborate and coordinate with cash partners, establish leadership in CWG.

4. Policies, Guidelines and Useful Links

[UNHCR Policy on Cash-Based Interventions 2022 - 2026](#)

5. Learning and field practices

[Cash card restores dignity for refugees in Greece](#)

[Lebanon's UNHCR Cash Helps Syrian Refugee Buy Medicine](#)

[UNHCR Niger: Mobile Money gives Malian refugees dignity and freedom of choice](#)

[Multipurpose Cash Grants](#)

6. Links

[Overview of UNHCR Cash Based Interventions](#)

7. Main contacts

Contact the CBI Section in the Division of Resilience and Solutions (DRS) at UNHCR Headquarters.
At: hqcash@unhcr.org