Operational Guidelines for Cash-Based Interventions in Displacement Settings
## Checklist for Cash-based Interventions (CBIs)

<table>
<thead>
<tr>
<th>Action</th>
<th>Corresponding steps and tools</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have a basic understanding of CBIs: what they are, why, when and where to use them?</td>
<td>Part I. Introduction to cash-based interventions</td>
<td>11</td>
</tr>
<tr>
<td>Have you taken preparedness actions in the event that CBIs are an appropriate response to a displacement crisis?</td>
<td>Part II. Step 0. Begin preparedness actions</td>
<td>82</td>
</tr>
<tr>
<td>Have you engaged with external stakeholders (host government, donors, and partners) to guide and support decision making and analysis of response options? Have you established an internal multifunctional team, led by protection and programme, to analyse the potential response options?</td>
<td>Step 1. Engage with stakeholders</td>
<td>23</td>
</tr>
<tr>
<td>Have you assessed the needs and capacities of the affected population? Does the multifunctional team include the necessary sector-specific expertise?</td>
<td>Step 2. Assess needs and capacities and determine programme objectives</td>
<td>25</td>
</tr>
<tr>
<td>Can their needs be met with goods and services? What are the objectives of the response? Who is the target group to be assisted? What are refugee preferences for the type of assistance and how it should be delivered?</td>
<td>Step 3. Analyse the different response options and choose the best combination</td>
<td>28</td>
</tr>
<tr>
<td>Based on the goods and services needed by the target group, what are the markets that need to be assessed?</td>
<td>3.1 Analyse market capacity</td>
<td>32</td>
</tr>
<tr>
<td>Does existing market data indicate that markets should be able to respond to an increase in demand? Is the anticipated increase in demand less than 10% in rural areas and 25% in urban areas? If not, then an in-depth market assessment is necessary. Organise necessary expertise. Market assessment should include the various options to support supply if necessary.</td>
<td>3.2 Analyse potential protection risks and benefits</td>
<td>35</td>
</tr>
<tr>
<td>What are the potential risks and benefits of using CBIs (individual, household and community dynamics; insecurity, fraud or diversion; data protection; etc) compared with alternatives? If there are no alternatives, how do the risks of using CBIs compare to doing nothing at all? Consult refugees using an Age, Gender and Diversity (AGD) approach. Are these risks manageable? How can programme design maximise benefits and minimise risks?</td>
<td>3.3 Analyse political feasibility</td>
<td>36</td>
</tr>
<tr>
<td>What are the views of the host government and donors on CBIs? If they are reluctant, can you involve them in the response analysis or feasibility study? How can their concerns be integrated into programme design?</td>
<td>3.4 Analyse delivery options</td>
<td>37</td>
</tr>
<tr>
<td>What are the possible delivery options? Which delivery options will address the protection concerns raised during the assessment? Who are the financial service providers and what is their potential coverage? If the private sector will be involved, is a privacy impact assessment (PIA) for data protection necessary?</td>
<td>3.5 Analyse cost-efficiency and cost-effectiveness</td>
<td>39</td>
</tr>
<tr>
<td>Can you demonstrate the potential cost-savings of using alternative response options? If the preferred option is not the most cost-efficient, what is the justification for increased costs?</td>
<td>3.6 Analyse skills and capacity</td>
<td>41</td>
</tr>
<tr>
<td>What are the potential partnership and implementation scenarios? What additional capacity is needed? Where and how quickly can you find it?</td>
<td>3.7 Analyse the appropriateness of use and eligibility conditions</td>
<td>44</td>
</tr>
<tr>
<td>Is it necessary to impose conditions to reach objectives? Are the necessary technical assistance, goods and services available in appropriate quantity and quality to attach conditions to the use of or eligibility for CBIs? Who will provide the necessary services (health/education) or technical assistance (water, sanitation and hygiene (WASH)/shelter) or goods (food, non-food items (NFI), other materials)?</td>
<td>3.8 Bringing it all together: choosing the best transfer modality or combination</td>
<td>50</td>
</tr>
<tr>
<td>What are the criteria upon which you will make your decision? Can you demonstrate the relative strengths and weaknesses vis-a-vis these criteria of the different response options and use evidence to justify the preferred option? If there are assumptions being made, build these into monitoring systems.</td>
<td>4.1 Refine objectives</td>
<td>Annex</td>
</tr>
<tr>
<td>Complete the Standard Operating Procedures (SOP) template.</td>
<td>Step 4. Plan, design and implement the response</td>
<td>82</td>
</tr>
<tr>
<td>Refine your objectives based on the most appropriate and feasible response option. Decide if a multi-purpose grant or a common programme with partners is appropriate and feasible. Decide FOCUS-based categories and budget allocations based on objectives.</td>
<td>Tools: UNHCR Results Framework, FOCUS</td>
<td>2</td>
</tr>
<tr>
<td>Action</td>
<td>Corresponding steps and tools</td>
<td>page</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Conduct further feasibility studies if necessary to establish the best delivery mechanism. Decide Requests for Proposals (RFP), tendering and decision-making protocols. Be sure to involve appropriate HQ divisions (DFAM, LAS, DIR, DIPST, DPSM/FICSS) early in the process to avoid later delays. Contracts should include clear roles and responsibilities of both UNHCR and the financial services provider (FSP). Conduct a privacy impact assessment if necessary. Ensure that a data protection code of conduct is integrated into contracts with service providers and partners.</td>
<td>4.2 Decide on the delivery mechanism Tools: Table 18: Prerequisites for selecting an e-transfer service provider E-transfers in emergencies: implementation support guidelines with matrix for comparing financial service providers, model contracts, clauses and privacy impact assessment (PIA) (CaLP), Protecting Beneficiary Privacy: principles and operational standards (CaLP)</td>
<td>50</td>
</tr>
<tr>
<td>Define clear targeting criteria and strategies for identification and verification of beneficiaries. If a common programme approach is taken, do this in partnership.</td>
<td>4.3 Develop a targeting strategy</td>
<td>56</td>
</tr>
<tr>
<td>Define transfer amount and how it is determined (family size, regional disparities in minimum expenditures, etc) based on objectives. If a common programme is taken, rationalise CBI in light of other forms and sources of assistance.</td>
<td>4.4 Decide how much to give and when to give it Tools: Table 19: Example formulas for determining the transfer value</td>
<td>60</td>
</tr>
<tr>
<td>Collaborate with finance to determine and forecast cash flows, bank account requirements and timing of transfers, authorisation limits, and division of responsibilities to ensure accountability. Review this with LAS and DFAM (Controller’s Office and Treasury).</td>
<td>4.5 Determine cash flows Tools: UNHCR (Forthcoming) Finance Procedures for Cash-Based Interventions</td>
<td>63</td>
</tr>
<tr>
<td>Ensure that mitigation strategies are incorporated into programme design, that responsibilities are delegated, and that monitoring and accountability frameworks reflect primary risk-related concerns.</td>
<td>4.6 Develop a protection, operations and financial risk mitigation strategy</td>
<td>63</td>
</tr>
<tr>
<td>Decide the communications strategy, including who requires what information, the best method for reaching the intended audience, and frequency of contact. Consult recipients. Delegate responsibilities. Monitor effectiveness.</td>
<td>4.8 Develop a communication and information strategy Tools: Communicating Cash to Communities (CaLP), see: <a href="http://www.cashlearning.org/downloads/resources/tools/calp_communicating_cash_to_communities.pdf">http://www.cashlearning.org/downloads/resources/tools/calp_communicating_cash_to_communities.pdf</a> (a.o. 03.02.2015)</td>
<td>68</td>
</tr>
<tr>
<td>If response analysis and feasibility studies demonstrate that CBIs, or a combination of in-kind support and CBIs, are the most appropriate and feasible response, yet the host government and donors are still hesitant to support them, what is your advocacy strategy? What are your key messages to respond to their concerns? What is your partnership approach to increase collective bargaining power?</td>
<td>4.9 Where necessary, advocate for the most appropriate response Tools: Making the Case for Cash (CaLP), see: <a href="http://www.cashlearning.org/resources/library/30-making-the-case-for-cash-a-field-guide-to-advocacy-for-cash-transfer-programming-screen-version">http://www.cashlearning.org/resources/library/30-making-the-case-for-cash-a-field-guide-to-advocacy-for-cash-transfer-programming-screen-version</a> (a.o. 03.02.2015)</td>
<td>71</td>
</tr>
<tr>
<td>What is the entry strategy? Is it a phased approach, geographically targeted, etc? Has this been effectively communicated to stakeholders? What is the exit strategy? Does the monitoring system collect information (benchmarks) to inform decision-making for expansion or contraction of the programme? What is the exit communications strategy?</td>
<td>4.10 Develop an entry and exit strategy</td>
<td>72</td>
</tr>
<tr>
<td>Refer to the SOP template. Develop shared SOPs where necessary. Is it clear who will do what, when, and how? Is the role of protection partners clear? How frequently do you plan to review the process and outcomes? How does this correlate with the collection and availability of data to inform real-time learning?</td>
<td>4.11 Implement Tools: SOP template (Annex 1)</td>
<td>73</td>
</tr>
<tr>
<td>How will you ensure accountability? What is your monitoring strategy, including indicators, methods, frequency, and responsibility for data collection and analysis? Have the assumptions that influenced decision-making and protection risks and benefits been sufficiently integrated into monitoring frameworks? Do the monitoring protocols clearly describe the AGD approach to be taken?</td>
<td>Step 5. Monitor, listen, evaluate and learn 5.1 Monitoring Tools: Monitoring templates, see: <a href="http://www.cashlearning.org/where-we-work/somalia-cash-and-voucher-monitoring-group">http://www.cashlearning.org/where-we-work/somalia-cash-and-voucher-monitoring-group</a> (a.o. 03.02.2015)</td>
<td>73</td>
</tr>
<tr>
<td>What are the mechanisms through which stakeholders (recipients and non-recipients) can provide feedback or make complaints? Who is responsible for receiving complaints and are they sufficiently removed from direct implementation to ensure impartiality? What is the process for processing and responding to complaints? Has this been effectively communicated to stakeholders?</td>
<td>5.2 Complaints and response mechanisms (CRM) Tools: Table 27: Steps to implement a complaints and response mechanism, CRM Systems and Policies (ALNAP)</td>
<td>79</td>
</tr>
<tr>
<td>Have the means for whistle-blowing in the event of internal fraud or abuse of power been sufficiently explained to staff and partners? Has this been adapted to reflect the decision to use cash-based interventions?</td>
<td>5.3 Internal feedback mechanisms Tools: Table 28: Steps to implementing a whistle-blower system, UNHCR whistle-blowing procedures, Building Safer Organisations</td>
<td>80</td>
</tr>
<tr>
<td>Have relevant staff from the Division of Programme Support and Management (DPSM) and the Division of International Protection (DIP) at HQ reviewed the assessment, response analysis, and programme design, including SOPs? Has their feedback been incorporated?</td>
<td>Part III. Sector-specific operational guidelines</td>
<td>87</td>
</tr>
<tr>
<td>Have partners contributed to programme design? Are their roles clearly defined? What are partners’ capacity-building requirements, if any? Is the work plan clear?</td>
<td>Part IV. Partnership and coordination 4.1 Partnership</td>
<td>111</td>
</tr>
<tr>
<td>What are the coordination mechanisms to ensure that CBIs are coherent with other assistance being provided? Are the terms of reference (ToRs) and roles and responsibilities clear? Is there a need for additional human resources? If so, where can these be sourced, and how quickly are they needed?</td>
<td>4.2 Coordination Tools: Coordination toolkit (CaLP), see: <a href="http://www.cashlearning.org/resources/coordination-toolkit">http://www.cashlearning.org/resources/coordination-toolkit</a> (a.o. 03.02.2015)</td>
<td>112</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

1. **PURPOSE** .................................................................................................................. 10

2. **SCOPE** ...................................................................................................................... 10

3. **RATIONALE** .............................................................................................................. 11

4. **OPERATIONAL GUIDELINES FOR CASH-BASED INTERVENTIONS IN DISPLACEMENT SETTINGS** .................................................................................................................. 12

   **Part I. Introduction** .................................................................................................. 12
   - Section 1: Overview of cash-based interventions .................................................... 12
   - Section 2: Cash-based interventions and protection .............................................. 14
   - Section 3: Who are cash-based interventions appropriate for, when, and where?  17
     - Cash-based interventions and targeting ............................................................... 17
     - Cash-based interventions and the refugee assistance ........................................ 20
     - Cash-based interventions and different operating contexts ............................ 20
   - Section 4: Programme strategy and cash-based interventions ............................. 22

   **Part II. The Operations Management Cycle** ......................................................... 23
   - Step 1: Engage with stakeholders ......................................................................... 23
   - Step 2: Assess needs and capacities and determine programme objectives ........ 25
     - 2.1 Assess needs and capacities ......................................................................... 25
     - 2.2 Determine the programme objectives ............................................................ 26
   - Step 3: Analyse the different response options and choose the best combination  28
     - 3.1 Analyse market capacity .............................................................................. 29
     - 3.2 Analyse potential protection risks and benefits ............................................. 32
     - 3.3 Analyse political feasibility .......................................................................... 35
     - 3.4 Analyse delivery options .............................................................................. 36
     - 3.5 Analyse cost-efficiency and cost-effectiveness .............................................. 37
     - 3.6 Analyse skills and capacity .......................................................................... 39
     - 3.7 Analyse the appropriateness of use and eligibility qualifying conditions ...... 41
     - 3.8 Bringing it all together: choosing the best transfer modality or combination  44
   - Step 4: Plan, design and implement the response .................................................... 50
     - 4.1 Refine objectives ............................................................................................ 50
4.2 Decide on the delivery mechanism ........................................... 50
4.3 Develop a targeting strategy ...................................................... 56
4.4 Decide how much to give and when to give it ................................ 60
4.5 Determine cash flows ................................................................. 63
4.6 Develop a protection, operations and financial risk mitigation strategy .............................................................................. 63
4.7 Ensure the participation of persons of concern ............................. 67
4.8 Develop a communication and information strategy ..................... 68
4.9 Where necessary, advocate for the most appropriate response ........ 71
4.10 Develop an entry and exit strategy ................................................. 72
4.11 Implement .................................................................................... 73
Step 5: Monitor, listen, evaluate and learn .......................................... 73
5.1 Monitoring ................................................................................... 73
5.2 Complaints and response mechanisms (CRM) ............................... 79
5.3 Internal feedback mechanisms ...................................................... 80
Step 0: Begin preparedness actions .................................................. 82

Part III. Sector-specific Operational Guidelines ........................................ 87
Section 1: Meeting multiple needs through a multi-purpose grant ............ 87
Section 2: Meeting basic food and nutrition needs .................................. 90
Section 3: Meeting basic shelter needs ................................................. 92
Section 4: Meeting domestic energy needs and other environmental objectives .............................................................................. 96
Section 5: Ensuring access to health ..................................................... 98
Section 6: Ensuring access to education ................................................. 100
Section 7: Meeting basic water, sanitation and hygiene (WASH) needs .... 103
Section 8: Using cash to support livelihoods, community and self-reliance 105
Section 9: Using cash in return and reintegration operations ..................... 108

Part IV. Partnership and Coordination ................................................... 111
4.1 Partnership .................................................................................. 111
4.2 Coordination ................................................................................ 112
5. TERMS AND DEFINITIONS .............................................................................. 115
6. REFERENCES .............................................................................................. 117
7. MONITORING AND COMPLIANCE ............................................................... 117
8. DATES ...................................................................................................... 117
9. CONTACT ................................................................................................. 118
10. HISTORY ................................................................................................. 118
11. ANNEXES ................................................................................................. 118

Annex 1 Template for Standard Operating Procedures (SOPs) .................. 119

BOXES

Box 1. Engaging with external stakeholders in Burundi ......................... 23
Box 2. Tackling market analysis head-on .................................................. 32
Box 3. Factors affecting cost-efficiency in humanitarian e-transfer programmes .... 38
Box 4. Objectives that require use and eligibility conditions attached to cash-based interventions .............................................. 41
Box 5. How transfer modalities can be combined: examples from the food security sector ............................................................. 44
Box 6. UNHCR's position on data sharing .................................................. 53
Box 7. Protecting beneficiary privacy in e-transfer programmes: Code of Conduct for the secure use of personal data ....................... 54
Box 8. Good practice when organising fairs to distribute food or non-food items .... 55
Box 9. Example of targeting exercise in an urban refugee crisis in a middle-income country ......................................................... 59
Box 10. Community participation of Malian refugees in Niger ................. 67
Box 11. Communication and outreach volunteers in Syria ..................... 70
Box 12. The difference between protection monitoring and monitoring protection results ................................................................. 74
Box 13. Coordination with government: the experience of Catholic Relief Services (CRS) in Turkey ......................................................... 85
Box 14. The Syria crisis: A common programme approach including delivery in Lebanon ................................................................. 89
Box 15. Understanding the impact of multi-purpose grants: reduction in negative coping strategies .................................................. 89
Box 16. Lessons learned on in-kind food assistance, protracted refugee crises and durable solutions .................................................. 92
Box 17. Technical shelter and protection staff working together for cash-based shelter solutions in Lebanon ......................................................... 94
Box 18. Health insurance ............................................................................ 100
Box 19. The UNHCR education strategy and the role of cash ................................. 101
Box 20. Lessons learned on the use of cash in repatriation operations ..................... 110
Box 21. Lessons learned from coordinating cash and vouchers in Somalia ............... 114

TABLES
Table 1. Types of cash-based interventions for refugees and other persons of concerns ................................................................. 12
Table 2. Different delivery mechanisms for cash and vouchers ................................ 13
Table 3. Unconditional and conditional cash-based interventions ............................... 14
Table 4. Evidence on protection risks and benefits of cash-based interventions in emergency settings ................................................. 15
Table 5. Who is at risk, what are they at risk of, and why? ........................................ 19
Table 6. Essential questions during needs assessments .............................................. 26
Table 7. How cash-based interventions are currently being used to meet UNHCR objectives ............................................................................. 27
Table 8. Essential questions for market analysis ......................................................... 30
Table 9. Essential questions for risk and benefits analysis ........................................ 33
Table 10. Example of risk (−) and benefit (+) analysis matrix for direct cash payments . . . 34
Table 11. Essential questions on political feasibility and coherence .............................. 35
Table 12. Essential questions on delivery options ...................................................... 36
Table 13. Estimating programme costs for cash-based interventions ............................. 38
Table 14. Capacity and skills assessment for cash-based interventions .......................... 40
Table 15. Incentive payments and protection-related risks and mitigation strategies ........ 43
Table 16. Some potential benefits (when appropriate) and risks (to be aware of and mitigate) ................................................................. 45
Table 17. Advantages and disadvantages of different delivery mechanisms ................. 50
Table 18. Prerequisites for selecting an e-transfer service provider ............................... 52
Table 19. Example formulas for determining the transfer value .................................. 61
Table 20. Frequency of payments ........................................................................... 62
Table 21. Examples of risk mitigation measures and when to use them ....................... 65
Table 22. Key financial risks and potential control measures ........................................... 66
Table 23. Critical information needs for communications strategies ................................... 68
Table 24. Advocacy for cash-based interventions ................................................................. 71
Table 25. Essential questions and sub-questions for monitoring .......................................... 75
Table 26. Evaluation of cash-based interventions ................................................................. 78
Table 27. Steps to implement a complaints and response mechanism ................................... 79
Table 28. Steps to implement a whistle-blowing mechanism ............................................... 81
Table 29. Minimum Preparedness Actions (MPA) and Advanced Preparedness Actions (APA) ................................................................. 83
Table 30. The multi-purpose grant and Focus ....................................................................... 89
Table 31. Common uses of cash-based interventions for food and nutrition needs ............... 90
Table 32. Common uses of cash-based interventions for shelter needs ............................. 94
Table 33. Common uses of cash-based interventions for domestic energy needs ............... 96
Table 34. Common uses of cash-based interventions for increasing access to health care and ensuring availability and quality of services ................................................................. 98
Table 35. Common uses of cash-based interventions for increasing access to education and ensuring availability and quality of services ................................................................. 101
Table 36. Common uses of cash-based interventions to meet basic WASH needs ............... 103
Table 37. The role of cash-based interventions in meeting the objectives of UNHCR's Livelihoods Strategy ................................................................. 105
Table 38. Common uses of cash-based interventions to meet livelihoods objectives .......... 106
Table 39. Key assessment activities relevant to cash-based interventions ........................... 106
Table 40. Common uses of cash-based interventions in return and reintegration operations ................................................................. 108
Table 41. Essential questions to determine the best partnership arrangements ................. 111
Table 42. Coordinating cash-based interventions ................................................................. 113
## FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Considering protection risks and benefits throughout the operations management cycle</td>
<td>17</td>
</tr>
<tr>
<td>2</td>
<td>Different risk status of refugees and other persons of concern</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Use of CBIs throughout the refugee assistance</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>Lessons learned about CBIs in different operating contexts</td>
<td>21</td>
</tr>
<tr>
<td>5</td>
<td>The operations management cycle</td>
<td>23</td>
</tr>
<tr>
<td>6</td>
<td>Setting up the functional CBI team within UNHCR</td>
<td>24</td>
</tr>
<tr>
<td>7</td>
<td>Components of a response analysis</td>
<td>29</td>
</tr>
<tr>
<td>8</td>
<td>Good practice in using incentive payments throughout the operations cycle</td>
<td>42</td>
</tr>
<tr>
<td>9</td>
<td>Example of a decision tree for deciding possible response options</td>
<td>47</td>
</tr>
<tr>
<td>10</td>
<td>Example of a weighted matrix approach for deciding the best response option</td>
<td>41</td>
</tr>
<tr>
<td>11</td>
<td>Steps for targeting cash-based interventions</td>
<td>57</td>
</tr>
<tr>
<td>12</td>
<td>Example: Risk of diversion analysis throughout distribution and utilisation in Somalia</td>
<td>64</td>
</tr>
<tr>
<td>13</td>
<td>Participation throughout the operations cycle</td>
<td>67</td>
</tr>
<tr>
<td>14</td>
<td>Different communication strategies: pros and cons</td>
<td>70</td>
</tr>
<tr>
<td>15</td>
<td>Entry and exit strategies</td>
<td>72</td>
</tr>
<tr>
<td>16</td>
<td>Types and characteristics of results monitoring in cash-based interventions</td>
<td>74</td>
</tr>
<tr>
<td>17</td>
<td>Key considerations for multi-purpose grants</td>
<td>88</td>
</tr>
<tr>
<td>18</td>
<td>Key considerations to meet food and nutrition objectives</td>
<td>91</td>
</tr>
<tr>
<td>19</td>
<td>Cash-based intervention strategies to provide shelter</td>
<td>93</td>
</tr>
<tr>
<td>20</td>
<td>Key considerations to meet shelter objectives</td>
<td>95</td>
</tr>
<tr>
<td>21</td>
<td>Key considerations to meet domestic energy objectives</td>
<td>97</td>
</tr>
<tr>
<td>22</td>
<td>Key considerations to meet health objectives</td>
<td>99</td>
</tr>
<tr>
<td>23</td>
<td>Key considerations to meet education objectives</td>
<td>102</td>
</tr>
<tr>
<td>24</td>
<td>Key considerations to meet WASH objectives</td>
<td>104</td>
</tr>
<tr>
<td>25</td>
<td>Key considerations to meet livelihoods objectives</td>
<td>107</td>
</tr>
<tr>
<td>26</td>
<td>Key considerations to meet return and reintegation objectives</td>
<td>109</td>
</tr>
</tbody>
</table>
1. PURPOSE

These operational guidelines support UNHCR and partner staff to determine if and when cash-based interventions (CBIs) are appropriate to meet the needs of refugees and other persons of concern and aids the design and implementation of effective programmes. It focuses on the needs of refugees, but can equally be used to design programmes for other persons of concern.

2. SCOPE

The full text of these guidelines is intended for multi-functional teams (management, programme, protection, admin, finance, HR, ICT, supply, etc.) in field operations, which are responsible for determining if and when cash-based interventions are appropriate to meet UNHCR objectives and ensure the effective design, implementation and monitoring of CBIs. The guidelines focus on technical aspects of the decision-making process, the design and the implementation of cash-based interventions, be they sector-specific or multipurpose cash transfer or voucher programmes. It is applicable to camp and out of camp settings, including rural and urban environments.

These guidelines do not cover the administrative nor financial procedural aspects of cash-based interventions in detail. Separate CBI Standard Operating Procedures (SOPs) provide directive guidelines to ensure that CBIs are designed and implemented within UNHCR’s results-based management, financial and legal frameworks. UNHCR Financial Procedures for Cash-based Interventions are under development.

Compliance with these guidelines is expected to ensure quality and accountability.
3. RATIONALE

“The UNHCR mandate for protection and solutions and the comprehensive and multi-sector assistance programmes that flow from it make cash-based interventions a particularly appropriate tool for addressing the needs of refugees and others of concern” (IOM/017-FOM/ 017/2013).

Cash-Based Interventions is a strategic priority to the High Commissioner who expects their systematic use and expansion across the organisation.

UNHCR has employed cash-based interventions to meet the needs of refugees and other persons of concern since the 1980s. CBIs have multiplied hundred-fold over the last 10 years - not least due to the increasingly urban nature of displacement emergencies. The rapid increase in both the number of country offices implementing CBIs as well as the increase in overall transfers to refugees and other persons of concern demands the quality and accountability that these guidelines contributes to.

Cash-based interventions are increasingly being recognised as a response modality that can help meet humanitarian needs while promoting the principles that guide the work of the United Nations High Commissioner for Refugees (UNHCR). Specifically:

- UNHCR is committed to protecting basic human rights, including the right of refugees and other persons of concern to live safely and with dignity.¹
- UNHCR will employ a rights- and community-based approach, which is participatory and promotes self-reliance.²
- UNHCR will implement interventions that respond to changing needs while drawing on refugee capacities and local resources materials and methods (including avoiding regimented refugee settings).³

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4. OPERATIONAL GUIDELINES FOR CASH-BASED INTERVENTIONS IN DISPLACEMENT SETTINGS

PART I. INTRODUCTION

SECTION 1: OVERVIEW OF CASH-BASED INTERVENTIONS
Cash-based interventions (CBIs) use local markets and services to meet the needs of persons affected by crisis – in the case of UNHCR, refugees and other persons of concern. CBIs are a type of market-based intervention. They can be stand-alone, or used in combination with each other or with in-kind assistance (e.g. a cash grant to top up a partial food aid ration or food voucher; milling voucher with food ration; seeds with a cash grant for tools; shelter materials with a cash component for labour). For detailed definitions, see Table 1.

<table>
<thead>
<tr>
<th>TABLE 1. TYPES OF CASH-BASED INTERVENTIONS FOR REFUGEES AND OTHER PERSONS OF CONCERN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash transfers</td>
</tr>
<tr>
<td>Vouchers (cash or commodity)</td>
</tr>
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</table>

In programme terminology, in-kind assistance, cash and vouchers are different kinds of “transfer modalities”. Cash and vouchers can be further divided into categories depending on how the transfer is delivered to the recipient (“delivery mechanism”). These are “immediate cash” (or “cash-in-hand”) and “cash accounts”. Cash accounts require some means (card, telephone, or account) for access, and make use of money business services (banks, money transfer agents, etc). Vouchers are commonly either paper or electronic (see Table 2).

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Also called “market-integrated relief”. Other market-based interventions include: (a) support to market actors or infrastructure to restore markets after a crisis; and (b) market strengthening and development to build resilience and strengthen livelihoods. WFP and Oxfam (2013).
### Table 2. Different delivery mechanisms for cash and vouchers

<table>
<thead>
<tr>
<th>Immediate cash</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct cash payment</td>
<td>Cash handed out directly to recipients by the implementing agency.</td>
</tr>
<tr>
<td>Delivery through an agent</td>
<td>Cash delivered to recipients through a formal or informal institution that acts as an intermediary, e.g. money transfer agents, post offices, traders, or microfinance institutions. Does not require recipients to hold an account.</td>
</tr>
<tr>
<td><strong>Cash accounts</strong></td>
<td></td>
</tr>
<tr>
<td>Pre-paid card</td>
<td>Plastic card usable at cash machines (automated teller machines or ATMs), used for cash grants and vouchers. Requires network connection.</td>
</tr>
<tr>
<td>Smart card</td>
<td>Plastic card with a chip, valid with point-of-sale devices, used for cash grants and store purchases. Does not require network connection.</td>
</tr>
<tr>
<td>Mobile money</td>
<td>SMS code that can be cashed at various retail or other outlets, used for cash grants and vouchers. Requires network connection.</td>
</tr>
<tr>
<td>Bank account</td>
<td>Personal bank accounts or sub-bank accounts that are used to deposit cash grants. Requires recipients to have formal identification (ID) documents and often formal residence status.</td>
</tr>
<tr>
<td><strong>Vouchers</strong></td>
<td></td>
</tr>
<tr>
<td>Paper voucher</td>
<td>Paper token that is handed out directly to the recipient and can be cashed in designated outlets.</td>
</tr>
<tr>
<td>Mobile or e-voucher</td>
<td>SMS with voucher code or plastic card used at point of sale. Requires network connection.</td>
</tr>
</tbody>
</table>

Any resource transfer (cash-based or in-kind) can be either conditional or unconditional. The project objective will determine whether conditions are attached to the transfer, as well as what kind of conditionality, and for how long. Conditions are divided into two types: (1) conditions for eligibility or “qualification”; and (2) conditions on how the transfer is to be used, implying “restricted use” (see Table 3).
**OPERATIONAL GUIDELINES FOR CASH-BASED INTERVENTIONS IN DISPLACEMENT SETTINGS**

**TABLE 3. UNCONDITIONAL AND CONDITIONAL CASH-BASED INTERVENTIONS**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional</td>
<td>A direct cash or voucher grant given to recipients with no conditions attached or work requirements. There is no requirement to repay any of the money, and recipients are entitled to use it however they wish. Multi-purpose grants are unconditional if there is no qualifying condition.</td>
</tr>
<tr>
<td>Conditional</td>
<td><strong>Eligibility conditions</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Use conditions</strong></td>
</tr>
</tbody>
</table>

**SECTION 2: CASH-BASED INTERVENTIONS AND PROTECTION**

All interventions, including cash-based interventions, hold potential protection risks and benefits. A protection analysis should always be conducted to inform the choice of transfer modality and delivery mechanism. There may be many protection risks and benefits, including:

(a) those that are directly caused by UNHCR activities;
(b) those that create obstacles to accessing assistance;
(c) the risk of not achieving objectives (e.g. meeting basic needs), potentially compromising protection; and conversely achieving unplanned protection benefits;
(d) broader contextual risks (e.g. general insecurity that may affect or be indirectly affected by the programme).

UNHCR has more direct control over the first three (a, b, and, to a lesser extent, c) through effective programme design.

UNHCR’s understanding of the protection risks and benefits of cash-based interventions is still evolving. Lessons to date from case studies on CBIs and protection, including a recent UNHCR and World Food Programme (WFP) study on CBIs in refugee contexts, are highlighted in Table 4. However, there are always exceptions to any general findings. Thus, UNHCR has an obligation to analyse context-specific protection-related risks and benefits and to design and implement effective mitigation strategies, as well as monitor methods and indicators, and disseminate findings.

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5 Berg et al (2013) Case Studies of the World Food Programme (WFP) and United Nations High Commissioner for Refugees (UNHCR). In-depth case studies were done in Bangladesh, Chad, Ecuador, Jordan, Kenya, Pakistan, Occupied Palestinian Territories (OPT), and Sudan; see also International Food Policy Research Institute (IFPRI) (2013), Save the Children (2012).
Table 4: Evidence on Protection Risks and Benefits of Cash-Based Interventions in Emergency Settings

<table>
<thead>
<tr>
<th>Risks and/or benefits</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-reliance, independence, confidence or capacity</strong></td>
<td>Recipients consistently report they feel more dignity when receiving cash and vouchers compared with in-kind assistance.</td>
</tr>
<tr>
<td></td>
<td>Cash, and to some extent vouchers, allows recipients to make their own decisions</td>
</tr>
<tr>
<td></td>
<td>Where CBIs are regular and sustained, they correlate with reduced use of negative coping strategies, including degrading or dangerous acts, child labour, etc.</td>
</tr>
<tr>
<td><strong>Changes in household dynamics</strong></td>
<td>Cash, vouchers or in-kind assistance have little lasting impact on household dynamics, including gender (e.g. giving cash to women does not necessarily mean that gender relations, roles, or perceptions change or improve).</td>
</tr>
<tr>
<td></td>
<td>Short-term changes in gender dynamics depend on cultural and context-specific influences and can include increased shared decision making, which benefits men and women.</td>
</tr>
<tr>
<td></td>
<td>Alleviating financial worries contributes to less violence in the household as a stressor is removed.</td>
</tr>
<tr>
<td><strong>Changes in community dynamics</strong></td>
<td>While cash is perhaps less often shared than in-kind assistance, the items purchased with it (e.g. food) are often shared.</td>
</tr>
<tr>
<td></td>
<td>If it is known who is receiving cash, recipients may be more frequently asked for charity or loans. While burdensome, this can also increase the recipient’s social standing and capital, with additional protection benefits.</td>
</tr>
<tr>
<td></td>
<td>Cash-based interventions facilitate greater interactions between refugees and host communities, as the former purchase goods and services from the latter. Increasing economic ties between communities can reduce tensions and increase social cohesion during the refugee assistance.</td>
</tr>
<tr>
<td><strong>Likelihood of insecurity and violence</strong></td>
<td>Delivering any assistance in insecure environments carries security risks. These are context-specific and should always be analysed.</td>
</tr>
<tr>
<td></td>
<td>Cash can be distributed less visibly than in-kind assistance (e.g. via e-transfers).</td>
</tr>
<tr>
<td></td>
<td>When using accounts, recipients do not have to withdraw large sums of money at once, making them less likely targets of theft.</td>
</tr>
<tr>
<td></td>
<td>Recipients themselves take precautions to ensure safety (e.g. travelling in groups to distributions and spending the cash immediately upon receipt).</td>
</tr>
<tr>
<td></td>
<td>Agencies can distribute the cash and vouchers on market days to facilitate quick spending, or increase security during cash distributions.</td>
</tr>
<tr>
<td><strong>Likelihood of fraud and diversion</strong></td>
<td>Fraud and diversion can occur with both in-kind and cash-based interventions.</td>
</tr>
<tr>
<td></td>
<td>Banking services, electronic delivery of money, and the reduction in the number of transactions characteristic of in-kind aid can reduce the incidence of corruption and fraud.</td>
</tr>
<tr>
<td></td>
<td>Biometrics (e.g. finger prints and iris scanning) can be used for identity verification.</td>
</tr>
</tbody>
</table>
| | Participatory accountability mechanisms (e.g. complaints mechanisms and internal whistle-blowing procedures) can reduce the risk of fraud and diversion.
To minimise protection risks and maximise benefits, you should consider protection concerns throughout the operations management cycle (see Figure 1).
SECTION 3: WHO ARE CASH-BASED INTERVENTIONS APPROPRIATE FOR, WHEN, AND WHERE?

Cash-based interventions and targeting

UNHCR’s protection mandate is extended to all refugees and persons of concern under International Humanitarian Law, International Human Rights Law and Refugee Law (Group A in Figure 2). As such, these persons are entitled to a range of interventions that guarantee their basic human rights. Cash-based interventions are often designed to enable people to meet their basic needs and access services that are currently inaccessible to them because of
their economic vulnerability (Group B). This may include Persons with Specific Needs (Group C). However, not all specific needs can be addressed through cash-based interventions.

FIGURE 2. DIFFERENT RISK STATUS OF REFUGEES AND OTHER PERSONS OF CONCERN

A person’s vulnerability and risks status can change over time. At the onset of an emergency, refugees may not have access to bank accounts or permission to work, for example. In this case, the target group's needs may be more homogenous and blanket assistance for a set amount of time may be appropriate and effective. As conditions change over time, however, refugee needs are likely to become more differentiated and a more comprehensive assessment of the situation will reveal that not all refugees are equally at risk economically. There may be refugees and persons of concern who fall into certain categories based on demographics, marital status, dependency ratio, and source of livelihood. These categories can be used to facilitate targeting through context-specific analysis and proxy indicators.

Thus, when conducting an assessment (repeated periodically throughout the refugee assistance), you should ask these key questions: ‘What is the risk?’ ‘Who is vulnerable?’ and ‘Why are they vulnerable?’. CBIs are not appropriate to address every need (see examples in Table 5).

6 Risk is the likelihood of a harmful event occurring and the probability that a given person or community will be affected by that harmful event. “Vulnerability” is often used interchangeably with “at risk”.

18
### Table 5. Who is at Risk, What are They at Risk of, and Why?

<table>
<thead>
<tr>
<th>Examples of different types of risk</th>
<th>Who is most at risk?</th>
<th>Examples of potential responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative interventions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex- and gender-based violence&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Women and girls, men and boys</td>
<td>Prevention and response measures, including medical, legal and psychosocial support</td>
</tr>
<tr>
<td>Outbreaks of cholera</td>
<td>Entire camp population</td>
<td>Blanket distribution of soap, latrine construction, water purification, etc.</td>
</tr>
<tr>
<td>Lack of access to education <em>due to discrimination</em></td>
<td>Entire refugee population</td>
<td>Advocacy with host government</td>
</tr>
<tr>
<td>Multi-purpose CBIs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Massive influx over border in low-income country</td>
<td>Entire refugee population</td>
<td>Blanket cash transfer for basic needs</td>
</tr>
<tr>
<td>Steady influx over border between two middle-income countries</td>
<td>Those with no or insufficient economic assets (income, remittances, savings, etc)</td>
<td>Targeted cash transfer for basic needs</td>
</tr>
<tr>
<td>Multi-purpose or sector-specific CBIs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of access to education <em>due to inability to pay fees, materials, etc</em></td>
<td>Those with no or insufficient economic assets (income, remittances, savings, etc)</td>
<td>Targeted cash and/or voucher assistance, potentially conditional, and/or in-kind school supplies</td>
</tr>
<tr>
<td>Lack of access to food due to inability to produce or purchase food requirements</td>
<td>Those who can neither buy nor produce what they need to consume</td>
<td>Targeted cash, voucher, and/or in-kind food assistance</td>
</tr>
<tr>
<td>Lack of livelihood due to lack of skills, investment capital, etc</td>
<td>Those who lack the human (skills), financial or physical assets to generate income</td>
<td>Targeted training and conditional CBIs, provision of assets through cash, voucher or in-kind assistance</td>
</tr>
<tr>
<td>Loss of livelihoods or assets due to crisis (displacement, destruction, etc)</td>
<td>Those who have lost assets</td>
<td>Targeted provision of assets through cash, voucher or in-kind assistance</td>
</tr>
</tbody>
</table>

<sup>a</sup> Intimate partner violence is linked to economic stress, increasing income may reduce domestic violence. WFP and UNHCR (2013); Fernald (2006).

<sup>xi</sup> Where lack of enrolment is due to cultural restrictions (e.g. girls’ education), cash incentives can increase enrolment rates (see Part III, Section 6, Ensuring access to education).
Cash-based interventions and the refugee assistance
Cash-based interventions can be relevant throughout the refugee assistance. Some examples of how UNHCR and others have used CBIs are provided in Figure 3.

FIGURE 3. USE OF CBIS THROUGHOUT THE REFUGEE ASSISTANCE

- Meeting basic needs and access to essential services such as food, NFI, shelter, water, and energy/utilities
- Facilitating access to health and education services
- Replacing lost livelihood assets.
- Access to basic needs, essential services and livelihood assets.
- Community empowerment and self-reliance.
- Incentives for community and environmental projects and for training and education.
- CBIs for transport, rebuilding livelihoods, house reconstruction and repair.

Cash-based interventions and different operating contexts
Regardless of operating context, cash-based interventions should be at least considered. Whether or not CBIs are appropriate will depend on the response analysis. Some lessons learned about CBIs in different contexts as well as key considerations during the operations management cycle are highlighted in Figure 4 and discussed further in Part II of these guidelines.
Depending on security, access or other factors, remote management is one option for an implementation strategy. CBIs may be appropriate when access is constrained as money business services (banks, transfer agents, etc) and markets may continue to operate even during conflict. However, given lack of access, risk assessment of the potential for diversion of the cash is essential. Local partners are essential for monitoring markets, process and outcomes.

**Resources on cash-based interventions in different operating contexts**

UNHCR (2009) [UNHCR policy on refugee protection and solutions in urban areas](http://www.unhcr.org/4ab356ab6.pdf) (a.o. 02.02.2015)

Biron (2012) [Adapting to urban displacement: the use of cash transfers in urban areas](http://dumas.ccsd.cnrs.fr/dumas-00808208/) (a.o. 02.02.2015)

UNHCR (2011) [Promoting Livelihoods and Self-reliance Operational Guidance on Refugee Protection and Solutions in Urban Areas](http://www.unhcr.org/4eeb19f49.pdf) (a.o. 02.02.2015)

Cash Learning Partnership (2011) [Cash transfer programming in urban emergencies: a toolkit for practitioners](http://www.cashlearning.org/resources/library/251-cash-transfer-programming-in-urban-emergencies-a-toolkit-for-practitioners) (a.o. 02.02.2015)
SECTION 4: PROGRAMME STRATEGY AND CASH-BASED INTERVENTIONS

Cash-based interventions are relatively new in refugee settings. We are still learning about situations in which markets and local services can reliably be used to meet refugee needs while ensuring protection. Where there is doubt – either in a rural or camp context, or in a rapid-onset emergency – the combination of in-kind and cash-based responses through pilot or small-scale programmes can help us “test” a market response and provide a better understanding of the protection risks and benefits. The results can be used to convince stakeholders such as the government, donors, partners, and even UNHCR staff and persons of concern themselves. Continuous collection and analysis of information is critical. This is done through assessment, monitoring and feedback mechanisms, testing assumptions, correcting for problems, and evolution of programme strategies. The goal is to provide protection and assistance that most effectively meets the needs of refugees and other persons of concern, including restoring, as far as possible, the level of integration and social cohesion needed to enable refugees to “get on with their lives”.

“Assistance to refugees should aim to restore the social and economic independence needed to get on with their lives... This includes the right to freedom of movement enabling refugees to market their goods and access the labour market. Equally important is refugees’ ability to access education, health care and other social services where available” (Executive Committee paper EC/55/SC/CRP.15).
PART II. THE OPERATIONS MANAGEMENT CYCLE

FIGURE 5. THE OPERATIONS MANAGEMENT CYCLE

STEP 1: ENGAGE WITH STAKEHOLDERS
Engaging with stakeholders from the beginning is essential to programme success, particularly where political feasibility may be an obstacle to implementing cash-based interventions. Where there is reluctance to implement CBIs, the results of the response analysis or feasibility study can be used to advocate for the most appropriate response. External stakeholders include government, donors, other United Nations agencies and non-government organisations (NGOs) providing services, and most importantly, refugees and persons of concern themselves (Box 1).

BOX 1. ENGAGING WITH EXTERNAL STAKEHOLDERS IN BURUNDI
When the United Nations High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP) wanted to introduce cash-based interventions into refugee camps in Burundi, the agencies prioritised engagement with the host government and donors, involving them in the feasibility study. When the time came to implement a voucher-fair to distribute cash transfers, the government was fully on board, seeing their concerns reflected in the choice of transfer modality and delivery mechanism. Donors participated in the evaluation. This can be an important strategy where donors are doubtful of the efficacy of new mechanisms.
Internal UNHCR stakeholders include the units within the country office that are responsible for the effective implementation of cash-based interventions (i.e. management, programme, protection and community services, finance, security and supply, information and communication services, and human resources). It is essential that staff have clear roles and responsibilities, particularly programme and protection staff, as they must work closely together to ensure effective implementation. Each unit has responsibilities in the assessment and response analysis and, depending on the transfer modality chosen, throughout implementation (Figure 6). Management should also designate a cash-based intervention team during the preparedness stages, which can step up its activities during an emergency.
STEP 2: ASSESS NEEDS AND CAPACITIES AND DETERMINE PROGRAMME OBJECTIVES

2.1 Assess needs and capacities

As the lead coordinator in refugee-related interventions, UNHCR is responsible for coordinating a multi-sectoral participatory assessment. Depending on the objective of the needs assessment, there are multiple guidelines available. These include the Needs Assessment for Refugee Emergencies (NARE) for multi-sectoral needs, and the Joint Assessment Mission (JAM) guidance – the latter applying to food assistance only.

The basic issues covered in needs assessments are no different when cash-based interventions are being considered as a response option. All assessments should consider the specific profile of persons of concern – their capacities, concerns and preferences, humanitarian needs and coping strategies – as well as analyse the underlying causes of the problem and the local resources available to deal with it. Essential questions that should be asked are listed in Table 6.

<table>
<thead>
<tr>
<th>TABLE 6. ESSENTIAL QUESTIONS DURING NEEDS ASSESSMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- What are the reasons that made individuals/communities flee to or from this location?</td>
</tr>
<tr>
<td>- How is the community geographically dispersed (urban, rural, settlements, camps, hosted, etc)? Map them.</td>
</tr>
<tr>
<td>- What dangers and difficulties are the people in this community experiencing?</td>
</tr>
<tr>
<td>- What are the specific protection problems they face and what do they stem from?</td>
</tr>
<tr>
<td>- Who is most affected by these problems or dangers?</td>
</tr>
<tr>
<td>- What are their/the community’s suggestions to address these?</td>
</tr>
<tr>
<td>- What obstacles or problems does the community experience in meeting their basic needs, accessing basic services such as education and health, or obtaining humanitarian assistance?</td>
</tr>
<tr>
<td>- Who is more affected by these obstacles or barriers? (Use an AGD approach). Do women, girls, men and/or boys experience particular problems of safety? What problems do different groups experience?</td>
</tr>
<tr>
<td>- What are people doing now to address the dangers and difficulties they are experiencing?</td>
</tr>
<tr>
<td>- How have people organised/collaborated among themselves before the emergency?</td>
</tr>
</tbody>
</table>

---

8 NARE Explained, version 4.
TABLE 6. ESSENTIAL QUESTIONS DURING NEEDS ASSESSMENTS

- If they/the community had cash, what would they be most likely to spend it on?
- What is their present dependence on markets? What are they buying? Where are they buying it from?
- Do they/the community have experience with cash-based or in-kind approaches?
- Do they/the community have a preference for cash-based or in-kind approaches? What are their reasons for preferring one or the other?
- Do they have protection-related concerns about the type of assistance they receive?

Whenever possible, but particularly in situations of protracted crisis, a more in-depth livelihoods assessment should be undertaken to understand the household economy, using the guidance developed by the Livelihoods Unit. This includes asking questions such as:

- What are the sources of income and other forms of support available to different socio-economic, livelihood and at-risk groups?
- What are the major categories of expenditure for different socio-economic, livelihood and at-risk groups?
- In economic terms, what is the gap between people's resources (income, savings, humanitarian aid, etc) and the minimum cost of living, disaggregated by socio-economic, livelihood and at-risk group?

From the NARE checklist (see DPSM/FICSS for more information).

2.2 Determine the programme objectives

The main aim of all UNHCR interventions is to safeguard the rights of refugees and persons of concern.10 In practical terms, UNHCR’s articulates its desired results and objectives in its Results Framework. Results and objectives are in turn classified into Rights Groups. Each objective should be a solution to a problem identified during a context-specific assessment.11 Implementing cash-based interventions is not an objective in and of itself but a tool that can be used to meet UNHCR’s protection and assistance mandate.

Within UNHCR programming, CBIs have most frequently been used to meet basic needs and essential services objectives. But they can also contribute to community and self-reliance as well as durable solutions (see Table 7). A more detailed list of possible ways that CBIs can be used to meet UNHCR aims is included in Part III, Sector-specific operational guidelines. Objectives are defined in UNHCR’s Results-Based Management Framework.

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### TABLE 7. HOW CASH-BASED INTERVENTIONS ARE CURRENTLY BEING USED TO MEET UNHCR OBJECTIVES

Cash-based interventions can be used to achieve objectives in the following FOCUS-defined areas, but the list is likely to increase in the future (e.g. to include health and WASH-related objectives):

- improving food security;
- establishing, improving or maintaining shelter and infrastructure, including core relief items;
- ensuring access to energy;
- ensuring availability of basic and domestic items;
- strengthening the services for persons with specific needs;
- increasing access to education;
- improving self-reliance and livelihoods;
- realising the potential for voluntary return.

Key considerations in objective setting:

- Depending on the response analysis and the transfer modality that is most appropriate, objectives may need to be refined – for example, where multiple needs can be met through a multi-purpose cash transfer.
- Objectives for multi-purpose grants should be defined broadly (e.g. an increase in purchasing power, or reduction in negative coping strategies) in recognition of the fact that people will use available resources to meet their particular needs.
- The availability of other forms of assistance may influence objectives. If in-kind food aid is going to be provided to the same recipients, this might change the objectives of a cash transfer programme, as it is less likely that the cash will be spent on food.\(^\text{12}\) The converse is also true: if shelter is a priority, and shelter assistance is not being provided, it is more likely that the cash will be spent on shelter.

A **multi-purpose grant** can be registered in FOCUS under “Ensuring availability of basic and domestic items” or “services for persons with specific needs strengthened”, depending on the target group. A multi-purpose grant is most appropriate where:

- multiple objectives (e.g. improved food security, access to shelter) can be met through one transfer (i.e. cash);
- needs and capacities of refugees and persons of concern are highly varied (e.g. targeted assistance to persons with specific needs, crisis in urban areas and middle-income countries);

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\(^\text{12}\) That said, if food assistance is most appropriately provided through cash and vouchers, the response analysis should be used to advocate for this to be implemented.
some variation in the use of cash beyond intended objectives is acceptable, as long as it does not have negative impacts on the recipients and host community. Major deviations, however, call for a revision of the programme design, including the primary objective, targeting, size of the transfer, and/or modality.13

For more guidelines on designing, implementing and monitoring the effectiveness of multi-purpose grants, see Part III, Section 1, Multi-purpose grant.

**STEP 3: ANALYSE THE DIFFERENT RESPONSE OPTIONS AND CHOOSE THE BEST COMBINATION**

A response analysis is a process to determine whether cash-based interventions – either alone or in combination with other types of assistance – are an appropriate method to meet refugee needs. The analysis should include an assessment of whether people will be able to buy or rent what they need, without causing undue inflation; of whether they can receive and spend cash or vouchers safely; and what their preferences for assistance are. The components of a response analysis include market analysis, delivery options, the relative risks and benefits of different transfer modalities (in-kind and cash-based), political feasibility, cost-efficiency, and potential effectiveness. The latter includes timeliness, the skills and capacity necessary to implement cash-based interventions, and their coherence with other aid programmes (emergency and development) (see Figure 7).

Key considerations for the response analysis:
- Response analysis rarely results in an “either/or” determination of the best transfer modality but rather what combination of approaches is best in terms of maximising benefits and minimising risks to refugees and other persons of concern, as well as to host communities.
- Response analysis will include consideration of all components (see Figure 7), but depending on the operating context (see Figure 4, page 21), some components will need to be more comprehensive.
- A response analysis may be followed by a feasibility study where more in-depth information is required to inform programme design.

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3.1 Analyse market capacity

Market assessments represent an integral part of the response analysis and should therefore be carried out prior to designing any programme, not just potential cash-based interventions. If markets are not adequately taken into consideration, interventions (both in-kind and cash-based) can have potentially harmful results, including:

- a significant change in the price and supply of certain essential goods;
- a significant fall in the demand for the goods of local market actors;
- distortions in markets, which undermine the future viability of local livelihoods, jobs or businesses.14

Essential questions that should be asked as part of a market assessment to inform the response analysis are listed in Table 8.

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### TABLE 8. ESSENTIAL QUESTIONS FOR MARKET ANALYSIS

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are markets functional: How have markets been affected by the population displacement or other shocks (disruption to transport routes, death of traders)? Are the key basic items and services people need (displaced people and host communities) available in sufficient quantities and at reasonable prices compared to regional and national prices?</td>
<td></td>
</tr>
<tr>
<td>Are markets responsive to demand: Are markets competitive and integrated?</td>
<td>How quickly will local markets be able to respond to additional demand? What are the risks that cash will cause inflation in prices of key goods and services? Are there government policies that are likely to positively or negatively affect supply and prices? What are the regional market dynamics that might affect local and national markets? How will imports or exports affect traders, markets and availability?</td>
</tr>
<tr>
<td>Are goods and services accessible: Does the affected population have physical and social access to markets and the goods and services they require? Are there specific groups for whom access is constrained?</td>
<td></td>
</tr>
<tr>
<td>What are the likely impacts of a cash-based intervention: What are the potential wider positive and negative effects of a cash-based intervention on the local economy?</td>
<td></td>
</tr>
<tr>
<td>What other cash-based interventions, including local purchases, are being implemented by other agencies? How will these affect markets when combined?</td>
<td></td>
</tr>
</tbody>
</table>

*Where in-depth market analysis is necessary, see the various market analysis tools and resources listed in Resources at the end of this section.*

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**Key considerations for market analysis:**

- The level and frequency of analysis should be proportional to the risk a programme poses to the local market. In some cases, a brief review of existing information may be enough to decide that cash-based interventions are worth further consideration. If the situation is very volatile, limit the level of analysis but increase the frequency with which new data are collected to test main findings and assumptions.

- Some market analysis can be undertaken in non-emergency settings as part of preparedness and contingency planning. Accompanying other agencies implementing CBIs is a useful way to learn more about markets (Box 2).

- In a rapid-onset emergency, in the first 48 hours do a rapid analysis of how the emergency is affecting markets and how effectively (or not) they are responding. Consult secondary sources including other United Nations agencies and NGOs implementing cash-based interventions, specifically the World Food Programme (WFP), the Food and Agriculture Organization of the United Nations (FAO), the United Nations High Commissioner for Refugees (UNHCR), the World Bank Group, and local government departments.

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Famine Early Warning Systems Network (FEWS NET), relevant national ministries and bodies (e.g. the Ministry of the Interior, Ministry of Trade, and Bureau of Commerce), private consulting companies, non-governmental organisations (NGOs) and stand-by partners such as the Swiss Agency for Development and Cooperation (SDC). Focus on the essential questions (see Table 8).

- In a slow-onset or protracted crisis, a more in-depth market analysis should be conducted, using external expertise if necessary. This is particularly important in a camp environment where local markets and communities have adapted to the long-term provision of in-kind assistance (and potential resale) or where slowly increasing demand eventually outstrips supply (e.g. rental accommodation).

- In return and reintegration programmes, market analysis should cover the markets where recipients are likely to spend their money (including their likely destination) and what items they are likely to spend it on.

- A more rigorous assessment should be undertaken when an intervention is expected to increase the total demand for relevant goods by more than 25 per cent in urban areas and 10 per cent in more remote and rural areas. This means calculating the relative proportion of refugees to host-community population. The threshold is higher in urban areas because urban markets are more likely to be well integrated with external sources of goods.\(^{16}\)

- It is difficult to predict and interpret the cause of price inflation – that is, whether or not price inflation is due to external factors (e.g. global price trends, changes in government policy) or to the cash-based intervention; it is also difficult to predict how long inflation will last. In the event of inflation, carefully review historical price trends and interview key informants before deciding what action to take.

- Remember, many risks around price inflation can be mitigated through the choice of transfer modality (cash, vouchers or in-kind), other aspects of programme design (attaching conditions) and supply-side interventions (collaboration with traders, etc). Contingency plans should include what to do when prices increase beyond a certain threshold.\(^{17}\)

- A housing market assessment has certain specificities. These are explained in Part III, Section 3, Meeting basic shelter needs.

- Analysis of services (specifically public services such as health and education) and their capacity to expand to meet refugee needs is discussed in Part III, Sections 5 and 6.

\(^{16}\) Ibid, p.19.

\(^{17}\) This threshold can be determined through an analysis of normal price fluctuations. In the Somalia crisis of 2011, the transfer amount changed when prices changed by more or less 10 per cent.
Many people shy away from anything called a “market survey” because they feel they do not have the specialist skills required. They may even feel they would not be able to understand a report if an economist undertook the survey for them!

This attitude is unwarranted and dangerous. **It is unwarranted**, because although there is an important role for specialist skills in this area, with just a little guidance many programme staff could find out a great deal that would be useful for programme design. **And it is dangerous**, because it may result in people ignoring the potential role of markets altogether.

**We all use markets every day, and they are not impossible to understand.** Whenever necessary, programme staff should **call in specialist help or ask for guidance to understand and analyse local markets.**

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**Resources for market analysis**


JAM Technical Guidance Sheet: Market Assessment, see: [http://www.unhcr.org/521612d09.html](http://www.unhcr.org/521612d09.html) (a.o. 03.03.3015)


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### 3.2 Analyse potential protection risks and benefits

Receiving humanitarian aid carries risks for recipient populations, and cash-based interventions are no exception. It is important to determine what the potential risks are, who is at risk, the seriousness of the impact and likelihood of occurrence, and whether risks can be mitigated through programme design features such as the choice of transfer modality, delivery mechanism, or complementary activities. Finally, it is necessary to weigh these risks against the potential benefits or against the risks of alternative interventions, including in-kind assistance or, when there is no alternative, what would happen if UNHCR provided no assistance at all (see Tables 9 and 10).
### Table 9. Essential Questions for Risk and Benefit Analysis

| Household and social dynamics                                                                 | ... causing, increasing or reducing any (social, political, economic) tensions within the refugee community and between the refugee and host community? |
|                                                                                               | ... causing, increasing or reducing any tensions in the household? |
|                                                                                               | ... affecting how decisions are made about the use of the transfer in the household? What do women prefer? |
|                                                                                               | ... creating any challenges or opportunities for contributing to the safety of recipients? |
|                                                                                               | ... contributing to the self-reliance, independence, confidence or capacity of recipients? |
|                                                                                               | ... creating any problems or opportunities for people who face constraints related to gender, age, diversity or other factors? |
|                                                                                               | ... increasing or decreasing the ability of all intended recipients (including unaccompanied children, women, older persons and other persons who may have specific needs) to access assistance? |
| Can complementary programmes be designed to mitigate these risks?                              |
| Insecurity                                                                                     | ... contributing to violence and insecurity either during delivery of or during the actual use of cash or redemption of vouchers? |
|                                                                                               | ... being taxed or seized by elites or warring parties? |
| Can programmes be designed to minimise or mitigate these risks?                                |
| Fraud and/or diversion                                                                          | ... being diverted by local elites and project staff? |
|                                                                                               | What accountability mechanisms are available to minimise these risks (internal to the agency, external involving communities, digital involving technology?) |
| Data protection                                                                                 | ... requiring information from recipients that might be considered sensitive? |
|                                                                                               | ... risking unauthorised access or use of personal data? |
| Comparing CBIs with alternatives                                                                | In the absence of alternatives, what are the risks of providing no assistance at all? |

Risk analysis includes identifying the potential harmful effects of different transfer modalities and then determining their likelihood of occurring and their relative impact (see Table 10). In general, risks that have a high likelihood of occurring, have high impact, and affect the majority of recipients will most strongly influence the choice of transfer modality and inform risk mitigation strategies.
## Key considerations for risk and benefit analysis:

- Involve potential recipients in identifying possible risks (and identifying measures to manage or mitigate these risks). Use an AGD approach.
- Ensure consultation with different at-risk groups. Older people and people with disabilities, for example, may need more help with transport and financial literacy; certain minority groups may have specific security concerns if asked to come to an area where they are likely to meet people from their broader community; child-headed households may not be able to open bank accounts to receive benefits; and women and girls may have concerns about gender-based violence, their role in decision making, or whether cash will be used by other household members in antisocial ways. Different groups are likely to have suggestions about how to mitigate the risks they face.
- When identifying potential protection-related concerns, make use of existing information such as participatory needs assessments, protection monitoring, reports or studies, feasibility studies, etc. Draw conclusions from actual data rather than hypothetical scenarios.
- In a rapid-onset emergency, if no existing data are available, integrate risk-related questions into the rapid protection assessment or other relevant rapid needs assessments.
- In a slow-onset or protracted crisis, conduct a more in-depth protection assessment. Draw on the expertise and experience of protection partners.
Resources for risk and benefits analysis


WFP (2013) Cash and Voucher Scale-up: Inventory of Risk tools (Contact UNHCR Cash Section, DPSM)

3.3 Analyse political feasibility

Many governments have cash-based safety nets designed to help vulnerable people in their own countries. This presents an opportunity for humanitarian programmes to learn from existing CBIs (available delivery mechanisms, etc). In other countries, CBIs are new and host governments may not be comfortable with their use. In either case, host governments may not feel comfortable with refugees receiving cash. In these situations, where a response analysis has determined that CBIs are an appropriate and feasible response, engagement and advocacy with governments may be necessary (see Table 11).

<table>
<thead>
<tr>
<th>TABLE 11. ESSENTIAL QUESTIONS ON POLITICAL FEASIBILITY AND COHERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>- What is the policy of the host country on cash-based interventions?</td>
</tr>
<tr>
<td>- What is the policy of donors toward cash-based interventions? Are they funding other cash-based interventions?</td>
</tr>
<tr>
<td>- Are there existing cash-based interventions in the host country? Will CBI programmes for refugees and other persons of concern complement or conflict with these?</td>
</tr>
<tr>
<td>- What are the potential concerns of the government/donors and how can these be addressed?</td>
</tr>
<tr>
<td>- Are there positive aspects of cash-based interventions that can be levered to increase political feasibility?</td>
</tr>
</tbody>
</table>

Key considerations when assessing political feasibility:

- Common concerns of host governments are the potential for cash as a pull factor, insecurity, and perceptions of the host community – particularly the poorest among them who do not receive the same level of support from their own government. Many of these issues can be dealt with through programme design, including targeting criteria, communication strategies, and the use of new technologies to reduce the circulation of hard currency (see Part II, Section 4.9, on advocacy).

- Some donors are reluctant to encourage cash-based interventions out of fear that cash could end up in the hands of armed non-state actors engaged in terrorist activities or of groups proscribed by United States or European Union law. Where the
humanitarian imperative dictates that assistance be provided and CBIs are the only option, donor capitals must consent to ensure that UNHCR and its staff will not face prosecution.

- Some donors may also have a preference for or against cash-based interventions. UNHCR’s goal should be to provide the most appropriate form of assistance to achieve its protection mandate; involving government and donors in the response analysis or feasibility study can help build political willingness.

3.4 Analyse delivery options

Cash-based interventions can be delivered using multiple mechanisms (see Table 2 on page 13). The presence (or absence) of reliable and safe money transfer options will influence the choice of transfer modality. While the final decision on whether to use direct or account-based money transfer, paper or e-vouchers will depend on various things (the transfer modality, recipient preferences, and detailed analysis of the security, ease and cost of different mechanisms), some basic questions should be asked, even for response analysis (see Table 12). A more detailed list of questions for comparing different delivery options is given in CaLP’s E-transfers support guidelines in the Resources at the end of this section.

<table>
<thead>
<tr>
<th>TABLE 12. ESSENTIAL QUESTIONS ON DELIVERY OPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- How do the intended recipients normally get money (e.g. banks, ATMs, money transfer agents)? Are they familiar with banking and/or mobile phone technology? Do they own a mobile phone?</td>
</tr>
<tr>
<td>- What are the options available for delivering cash-based interventions? Do all refugees, including women and youth, have safe access to these options? What is their preference?</td>
</tr>
<tr>
<td>- Are there functioning money business services (e.g. banks, money transfer agents, post offices, microfinance and credit institutions)? How many outlets are there, and at what locations? Can the number of outlets be expanded if necessary?</td>
</tr>
<tr>
<td>- What are the legal requirements for individuals to open a bank account (e.g. identification)? Can women open bank accounts? What are the options for individuals or an agency to open accounts on behalf of the intended recipients (e.g. youth)?</td>
</tr>
<tr>
<td>- Are there mobile banking services? How is network coverage? Are the target groups familiar with mobile phone technology?</td>
</tr>
<tr>
<td>- What is the coverage and reliability of electricity supply and internet services? Does the target group have access to electricity to charge mobile phones? Do traders/suppliers have reliable electricity for data transfer (e.g. for e-vouchers and point-of-sale devices)?</td>
</tr>
<tr>
<td>- Are there printing services available (for vouchers)? What is the cost and reliability? What options are available to reduce the risk of counterfeiting?</td>
</tr>
<tr>
<td>- Do any of these considerations potentially increase or decrease risks to recipients (e.g. access, visibility, data protection)? And if so, are there legal or technological means of mitigating these risks?</td>
</tr>
</tbody>
</table>
Key considerations for analysing delivery options:

- If considering using money business services, which require sharing refugee personal data, a privacy impact assessment (PIA) may be necessary. The decision to conduct a PIA should be based on potential risks of unauthorised access or use of personal data (see Table 9). PIAs can be done with partners such as the World Food Programme or be contracted to experts.

- There is almost always a way to deliver either cash or vouchers to recipients. The final decision will be a trade-off between security and other protection concerns, partner capacity, ease of use, and cost.

**Resources for analysing delivery options**


### 3.5 Analyse cost-efficiency and cost-effectiveness

The response analysis will also weigh the relative efficiency of different transfer modalities and delivery mechanisms. However, efficiency will not always determine the best option. Cash-based interventions may be appropriate even when they are less efficient but more effective in achieving objectives – for example, due to positive impacts on local markets or affording greater dignity to recipients. Equally, there will be times when in-kind assistance or the direct provision of services is needed, even when it is more expensive – for example, where increased demand on markets would cause inflation or where local services would be overwhelmed.

Cost-efficiency is assessed by comparing the cost of delivering the value of goods though cash or vouchers with the cost of delivering an equal value of goods in-kind. – e.g. how much does it cost to deliver USD100 in cash compared with USD100 in vouchers and USD100 worth of in-kind non-food items. The following components of an efficiency analysis are relevant for in-kind, cash and voucher interventions (see Table 13):
TABLE 13. ESTIMATING PROGRAMME COSTS FOR CASH-BASED INTERVENTIONS

| Value of the transfer + cost of delivery + cost of start-up (optional) = total cost |

- **The value of the transfer**: This depends on what the objective of the programme is and what it would cost to achieve the objective (e.g. the cost of the 2,100 kcal equivalent of a food ration purchased locally or internationally, the cost of a shelter kit, etc.). Take into consideration exchange rate fluctuations and changing prices (inflation or deflation).

- **The cost of delivery**: This includes transport, storage, and handling of in-kind goods, vouchers or cash, money transfer fees, insurance, voucher printing, staff and management costs at all levels (HQ, country and field offices). These tasks and associated costs may be divided between partners (e.g. NGO partners undertaking sensitisation of recipients, and money business services providing specific financial services).

- **The cost of start-up**: Operational costs related to start-up of new programming or piloting should always be separated and comparisons made using only “normal” operating costs. Such additional costs might include costs of establishing new systems, a higher proportion of indirect costs due to the small scale of a pilot, additional staff costs as an investment in learning, etc. Start-up costs can be higher for cash-based interventions, especially if they are new, but once up and running CBIs can a more efficient transfer modality. Other factors influencing cost-efficiency are highlighted in Box 3.xiv

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**BOX 3: FACTORS AFFECTING COST-EFFICIENCY IN HUMANITARIAN E-TRANSFER PROGRAMMES**

The Oxford Policy Management Group (OPMG) researched factors affecting the cost of e-transfer programmes. Their results indicate that other than the state of the prevailing e-transfer architecture (does it exist or not?) there are no consistent reasons why one programme costs more than another. Rather, costs are negotiated. Recommendations include: a) agencies need to make their programmes attractive to service providers, so the latter subsidise the cost of innovation, b) do a careful analysis of the type and quality of services, cheaper does not always mean better value for money and c) ultimately, it may be more appropriate to make decisions about payment mechanisms on factors other than cost – for example, beneficiary acceptability, or other beneficiary-related positive impacts such as savings capacity or financial inclusion.

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Cost-effectiveness is the cost of providing a good or service and achieving a result – for example, the comparative cost of achieving adequate shelter or the cost of achieving a minimum level of dietary diversity through a cash, voucher or in-kind programme. Once you have determined the approximate total cost of a response option, you can weigh this against its effectiveness or benefits. Predicting and measuring cost-effectiveness is difficult where expenditure of the grant is hard to predict, or where benefits are unquantifiable (e.g. social cohesion). But even a rudimentary attempt will enhance a response analysis.18

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Key considerations for efficiency analysis:

- Repeat cost-efficiency and cost-effectiveness analyses over time, because the context (including prices) can change throughout the refugee assistance.
- Remember that recipients also incur costs, including return transport to the distribution site, return transport to markets for purchases, and the cost of utilization (e.g. milling costs, if whole grains are distributed or purchased).  
- Conduct a rapid analysis of supply-side interventions (e.g. support to national education and health systems) in the initial stages of an emergency. Avoid incurring set-up costs through unsustainable interventions; it is almost always preferable to support existing systems and markets.

**Resources for cost-efficiency and cost-effectiveness analysis**


### 3.6 Analyse skills and capacity

When conditions for cash-based interventions are favourable, UNHCR will have to determine if the capacity exists to implement (see Table 14). This capacity can come in the form of UNHCR itself or partner staff. Partners include NGOs, the government and other United Nations agencies where appropriate (e.g. WFP, FAO or UNICEF) but also the private sector – namely banks and other money business services.

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Operating Guidelines for Cash-Based Interventions in Displacement Settings

Table 14. Capacity and Skills Assessment for Cash-Based Interventions

Do UNHCR and partners in-country, or regionally/globally within the organisation, have the following:

- A good understanding of cash-based interventions (CBIs).
- Previous experience of working on at least two CBI modalities (cash, voucher, cash for work), ideally in different refugee and other displacement contexts.
- Sector-specific experience, if the CBI has sector-specific objectives (e.g. shelter).
- Experience of working with more than one cash delivery mechanism (direct delivery, banks and other financial institutions, mobile transfers, traders and suppliers, etc).
- Experience of using different tools (direct cash, cheques, ATM and smart cards, paper and electronic vouchers, etc).
- Capacity to monitor and report on CBIs.
- Proven competence in managing risks associated with CBIs.
- Proven competence in financial management, accounting and reporting of CBIs.

Key considerations for skills and capacity assessment:

- If UNHCR or one partner does not have the range of necessary skills and capacities, a combination of partnerships may be effective in some contexts – for example, NGOs may be contracted to do assessment, targeting and monitoring. Money business services may do the actual delivery of cash. Where possible, links with local government, line ministries and existing social assistance mechanisms should be explored.
- If the required skills and experience are not immediately available, UNHCR should consider whether or not it can reinforce its own capacity – for instance, by employing a consultant, calling on technical assistance from the regional office or headquarters, or stand-by partners. Alternatively, a partner (or potential partner) could strengthen its local capacity with regional or global reinforcements.
- The choice of whether to implement through a partner or directly should consider issues of mandate (e.g. partnering with WFP for food assistance),\textsuperscript{20} cost-effectiveness (comparison of UNHCR’s costs versus a partner’s costs) and other operational requirements (e.g. access and security issues).\textsuperscript{21} Partnership arrangements are further explored in Part IV, Section 4.1, Partnership.

\textsuperscript{20} WFP and UNHCR (2002) Memorandum of Understanding. see: http://www.refworld.org/docid/3d357f502.html (a.o. 03.02.2015)

\textsuperscript{21} UNHCR Handbook draft (forthcoming) Ch 4, Part 2, Section 3.
3.7 Analyse the appropriateness of use and eligibility qualifying conditions

Use and eligibility conditions should only be imposed when necessary to achieve programme objectives (Box 4). However, imposing conditions has significant implications for recipients and implementing partners alike – for example, compromising recipients’ choice, adding to participants’ time burden, assuming the responsibility for adequate supply and quantity of services and goods, providing necessary technical assistance, monitoring effectiveness. To maximise the benefits of incentives, programmes should follow good practice throughout the operations cycle (see Figure 8). Where providing assistance in exchange for work is an appropriate response option, there may be protection considerations. If this response option is chosen, it is essential to develop a risk mitigation strategy (see Table 15).

**BOX 4. OBJECTIVES THAT REQUIRE USE AND ELIGIBILITY QUALIFYING CONDITIONS ATTACHED TO CASH-BASED INTERVENTIONS**

- To require behavioural change, generally related to health and education.
- To create household and community assets (e.g. soil and water conservation, roads).
- To target additional income to those willing to work.
- To afford recipients dignity through exchange of assistance for work.

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e Ibid.
Public works that target displaced people and the host community can increase social cohesion.

- Conditional programmes can increase the political acceptability of CBIs.
- For public works, assess seasonal labour opportunities and demands to ensure that incentives programmes do not interfere with other legitimate employment.
- For public works, assess local labour laws, including minimum wage, hours of work, casual vs. permanent categories of employment.
- Assess potential safety risks at the worksite.

- Monitor participation of persons with specific needs, including pregnant and lacting women and older persons, or labour-poor households (e.g. single-headed households).
- Consult local employers to determine if incentive payments affect local labour markets.
- Monitor whether participation interferes with other work opportunities, caring and social obligations, or increased demand for child labour at home.
- Monitor who decides how the transfer is used, particularly if it is not provided to women.

- Conditions should realise some benefit to the household, refugee or host community.
- Conditions should never undermine an intervention where the objective is to provide assistance to meet basic needs.
- Incentives should seek to provide additional income to more vulnerable households. The same is true where incentives are used to pay refugee professionals for their services (e.g. doctors, teachers).
- Where receiving assistance is dependent on the use of health and education services, simply increasing economic access through an unconditional cash grant may be equally effective.
- If the objective is to provide dignity to recipients, involve those who are less able-bodied in identifying lighter and meaningful work for those who want to work.

- Where being used as a self-targeting mechanism, wages should be set at the minimum wage.
- Ensure that technical assistance is available where necessary.
- Time-based wages require close monitoring to verify completion and quality of work.
- Phased payments based on outputs can avoid workers deliberately prolonging the programme and allow for quality checks.
<table>
<thead>
<tr>
<th>Protection concern</th>
<th>Potential mitigating strategies</th>
</tr>
</thead>
</table>
| Labour and safety. The obligation to protect workers, minimise harm to them, and help them if they are harmed during the programme.\(^{\text{xv}}\) | - Plan for, or consider how to deal with, workers falling ill or being seriously injured or even killed as a direct consequence of the work. Implement simple risk mitigation measures such as worker identification, safety gloves, hard hats, high-visibility vests and first aid kits on site in case of injury. In Haiti, NGOs implementing incentives programmes purchased health insurance provided by a medical NGO for USD1 per month per recipient, providing access to a network of over 40 doctors and insurance against loss of wages.\(^{\text{xvi}}\)  
- Develop and communicate clear and consistent work-related policies such as insurance, sick leave, substitution. Develop special provisions for participants with special needs.  
- Communicate to participants — in particular, households headed by women — what to do if they cannot work so that they do not lose their entitlement to the programme’s benefits. |
| Exclusion of the vulnerable/access to assistance                                      | - Where people with disabilities, older people and others who may be at risk are willing, create work suited to them, at least temporarily, to provide them with the dignity of work and inclusion or refer them to other assistance providers or pay them unconditional cash. |
| Inclusion of women, including special consideration of pregnant and lactating women | - Engage closely with communities to create space for the inclusion of women in countries where this is culturally difficult. Inclusion does not necessarily mean work, but includes decision making about the types of assets created and use of the transfer. Assess the differential impact of project activities on women and men.  
- If women want to work, create work that is suited to their abilities and avoid hard labour. Consult women about what types of community assets should be created or how those assets would impact their lives and work.  
- Address the issue of pregnancy – specifically, what happens to a female worker if she becomes pregnant; alternatively, design work activities that pregnant and lactating women can do safely. |
| Additional burdens and hardships created                                            | - Make provision for childcare that is safe and supervised. Design cash for work that does not compromise supplementary income that could be earned through casual labour (e.g. “community” or group contracts). |
| Children participating in cash for work                                             | - Children below the legal working age of the host country or under 15 should not participate in cash for work. Girls and boys over 15 should have the same opportunity to participate. They should never be involved in hazardous work.  
- Verify that children over 15 years participating in cash for work have not left school to do so.  
- Ensure that parents or caregivers are aware of the programme and have given documented consent for the child’s involvement. |
| Increased conflict with local communities                                           | - Involve the host community in planning and implementation, including deciding activities and determining the appropriate wage in order to avoid competing with private sector demands for labour, including seasonal agricultural activities. |

\(^{\text{xv}}\) International labour standards, as set by the International Labour Organization (ILO), uphold the highest standards for worker protection, as do the Minimum Economic Recovery (SEEP) standards. For a listing of such standards, see: http://www.ilo.org/global/standards/lang--en/index.htm (a.o. 02.02.2015)  
\(^{\text{xvi}}\) CaLP discussion group (May 2015). Cash for Work https://dgroups.org/groups/calp/calp-en/discussions/hbqj0w5.htm
3.8 Bringing it all together: choosing the best transfer modality or combination

For cash transfers, the minimum operating conditions include whether people can receive cash and buy what they need safely and at reasonable prices. Where markets are volatile and protection risks are high, a full cash transfer will not be appropriate. However, many risks, including those that are market- and protection-related, can be mitigated by choosing a more managed approach (for example, a combination of cash, vouchers and in-kind assistance, providing cash or commodity vouchers instead of cash, using fairs instead of open markets, or attaching use or eligibility conditions) (Box 5). Some of the theoretical benefits and risks of different transfer modalities are outlined in Table 16. Ultimately, there are advantages and disadvantages to any programme strategy; the goal is to make the “best possible” choice, so as to maximise potential benefits and minimise risks.

**BOX 5. HOW TRANSFER MODALITIES CAN BE COMBINED: EXAMPLES FROM THE FOOD SECURITY SECTOR**

**Immediate in-kind distribution followed by cash/vouchers:** This is appropriate where in-kind food distribution is possible immediately and cash or vouchers might be a possibility in the medium term. Distribution of in-kind food initially allows time for organisations to assess the market, organise fairs, and encourage traders to supply the area with specific food or non-food commodities so that cash or vouchers can replace in-kind distribution in time.

**Longer-term provision of a mix of in-kind, cash and vouchers:** This is appropriate where some essential foods (e.g. staple foods or fortified and blended foods) cannot be sourced locally (in-kind), or where some foods (such as staples) can be provided by contracted vendors/shops (vouchers), in combination with cash for purchases of other food available on the local market (e.g. perishable foods such as vegetables, fruits, meat, milk).

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Adapted from JAM Technical Guidance Sheet No. 4 on transfer modalities, p.46.
### Table 16. Some Potential Benefits (When Appropriate) and Risks (To Be Aware Of and Mitigate)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Cash</th>
<th>Vouchers</th>
<th>In-kind aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choice</td>
<td>People can decide which items and services to buy, and when they want to spend.</td>
<td>May give degree of freedom of choice and frequency of redemption depending on design.</td>
<td>Choice only community-wide, at needs assessment.</td>
</tr>
<tr>
<td>Flexibility</td>
<td>High flexibility. Cash can be spent on a wide range of goods/services.</td>
<td>Some flexibility. Some items or services less easy to give via vouchers (e.g. fresh foods).</td>
<td>Low flexibility.</td>
</tr>
<tr>
<td>Empowerment and dignity</td>
<td>People feel more responsible for their own recovery, have more dignity.</td>
<td>Intermediate, depending on design.</td>
<td>Can use the assistance immediately, without going to the market for purchase.</td>
</tr>
<tr>
<td>Economy and trade</td>
<td>Multiplier effects (i.e. money spent in local economy promotes business and production).</td>
<td>Supports positive local and/or regional economy for targeted goods/services. Usually limited to formal sector (excludes small vendors).</td>
<td>Essential where there are problems of supply. May undermine local market where goods/services are already available.</td>
</tr>
<tr>
<td>Security</td>
<td>If programme design is poor, can be very high risk. Risk if cash is kept at home. Small purchases can be done over time.</td>
<td>Low security risk at point of distribution. Potential risk upon receipt.</td>
<td>Some security risks during transport (hijacking, etc). Low risks during distribution. Potential risk upon receipt.</td>
</tr>
<tr>
<td>Inflation</td>
<td>Potential to cause inflation.</td>
<td>Potential inflation is controllable.</td>
<td>Potential to cause deflation.</td>
</tr>
<tr>
<td>Protection and gender (see Table 4 for more detail)</td>
<td>May be harder to target the most vulnerable and at-risk groups, since cash is attractive to everyone. Can stimulate shared decision making on use of resources and promote “financial inclusion”.</td>
<td>Can privilege women and persons with specific needs through “fairs”. Where there is some choice, can stimulate shared decision making. Data protection easier.</td>
<td>Can be distributed to women. Some types of assistance (e.g. food) are more likely to be managed by women. Data protection easier.</td>
</tr>
</tbody>
</table>
TABLE 16. SOME POTENTIAL BENEFITS (WHEN APPROPRIATE) AND RISKS (TO BE AWARE OF AND MITIGATE)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Cash</th>
<th>Vouchers</th>
<th>In-kind aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theft/</td>
<td>More attractive to theft/corruption given its fungibility, including</td>
<td>Usually lower risk of theft/corruption. However,</td>
<td>Potential corruption in large contracts for suppliers. Due to its high visibility, potential for theft during transport, handling, and storage, and during distribution (e.g. under-scooping).</td>
</tr>
<tr>
<td>corruption</td>
<td>by agency staff. Can reduce risks where money business services are</td>
<td>vouchers can be counterfeited. Vendors can collude</td>
<td></td>
</tr>
<tr>
<td></td>
<td>used.</td>
<td>for price/quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corruption between agency and vendor for</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>contracts.</td>
<td></td>
</tr>
<tr>
<td>Cost-efficiency</td>
<td>Reduced logistics costs (transport, handling, storage). Can be more</td>
<td>Costs of voucher printing (unless e-voucher),</td>
<td>Where markets are far, may be easier for recipients, as the costs of bringing goods is borne by agency. Cost savings if global prices are lower and purchase in bulk.</td>
</tr>
<tr>
<td>for agencies</td>
<td>timelier when financial and legal procedures are already in place.</td>
<td>distribution, redemption. Costs of organising</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>fairs. Agency negotiates price/quality.</td>
<td></td>
</tr>
<tr>
<td>Cost-efficiency</td>
<td>Avoids loss of value when in-kind aid is sold at low prices. Recipient</td>
<td>Where increased choice, potential to reduce</td>
<td>Loss of value of transfer where goods sold for cash.</td>
</tr>
<tr>
<td>for recipients</td>
<td>negotiates price/quality ratio.</td>
<td>resale. Where contracted vendors are close or</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>local fairs organised, easy to access.</td>
<td></td>
</tr>
<tr>
<td>Reporting on</td>
<td>More difficult to account for expenditures. More donors/governments</td>
<td>Easily accepted by all actors, particularly</td>
<td>Easily accepted by all actors where in-kind assistance does not disrupt local markets. Easy to report on distribution (type and amount).</td>
</tr>
<tr>
<td>use of aid</td>
<td>accepting proximate reports on recipient expenditures.</td>
<td>where local traders/vendors are privileged for</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>contracts. Easy to report on distribution (type</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>and amount).</td>
<td></td>
</tr>
</tbody>
</table>

There are many decision-making tools that can be used to help decide the best option. Two of the most common – the decision tree and the matrix approach – are presented here. Decision trees consider different options and investigate the possible outcomes of choosing each (see Figure 9). Matrix approaches, such as strengths, weaknesses, opportunities and threats (SWOT) analysis, focus on objectives – exploring and prioritising alternatives to meeting those objectives, the strengths and weaknesses of the top alternatives, and finally choosing the “best” alternative. The two methods can be used together. The matrix approach presented here can also be used as a participatory tool with refugee communities, to find ways to mitigate the residuals risks of the programme strategy chosen (see Figure 10).
FIGURE 9. EXAMPLE OF A DECISION TREE FOR DECIDING POSSIBLE RESPONSE OPTIONS

Have the needs and capacities of the affected population been assessed?

- Yes → Do an assessment
- No → Can the needs be met through the provision of goods and services?

Can the needs be met through the provision of goods and services?

- Yes → Consider alternatives, e.g. advocacy, legal or policy interventions
- No → Do local markets function? Are the necessary goods/services available in sufficient supply and quality?

Do local markets function? Are the necessary goods/services available in sufficient supply and quality?

- Yes → Are regional and national markets integrated and competitive?
- No → Can supply-side interventions help guarantee supply?

Can supply-side interventions help guarantee supply?

- Yes → If feasible, consider IN-KIND aid and DIRECT provision of services, e.g. food and non-food items, health services
- No → Can all targeted recipients easily access markets, both physically and socially?

Can all targeted recipients easily access markets, both physically and socially?

- Yes → Can complementary programming help those with specific needs?
- No → Can the protection risks of cash transfers be managed or mitigated? Do the benefits outweigh the risks?

Can the protection risks of cash transfers be managed or mitigated? Do the benefits outweigh the risks?

- Yes → If feasible and safer, consider a combination of CASH, VOUCHERS or IN-KIND aid
- No → Can cash transfers be easily and safely delivered to all targeted recipients?

Can cash transfers be easily and safely delivered to all targeted recipients?

- Yes → Can transfer technology reduce those risks?
- No → Is the proposed programme cost-efficient? If not, can extra costs be justified by benefits?

Can transfer technology reduce those risks?

- Yes → If feasible and safer, consider VOUCHERS or IN-KIND aid
- No → Can advocacy and greater involvement of government (e.g. in a feasibility study) increase acceptability?

Can advocacy and greater involvement of government (e.g. in a feasibility study) increase acceptability?

- Yes → If more politically feasible, consider a combination of CASH, CASH FOR WORK, VOUCHERS or IN-KIND aid
- No → Are cash transfers politically feasible?

Are cash transfers politically feasible?

- Yes → Can the protection risks of cash transfers be managed or mitigated? Do the benefits outweigh the risks?
- No → Is the proposed programme cost-efficient? If not, can extra costs be justified by benefits?

Is the proposed programme cost-efficient? If not, can extra costs be justified by benefits?

- Yes → Can agencies ensure the provision of necessary technical assistance, supply and quality of necessary goods/services, and mitigate the protection concerns of cash for work (if being considered)
- No → Are the objectives likely to be met without introducing use or eligibility conditions?

Are the objectives likely to be met without introducing use or eligibility conditions?

- Yes → Consider UNCONDITIONAL CASH TRANSFERS
- No → Consider CONDITIONAL CASH TRANSFERS, or VOUCHERS and IN-KIND aid

Implementing arrangements: direct, operational or implementing partnerships
FIGURE 10. EXAMPLE OF A WEIGHTED MATRIX APPROACH FOR DECIDING THE BEST RESPONSE OPTION

Steps:
1. Define objective
2. Define strategic requirement (“must-haves”) – e.g. for cash-based intervention this includes “people can receive cash and buy what they need safely and at reasonable prices”. A food assistance project may require that “people consume a nutritionally adequate diet”.
3. Define operational objectives (“want-to-haves”) – e.g. reduced resale of assistance, cost-efficiency, benefits accruing to host community, beneficiaries making decisions. Weight these operational objectives in order of importance.
4. List all possible programme alternatives arising from the response analysis – e.g. full in-kind ration, full cash ration, full voucher ration with staples only, full voucher with staples and fresh food, combination voucher and cash for fresh foods.
5. Score all the alternatives, eliminating those that do not meet the strategic objectives (strike through below).

<table>
<thead>
<tr>
<th>Operational objectives</th>
<th>reduce resale</th>
<th>cost efficiency</th>
<th>beneficiary decision making</th>
<th>benefits to local community</th>
<th>weighted score</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weights</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td></td>
<td>(scale of 1-5)</td>
</tr>
<tr>
<td>A. full in-kind</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>People want fresh foods and choice. Significant resale at present (50%)</td>
</tr>
<tr>
<td>B. full vouchers</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>45</td>
<td>Cannot include all the fresh food that people want, e.g. meat, beneficiaries still have to choose only among food and they still need a little cash, hard to negotiate good price for fresh food</td>
</tr>
<tr>
<td>including some fresh</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>food</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. full cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>Rebel activity in proximity, beneficiaries prefer no cash, fear of attack even if can be delivered safely</td>
</tr>
<tr>
<td>D. voucher for</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>30</td>
<td>Same as B above, but increased resale for fresh food, staple food providers are regional not local</td>
</tr>
<tr>
<td>staple food</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. voucher staples +</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>57</td>
<td>Reduced amounts of cash so decreased security risk, increased flexibility and decision making for beneficiaries, more cash spent locally</td>
</tr>
<tr>
<td>cash fresh food</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Choose top 2–3 alternatives and list potential risks for each. One at a time, rate each alternative and its risk according to the likelihood of the risk occurring and its impact on the project and recipients. Exercises such as pair-wise ranking can help to determine the relative weight of each risk.

<table>
<thead>
<tr>
<th>Potential risks</th>
<th>Likelihood (1-5)</th>
<th>Impact (1-5)</th>
<th>Weighted score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard time to find local/regional contracts for reliable quality/supply of fresh food contracts</td>
<td>4</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Complexity of using local shops for fresh food purchases (contracts and reconciliation of voucher)</td>
<td>4</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Option B “risk score”</td>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Option E</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Possible insecurity during distributions</td>
<td>2</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Possible difficulties for at-risk groups in spending cash</td>
<td>4</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Option F “risk score”</td>
<td></td>
<td></td>
<td>26</td>
</tr>
</tbody>
</table>

Note: Impact should take into account degree of harm and number of people affected. For example, a high degree of harm that is largely to at-risk groups (<5% of population) may be easier to mitigate by providing extra support to those groups.

7. Analyse the weighted score versus the risk rating for each and choose the high-scoring one.

8. Consider the winning option against each negative consequence and suggest a plan of action to minimise the adverse effects.

<table>
<thead>
<tr>
<th></th>
<th>Satisfaction score</th>
<th>Risk score</th>
<th>Final decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Full vouchers including some fresh food</td>
<td>45</td>
<td>24</td>
<td>21</td>
</tr>
<tr>
<td>E. Voucher staples + cash fresh food</td>
<td>57</td>
<td>26</td>
<td>31</td>
</tr>
</tbody>
</table>
STEP 4: PLAN, DESIGN AND IMPLEMENT THE RESPONSE

Once the response options have been chosen, the next steps are: to refine the project objectives; decide on the delivery mechanism; decide how much to give, when, and to whom; take steps to mitigate the risks identified; and define an entry (in the case of changing long-standing delivery systems) and exit strategy.

4.1 Refine objectives

While the overall objective (such as meeting shelter needs) may not change, given the response analysis (or choice of transfer modality), the objectives may need to be better defined – for example, “ensuring access to education” may need to be refined to “increasing access to education materials”.

4.2 Decide on the delivery mechanism

Electronic forms of cash-based interventions are opening up new possibilities for delivery mechanisms. Table 17 outlines the main advantages and disadvantages of different delivery mechanisms.

| TABLE 17. ADVANTAGES AND DISADVANTAGES OF DIFFERENT DELIVERY MECHANISMSxxxv |
|-----------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Delivery mechanisms         | Possible advantages                                                              | Possible disadvantages                                                                            |
| Direct delivery             | Speed, simplicity, and cost. Flexible if recipients are mobile. Requires        | Securityxxxv and corruption risks may be higher. Often labour intensive, especially in terms of staff time. For recipients, a lack of flexibility in when they collect their cash and possibly long waiting times. Less options for saving. |
| (cash in envelopes)         | physical verification. Does not require network coverage.                        |                                                                                                  |
| Delivery using bank         | Reduced workload for agency staff. Corruption and security risks may be          | Time needed to negotiate roles and contractual terms, and establish systems. Reluctance of banks to set up accounts for small amounts of money. Bank charges may be expensive. Recipients may be unfamiliar with financial institutions and have some fears in dealing with them. Possible exclusion of people without necessary documentation, and children. If using ATMs without identity verification (other than PIN), can be used by persons not physically present. Recipients may be more removed from aid agency and so less able to complain if things go wrong. |
| accounts                    | reduced if institutions have strong control systems and can verify identity (e.g.  |                                                                                                  |
|                            | meet “Know your client” protocols).xvii Flexible and convenient for recipients    |                                                                                                  |
|                            | who can choose when to withdraw cash and avoid queues. Does not require network   |                                                                                                  |
|                            | coverage. Access to financial system for previously unbanked recipients. Can     |                                                                                                  |
|                            | link to existing social protection programmes that pay into bank accounts.       |                                                                                                  |
|                            | Potential for savings.                                                           |                                                                                                  |

xxxv This table is based on various sources and adapted for the context of cash-based interventions in displacement settings.
<table>
<thead>
<tr>
<th>Delivery mechanisms</th>
<th>Possible advantages</th>
<th>Possible disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without accounts using cheques</td>
<td>As above, and can avoid delays that can be caused by having to verify transfers.</td>
<td>As bank accounts are not opened, recipients do not gain access to the banking system. Recipients need to cash the cheque all at once, with possible security implications.</td>
</tr>
<tr>
<td>With accounts using mobile banking</td>
<td>As above. Does not rely on physical bank networks.</td>
<td>As above. Requires network coverage.</td>
</tr>
<tr>
<td>Delivery using subcontracted parties (e.g. remittance companies, microfinance organisations)</td>
<td>Does not require network coverage. Sub-contracted parties accept some responsibility for loss. Security risks for agency reduced. Remittance companies may have greater access than agencies to insecure areas. Recipients may be familiar with these types of systems. Flexibility and access – these systems may be near to where recipients live and may offer greater flexibility. If microfinance institutions are used, may increase access to credit.</td>
<td>The system may require greater monitoring for auditing purposes. Reduced control over distribution time frame. Credibility could be at risk if the transfer company cannot provide the money to the agreed time schedule. Recipients may be more removed from aid agency and so less able to complain if things go wrong. Counter-terrorism legislation that targets remittance companies (e.g. Somalia).</td>
</tr>
<tr>
<td>Delivery via pre-paid cards or mobiles</td>
<td>As with banks, possible reduced corruption and security risks. Reduced workload for agency staff. Greater flexibility in where cash can be collected from (e.g. mobile points of sale, local traders). A mobile phone (individual or communal) can be provided at low cost to those who do not already have them.</td>
<td>Requires network coverage. Systems may take time and be complex to establish. Risks of agents or branches running out of money. Costs and risks of new technology such as smart cards. Recipients may be unfamiliar with new systems. Form of identity required to use payment instrument depends on local regulations and may exclude some people. Requires electricity to charge phones or point-of-sale devices.</td>
</tr>
<tr>
<td>Paper vouchers</td>
<td>Does not rely on electricity or network coverage. Simple for recipients and agency staff to understand (like money).</td>
<td>Illiterate people and others with specific needs may need assistance to interpret coupons. Requires printing. Likelihood of fraud (counterfeit). Increased workload for staff.</td>
</tr>
<tr>
<td>E-vouchers</td>
<td>Reduce workload for agency staff. Allow for accounting of what the voucher is redeemed for. Reduce fraud.</td>
<td>Requires electricity, network coverage and/or special systems that can be costly. Not likely to be used in the long term by recipients (sustainability). Requires special training for users.</td>
</tr>
</tbody>
</table>

Ultimately, the choice of delivery mechanism will depend on the transfer modality chosen and a cost-benefit analysis, with special attention paid to the acceptability and accessibility of the different options to persons of concern. Prerequisites for use of e-transfer services are mentioned in Table 18. Other resources listed at the end of this section include CaLP’s detailed guidelines for implementation of e-transfers, questionnaires to assess refugee use of mobile phones, and key questions for service providers.

### Table 18. Prerequisites for Selecting an E-Transfer Service Provider (Card/Mobile Phone)

<table>
<thead>
<tr>
<th>Prerequisites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliable and accessible mobile phone network within the project target zone.</td>
</tr>
<tr>
<td>Platform for bulk payments that can manage the number of transfers required.</td>
</tr>
<tr>
<td>The company is able to provide dedicated service support to the aid agency.</td>
</tr>
<tr>
<td>The company is able to encrypt the data between the aid agency and mobile phone company.</td>
</tr>
<tr>
<td>The agent distribution network aligned with the service provider has sufficient liquidity to deal with the cash demands of the recipients.</td>
</tr>
<tr>
<td>The agent distribution network is close enough to recipients to enable distribution without significant cost to the recipient.</td>
</tr>
<tr>
<td>The commission/service charge for providing the transfer service is acceptable.</td>
</tr>
<tr>
<td>The charge to recipients for accessing their cash at the agents is acceptable.</td>
</tr>
<tr>
<td>Recipients have access to mobile phones/cards or can be provided with them quickly.</td>
</tr>
<tr>
<td>Recipients have enough knowledge to use the system or can quickly be supported to do so.</td>
</tr>
<tr>
<td>Recipients have the ID required to register for the service.</td>
</tr>
<tr>
<td>Recipients using mobile money have or can be provided with cost-effective access to a source of power to keep phones charged.</td>
</tr>
<tr>
<td>Data protection policy in place governing management of recipient data.</td>
</tr>
<tr>
<td>Compliance with internationally agreed counter-terrorism measures (lists of restricted individuals).</td>
</tr>
<tr>
<td>Protection for the aid agency in the event that the provider becomes insolvent, such as ring-fencing of funds transferred.</td>
</tr>
</tbody>
</table>

**Money business services (MBS) and data protection**

The use of external parties such as banks or money transfer agents to facilitate the transfer of resources, as well as the use of biometric data, presents new opportunities and challenges for data protection. Money business services should know who their customers are, what they do, and whether or not they are likely to be engaged in criminal activity or be conduits for proceeds of crime.22 “Know your customer” standards used in combination with biometric verification can significantly reduce fraud. Nonetheless, information regarding refugees is

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22 CaLP (2013) Know your Customer.
protected by various provisions within International Law and, where applicable, domestic legislation. UNHCR has its own data protection policy (Box 6) and encourages partners to subscribe to the Cash Learning Partnership’s Code of Conduct for the secure use of personal data, see: http://www.cashlearning.org/resources/library/389-protecting-beneficiary-privacy-principles-and-operational-standards-for-the-secure-use-of-personal-data-in-cash-and-e-transfer-programmes (a.o. 02.02.2015) (see Box 7). (pag. 81-85 of the CaLP E-Transfer Implementation Support Guidelines). Regardless of what clauses are used, contracts with service providers will need to be reviewed by Legal Services and DIP.

**BOX 6. UNHCR’S POSITION ON DATA SHARING**

UNHCR’s policy will inform the conditions for data sharing. The LoUs in each country context will define the precise terms, including purpose for which data is used, types of data shared and protocols for sharing data with implementing partners. Where there are complex situations with regard to specific privacy risks a privacy impact assessment should be conducted at an early stage in order to inform decision-making.

---

UNHCR can share data. However, it must be clear from the beginning what data elements will be shared and for what purpose. This information should be included in any contracts or agreements, including with operational or implementing partners. Key considerations include the following:

- Be clear what data elements are essential. Only share what is necessary. National requirements will be different from one country to another.
- The use of the data will determine the data elements necessary – for example, to transfer funds, banks may only need a coded ID number, household size (for determining the size of the transfer) and a mobile phone number. For monitoring purposes, partners may need to know the recipient’s address, number of children, or details about people with specific needs in order to ensure sampling using an AGD approach.
- Once there is agreement about use of the data, the data should then be deleted.

---

Organisations should respect the privacy of beneficiaries and recognise that obtaining and processing their personal data represents a potential threat to that privacy.

Organisations should "protect by design" the personal data they obtain from beneficiaries either for their own use or for use by third parties for each cash or e-transfer programme they initiate or implement.

Organisations should analyse, document and understand the flow of beneficiary data for each cash or e-transfer programme they initiate or implement within their own organisation and between their organisation and others, and develop risk mitigation strategies as required to address any risks arising from these flows.

Organisations should ensure the accuracy of the personal data they collect, store and use, including by keeping information up to date, relevant and not excessive in relation to the purpose for which it is processed, and by not keeping data for longer than is necessary.

At the point of data capture, beneficiaries should be informed as to the nature of the data being collected, with whom it will be shared, and who is responsible for the secure use of their data; they should be provided with the opportunity to question the use made of the data and withdraw from the programme should they not wish their personal data to be used for the purposes described.

Organisations should implement appropriate technical and operational security standards for each stage of the collection, use and transfer of beneficiary data to prevent unauthorised access, disclosure or loss, and in particular any external threats should be identified and actions taken to mitigate any risks arising.

Organisations should not hold beneficiary data for longer than is required unless they have clear, justifiable and documented reasons for doing so; otherwise, data held by the organisation and any relevant third parties should be destroyed.

Organisations should establish a mechanism whereby a beneficiary can request information about what personal data an organisation holds about them and mechanisms to receive and respond to any complaints or concerns beneficiaries may have about the use of their personal data.

Supply-side delivery mechanisms for voucher programmes: fairs, shops vs. open markets

Where markets are competitive and supply is reliable, recipients can shop for what they want, when they want it, and for the best price/quality ratio. Where markets are weak, where there are protection concerns, or where cash is politically unacceptable, vouchers redeemed in contracted shops or at organised fairs may be an alternative (Box 8). However, voucher programmes require more involvement by implementing agencies (e.g. printing vouchers; identifying, contracting and managing traders; controlling for price collusion; monitoring quality; and providing an invoice to the donor for goods purchased). Given this extra workload, the choice of vouchers over cash needs to be clearly justified.
**BOX 8. GOOD PRACTICE WHEN ORGANISING FAIRS TO DISTRIBUTE FOOD OR NON-FOOD ITEMS**

Fairs are often conducted where the supply of goods in local markets is unreliable but can be purchased by traders and supplied in sufficient quantities if given advance notice, or where recipients prefer not to use cash for fear of insecurity or other risks identified during the response analysis. The advantage of fairs over in-kind aid is that fairs still allow for a range of choice for recipients catering to individual needs; recipients also report that fairs are a more dignified way to ‘shop’ for necessary items as opposed to standing in long lines waiting for in-kind distributions. Fairs can significantly reduce the resale of humanitarian assistance. Good practice in organising fairs includes the following features:

- **Conduct focus groups with recipients** (using an AGD approach) to better understand what recipients would like to purchase. The items may range from local food items, including fresh foods, to a wide range of non-food items such as sanitation supplies, household items or clothes.

- **Sensitisation is important**, particularly where fairs employ value that allow for choice. Recipients need to understand how to allocate coupons to purchase what they want and need, particularly persons with specific needs such as child-headed households, who may have less experience with managing a household economy.

- **It should be easy to identify the value of the coupon using creative ways (colour, size, etc)** for people who are illiterate. There should be small denominations in order to buy smaller quantities.

- **Fairs should privilege local traders, cooperatives and associations** (where they can meet supply without causing inflation or supply breaks in local markets) or a combination of small and large traders (where the latter provide those items likely to be purchased in bulk, while the former can sell perishable items like fresh food).

- **The more traders/vendors present**, providing a variety of goods, the lesser the likelihood of collusion, which means recipients can shop for the best quality/price.

- **Price ceilings should be negotiated in advance with traders based on prevailing local prices**, while still allowing room for negotiating lower prices in the fair itself.\(^i\)

- **Help desks in fairs ensure** that the needs of the most vulnerable people can be accommodated (assigning helpers, etc) and recipients have someone to go to on the day to help them solve any problems with prices, quality, etc.

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\(^i\) Bailey, S. (2009).

**Resources for designing delivery and supply mechanisms**

CaLP (2013) E-transfers in emergencies: implementation support guidelines (has examples of privacy impact assessments (PIA), interview guide/checklist of issues to discuss with service providers, and minimum contractual requirements), see: http://www.cashlearning.org/resources/library/390-e-transfers-in-emergencies-implementation-support-guidelines (a.o. 02.02.2015)


4.3 Develop a targeting strategy

Targeting is equally important for cash-based interventions and for in-kind assistance. The need for targeting should be determined by the needs assessment. The basic principles of targeting are no different for CBIs than for any other aid programme – that is, to deliver what are often scarce resources to those who need them most. In some contexts, cash may be a more valued resource than in-kind assistance, so particular attention needs to be given to targeting fairly and managing risks of diversion. Targeting strategies include:

- Household or individual targeting, using: means-testing (economic cut-offs); proxy indicators, including risk factors (easily identifiable or measurable indicators that strongly correlate with vulnerability such as malnourished children in the household); or community-based methods (allowing for communities to categorise households within their own community as poor or vulnerable). Means tests and proxy means tests have the highest costs, but tend to produce the lowest errors of inclusion and are often good investments.24
- Geographic targeting (e.g. urban, rural or camp-based populations).
- Self-targeting, where programmes are designed in such a way that only those who really need assistance will choose to participate in the programme (e.g. placing eligibility conditions on the provision of assistance, such as participation in cash for work or attendance at education and health programmes). The combination of self-targeting (via a low wage rate) and geographic targeting has also proven effective.

Targeting strategies can use multiple methods and criteria, including prioritisation of certain groups. Determining the most appropriate targeting strategy and criteria depends on the programme objective, operating context, and the phase of the refugee assistance (see Table 5 on page 19). Common criteria include:

- socio-demographic characteristics such as age, gender or diversity, marital status, household size, dependency ratios (see page 57 for an example);
- economic status determined by income, expenditures, or household assets;
- other risk factors or vulnerability criteria such as nutritional status, disability or chronic illness.

Because cash-based interventions are meant to increase people’s economic access to goods and services, economic status is the primary targeting criteria (Figure 2).

---

Where possible, targeting should use a combination of strategies (community-based, proxy means-testing) to analyse economic vulnerability. However, in a rapid-onset emergency, detailed analysis may not be possible. In this case, it is more practical to use proxies such as socio-demographic or other risk factors that are easily identifiable, with a clear strategy to improve targeting through in-depth assessment at a later date (Figure 11).

**FIGURE 11. STEPS FOR TARGETING CASH-BASED INTERVENTIONS**

1. **Step 1. Decide to target or not**
   - Target where it is appropriate, achievable and acceptable.
   - Provide blanket assistance where distinguishing between individuals/households is not feasible or cost-effective and where rapid response is a priority.
   - Target assistance where refugees have different needs and capacities, urban areas, crisis in middle-income countries, protracted crisis, and in repatriation, resettlement, reintegration programmes.

2. **Step 2. Determine combination of targeting methods and criteria**
   - Household or individual, geographic, or self-targeting.
   - Means-testing based on household income and expenditures.
   - Best guess proxy indicators for economic vulnerability (e.g. single-headed; female-headed; older persons or child-headed households; or those who may be unable to work, including some people with disabilities).
   - Criteria defined by the targeted community.

3. **Step 3. Register**
   - Ensure ProGres can store and manage relevant proxy indicators.
   - Create eligibility lists.

4. **Step 4. Implement, monitor, verify and refine**
   - Face-to-face and household visits.
   - Collect more detailed economic data for sample of households.
   - Verify if recipients are eligible.
   - Verify if proxy indicators are accurate (i.e. reasonable inclusion and exclusion errors <10%)
   - Refine and retarget.

**Note:** A distinction should be made between (1) verification of registration (a standard operating procedure for UNHCR independent of the type of assistance people receive) and (2) verification of eligibility and receipt of assistance, and (3) to test through sampling, the accuracy of targeting criteria using proxy indicators. The above diagram refers to the latter two.
Key considerations in targeting criteria and strategies:

- Blanket targeting to meet basic needs in rapid-onset emergencies or in camps may be more efficient in the short term (1–3 months).
- Targeting strategies and criteria should be reviewed as the situation stabilises and a crisis becomes protracted.
- Where refugees are residing with host families or have close interactions with the host community, take into account the vulnerabilities of the host community as well.
- Cash-based interventions are not always appropriate to meet the requirements of people with specific needs, or protection-related vulnerabilities (for example, those who have experienced sexual and gender-based violence).
- No targeting strategy or criteria are perfect. Balance the time, complexity and cost of improving targeting with the cost-inefficiency of inclusion errors (including those who are not eligible) and exclusion errors (excluding those who are eligible). While there is no rule, try to keep targeting errors to less than 10 per cent.\(^\text{25}\)
- At the same time, cash may be shared less often than in-kind assistance, making it more important to avoid excluding vulnerable individuals from assistance.\(^\text{26}\)
- When targeting specific groups, the eligibility criteria must be clearly communicated, prior to programme implementation, to recipients and non-recipients to avoid tensions within displaced communities, and between these groups and host communities. Any perception of bias could compromise the programme, undermine community relationships, or provoke conflict.\(^\text{27}\)

\(^\text{26}\) African Development Solutions (ADESO) Cash Transfer Guidelines, p.5.
Palestinian refugees in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip experience hardship not unlike those affected by the Syria Crisis. A socio-economic study of their conditions was commissioned by the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA). The study found that the household’s “support burden” translated most directly into increased poverty (i.e. the ratio of non-income earning to income earning members). Thus a “disability-adjusted dependency ratio” was a good proxy-indicator or predictor of a household’s vulnerability status informing the targeting strategy (Figure).


- Remember the objective of a cash transfer is to increase purchasing power or income of targeted beneficiaries.
- Therefore families with high numbers of non-income earning members (e.g. children, elderly, certain specific needs, AND low numbers of potentially income-earning adults).
- Households with only one adult, chronic illness, disability, older head of household usually fit in the above category.
- Take into consideration refugee rights in host country (e.g. access to services and employment).
- Ask refugees what they think characterises economic vulnerability.
- Discuss criteria and explain the rationale to stakeholders.
- Beware of false proxies (e.g. female headed households in polygamous families and poor data quality, inconsistent definitions of specific needs, disability, chronic illness).

**Step 1: ‘Best guess’ proxy indicators of economic vulnerability based on available information**

**Step 2: Define outcome variable or “vulnerability test” for use in verification**

- Below minimum expenditure/ per cap taking into consideration other assistance (e.g. food).
- Living in crowded conditions (<3.25sq/pp).
- Living with inadequate sanitation (>20pp/toilet).
- Use of negative food and non food coping strategies (e.g. compromising adults’ and children’s meals, borrowing money for basic needs, child labour, high risk behaviour, begging.
- Lack of durable assets.
- Agree on the vulnerability ‘test’ with stakeholders.
- Criteria should reflect the objective of the programme and the type of transfer (e.g. cash).

**Step 3: Test for accuracy (inclusion and exclusion) and refine**

- Pilot test on sample (e.g. 100 randomly selected households before distribution).
- During distribution verify to determine: a) are partners adhering to criteria, and if not why not? b) Are proxy indicators accurate enough?
- Ensure safeguards including appeals mechanisms and household visits to double check excluded PSN.
- Use data from the above plus visits for case management and post distribution monitoring to periodically check validity of targeting criteria. Annual or ad hoc population-level needs assessments can also be used to refine criteria and calculate exclusion/inclusion error.
- Agree on minimum data requirements for questionnaires including relevant demographic information and vulnerability test(s) for easy data compilation and correlation analysis.
Resources for targeting

The gold standard for economic targeting is using household economy analysis, which analyses a household’s means (e.g. income sources, expenditures and assets). Household economy analysis is described in more detail in UNHCR’s Operational Guidelines for Livelihood Programming, see: http://www.unhcr.org/4fbdf17c9.html (a.o. 02.02.2015)


4.4 Decide how much to give and when to give it

The size of the transfer will depend on many factors, including the following:

1. What households need to fulfil the objective (e.g. minimum standard of living, total amount of calories/food, basic relief items, rent, shelter materials, livelihoods inputs).
2. How much these goods and services cost locally.
3. What households can provide for themselves (through their own income and other forms of support).28
4. Whether the household is receiving other assistance (e.g. in-kind food aid or free medical services).
5. Additional expenses incurred because of the project (e.g. public transport to distribution sites). These are combined to determine the transfer value (see Table 19).

---

### Table 19. Example Formulas for Determining the Transfer Value

#### Scenario 1 Sector-specific cash-based intervention

Local cost of goods/services to be purchased
- Optional percentage based on socio-economic ranking of recipient (very poor, poor, middle, better-off)
+ Transport costs and other costs incurred by recipient to participate in programme
= Transfer value

#### Scenario 2 Multi-purpose grant where there is limited time to do more in-depth household economy assessments

Minimum expenditure basket (MEB) or poverty line (PL) (according to national statistics)
- Optional percentage of MEB/PL based on socio-economic ranking of recipient (e.g. very poor or poor)
- Other assistance being provided
+ Transport costs and other costs incurred by recipient to participate in programme
= Transfer value

#### Scenario 3 Multi-purpose grant where information is available on the household economy

Minimum expenditure basket (MEB) or poverty line (PL) (according to national statistics)
- Percent of needs to be covered by household based on their available income
- Other assistance being provided
+ Transport costs and other costs incurred by recipient to participate in programme
= Transfer value

---

Key considerations for setting the value of the transfer:

- Set the value based on the project objective. If it is a multi-purpose grant, calculate the minimum cost of living or minimum expenditure, including essential food, non-food, shelter, energy, health and education expenses. National poverty lines can also be used.

- Set the value based on actual sector-based consumption and not what would have been provided if in-kind assistance were given – e.g. the value of a diverse diet (including fresh foods) vs. the value of only cereals, pulses, and oil (the traditional food basket).

- Assume that households may be able to meet some needs on their own, but do not overestimate what a household can contribute. Keep it simple and calculate a percentage of total needs to be met by the household, disaggregated by the different socio-economic groups being targeted (e.g. very poor can cover 0 per cent, the poor 20 per cent of minimum needs). For instance, initially urban refugees may have some coping mechanisms, but if they are not able to find remunerative employment they may soon exhaust any savings. When in doubt or in a rapid-onset emergency, exclude household contribution from the analysis. Reassess once the situation stabilises.

- Some households with specific needs may have increased expenditures (e.g. may have people with disabilities may have to pay more for transport, those with chronic illness may have increased medical expenditures. If it is practical and necessary to meet the objective, include an allowance in the transfer.
A household is a group of persons who share income and expenditures (“eat from the same pot”). When dealing with polygamous households, each wife should be considered as a separate household only if she does not benefit from the resources of her extended family.  

Whether or not the transfer should adapt to household size should be based on practicality. If it is a rapid-onset emergency, and there are time and resource constraints, a flat rate should be provided. In a protracted crisis, assistance can be tailored to family size.

Anticipate if and how the costs of goods and services are likely to change during the project cycle, particularly if there are seasonal price changes (e.g. food, water and energy).

The transfer value should be based on local prices, but check that prices do not change from place to place. If they do, adjust the local transfer value.

Include transport costs or other fees associated with receiving the transfers.

Monitor if recipients are able to purchase what they require and why. It may be the transfer value is too low.

Transfers can be given in one payment or in instalments. The choice should be based on the project objectives, security (for recipients and for those delivering the transfer), recipient preferences and cost-efficiency (see Table 20).

<table>
<thead>
<tr>
<th>TABLE 20. FREQUENCY OF PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>Regular payments (weekly, monthly, bi-monthly)</td>
</tr>
<tr>
<td>One-off payment</td>
</tr>
<tr>
<td>Staggered or conditional payment</td>
</tr>
</tbody>
</table>

4.5 **Determine cash flows**

The total amount of the transfer and the flow of cash will depend on sub steps 1–4 in the design process – that is, deciding how many people will receive it, what the transfer amount will be, how frequently it will be distributed, and through what combination of transfer modality and delivery mechanism:

For Period $X_1 - X_2$,

$\text{(# of targeted population x size of transfer x number of transfers)} + \text{operating costs} = \text{cash flow}$

Key considerations for forecasting the cash flow:

- Link activity plans to budget requirements with clear timelines to inform cash flow forecasts.
- Perform a test transfer between HQ, country offices and MBS to test lead times. Even during an emergency there are delays, but they can be avoided with accurate planning.
- Update authorisation limits, lines of responsibility, and templates for call forward of cash.

4.6 **Develop a protection, operations and financial risk mitigation strategy**

The choice of transfer modality and delivery mechanism will have reduced some risks (See Part II Section 3, Protection risks and benefits analysis in the response analysis). However, every choice holds some risk. Once a programme strategy has been decided upon, consider the different categories of risk (e.g. household and community dynamics, insecurity and violence, diversion and fraud, financial) throughout the distribution process (see Figure 12). You should determine:

- who is at-risk;
- what are the mitigation strategies;
- who will implement them;
- what are the protection-related indicators to monitor (positive and negative);
- who will monitor.
FIGURE 12. EXAMPLE: RISK OF DIVERSION ANALYSIS THROUGHOUT DISTRIBUTION AND UTILISATION IN SOMALIA31

PROGRAMMING PHASE

Targeting

Registration and verification

Transfer of cash to money transfer agent

Point of payment to recipient

Recipient in possession of cash

Recipient spends cash

RISKS OF DIVERSION

Diversion to powerful group or individual

Diversion/fraud by agency staff at registration

Diversion by money transfer agent before delivery

Diversion by money transfer agent at point of payment

Diversion by agency staff at point of payment

Post-distribution ‘taxation’ by powerful persons (refugees or host community)

Extortion by shopkeepers

There are many risk mitigation measures that can be taken to address the major risks of cash-based interventions. Table 21 provides some examples.

<table>
<thead>
<tr>
<th>Type of risk</th>
<th>Example of risk</th>
<th>Example of mitigation measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets: accessibility and availability of goods</td>
<td>Price inflation due to the programme. Price inflation due to external factors. Supply breaks.</td>
<td>Monitor prices in project areas and elsewhere. Define maximum price threshold after which changes in programme will occur. Budget for a X% increase in transfer. Increase transfer size when necessary. Change to different CBI (e.g. voucher, in-kind or combination). Communication with traders on anticipated increase in demand. Contracts with traders to subsidise prices of targeted goods.</td>
</tr>
<tr>
<td>Insecurity and violence</td>
<td>Violence against staff, money business services, recipients either before, during or after distribution, or after acquiring goods.</td>
<td>Clear communication on humanitarian nature of programme to all key stakeholders, including armed non-state actors. Involve local authorities. Increase security personnel. Avoid large payments. Increase number of distribution sites, reduce waiting times. Coordinate distribution (location and timing) with markets for quick spending. Encourage recipients to travel in groups when going to collect their cash and not to keep large sums at home.</td>
</tr>
<tr>
<td>Corruption and diversion</td>
<td>Inclusion error. Money business services diverting funds. Staff diverting funds. Fraud and counterfeiting.</td>
<td>Strict protocols and procedures. Staff capacity building. Competitive tendering. Division of responsibilities (e.g. NGO for registration and monitoring, MBS for money transfer). MBS to provide guarantees/bonds or pre-finance distributions. Third party monitoring using multiple methods for triangulation. Complaints and feedback mechanisms, including internal whistle-blowing. Revert to voucher programming if cash transfers are being diverted. Watermark vouchers, using stamps. Use biometrics, e-transfers, etc. to reduce likelihood that recipients receive more than one transfer.</td>
</tr>
<tr>
<td>Political feasibility</td>
<td>Government and/or donors deciding that cash-based interventions are not acceptable for refugees.</td>
<td>High-level advocacy with relevant government ministries. Coordinate with partners to promote good practices and consistent messaging with government and donors. High-level advocacy in donor capitals.</td>
</tr>
<tr>
<td>Negative household and social dynamics</td>
<td>Increased household or community conflict. Exclusion of marginalised groups.</td>
<td>Work closely with recipient communities in assessing risks and developing mitigating measures. Each situation is different. Clear targeting strategy and criteria. Communication on eligibility and objectives. AGD monitoring. Participation of local leaders, elders, and clergy in communication and conflict resolution.</td>
</tr>
</tbody>
</table>

In relation to UNHCR programming, four key financial risks of cash-based interventions have been identified. These must be analysed according to their likelihood and impact, and control measures identified (see Table 22).

### Key Financial Risks and Potential Control Measures

| Eligibility criteria are not rigorously applied | Develop targeting and beneficiary verification strategy (see Figure 11). Ensure that targeting criteria are accurate and easy to apply and ProGres data are up to date. |
| Cash-based payments do not reach intended beneficiaries | Use biometrics to verify recipient identity. Post-distribution monitoring strategy. Innovative use of SMS to acknowledge receipt of transfer. |
| No follow-up to evaluate benefits and costs of cash-based payments | Develop rigorous monitoring and evaluation strategy. Integrate cost-benefit analysis in evaluation protocols. |
| Controls are not consistently applied across operations | Clear operations and finance directives. Oversight of new cash and voucher operations by Controller’s office. |

Key considerations in risk mitigation:

- Maintain good communication with donors about potential risks of diversion of funds, risk mitigation strategies and incidents. Agree what constitutes “due diligence”.
- This includes areas where proscribed armed groups are operating and counter-terrorism legislation applies (United Nations, United States of America, European Union).
- Where agencies are subject to the same risks, work closely to develop common principles for mitigation (e.g. against the risk of diversion by armed groups, data protection).
- Monitor risks frequently and use different and/or independent teams, including third parties.

**Resources on risk mitigation strategies**

- Standard Operating Procedures: Annex 2 Protection risk mitigation inventory
- Standard Operating Procedures: Annex 3 Operational and financial risk mitigation inventory
- UNHCR (Forthcoming) Finance Procedures for Cash-Based Interventions

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4.7 Ensure the participation of persons of concern

UNHCR’s Age, Gender and Diversity (AGD) approach demands “the fullest possible participation of refugees and other persons of concern – as individuals, families and communities – in decisions that affect their lives”. For critical moments of participation during the operations cycle, see Figure 13 and the example in Box 10.

FIGURE 13. PARTICIPATION THROUGHOUT THE OPERATIONS CYCLE

- Ensure that the assets (physical, financial, human, and social) of persons of concern are understood in order to provide the most appropriate and effective assistance.

- Reliable and accessible complaints management and response mechanisms allow for continuous participation of both persons of concern and host communities.

- By participating in M&E, communities understand the process behind the assistance they receive, and can contribute to programme improvements. They are the primary source of information on impacts.

- Ensure that recipients influence decision making about the assistance they receive.

- From determining the delivery mechanisms to distribution frequency, target groups, and exit strategies, recipients need to be given the opportunity to make the programme more effective.

BOX 10. COMMUNITY PARTICIPATION OF MALIAN REFUGEES IN NIGER

Prior to implementing the value voucher programme in Niger, refugee representatives negotiated with participating vendors about the type and price of commodities to be exchanged, under the watchful eye of UNHCR and WFP. During programme implementation, recipients complained via a feedback mechanism run by different camp residents that some shops were purportedly exchanging poor quality food. Immediately, a meeting was held between UNHCR, WFP, refugee representatives and participating vendors to investigate and solve the problem. Due to the continuous participation of the camp residents, they agreed to continue the voucher programme, and vendors realised that dissatisfied customers jeopardised a very lucrative contract.

4.8 Develop a communication and information strategy

As with any relief effort, the success of a cash or voucher programme can be maximised if recipients are involved and informed at every stage of the process. Good communication is a two-way process – it is not only about telling recipients what you need them to know, but about listening and responding to their concerns. You can do this by establishing a complaints and response mechanism (discussed further in Section 5.2). The importance of two-way communication applies to host communities and other stakeholders such as government, implementing and operating partners. Communication strategies need to reflect recipients’ preferences: what information do they want to receive, when, and how often.

The objectives of a communications strategy are:
- to provide critical project information to recipients and their communities;
- to provide information, address fears, answer questions and respond to complaints from stakeholders and the general public, including host communities (see Table 23).

<table>
<thead>
<tr>
<th>Audience</th>
<th>Information required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recipients</td>
<td>Selection criteria, who has been selected and why, what they will receive, when they will receive it, and how (particularly if there are new technologies being used), for how long, who to communicate with (and how) if there are problems.</td>
</tr>
<tr>
<td>Communities and non-recipients</td>
<td>Selection criteria, programme duration, who to communicate with (and how) if there are problems.</td>
</tr>
<tr>
<td>Traders</td>
<td>When the programme will begin, how long it will run, how many recipients there will be, what goods they are expecting to buy/rent; for voucher programmes, their roles and responsibilities, process and timeframe for redeeming vouchers, who to communicate with (and how) if there are problems.</td>
</tr>
<tr>
<td>Government, local authorities, and other humanitarian actors</td>
<td>Programme location and duration, number of recipients, selection criteria, modality and delivery method, their role in the programme, risk mitigation measures.</td>
</tr>
</tbody>
</table>

xix  CaLP (2012) Communicating Cash to Communities: A quick guide to field communications in cash transfer programming.
Various means can be used to communicate information about the programme. Answering the following questions will help you determine which methods are most appropriate, including radio or television, notice boards, printed information, illustrated leaflets or posters, loudspeakers, SMS messaging, the internet, or other means.

1. Who is the target audience?
2. How are they currently receiving information? Which sources do they trust the most? If communication flows are weak or inadequate, how would they like to receive information?
3. Is the target audience literate?
4. What language do they speak and in what language do they prefer to receive important information (orally and written)?
5. Do men and women receive information the same way and have the same preferences? What about other groups potentially at risk (e.g. older people)?
6. How would recipients like to communicate back to UNHCR and partners?

The selection of communication methods depends on the information to be shared and the target audience. Often a combination of methods is a good alternative. Figure 14 describes some pros and cons of different methods, and Box 11 gives an example of a communications and outreach volunteer programme used with Iraqi refugees in Syria.
Key considerations in communications strategies:

- Use as many different communication channels as possible to deliver messages, increasing the chances of reaching a broad audience.
- When using SMS, radio, or other technology not everyone may have access to, discuss with recipients and designate trusted and accessible persons to be focal points for information.
- Meet vulnerable or at-risk groups separately.
- Monitor information flows, communication and understanding, particularly to and from people with special needs and other marginalised groups.
- Use face-to-face communication with refugees and host communities, government and other stakeholders for essential messages.

### BOX 11. COMMUNICATION AND OUTREACH VOLUNTEERS IN SYRIA

Established in 2007, the Outreach Programme started as a tool to identify the most vulnerable people within the Iraqi refugee community in order to better respond to their needs. The main aim of the programme was to enhance protection through assistance and information sharing between the refugee community and UNHCR by soliciting the support of willing and skilled refugees.

Eventually, 160 volunteers were trained in community outreach to identify, transfer and follow up on the needs of the refugee population. This included counselling sessions, home visits, referral for basic services food, non-food and shelter, and access to registration, clinics and other services. As a result of the success of the programme, it was later developed into a comprehensive assistance strategy leading to community mobilisation and empowerment.
4.9 Where necessary, advocate for the most appropriate response

When needs assessments suggest that cash-based responses are appropriate, but political or institutional actors are not supportive of them, one of the most important roles UNHCR can play is an advocacy one, acting as a cash “champion”. Advocacy includes explaining the objectives and target groups of cash-based responses, promoting the potential advantages of cash assistance (particularly to a host country government), and dispelling some of the common myths about cash-based interventions (see Table 24).

In many settings, UNHCR has successfully advocated for the introduction of cash-based interventions. This can often further the work of other humanitarian partners, for example, since UNHCR’s recognised mandate means that its voice has more impact.

<table>
<thead>
<tr>
<th>TABLE 24. ADVOCACY FOR CASH-BASED INTERVENTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy papers should be brief (1–2 pages) and include the following:</td>
</tr>
<tr>
<td>▪ Clear target audience and an understanding of why they object to cash-based interventions.</td>
</tr>
<tr>
<td>▪ Context, including the goal (emergency response, protracted solutions, etc.), a population planning groups and specific needs (defined according to group rights).</td>
</tr>
<tr>
<td>▪ Description of cash-based responses and their growing use in humanitarian response in general and/or specific use for refugee and other persons of concern, drawing on this Guidelines and/or experience with specific programmes similar to that proposed.</td>
</tr>
<tr>
<td>▪ Justification of why cash-based responses are appropriate in the context where the intervention is being proposed (country and case specific) with reference to type of needs of refugees and persons of concern, context, or capacity of host community and markets to meet needs, and potential benefits to host country.</td>
</tr>
<tr>
<td>▪ Key programming considerations to reassure the target audience that their objections are acknowledged and that effective risk mitigation measures are in place to address them.</td>
</tr>
</tbody>
</table>

Resources on communication

4.10  **Develop an entry and exit strategy**

Where prolonged in-kind assistance will be changed to cash-based assistance, the latter should be introduced gradually using a staggered or phased approach. This is particularly important in areas where in-kind aid has become a significant source of local supply.\(^\text{33}\)

An exit strategy should always be based on periodic assessment (e.g. livelihoods assessment)\(^\text{34}\) that indicates a reduced need, including where CBIs are part of durable solutions such as return packages (Figure 15) or monitoring results. In addition to understanding the residual needs of refugees and other persons of concern, the key to all exit strategies is timely and effective communication with all stakeholders: recipients, partners, host community, governments and donors.

**FIGURE 15. ENTRY AND EXIT STRATEGIES**

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\(^{33}\) Programmes may be phased out because all or part of the targeted group no longer requires assistance. An assessment of the level of self-reliance and a plan for support to the most vulnerable is needed. See UNHCR’s Operational Guidelines for Livelihood Programming, see: http://www.unhcr.org/4fbdf1769.html (as of 02.02.2015).
4.11 Implement

Implementation involves following the Standard Operating Procedures as they have been defined during the planning and design stage. The focus during implementation is on quality control and accountability. Be prepared to document how the following will be implemented:

- targeting criteria, identification of beneficiaries, and verification strategy;
- implementation arrangements, including roles and responsibilities of each party;
- contract arrangements for partners and procedures for commercial services;
- protection risk mitigation strategy;
- operations and finance risk mitigation strategy;
- training and capacity building;
- complaints and response mechanisms;
- communications strategy;
- managing government relations;
- coordination;
- monitoring and evaluation framework;
- contingency plans.

STEP 5: MONITOR, LISTEN, EVALUATE AND LEARN

5.1 Monitoring

Cash-based interventions demand a significant investment in monitoring for UNHCR staff and partners. It is essential to know if recipients were safely able to receive and spend their transfer, if they were able to secure their basic needs and, if not, what needs to change – as well as any other impacts the cash had (see Box 12). Monitoring CBIs involves three components: process, outputs or performance, and impacts (see Figure 16 and Table 25).35

For reporting using Focus, only outputs/performance indicators and impacts/impact indicators are required. While the indicators in Focus are mandatory and provide a useful starting point, they rarely give adequate information on the impacts of a transfer and need to be complemented with other monitoring.

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34 For more on monitoring in UNHCR see Kelley et al (2004) Enhancing UNHCR’s capacity to monitor the protection, rights and well-being of refugees, EPAU/2004/4, see: http://www.unhcr.org/40d9781d4.pdf (a.o. 02.02.2015)
BOX 12. THE DIFFERENCE BETWEEN PROTECTION MONITORING AND MONITORING PROTECTION RESULTS

Protection monitoring is an ongoing, structured process of monitoring the protection context of persons of concern with the objective of identifying their protection needs and priorities. Protection monitoring is undertaken by staff trained in the identification, case management or referral of protection-related issues. Protection monitoring is not standardised across UNHCR – each office has its own systems and tools.

Monitoring protection results aims to know when something is going wrong and if there is a need to change (the process), as well as giving a deeper understanding of the results of the intervention (performance and impact). In the case of CBIs, relevant questions include: is the intervention contributing to achieving protection goals (such as dignity, provision of basic needs, or self-reliance) and is the intervention causing potential protection problems (such as insecurity, violence, exclusion of at-risk individuals or groups, etc.). Monitoring protection results is the joint responsibility of protection and programme staff, and involves collecting and analysing quality data to produce evidence-based reporting. The monitoring of protection results is linked to UNHCR’s standard results framework, which specifies objectives, outputs, impact indicators and performance indicators.

FIGURE 16. TYPES AND CHARACTERISTICS OF RESULTS MONITORING IN CASH-BASED INTERVENTIONS

- **Process**
  - How effectively and efficiently the programme is being implemented
  - Data collected frequently (i.e. monthly or even weekly in the case of market prices)
  - Sources of data include recipients, goods and service providers, key informants
  - A few easy-to-answer questions that can be quickly analysed and fed back into decision making, asking about timeliness of distribution, amount of transfer received, costs incurred by recipients, etc.

- **Performance**
  - Outputs such as number of recipients and transfers distributed, etc.
  - For Focus-based reporting (“Performance Indicators”)
  - Quantitative data
  - Based on monthly, bi-monthly or quarterly reports from partners and goods/service providers

- **Impacts**
  - Intended and unintended impacts, positive and negative, on both recipients and host communities
  - Requires baseline for comparison and updated quarterly
  - In-depth questionnaires and interviews with recipients and other stakeholders
  - Uses but is not limited to Focus-based “Impact indicators”
<table>
<thead>
<tr>
<th>Questions</th>
<th>Sources of information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process monitoring</strong></td>
<td>ProGres reports, verification exercises, partner reports, focus group and semi-structured interviews with recipients, with people with specific needs and at-risk groups, with non-recipients in the same community, with community leaders and other key informants (e.g. teachers). Market monitoring, traders’ surveys.</td>
</tr>
<tr>
<td>Are the right people receiving the transfer? (recipient verification)?</td>
<td></td>
</tr>
<tr>
<td>Are there groups being excluded as a result of the type of transfer modality or delivery mechanism?</td>
<td></td>
</tr>
<tr>
<td>Did people get the right amount of transfer?</td>
<td></td>
</tr>
<tr>
<td>Were transfers made on time?</td>
<td></td>
</tr>
<tr>
<td>Are people (particularly those with specific needs and at-risk groups) able to collect their transfer without facing language, social, cultural, technological or other barriers?</td>
<td></td>
</tr>
<tr>
<td>Are people (particularly those with specific needs and at-risk groups) able to use their transfer safely, without facing language, social, cultural or other barriers?</td>
<td></td>
</tr>
<tr>
<td>What costs are people incurring (time and money) to collect and redeem the transfer? Do people with specific needs have different costs?</td>
<td></td>
</tr>
<tr>
<td>Have any of the other process-related risks analysed in the risk analysis materialised?</td>
<td></td>
</tr>
<tr>
<td>Are people able to buy/rent what they need in adequate quantities and suitable quality?</td>
<td></td>
</tr>
<tr>
<td>Are prices remaining within a +/-10% margin?</td>
<td></td>
</tr>
<tr>
<td>How are providers of services/goods (banks, money transfer agents, vendors, etc.) performing (e.g. respectful treatment of recipients including people with specific needs, fair prices, good quality, etc.)?</td>
<td></td>
</tr>
<tr>
<td>Are recipients aware of and using the complaints and response mechanism (CRM)? Is the CRM consistently responsive, appropriate and effective, independent of age, gender, culture, or language?</td>
<td></td>
</tr>
<tr>
<td>What is the preferred transfer modality and delivery mechanism, for all recipients and specifically for people with specific needs?</td>
<td></td>
</tr>
<tr>
<td><strong>Performance monitoring</strong></td>
<td>Focus and partner reports, MBS reports (banks, etc.), trader reports.</td>
</tr>
<tr>
<td>How many people have received their transfer (disaggregated by age, gender, population group, people with specific needs)?</td>
<td></td>
</tr>
<tr>
<td>What is the total amount distributed?</td>
<td></td>
</tr>
<tr>
<td>If there is a savings function, on average what is the withdrawal and savings rate?</td>
<td></td>
</tr>
<tr>
<td>If a voucher is being used, what type and amount of goods/services are being distributed/provided?</td>
<td></td>
</tr>
<tr>
<td>Other outputs will depend on sector-specific objectives (see Part III, Sector-specific operational guidelines).</td>
<td></td>
</tr>
</tbody>
</table>
### Table 25. Essential Questions and Sub-questions for Monitoring (Templates in Annex X)

<table>
<thead>
<tr>
<th>Questions</th>
<th>Sources of information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impacts monitoring</strong></td>
<td>▪ ProGres reports, verification exercises, partner reports, focus group and semi-structured interviews with recipients, with people with specific needs and at-risk groups, with non-recipients in the same community, with host community, with community leaders and other key informants (e.g. religious leaders, teachers, health clinic personnel).</td>
</tr>
<tr>
<td>▪ If receiving cash, what are people spending the transfer on (top 5 expenditures)? Do people at risk or with special needs have different spending patterns?</td>
<td>▪ Market monitoring, traders' surveys.</td>
</tr>
<tr>
<td>▪ In the case of a multi-purpose grant, what impact has there been in basic needs, livelihoods and self-reliance, or durable solutions? (See Part III, Sector-specific operational guidelines, for detail). Has this impact been different for people with specific needs or at-risk groups?</td>
<td></td>
</tr>
<tr>
<td>▪ Where there is an eligibility condition (such as participation in training), was the condition necessary and effective to achieve the programme’s specific objective?</td>
<td></td>
</tr>
<tr>
<td>▪ What impact does women and men’s involvement in cash for work have on other productive activities (e.g. other remunerative work, childcare, etc.)?</td>
<td></td>
</tr>
<tr>
<td>▪ Where there is a use condition (e.g. food voucher), did recipients comply? Why or why not? Was the condition necessary and effective to achieve the programme’s specific objective?</td>
<td></td>
</tr>
<tr>
<td>▪ How have people with specific needs or at-risk groups been affected by conditions placed on the transfer?</td>
<td></td>
</tr>
<tr>
<td>▪ Has the CBI had an effect on prices, availability and quality of goods? If yes, what effect?</td>
<td></td>
</tr>
<tr>
<td>▪ Has the CBI had an impact on household decision making? Particularly for women, people with specific needs or at-risk groups?</td>
<td></td>
</tr>
<tr>
<td>▪ What impact has the CBI had on children?</td>
<td></td>
</tr>
<tr>
<td>▪ What impact has the CBI had on reducing negative coping mechanisms such as survival sex or child labour?</td>
<td></td>
</tr>
<tr>
<td>▪ What have been the broader social and economic impacts (e.g. multiplier effects benefiting the local economy, greater social cohesion between displaced and host communities)?</td>
<td></td>
</tr>
<tr>
<td>▪ Have any of the other impact-related risks analysed in the risk analysis materialised (e.g. household or community tensions)?</td>
<td></td>
</tr>
<tr>
<td>▪ Have there been any unintended impacts, and if so, what are they?</td>
<td></td>
</tr>
<tr>
<td>▪ Other impacts will depend on sector-specific objectives, focusing on the results-based management performance indicators (see Part III, Sector-specific operational guidelines).</td>
<td></td>
</tr>
</tbody>
</table>
Key considerations for results monitoring:

- Ensure that protection staff, including gender-based violence (GBV) and child protection focal points, are involved in developing and implementing monitoring tools.
- Use and adapt the results monitoring templates developed by the CaLP Cash and Voucher Monitoring Group.
- Test the assumptions that influenced the response analysis, the choice of transfer modality and the delivery mechanism, building the evidence base for decision making.
- UNHCR staff should participate directly in post-distribution monitoring of process and impact wherever possible.
- Use UNHCR protection and partner staff who are not directly involved in implementation for ‘third party’ monitoring to increase independence.
- Use local partners for monitoring in case of remote management (e.g. ongoing distributions in Syria to Iraqi refugees) and where there is a high risk of insecurity, fraud or corruption, or social tension.
- While monitoring modalities for CBIs are similar to those for in-kind assistance (structured and semi-structured questionnaires, focus group discussions, household and key informant interviews), try to be innovative in how you monitor results. Explore the use of phone sampling and SMS messages and other emerging technologies.

Evaluation is a follow-up exercise that ensures the systematic analysis and assessment of UNHCR’s projects, programmes, practices and policies. Evaluation performs many functions: it allows UNHCR to derive lessons from its operational experience; ensures the systematic participation of stakeholders; reinforces UNHCR’s accountability to persons of concern and partner organisations and so forth. Evaluation builds on results monitoring data and information from complaints and feedback mechanisms. In addition, it also takes into consideration the decision-making process during programme development (assessment, response analysis and programme design), management, coordination and, most importantly, effectiveness (see Table 26).

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35 UNHCR (2010).
### TABLE 26. EVALUATION OF CASH-BASED INTERVENTIONS

<table>
<thead>
<tr>
<th>Criteria for evaluating humanitarian interventions**</th>
<th>Sources of information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriateness: Was the decision to use a cash-based intervention made on adequate assessment information and response analysis? Was the CBI appropriate given the risk analysis (i.e. market, security, corruption, political, household and social protection concerns)?</td>
<td>Needs assessments, documentation of response analysis and feasibility assessment, interviews with key informants, process and impact monitoring indicators.</td>
</tr>
<tr>
<td>Coverage: Was targeting based on protection considerations? How effective was targeting and what was the level of inclusion and exclusion errors (excluding those who do)? Who was excluded and why? What was planned vs. actual coverage and why?</td>
<td>Process and output monitoring indicators, key informant interviews with people with specific needs, marginalised groups, recipients and non-recipients, UNHCR and partner staff.</td>
</tr>
<tr>
<td>Coherence/connectedness: How well were CBIs coordinated between different stakeholders? How did the CBIs interact with other types of assistance, including other non-emergency CBIs?</td>
<td>Interviews with partners, government, document review.</td>
</tr>
<tr>
<td>Impact: What were the impacts of the CBI, intended and unintended, on recipients in general and people with specific needs and at-risk groups in particular? Were recipients able to acquire what they needed? Did the CBI have any positive or negative impacts in the areas of economy, security, diversion, individual, household or social dynamics, including relations between refugees and the host community?</td>
<td>Impact monitoring indicators, focus groups and interviews with stakeholders (recipients, non-recipients from same community, host community, providers of goods, services, MBS, local government, and other key informants).</td>
</tr>
<tr>
<td>Effectiveness: Did the CBI achieve its objectives? Were activities implemented as intended? Were cash or goods and services delivered as intended? Why or why not (internal design and implementation issues or external factors)? Were risks mitigated and benefits maximised? Would another type of assistance have been more effective?</td>
<td>Process and output monitoring indicators, interviews with programme and support services, partner staff, providers of goods and services, MBS.</td>
</tr>
<tr>
<td>Efficiency and cost-effectiveness: Did the CBI have adequate and appropriate resources dedicated to it (financial, human and material)? Did the CBI make the best use of available resources (financial, human, material)? What was the relative cost and cost-effectiveness of this CBI compared to alternative transfer modalities, delivery mechanisms, or forms of assistance with similar objectives?</td>
<td>Process, output and impact monitoring indicators, interviews with MBS, providers of goods and services, local government. Review of budgets, interviews with management, DFAM, DESS, and other UNHCR and partner staff.</td>
</tr>
<tr>
<td>Accountability: Did the choice and design of the intervention reflect recipient preferences? Were external feedback mechanisms (including the complaints and response mechanism) and internal accountability mechanisms (including whistle-blowing procedures) effective? Did the intervention meet organisational and donor reporting and audit requirements?</td>
<td>Process indicators, perspectives of refugees and persons of concern, donors.</td>
</tr>
<tr>
<td>Sector-specific objectives</td>
<td>See Part III, Sector-specific operational guidelines</td>
</tr>
</tbody>
</table>

** ALNAP (2006).
5.2 Complaints and response mechanisms (CRM)

A complaints and response mechanism (CRM) is a formal mechanism that provides a safe, accessible and effective channel for individuals to raise complaints and for the agencies or organisations involved to give a response or redress.\footnote{Levine and Bailey 2013, (forthcoming)} CRMs are essential to community participation, monitoring and evaluation, as well as learning. Key steps (and associated resources) to help you implement a CRM are set out in Table 27.

<table>
<thead>
<tr>
<th>Steps</th>
<th>Tasks</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ensure management support</td>
<td>▪ Sensitise management</td>
<td></td>
</tr>
</tbody>
</table>
| 2. Ensure that systems are in place for handling complaints | ▪ Review existing systems  
▪ Write a CRM policy for the country | A. CRM Systems and Policies |
| 3. Sensitise communities | ▪ Engage communities on the concept of complaining | |
| 4. Find out how the community would like to complain and give feedback | ▪ Conduct a humanitarian accountability (HA) assessment | B. HA Assessment |

\footnote{HAP and World Vision (2008).}
**TABLE 27. STEPS TO IMPLEMENT A COMPLAINTS AND RESPONSE MECHANISM**

<table>
<thead>
<tr>
<th>Steps</th>
<th>Tasks</th>
<th>Resources</th>
</tr>
</thead>
</table>
| 5. Develop detailed CRM procedures |  Select an appropriate CRM  
 Write CRM guidelines and Standard Operating Procedures  
 Conduct a workshop to contextualise the guidelines with staff and community representatives  
 Ensure the CRM is child-friendly  
 Ensure that protection-related complaints are appropriately referred | C. CRM Development |
| 6. Provide the support and resources necessary for the CRM to function |  Design and procure necessary resources  
 Conduct a ‘training of trainers’ for key staff  
 Train staff and the community  
 Inform the community about the help desk  
 Ensure that complaints are not due to lack of information through good communication about the programme  
 Ensure that there are mechanisms appropriate for children and people who speak different languages | D. CRM Support and Resources  
E. Information Provision |
| 7. Receive and respond to complaints |  Receive complaints and feedback  
 Resolve complaints  
 Respond to complaints  
 Document the complaint and the response | |
| 8. Learn |  Collate, analyse and report complaints  
 Incorporate learning in to programming | F. Data collection and reporting |

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**Resources on complaints response mechanisms**

See Humanitarian Accountability Partnership HAP Benchmark 5: Handling complaints, Improving Accountability in Dadaab and Kakuma Refugee Camps, see: http://www.hapinternational.org/resources/resource-library.aspx (a.o. 02.02.2015)

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5.3 **Internal feedback mechanisms**

UNHCR’s Code of Conduct and Staff Regulations and Rules not only clearly outline the responsibility of staff to refrain from criminal or unethical activities, but also the collective responsibility to uphold and promote the highest standards.38

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The management of large sums of cash can present new threats to the integrity of staff. During the Somalia crisis of 2011–2012, there was considerable concern that Al Shabaab, a designated terrorist group, would divert cash transfers intended for affected populations. The greater risk, however, came from within, where agency staff were remotely managed and monitoring was compromised.39 Internal feedback mechanisms or whistle-blowing procedures, are an important tool to allow staff to reveal suspected error or fraud without fear of reprisal. Step-by-step procedures (and associated resources) to help you implement a whistle-blowing system against corruption are described below (see Table 28).

### Table 28. Steps to Implement a Whistle-Blowing Mechanism

<table>
<thead>
<tr>
<th>Steps</th>
<th>Tasks</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ensure that staff and partners fully understand what constitutes unacceptable behaviour.</td>
<td>• Sign the Code of Conduct (CoC).</td>
<td>Code of Conduct, Staff Rules and Regulations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Make sure staff know it is their duty to blow the whistle on corruption.</td>
<td>• Part of induction training, training on the CoC, and/or CBI training.</td>
<td>Training materials for CBI</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Ensure that there is a well-publicised whistle-blowing policy to promote the disclosure by a staff member of confidential information relating to unacceptable behaviour by another member of staff or external contacts.</td>
<td>• Ensure that whistle-blowing, complaints, investigation, grievance, disciplinary policies and procedures are up to date.</td>
<td>UNHCR complaints, investigation, grievance and disciplinary policies, Building Safer Organisations: receiving and investigating allegations of abuse and exploitation by humanitarian workers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Ensure that there is a designated person/focal point known to everyone in the organisation, who is responsible for receiving complaints/information.</td>
<td>• Designate or allow staff to designate a trusted and competent focal point. • Train focal point in procedures.</td>
<td>Building Safer Organisations has training materials on investigation procedures, data collection, report writing, advice on how to keep information confidential, and on the rights of the “subject of complaint”.</td>
</tr>
</tbody>
</table>

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TABLE 28. STEPS TO IMPLEMENT A WHISTLE-BLOWING MECHANISM

<table>
<thead>
<tr>
<th>Steps</th>
<th>Tasks</th>
<th>Resources</th>
</tr>
</thead>
</table>
| 5. Ensure that there are multiple user-friendly ways for staff to blow the whistle. | • Design face-to-face, telephone, email, and written mechanisms for whistle-blowing.  
  • Make all staff aware of these mechanisms. | These are similar to community-based mechanisms described in C above (CRM Development). |
| 6. Ensure that investigations revealing corruption result are in action. |                                                                      |                                                                          |

xxii Adapted from World Vision Food Programming and Management Group’s Complaint and Response Mechanism.

Resources on whistle-blowing procedures

UN Protection against Retaliation for Reporting Misconduct and for Cooperating with Duly Authorized Audits or Investigations Policy ST/SGB/2005/21 and form.
ICVA (no date) Building Safer Organisations, Guidelines on receiving and investigating allegations of abuse and exploitation by humanitarian workers, see: http://www.hapinternational.org/pool/files/bsoguidelines.pdf (a.o. 02.02.2015)

STEP 0. BEGIN PREPAREDNESS ACTIONS

Operational readiness for timely and appropriate emergency response is built on routine preparedness work that is done before a crisis occurs. With good preparedness, cash-based interventions can be implemented quickly on a large scale to meet immediate displacement needs, perhaps even more quickly than in-kind aid which requires transport and distribution, and often purchase and storage as well. This presumes that preconditions for CBIs are there: political feasibility, conducive market and protection conditions, and effective delivery mechanisms, including UNHCR and implementing partner capacity. UNHCR’s Preparedness Package for Refugee Emergencies (PPRE) describes the process and provides tools for preparedness, combining standard Minimum Preparedness Actions (MPAs) with Advanced Preparedness Actions (APAs) (see Table 29).
### TABLE 29. MINIMUM PREPAREDNESS ACTIONS (MPA) AND ADVANCED PREPAREDNESS ACTIONS (APA)

<table>
<thead>
<tr>
<th></th>
<th>MPA: low mass refugee movement risk, no specific emergency scenario yet</th>
<th>APA: medium/high mass refugee movement risk, specific emergency scenario identified</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anticipate needs</strong></td>
<td><strong>Who might need what? Will targeting be necessary?</strong></td>
<td>Refine scenario. Consider if a one-off multi-purpose cash grant will enable people to meet assessed needs during Level 1 Registration and if so, decide on who will lead on cash preparedness planning.</td>
</tr>
<tr>
<td></td>
<td>Consider homogeneity of potential recipients, economic vulnerability and potential need for basic goods and services. Develop scenarios: a) scope based on needs, b) scale based on the target group, and c) the potential value of the transfer.</td>
<td></td>
</tr>
<tr>
<td><strong>Know your context: markets and traders</strong></td>
<td><strong>Do markets and traders have the capacity to respond to the potential needs?</strong></td>
<td>Conduct a rapid market assessment of potential goods and services to be required by refugees and other persons of concern, possibly including housing markets and the capacity of host communities to accommodate displaced people to avoid encampment.</td>
</tr>
<tr>
<td></td>
<td>Review existing sources of market information, main commercial actors, including private and public partners organising the private sector and communicating with them (e.g. bureaus of commerce, supply chains, etc.). There are often government and non-government agencies that collect this information. At a community level in areas of potential influx, review market integration, supply chains, and seasonality of available goods. Foodstuffs may be dependent on local production, which follows seasonal patterns, while food and non-foodstuffs may be limited during the rainy season when roads become impassable.</td>
<td>In a camp setting, consider if the local market could support the number of camp residents if CBIs were provided.</td>
</tr>
<tr>
<td><strong>Know your context: risk to recipients, agency staff, and other possible protection concerns</strong></td>
<td><strong>What are the potential risks to recipients and agency staff at national and community levels?</strong></td>
<td>Taking into consideration the specific scenario (geographic area, scope and scale of emergency), develop more detailed security and protection risk assessments and potential mitigating measures (e.g. through variations in programme design).</td>
</tr>
<tr>
<td></td>
<td>Review the nature, frequency, and location of security incidences in-country. Analyse potential risks and benefits of CBIs for recipients, particularly those potentially discriminated against based on age, gender and/or diversity. Understand coping mechanisms, household gender roles, vulnerabilities, preferences and priorities for women, men and children of the potential refugee community. Understand local data protection legislation and anticipate how refugee-related information will be managed.</td>
<td></td>
</tr>
</tbody>
</table>
### TABLE 29. MINIMUM PREPAREDNESS ACTIONS (MPA) AND ADVANCED PREPAREDNESS ACTIONS (APA)

<table>
<thead>
<tr>
<th>Know your context: political feasibility</th>
<th>Implementing arrangements: UNHCR, implementing and operational partners</th>
<th>Implementing arrangements: delivery mechanisms and private sector partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MPA: low mass refugee movement risk, no specific emergency scenario yet</strong></td>
<td><strong>APA: medium/high mass refugee movement risk, specific emergency scenario identified</strong></td>
<td><strong>APA: medium/high mass refugee movement risk, specific emergency scenario identified</strong></td>
</tr>
<tr>
<td>Are CBIs appropriate? What is the political acceptability of CBIs? Is there a need for advocacy? What are government and donor attitudes and willingness to use CBIs to meet emergency needs? What do host communities think?</td>
<td>As the likelihood of an influx becomes more apparent, organisation and coordination with all levels of government is very important (e.g. while local government may be amenable to cash-based programmes, regional government may not, see Box 13).</td>
<td>Identify partners, prepare agreements; agree on Standard Operating Procedures for the implementation of CBIs, including beneficiary selection criteria, delivery modalities (cash or voucher) and mechanisms (direct cash, ATMs, etc.), transfer amounts, duration and frequency, etc.</td>
</tr>
<tr>
<td>Consult other agencies implementing/supporting CBIs, including donors and government. Host communities may have experience with CBIs. Review evaluations and lessons learned from existing CBIs. Identify APAs, such as determining authorisation limits, key to moving cash fast.</td>
<td></td>
<td>Discuss with actual providers to determine their readiness and capacity. Ensure that tenders, contracts, and other financial and administrative tools are prepared in advance. Update confidentiality and data protection clauses.</td>
</tr>
<tr>
<td><strong>Implementing arrangements:</strong> UNHCR, implementing and operational partners <strong>Does UNHCR and/or partners have the required programme, logistical and finance capacity?</strong></td>
<td><strong>What are the available cash delivery mechanisms? What is the logistical and finance capacity in terms of ensuring security and accountability? What are the national protocols for data privacy? What are the implications of data requirements on data protection?</strong></td>
<td><strong>What are the available cash delivery mechanisms? What is the logistical and finance capacity in terms of ensuring security and accountability? What are the national protocols for data privacy? What are the implications of data requirements on data protection?</strong></td>
</tr>
<tr>
<td>Review the regional and country capacity for implementing CBIs. Identify training needs and seek out training opportunities (e.g. Emergency Market Mapping and Assessment (EMMA) trainings or CaLP trainings level I and II). Collaborate with other agencies implementing CBIs to organise briefings and exchange experience and lessons learned. Participate in any CBI working groups.</td>
<td>At national level, this means taking an inventory of the range and capacity of services available as well as emerging technologies (e.g. mobile money transfers). Consider stand-by arrangements with providers. Discuss with agencies who have experience in delivering CBIs. At community level, identify one delivery mechanism and one contingency mechanism.</td>
<td>Discuss with actual providers to determine their readiness and capacity. Ensure that tenders, contracts, and other financial and administrative tools are prepared in advance. Update confidentiality and data protection clauses.</td>
</tr>
</tbody>
</table>

If the use of ATM cards is foreseen, ensure that stockpiles are adequate.
Resources on preparedness for cash-based interventions


Austin and Frize (2011) Ready or Not? Emergency Cash Transfers at Scale, see: http://www.cashlearning.org/resources/library/242-ready-or-not-emergency-cash-transfers-at-scale (a.o. 02.02.2015)

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Box 13. Coordination with government: The experience of Catholic Relief Services (CRS) in Turkey

The winterisation project (cash transfer) for Syrian refugees threatened to be cancelled the day before a direct cash distribution when provincial officials learned of the event and had security concerns. While CRS’s implementing partner had obtained district government permission, they had not discussed the programme with officials from the municipality. After a last-minute and heated discussion, the provincial government agreed for the transfer to be distributed only if done through local post offices—a method previously used by a World Bank programme to pay civil servants and a delivery mechanism that the partner had not previously thought of. The programme went ahead and now the provincial governor is a strong advocate of cash-based responses.  

— Personal communication with Megan McGlitchy, Cash and Voucher expert (2013) CRS Emergency Response to the Syrian Crisis.
PART III. SECTOR-SPECIFIC OPERATIONAL GUIDELINES

Part III provides additional guidelines on using cash-based interventions to meet sector-specific objectives, independent of the context (settings where refugees live in camps, settlements, or are dispersed, and throughout the refugee assistance). **Part III does not stand alone and must be read with the guidelines provided in Parts I and II.** Within UNHCR, sector-based strategies have yet to systematically incorporate cash-based interventions as a response option, with the exception of food, nutrition and livelihoods. Therefore this section is a work in progress, indicative of key learnings relevant to each stage of the operations cycle. Additional technical guidelines can be found in the respective DPSM units.

SECTION 1: MEETING MULTIPLE NEEDS THROUGH A MULTI-PURPOSE GRANT

The majority of UNHCR’s cash-based interventions are provided as multi-purpose grants, allowing households to prioritise their spending based on their individual needs, resources and capacities. This has important operational consequences for needs assessment, vulnerability criteria that are not linked to sector-specific outcomes, common platforms for delivering assistance (e.g. “one card”), cross-sectoral monitoring and reporting tools, and budgeting (Figure 14). UNHCR is at the forefront of exploring the implications of this new approach.

A multi-purpose grant is most appropriate where:

- there are multiple objectives (such as improved food security, access to basic domestic and hygiene items, shelter, etc.) that can be met through one transfer (i.e. cash);
- the needs and capacities of refugees and persons of concern are varied (e.g. targeted assistance to people with specific needs, crisis in urban areas and middle-income countries).

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39 In 2013, multi-purpose grants for basic needs and for people with specific needs comprised 85% of UNHCR’s USD95 million in cash-based programming.

40 Other operational consequences for needs assessment are: objective response analysis to determine the most appropriate response option, cash-based or in-kind, and the ability to counter agencies that will tend to adopt an in-kind or even voucher-based approach in an effort to control recipient spending. Humanitarian Futures (2014).

41 UNHCR (2013); WFP and UNHCR (2013).
Needs assessment should be multi-sectoral or risk biasing the response.

Find out how people would prioritise spending if they had money, in order to identify those goods and services that would be provided either through markets or in-kind.

The needs assessment necessarily defines the focus of the market assessment (e.g. assessing the capacity of the market to provide a wider range of goods and services).

As a multi-purpose grant has to take the form of cash, it is essential to assess delivery mechanisms, protection-related concerns, and the political acceptability of cash.

Objectives need to be broadly defined yet at the same time measurable.

For example, “improved well-being” as measured by reduced use of negative coping mechanisms, increased access to basic needs and services, including food, shelter, fuel, non-food items, essential health or education services.

The targeting criteria should be clear and communicated to beneficiary and host communities as well as periodically verified to ensure a low rate of inclusion and exclusion errors.

Multi-purpose grants require shared process and outcome indicators, across agencies and sectors.

It is essential to know if the grant is helping recipients to meet objectives (e.g. meeting basic needs) without compromising their well-being.

If the use of negative coping strategies remains high, monitor how households are using the grant, including intra-household decision making.

Complaints mechanisms, including an appeals board, will allow for reducing exclusion errors over time and refining targeting criteria.

Calculate a grant size that covers the gap between the cost of a minimum expenditures basket and the available resources of the targeted family or individuals.

If the grant is too small, it will not cover basic needs and the family will be forced to choose to compromise in one way or another (e.g. reducing the quality of diet, living in substandard housing, or withdrawing children from school).

Where resources are scarce and only a percentage of the gap can be covered, use complementary programming to maximise the benefits of the cash grant (e.g. education/training, and available in-kind assistance).

Coordinate the multi-purpose grant with in-kind assistance (e.g. ensuring the ultra poor have access to food, communal shelter, etc.) (see Box 14).

Multi-purpose grants can accommodate resources from different agencies and donors and may benefit from a one-card approach (see Box 14).

Eligibility conditions may include cash for work, utilisation of health services, participation in training. However, then the agency must ensure the availability of these services.
TABLE 30. THE MULTI-PURPOSE GRANT AND FOCUS

A multi-purpose grant is registered in FOCUS under one of the following:

- “Population has sufficient basic and domestic items”
- “Services for persons with specific needs strengthened”

If other basic needs (e.g. food, shelter, fuel, etc.) are to be met through a multi-purpose grant, a portion of the budget may be programmed under these objectives.

BOX 14. THE SYRIA CRISIS: A COMMON PROGRAMME APPROACH INCLUDING DELIVERY IN LEBANON

A common programme approach enables multiple agencies with different mandates and funding streams collaborate to ensure the totality of identified needs are met. In Lebanon, based on analysis of need and the capacity of markets to respond, UNHCR, WFP and their partners proposed an approach that involves a combination of food assistance through e-vouchers and a cash “top-up” for the most vulnerable. UNHCR in turn has negotiated a bank contract that multiple agencies delivering cash can benefit from – a one-card approach used at ATMs throughout the country. While potentially more cost-efficient, the one-card approach requires donor funds to be pooled. Reporting requirements must be more flexible to reflect this.

Other components of a common approach include deciding common vulnerability criteria based on a household’s capacity to meet a locally determined Minimum Expenditure Basket (MEB) and targeting, not only for cash and voucher assistance but also to identify households who should be prioritised for limited space in communal housing. Developing a common monitoring strategy and tools can reduce duplicate visits and increase monitoring coverage.

BOX 15. UNDERSTANDING THE IMPACT OF MULTI-PURPOSE GRANTS: REDUCTION IN NEGATIVE COPING STRATEGIES

The Coping Strategies Index (CSI) is a common indicator in food security programmes that can be expanded to multi-purpose grants. The method for measuring against this indicator involves three main activities. First, using an AGD approach, conduct focus group discussions to understand the common negative coping mechanisms people employ to meet their minimum basic needs. These coping mechanisms are often emergency-specific and based on the assets of the individual (human, social, financial, physical and capital) and the context (urban, rural) – for example, reducing the number of adult meals per day, withdrawing children from school so that they can work, and even begging or prostitution. Second, construct a simple CSI that includes activities that are common across the target population, weighting each activity in terms of its severity. Third, at baseline and periodically during post-distribution monitoring, ask recipients if they still resort to these coping strategies and if so, how frequently (i.e. never, sometimes, all the time).

Multiply the severity-weight times the frequency-weight and add the response to achieve a numerical score that changes with time. For example, at baseline, 50% of the population surveyed reported a CSI of 75 or more out of 100, which is categorised as severe). At three months, only 10% report using severe coping mechanisms. Determine an appropriate sample size to reliably interpret results and include this in any reporting (e.g. 5% of the target population was sampled every three months).
SECTION 2: MEETING BASIC FOOD AND NUTRITION NEEDS

Cash-based interventions (CBIs) are increasingly used to achieve food security outcomes by enabling purchase of basic food needs. In some cases, CBIs can also contribute to nutrition objectives (see Table 32). Households without sufficient income will use available resources to buy staple food. As available income increases, households will normally choose to diversify their diet. To improve nutritional status, it is essential to understand the causes of malnutrition, recipients’ dietary knowledge and preferences, and to anticipate whether households will use available income to purchase a healthy and diverse diet. If they are unlikely to do so, you should try to assess whether this is an economic decision or whether it is due to lack of information. This will enable you to make an appropriate response, which may include revisiting the size of the transfer, limiting food choice or providing in-kind food assistance, or introducing nutrition education.

<table>
<thead>
<tr>
<th>TABLE 31. COMMON USES OF CASH-BASED INTERVENTIONS FOR FOOD AND NUTRITION NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional cash grants</td>
</tr>
<tr>
<td>Commodity and cash vouchers</td>
</tr>
<tr>
<td>Conditional CBIs</td>
</tr>
<tr>
<td>Combination of in-kind and CBIs</td>
</tr>
<tr>
<td>Cash for work (CFW)</td>
</tr>
</tbody>
</table>

xxiii A healthy and diverse diet will include consumption of cereals, pulses, oil, vitamin A and iron-rich vegetables and fruits, milk/milk products, and condiments (spices, etc). Sugar increases the perceived quality of the diet and if not included in a voucher scheme will increase the likelihood of other items being sold/exchanged for sugar. Animal products are also preferred (eggs, fish, meat, organ meat) but not essential. See Chastre et al (2009)

xxiv Opportunity costs are the costs incurred by the household when they choose to do one thing over another (e.g. sending a child to school incurs not only the cost of schooling but the loss of any income the child might have earned).
Joint Assessment Mission (JAM) guidelines provide extensive guidance on assessment and response analysis for food assistance.

Resale of in-kind food is an indicator that CBIs may be appropriate.

The poor spend most of their income on food. Unconditional cash grants are preferred if conditions allow.

If supply is uncertain, vouchers or a combination of in-kind and CBIs before cash only is recommended.

CBIs are not recommended for treatment of malnutrition but rather as a complement to supplementary or therapeutic feeding programmes and other nutrition programmes (e.g. for people living with HIV).

Cash is used to increase economic access to food, while vouchers and in-kind assistance also increase availability of food.

Unless there is a specific nutrition objective (e.g. introducing new food or encouraging consumption of food rich in micro-nutrients), do not restrict food choice.

Where opportunity costs impede families taking up health and nutrition services such as supplemental feeding or antenatal care, conditional cash grants can increase attendance and access to nutritional foods.

CBIs (and in-kind) as “protection rations” can prevent in-kind specialised foods such as fortified blended foods (FBF) or ready-to-use therapeutic foods (RUTF) from being sold on the market.

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CBIs (and in-kind) as “protection rations” can prevent in-kind specialised foods such as fortified blended foods (FBF) or ready-to-use therapeutic foods (RUTF) from being sold on the market.

Where in-kind food aid is a significant source of food for host-communities through resale, use a phased approach.

Closed fairs have their own risks that need to be mitigated (see Table 16 and Box 8).

Vouchers should include fresh food.

The transfer value must be based on the cost of a diverse diet, not just staple foods.

Consider a cash supplement for milling costs for whole grain food, or fresh foods, when staples are provided in-kind or by voucher.

CBIs to meet nutrition objectives must be implemented with IEC and other complementary programming.

Where used as an incentive to participate in services, anticipate an increase in utilisation and ensure supply.

Conduct post-distribution monitoring (PDM) to determine what was purchased with cash and vouchers. The WFP and UNHCR letter of understanding should commit the agencies to joint PDM.

Monitor prices and supply of basic food items, as well as food quality at the point of sale / exchange.

Monitor consumption (dietary diversity) to understand food security impacts.

Conduct periodic nutritional surveys to understand potential nutrition impacts such as global acute malnutrition (GAM), micronutrient deficiencies (MDD).

Plan and design

Monitor and learn

Set objectives

Assess and analyse response options

FIGURE 18. KEY CONSIDERATIONS TO MEET FOOD AND NUTRITION OBJECTIVES

All guidance provided here is based on analysis of evidence. See Bailey and Hedlund (2012); Bailey (2013); IFPRI (2013).
BOX 16. LESSONS LEARNED ON IN-KIND FOOD ASSISTANCE, PROTRACTED REFUGEE CRISSES AND DURABLE SOLUTIONS

In 2011, UNHCR and WFP commissioned an impact evaluation on the contribution of food assistance to durable solutions in protracted refugee situations. The conclusions were sobering:

- Unacceptably high numbers of refugee households remained food insecure.
- The main source of refugee income and collateral was food rations and non-food items, which were sold and exchanged primarily to meet unmet basic needs (such as clothing) and to pay for milling, health services and school expenses.
- Livelihood options for refugees were very limited and livelihood support was generally weak.
- Protection abuses were rife, largely stemming from economic vulnerabilities resulting in negative coping mechanisms.

It was recommended that while addressing broader livelihood needs, the food assistance modality be based on careful analysis and the desired objectives, rather than the other way around. There was a need to “align programming with contextual realities, improved understanding of the sale of food assistance and NFIs and recourse to negative coping strategies”.

p Conducted between 2011–2012 in Bangladesh, Chad, Ethiopia and Rwanda (WFP and UNHCR 2012).

Resources on cash-based interventions and basic food needs and nutrition

The WFP and UNHCR Joint Plan of Action (JPA) commits the two organisations to the progressive use of cash and vouchers where appropriate for refugees and other persons of concern, as well as joint monitoring and evaluation, and documenting lessons learned:3

Joint Assessment Mission Guidelines, see: http://www.unhcr.org/cgi-bin/texis/vtx/home/opendocPDFViewer.html?docid=521616c69&query=JAM Guidelines (a.o. 03.02.2015)


WFP Guidelines on Evaluating Decision Making in Food Assistance Programmes

q UNHCR and WFP (2012) and (2014) Joint Plan of Action. Ask DPSM Cash Unit for a copy. Ask DPSM food security and nutrition focal points for more information on tools for determining appropriateness of CBIs for food and nutrition needs.

SECTION 3: MEETING BASIC SHELTER NEEDS

Cash-based interventions to meet shelter needs employ two main strategies depending on the emergency context: building new shelter or using existing shelter. Building new shelter implies construction, including owner-driven approaches for transitional shelter, while exploiting existing shelter includes cash for rent, rehabilitation of existing facilities, and support to host families (Figure 18). Both have their benefits and risks, and measures can be taken to mitigate any risks.

Note: Non-food items such as hygiene kits, baby kits, and basic domestic items often fall between the shelter and WASH sectors. The use of CBIs for non-food items is explored under Section 1, ‘Meeting multiple needs through a multi-purpose grant’.
Shelter experts are sometimes reluctant to use CBIs to meet objectives through fear that owner-driven shelter solutions will be inadequate, unsafe, less disaster-resilient and possibly environmentally unsound. However, a combination of well-designed cash or vouchers and technical and in-kind assistance can usually enable people to improve the inadequate shelter they have built, been given, and/or are sharing/renting when the alternative is a long wait for in-kind shelter assistance (see Table 32).

FIGURE 19. CASH-BASED INTERVENTION STRATEGIES TO PROVIDE SHELTER

<table>
<thead>
<tr>
<th>New shelter and CBIs</th>
<th>Using existing shelter and CBIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits: Advantages of owner-driven approaches (e.g. prioritise aspirations and capacities of affected populations, contribution to regenerating livelihoods and provide income through use of local labour and materials, quicker construction, repairs and maintenance are owner’s responsibility).</td>
<td>Benefits: Promotes integration of refugees, reinforces social networks, can increase access to livelihoods opportunities, etc.</td>
</tr>
<tr>
<td>Risks: Hazards of self-built reconstruction when materials are provided, design liability and quality control, concerns about property and land tenure, etc.</td>
<td>Risks: Rent price inflation, substandard housing, exploitative arrangements, recipient chooses to live in substandard and overcrowded housing to save money for other needs, where living in the same house, pressure on host family.</td>
</tr>
<tr>
<td>Risk mitigation: Technical advice and support, assistance provided in tranches based on phased approach, post-distribution monitoring, coordination with government.</td>
<td>Risk mitigation: Decoupling grants from rent payments to allow recipients to negotiate better rental agreements, payments to host family for rehabilitation conditional on lease to refugees, ensuring other basic needs are met, post-distribution monitoring, supply-side interventions, support to host families.</td>
</tr>
</tbody>
</table>
### Table 32. Common Uses of Cash-Based Interventions for Food and Nutrition Needs

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional cash grants</td>
<td>Cash transfer for recurrent minimum basic needs that include the cost of shelter/rent.</td>
</tr>
<tr>
<td>Conditional cash grants</td>
<td>Direct cash payments to recipients, host families or landlords for services defined by agencies or governments (e.g. improving or rebuilding homes according to minimum standards, pre-defined plans or construction stages, rental support, etc.).</td>
</tr>
<tr>
<td>Vouchers</td>
<td>For a pre-determined quantity or value of construction materials or services, including rental support.</td>
</tr>
<tr>
<td>Cash for work</td>
<td>For labour on debris clearance, shelter construction or other community-focused infrastructure projects.</td>
</tr>
</tbody>
</table>

### Box 17. Technical Shelter and Protection Staff Working Together for Cash-Based Shelter Solutions in Lebanon

To increase access to and supply of shelter solutions in Lebanon during the Syria crisis, the Norwegian Refugee Council (NRC) advertised for unfinished buildings through radio and newspapers. After owners contacted NRC through a hotline, an NRC team visited buildings to assess their suitability. A technical team prepared a “bill of quantities” for shelter materials needed to complete the building. A social team, providing information, counselling and legal assistance, matched Syrian households with the appropriate owner and building, and prepared contracts. Staged payments to the owner were paid on completion of works (USD1,500–2,000 per accommodation). The contract stipulated that families would be allowed to stay rent free for 12–18 months. The overall outcome was reduced pressure on existing rental accommodation, and reduced aid-induced rental inflation and exploitative relationships between landlords and refugees.

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### Resources on Cash-based Interventions and Shelter Needs

- ShelterCluster.org. Shelter and cash training materials and cash-related reference material, see: https://www.sheltercluster.org/References/Pages/Shelter-and-Cash.aspx (a.o. 02.02.2015)
Assess shelter needs alongside other basic needs, ensuring that priority needs are addressed (e.g. food), or compliance will be a problem.

Rental housing market may need to be assessed as well as materials and professional services (e.g. tradespeople).

CBIs are often appropriate to help refugees meet shelter needs in an urban crisis.

Cash vouchers redeemable in shops/fairs allow for choice while contributing to supply.

Voucher programmes require close contact with local suppliers, which can help ensure quality of shelter materials.

Objectives need to be clear and consider the limitations of budget, time frame and exit strategy.

CBIs for materials/shelter kits.

CBIs to host families to refurbish accommodation or extend their house to accommodate displaced families, to reduce their financial burden, and facilitate camp decongestion.

CBIs to pay rent, ensure security of tenure through formal lease, or to prevent eviction.

PDM essential to ensure shelter meets minimum standards (rent or construction).

For construction this means quality, structural safety standards and risk-proofing of structures against future repeat disasters (earthquake, etc.).

Monitor prices and supply of basic shelter items, rental accommodation, etc.

Monitor quality both at point of sale/exchange and at household level.

Giving samples to recipients can enable them to check quality.

In conditional programmes, when compliance is low, ask why. Are other priority needs not being met?

CBIs for shelter construction must be accompanied by technical advice and support.

Cash grants can be given conditional on work completed, allowing for monitoring quality and compliance.

Combine owner-driven and contractor-built approaches; for structurally sensitive parts (e.g. foundation, pillars, beams and roof) use contractors with strong technical supervision. Owner will instal walling, windows, doors, and finishings with lighter supervision.

Shortages and price inflation can be mitigated by supply-side interventions (e.g. rehabilitating public/private buildings) and unconditional grants, reducing the demand on single items.

Transfer value should include possible payment of rent arrears, and costs of rental accommodation where it is safe for refugees to live, even if more expensive. Consider a maximum amount to avoid price inflation.

SMS messaging with safe construction messages.
SECTION 4: MEETING DOMESTIC ENERGY NEEDS AND OTHER ENVIRONMENTAL OBJECTIVES

When planned carefully, cash-based interventions to meet domestic energy needs can meet a number of objectives: they can reduce deforestation and degradation around settlements and camps, and associated conflict with host communities over use of natural resources; they can reduce recipients’ need to sell part of the food ration to purchase fuel; they can reduce protection-related incidents when women and children must travel distances to search for fuel; and they can reduce indoor air pollution through introducing new technologies.46

Some common uses of CBIs for domestic energy needs are presented in Table 33.

<table>
<thead>
<tr>
<th>TABLE 33. COMMON USES OF CASH-BASED INTERVENTIONS FOR DOMESTIC ENERGY NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unconditional cash grants</strong></td>
</tr>
<tr>
<td><strong>Vouchers</strong></td>
</tr>
<tr>
<td><strong>Cash for work</strong></td>
</tr>
</tbody>
</table>

Domestic energy needs can be assessed through expenditures analysis. Need to consider seasonal variations.

CBIs are often appropriate to help refugees meet energy needs in urban crisis.

Market assessment should look at fuel types, sources, availability, seasonality, and capacity to increase supply.

Increasing the availability of new technologies (e.g. fuel-saving stoves) through voucher programmes not only ensures supply but benefits the host population.

Provide access to domestic energy needs, including paying arrears.

CFW for natural resource management (e.g. forestry)

Conditional CBIs such as vouchers to introduce new fuel-saving technologies.

Vouchers can mitigate the risk that recipients will purchase the least costly/sustainable energy source (e.g. charcoal).

Shortages and price inflation can be mitigated by supply-side interventions such as contracts with suppliers, subsidies, etc.

Seasonal changes in fuel use (e.g. in cold climates) should be figured into the transfer value.

Providing lighting is a complementary programme that has protection benefits.

Monitor expenditures and include a category for fuel/ utilities.

Monitor debt or arrears for utilities.

Monitor prices and supply of fuel and energy.

Resources on cash-based interventions and domestic energy

UNHCR’s Domestic Energy Assessment, Strategy and Guidelines (forthcoming)

SECTION 5: ENSURING ACCESS TO HEALTH

Similar to food security and nutrition, UNHCR aims to ensure that all refugees are able to fulfil their rights in accessing lifesaving and essential health care, including for HIV and reproductive health. The current public health strategy includes “equity” as one of the guiding principles, which can include “special assistance, including cash assistance or waiving of fees, [being] established for vulnerable refugees so that they can access services equitably”. There are various financing options to support refugees who have to pay user fees for primary and emergency services, and for specialised care. These include:

- support to government services (either directly or via a partner) through staff, infrastructure, drugs and supplies in areas where large numbers of refugees live;
- targeted assistance to at-risk groups, either through direct payment for services or income support to enable access;
- use of innovative financing mechanisms, including cash assistance and government or not-for-profit insurance schemes available to nationals that can be expanded to persons of concern.

These and other options are described in Table 34.

<table>
<thead>
<tr>
<th>Common Uses of Cash-Based Interventions for Increasing Access to Health Care and Ensuring Availability and Quality of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unconditional cash grants</strong></td>
</tr>
<tr>
<td><strong>Conditional cash grants</strong></td>
</tr>
<tr>
<td><strong>Vouchers</strong></td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
</tr>
</tbody>
</table>
Finding out if utilisation rates are low, and why, is essential to identify the appropriate response.

- Analyse from an AGD perspective. Women have distinct health care needs and care-seeking practices.
- Facilities must be functioning, safe, accessible, and have capacity to include new participants without a decline in the quality; and/or consider a supply-side intervention.

Ensure M&E capacity to monitor compliance and impact (e.g. number and gravity of health episodes, changes in frequency or duration of hospitalisation, reductions in stunting, changes in morbidity indicators, incidences of diarrhoea in the past 15 days among young children < 5 years old, etc.).

- Monitor non-participants to ensure they are not being crowded out.
- Monitor impacts on quality with and without supply-side interventions.
- Remember that increased access will not necessarily improve health and will depend on the quality of services and whether participants understand and comply with treatments received.
- Use household surveys to determine causality in a multi-intervention environment (e.g. concurrent programmes such as health IEC, improvement in services and cash grants).

Support to host government to provide services.
- Direct payment for services for targeted groups.
- Income support (unconditional cash grants) to increase spending on health.
- One-off cash transfers for catastrophic health events.
- Health insurance.
- Conditional cash grants can increase participation in services, particularly monitoring and preventive health such as IMCI, PMTCT, antenatal care and reproductive health.
- Vouchers for mosquito nets and other health and hygiene items.

Supply-side interventions can include contracting private providers, or supporting public health centres in close coordination with government health agencies.

- The transfer amount must take into account whether other basic needs (food, shelter, etc.) are being met, or compliance will be low.
- Calculate actual costs of using the service (e.g. consultation and treatment fees, transport, time lost from work, etc.).
**BOX 18. HEALTH INSURANCE**

UNHCR has implemented health insurance schemes in Cambodia, Costa Rica, Iran, Jordan, Georgia, the Democratic Republic of the Congo (DRC), and in various countries in West Africa. Health insurance improves access to health care and, by preventing or compensating for catastrophic illness, insurance can provide a certain degree of financial protection.

Indirect benefits include an official piece of documentation (the health insurance card). Monitoring the use of insurance, including access to health-related information, might provide information useful for targeting other types of assistance (e.g. the established presence of a member with chronic illness).

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**Resources on cash-based interventions and health**

UNHCR (2013) Draft Strategic Plan Public Health Section 2014–2018


UNHCR (2008b) UNHCR’s Principles and Guidance for Referral Health Care for Refugees and Other Persons of Concern, see: http://www.unhcr.org/4b4c4fca9.html (a.o. 02.02.2015)


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**SECTION 6: ENSURING ACCESS TO EDUCATION**

UNHCR’s education strategy encourages the integration of refugee learners within national systems where possible and appropriate, and is guided by ongoing consultation with refugees. Programmes aim to enhance education systems in order to provide safe and quality education to all children, including those of the host community. As such, cash-based interventions to individual households are not a common approach. Rather, UNHCR provides support to schools, to benefit all enrolled children and enhance the overall learning environment. A community-based approach is essential, empowering host communities to support refugees, building partnerships with ministries of education to mainstream refugee children into national education systems.

As part of a protection safety net for at-risk families, packages may include cash grants or vouchers. Any decision to provide cash support as a way to ensure school attendance (conditional cash grants) should be based on a thorough assessment as to whether cash assistance would actually provide a solution to the problems of limited access. A strong monitoring mechanism is essential to monitor this conditionality. In several countries, UNHCR is phasing out its individual cash assistance for education due to concerns about its...
ability to promote attendance, the fact that grants do not tackle quality issues, and a lack of sustainability due to limited funds. Where UNHCR provides cash grants for higher education (German Academic Refugee Initiative or DAFI) there are clear guidelines (see Box 19).

See Figure 22 for key considerations when using cash or vouchers to support households to access education. See Box 19 for a description of the wide variety of financing options that can be used to support refugee education.

### Table 35. Common Uses of Cash-Based Interventions for Increasing Access to Education and Ensuring Availability and Quality of Services

<table>
<thead>
<tr>
<th>Type of Intervention</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional cash grants</td>
<td>Cash transfer or multi-purpose grant for basic needs, which includes education-related costs.</td>
</tr>
<tr>
<td>Conditional cash grants</td>
<td>To individuals: the most common eligibility conditions include attendance at school, trainings or other education services, etc. To host-governments: conditions for use may include investments to improve quality of education, including construction of school buildings, latrines, and other infrastructure, payment of teachers, or purchase of materials.</td>
</tr>
<tr>
<td>Vouchers</td>
<td>Provided for school fees, school materials, uniforms, etc.</td>
</tr>
</tbody>
</table>

### Box 19. The UNHCR Education Strategy and the Role of Cash

The UNHCR Education Strategy cites various financing options to support refugees who have to pay school fees for education services, and for special education where needed.\(^{1}\) These include:

- use different financing mechanisms for vulnerable cases where appropriate, including targeted cash assistance (which may be delivered via ATMs, vouchers, or mobile phone transfers) or other innovative financing schemes that may be available to nationals;
- pay school fees directly to the school whenever possible (cash grants can be difficult to monitor);
- discuss and decide on paying individual assistance packages (school-related costs) or supporting school projects that benefit the entire school community, particularly in neighbourhoods with significant number of persons of concern;
- negotiate reduced fees in the private sector;
- aim to make existing government services affordable to refugees by improving the livelihoods and income of refugee households.

Other cash-based interventions to support access and quality of education include vouchers for school materials/uniforms, sanitary and other items that enable girls to attend school, and transport costs. Cash for work or community contracting projects can also be undertaken to improve educational infrastructure.

\(^{1}\) UNHCR (2012–2016) Education Strategy.
Understanding who and why certain people are not accessing educational services is essential to identify the appropriate response. Analyse from an AGD perspective.

- Facilities must be functioning, safe, accessible, and have capacity to include new participants without a decline in quality, and/or consider a supply-side intervention.

Cash and vouchers for education materials/kits.
Cash grants increase economic access to available education services and reduce the need for child labour.
CBIs to incentivise families (e.g., sending girls to school).
Conditions may include: enrolling (or re-enrolling) one or all of their school-age children in education, minimum attendance at school per month by children entered into the programme, educational achievement such as passing grades, graduation, or enrolment at a higher level education establishment, children not engaging in paid work.

Facilities must be functioning, safe, accessible, and have capacity to include new participants without a decline in quality, and/or consider a supply-side intervention.

Cash and vouchers for education materials/kits.
Cash grants increase economic access to available education services and reduce the need for child labour.
CBIs to incentivise families (e.g., sending girls to school).
Conditions may include: enrolling (or re-enrolling) one or all of their school-age children in education, minimum attendance at school per month by children entered into the programme, educational achievement such as passing grades, graduation, or enrolment at a higher level education establishment, children not engaging in paid work.

Ensure M&E capacity to monitor compliance and impact (e.g., school enrolment, attendance rates, pass rates), where cash for education has protection objectives, home visits to determine if child labour has ceased.
Monitor from an AGD perspective.
Monitor non-participants to ensure they are not being crowded out of services due to increased usage rates.
Monitor impacts on non-participating children in same family to ensure they are not being penalised (e.g., increased work).
Monitor impacts on quality with and without supply-side interventions.

Supply-side interventions can include support to government services, or private sector providers, or even the community itself.
The transfer amount must take into account whether other basic needs (food, shelter, etc.) are being met or compliance will be low.
Calculate actual costs of attendance (e.g., fees, materials, uniforms, transport) x the number of children, the opportunity cost (e.g., loss of the child’s contribution to the family income).
Consider annual lump sums in addition to or in lieu of monthly payments conditional on attendance.
Determine ineligibility requirements (e.g., when children do not attend for more than 3 months).
SECTION 7: MEETING BASIC WATER, SANITATION AND HYGIENE (WASH) NEEDS

The water, sanitation and hygiene (WASH) sector aims to ensure that refugees have safe access to water of sufficient quality and quantity and improved hygiene and WASH in institutions such as schools. At present, CBIs are not widely used in UNHCR country operations, but awareness of their feasibility, appropriateness and effectiveness is growing. Some possible ways to use CBIs to meet WASH objectives are described in Table 36.

<table>
<thead>
<tr>
<th>TABLE 36. COMMON USES OF CASH-BASED INTERVENTIONS TO MEET BASIC WASH NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unconditional cash grants</strong></td>
</tr>
<tr>
<td><strong>Vouchers</strong></td>
</tr>
<tr>
<td><strong>Cash for work</strong></td>
</tr>
</tbody>
</table>
FIGURE 24. KEY CONSIDERATIONS TO MEET WASH OBJECTIVES

- Understand who does not have access to water and why.
- Understand who is not using good sanitation or hygiene practices and why, to decide the appropriate response. KAP surveys are useful.
- Interview women and people with specific needs to understand their preferences for sanitation and hygiene items, if these items can be found on the local market, or if they prefer in-kind assistance.
- Water markets require special assessment tools. Assess water quality of local sources and providers.

- CBIs to increase access to WASH goods and services (water, sanitation and hygiene kits, household water treatment, materials for WASH infrastructure, etc.).
- Employment schemes or incentives can be used to rehabilitate water storage facilities, or construct latrines.
- Temporary measures such as water vouchers in lieu of water trucking, until a more sustainable source of water can be found.

- Monitor prices and supply of basic WASH items, water, etc.
- Monitor water quality both at point of sale/exchange and at household level.

- For water vouchers, contract vendors who meet quality standards and a capacity assessment.
- Focus group discussion with women to determine appropriate WASH items and establish adequate voucher or cash transfer value.
- Employment schemes for sanitary and waste disposal (e.g. latrines, environmental management for vector control) must be accompanied by technical advice and support.
- Complementary programmes such as IEC on WASH are essential where KAP surveys reveal a need.
- Shortages and price inflation can be mitigated by supply-side interventions (e.g. rehabilitating public water sources, and unconditional grants reducing the demand on single items).
- SMS messaging with WASH messages.

Resources on cash-based interventions and WASH

WASH cluster (forthcoming) Scoping Study on Cash-Based Interventions and WASH


SECTION 8: USING CASH TO SUPPORT LIVELIHOODS, COMMUNITY AND SELF-RELIANCE

No amount of cash can substitute for host government policies that would enable refugees to move towards self-reliance, including access to land or gainful employment. Cash is no substitute for advocacy on the policy environment and adequate financial commitments on the part of donors to enable meaningful investments in livelihoods. However, scarce capital is a key constraint to livelihoods, and even unconditional grants unaccompanied by other interventions may enable improvement in livelihoods.\(^47\) As such, CBIs are firmly embedded in UNHCR’s new Livelihoods Strategy (see Tables 37 and 38). These cash interventions are part of a wider strategy that includes complementary entrepreneurship training, skills development, expanded access to employment, and market and value chain analysis.

<table>
<thead>
<tr>
<th>Livelihoods objectives</th>
<th>Expected results where cash may play a role</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preserve and protect livelihood assets</strong></td>
<td>Consumption support will be provided until self-reliance benchmarks have been met.</td>
</tr>
<tr>
<td></td>
<td>Consumption support will be provided for 2–3 years for extremely poor people that participate in graduation programmes.</td>
</tr>
<tr>
<td><strong>Enable productivity</strong></td>
<td>Employment opportunities will be available for refugees and host communities in assistance programmes and labour-intensive works.</td>
</tr>
<tr>
<td></td>
<td>Refugees will have access to productive assets (equipment, land, supplies, cash grants) within the first six months.</td>
</tr>
<tr>
<td><strong>Enhance the local market</strong></td>
<td>CBIs will be prioritised wherever feasible to inject cash into the local economy and allow people to make their own decisions.</td>
</tr>
<tr>
<td></td>
<td>Cash- and voucher-based interventions will be safe for participants and will stimulate the local market and communities.</td>
</tr>
<tr>
<td><strong>Enable entrepreneurship</strong></td>
<td>Refugees will have greater access to adequate business start-up and expansion grants.</td>
</tr>
</tbody>
</table>

\footnotesize{46 Blattman et al (2013).}
Livelihoods assistance is necessarily very specific to the household being targeted and requires more in-depth needs assessment and response analysis (see Table 39). The results of livelihoods assessments are relevant to identifying needs and appropriate response throughout the refugee assistance and in different sectors.

### TABLE 38. COMMON USES OF CASH-BASED INTERVENTIONS TO MEET THE LIVELIHOODS OBJECTIVES

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional cash grants</td>
<td>Monthly cash transfers to meet the basic needs of the most vulnerable people with or without a livelihoods supplement (e.g. supplies, land rental, etc.), or one-off grants for livelihoods inputs or business start-up.</td>
</tr>
<tr>
<td>Conditional cash grants</td>
<td>Dependent on participating in training or reaching pre-defined targets (e.g. financial literacy, life skills, training, stages of business start-up or construction).</td>
</tr>
<tr>
<td>Vouchers</td>
<td>Exchanged for livelihoods inputs (e.g. agricultural equipment, including seeds, etc.).</td>
</tr>
<tr>
<td>Cash for work</td>
<td>For labour-intensive works, natural resource conservation and enhancement (e.g. soil and water conservation, reforestation, shared infrastructure, etc.).</td>
</tr>
<tr>
<td>Account-based delivery</td>
<td>To increase access to financial institutions, allow for savings, access to credit, etc.</td>
</tr>
</tbody>
</table>

### TABLE 39. KEY ASSESSMENT ACTIVITIES RELEVANT TO CASH-BASED INTERVENTIONS LIVELIHOODS STRATEGY OBJECTIVES

<table>
<thead>
<tr>
<th>Livelihoods objectives</th>
<th>Key assessment activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preserve and protect livelihood assets</td>
<td>Socio-economic profiling of refugees/internally displaced persons (IDPs) and local populations. Identify capabilities and obstacles for self-reliance. Determine the target group for phasing in cash assistance if appropriate.</td>
</tr>
<tr>
<td>Enable productivity</td>
<td>Undertake a rapid market assessment to understand and build on local market dynamics. Estimate the demand for skilled and unskilled labour, equipment, materials and services, and define asset-based and/or for-work projects accordingly. Assess the use of the most suitable modalities for asset programming (in-kind, cash or vouchers). Identify economic opportunities for different age groups especially those normally excluded or at risk (e.g. older adolescents).</td>
</tr>
<tr>
<td>Enhance the local market</td>
<td>Appraise the feasibility of cash- and voucher-based programming and of phasing out in-kind provision immediately after the emergency phase. Invest in value chain analyses for selected commodities/products.</td>
</tr>
<tr>
<td>Enable entrepreneurship</td>
<td>Observe the market: discuss with local and refugee entrepreneurs opportunities and bottlenecks to entrepreneurship in the hosting area.</td>
</tr>
</tbody>
</table>
Livelihoods assessments are based on the household economy approach (HEA) to understand the sources of income and expenditures of different wealth and livelihood groups. Assess debt levels. For other assessment considerations, see Table 39.

- Assess markets for key commodities, labour markets, and business and employment opportunities.
- Confirm that participation in CFW will not take time away from core livelihood activities. A seasonal calendar will help determine the appropriate timing.

A baseline is essential to determine income and expenditure patterns. Continue monitoring on a quarterly basis.

- The reduced portion of expenses spent on food (in the absence of food assistance), other basic needs and servicing debts may indicate an improved livelihood situation.
- While total income may not change, monitoring a change in negative coping strategies (e.g. demeaning, dangerous, or exploitative sources of income, or child labour) may indicate positive impact.
- Monitor labour markets, markets for key commodities and credit markets - the latter to see if persons of concern are finding it easier to access credit.
- Monitor business opportunities. Are original assumptions (transfer value, work opportunities, etc.) still correct?
- Graduation may be difficult. Monitor carefully if basic needs assistance can be phased out or needs to be re-introduced after a shock, renewed conflict or repeated displacement.

- If grants target the most vulnerable, transfer value has to include basic needs in addition to a livelihood supplement.
- Business start-up or purchase of productive assets requires accurate assessment of costs.
- When cash and open markets cannot be used, value vouchers and fairs require enough flexibility to allow for diverse livelihoods (e.g. fishermen can use multiple types of nets, farmers different seeds).
- Timing of CBIs should complement other livelihood activities. Grants during the lean season will be spent on basic needs.
Resources on cash-based interventions and livelihoods

UNHCR (2013) UNHCR Livelihood Strategy 2014-2018 (draft)


SECTION 9: USING CASH IN RETURN AND REINTEGRATION OPERATIONS

Since the 1990s, UNHCR has used cash-based interventions to facilitate return and reintegration.48 CBIs have been part of a broader package of assistance for voluntary repatriation that includes basic domestic items, food, and shelter materials. Cash grants are normally conditional upon return. However, there have been no conditions attached to how the cash should be used (see Table 40).49

TABLE 40. COMMON USES OF CASH-BASED INTERVENTIONS IN RETURN AND REINTEGRATION OPERATIONS

<table>
<thead>
<tr>
<th>Basic needs and services</th>
<th>CBIs have been used to facilitate access to basic needs and services in the country of origin, including for food, basic items and domestic items, and for people with specific needs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>Cash and vouchers for safe and dignified return.</td>
</tr>
<tr>
<td>Shelter</td>
<td>Displaced people rely on a variety of different shelter options upon return. CBIs can be used to support host family arrangements, rental subsidies, rural self-settlement, urban self-settlement, access to temporary living centres in pre-existing community structures, or housing construction through the purchase of shelter materials.</td>
</tr>
<tr>
<td>Self-reliance</td>
<td>To support self-reliance upon return, CBIs have been used to preserve and protect livelihood assets, enable productivity, enhance local markets, and enable entrepreneurship.</td>
</tr>
</tbody>
</table>

47 Examples include the repatriation of Afghan refugees from Pakistan and Iran from March 2002; the repatriation of Cambodian refugees from Thailand in 1992–1993; and the repatriation of Burundian refugees from Tanzania between 2007 and 2009, among many others.

*Figure 26. Key Considerations to Meet Return and Reintegration Objectives*

- Analyse the market capacity where people are likely to spend the cash: departure, transit and destination.
- Assess delivery mechanisms that can also operate at destination, transit and return (e.g. ATMs).
- The voluntariness of repatriation, based on free and informed choice, has to be ensured.
- Cash grants should not be used to stimulate repatriation where voluntariness is not assured or where conditions are not fully conducive to return.
- When targeting certain groups (e.g. people with specific needs, urban refugees, refugees from a certain region), define each group coherently and consistently. Clearly spell out the rationale for special treatment.
- Transfer amount should be in line with local standards (i.e. not unreasonably high, so as to create significant disparities in treatment with the receiving population).
- The transfer size ought to be age sensitive (child/adult).
- Distributing the cash to women, if context allows, has proven to enable more equal gender access to resources.
- "Transport" grants should be provided according to the distance to be covered. To avoid splitting of families, there should be no restrictions on the maximum grant for large families.
- A thorough registration system is essential, linking de-registration and encashment, decreasing the probability of recycling.
- Use of grants may differ depending on where they are distributed. If the grant is intended to assist refugees upon return, distribution ought to be at the place of origin.

- Monitor the protection of people at risk.

- Plan and design
  - Transfer amount should be in line with local standards (i.e. not unreasonably high, so as to create significant disparities in treatment with the receiving population).
  - The transfer size ought to be age sensitive (child/adult).
  - Distributing the cash to women, if context allows, has proven to enable more equal gender access to resources.
  - "Transport" grants should be provided according to the distance to be covered. To avoid splitting of families, there should be no restrictions on the maximum grant for large families.
  - A thorough registration system is essential, linking de-registration and encashment, decreasing the probability of recycling.
  - Use of grants may differ depending on where they are distributed. If the grant is intended to assist refugees upon return, distribution ought to be at the place of origin.
BOX 20. LESSONS LEARNED ON THE USE OF CASH IN REPATRIATION OPERATIONS

A 2008 concept paper produced by UNHCR Policy Development and Evaluation Services recommended that cash grants during repatriation operations be used: a) to replace organised transportation and ease return procedures; b) to replace the broader repatriation assistance package in order to ease distribution procedures (i.e. to allow for the purchase of food and/or non-food items); and c) to support initial ‘reintegration’, specifically increasing access to land and property, especially since reoccupying former land and property can be a challenge in many post-conflict settings.

The review demonstrated that cash grants can, in some cases, accelerate repatriation (Liberia, Afghanistan, and Burundi), cover initial life-sustaining needs, and stimulate local development in returnee areas (Afghanistan, Burundi, Guatemala).

u Ibid, pp.15-17.

Resources on cash-based interventions and return and reintegration operations

UNHCR (forthcoming) Practitioner’s Handbook for Reintegration


PART IV. PARTNERSHIP AND COORDINATION

4.1 PARTNERSHIP
UNHCR can implement cash-based interventions in one of three ways: directly, or through two types of partnerships, including operational partnerships and implementing partnerships. The rationale for choosing implementation and partnership arrangements for CBIs is similar to other types of interventions (see Table 41).

| TABLE 4.1. ESSENTIAL QUESTIONS TO DETERMINE THE BEST PARTNERSHIP ARRANGEMENTS
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Who has the necessary expertise, technical skills, and knowledge to implement the proposed CBI?</td>
</tr>
<tr>
<td>- Who has the mandate for implementing the CBI given sector-specific objectives?</td>
</tr>
<tr>
<td>- Would UNHCR or another partner be more cost-effective in implementing the CBI?</td>
</tr>
<tr>
<td>- What is the added value of UNHCR or other partner in implementing the CBI?</td>
</tr>
<tr>
<td>- Who has access to intended recipients for targeting, delivery and monitoring?</td>
</tr>
<tr>
<td>- Who has the capacity to monitor the protection results of CBIs?</td>
</tr>
<tr>
<td>- Are there logical ways to divide responsibilities among partners?</td>
</tr>
<tr>
<td>- (See additional questions in Table 14, Section 3.6, in Skills and Capacity Assessment)</td>
</tr>
</tbody>
</table>

Key considerations in deciding implementing arrangements:

- Seek a partner with experience implementing cash-based interventions. However, just because a partner has institutional experience does not mean they have the capacity in a given country or context. Where there are doubts, do not rely entirely on one partner and have contingency plans for when partners are unable to meet their commitments.

- be prepared to provide additional capacity building in monitoring protection results, financial risk management, and data protection protocols to ensure that partners can meet UNHCR standards.

- Pre-negotiate partnership arrangements with governments, sister agencies, NGOs and the private sector (e.g. banks, remittance companies, etc.). This will enable CBIs to
be set up rapidly, as a first response to displacement wherever feasible.

- The role of the partner may change. Certain delivery mechanisms such as banks may perform the actual distribution. These types of private sector partnerships present new opportunities as well as challenges. Where a private sector entity is involved in the distribution of cash, another partner (e.g. an NGO or UN agency) may take on roles in beneficiary identification, verification, complaints management and response, and monitoring.

- Money business services, including financial service providers, are important partners in implementing CBIs. Follow standard procurement procedures when contracting such providers or services, but with enhanced cooperation between legal, supply, finance, protection and programme divisions to best determine the appropriate provider. Risk analysis is a key component of choosing the best provider.

### Resources on partnership with the private sector


(a.o. 03.02.2015)

### 4.2 COORDINATION

Coordination of cash-based interventions should happen within existing coordination structures and be complemented by additional cross-sectoral coordination where necessary. This includes either specific responsibilities within the inter-sectoral coordination mechanism, a separate working group, or a combination of both options. There is no clear consensus on what works best; for the moment, cash coordination structures are determined on a case-by-case basis. In some cases, it may be appropriate to have a “roving cash technical expert”, who can support all sectors in cash-based programming, and make links between them. This individual could also participate in whatever inter-sector coordination forums exist.

Technical guidelines on cash coordination can be found in Table 42.

---

50 Mattinen (2011) Public private partnerships in Haiti.


### TABLE 42. COORDINATING CASH-BASED INTERVENTIONS

<table>
<thead>
<tr>
<th>Information needs</th>
<th>Joint strategy development</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Modality type (cash, voucher, in-kind).</td>
<td>- Government relations to ensure that agencies coordinate cash-based responses with government, and use common messages in advocacy if necessary.</td>
</tr>
<tr>
<td>- Service delivery mechanism (ATM, banks, electronic or paper vouchers).</td>
<td>- The choice between unconditional or conditional CBIs to avoid one agency insisting on conditional transfers where another provides unconditional transfers to respond to the same problem.</td>
</tr>
<tr>
<td>- Objective (multi-purpose, sector-specific).</td>
<td>- Where possible, balance wage levels (for cash for work) and transfer amounts (for unconditional cash transfers) to avoid inequities between project areas or between different agencies (although different agency objectives will often lead to different grant amounts).</td>
</tr>
<tr>
<td>- Conditional or unconditional.</td>
<td>- The timing of transfers for the convenience of recipients or to increase the likelihood that the grant will be used for its intended purpose (e.g. livelihood grants at the onset of the rains).</td>
</tr>
<tr>
<td>- Amount (specifying currency).</td>
<td>- Targeting criteria to promote transparency and prevent suspicions of bias or unequal treatment.</td>
</tr>
<tr>
<td>- Number of beneficiaries.</td>
<td>- Complementarity with in-kind assistance to determine the appropriate transfer amount and increase the likelihood that cash will be not be spent on items recipients are receiving in-kind.</td>
</tr>
<tr>
<td>- Implementing partner.</td>
<td></td>
</tr>
<tr>
<td>- Location (three administrative levels).</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Throughout the operations cycle</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Develop shared positions on CBIs through advocacy, lobbying and influencing key actors.</td>
<td></td>
</tr>
<tr>
<td>- Coordinate with non-traditional actors (e.g. Islamic organisations, etc.).</td>
<td></td>
</tr>
<tr>
<td>- Commission or conduct joint market assessments with the Emergency Market Mapping and Assessment (EMMA) and/or other tools.</td>
<td></td>
</tr>
<tr>
<td>- Peer review agency programmes, particularly where funds need to be prioritised.</td>
<td></td>
</tr>
<tr>
<td>- Engage private sector and financial institutions in programming (e.g. shared services).</td>
<td></td>
</tr>
<tr>
<td>- Monitor jointly, particularly where there is a multi-purpose grant or “one card” approach.</td>
<td></td>
</tr>
<tr>
<td>- Document key lessons from cash interventions, share, and debate.</td>
<td></td>
</tr>
<tr>
<td>- Make recommendations for improved programming (assessment and M&amp;E tools, guidelines, common complaint mechanisms, shared IEC materials, etc.).</td>
<td></td>
</tr>
</tbody>
</table>
BOX 21. LESSONS LEARNED FROM COORDINATING CASH AND VOUCHERS IN SOMALIA

In Somalia, inter-cluster / inter-sector coordination for cash included an information management component essential for understanding how much, where, when and through what modality beneficiaries were receiving cash. In one instance, when the inter-cluster coordination was managed by the Food Security and Agricultural Cluster, the information was analysed in kilocalorie equivalents, in an effort to combine cash, vouchers and in-kind assistance. In this case, the conversion of in-kind assistance to its monetary equivalent to the household and a comparison to a minimum expenditure basket based on prevailing market prices, would have allowed monitoring all cash-based interventions regardless of its sector.

Resources for coordinating cash-based interventions

CaLP (2012) Cash Coordination Toolkit, with terms of reference, facilitation tips, advocacy and awareness-raising tools, etc., see: http://www.cashlearning.org/resources/coordination-toolkit (a.o. 02.02.2015)
## 5. TERMS AND DEFINITIONS

### TYPES OF CASH-BASED INTERVENTIONS FOR REFUGEES AND OTHER PERSONS OF CONCERN

<table>
<thead>
<tr>
<th>Cash transfers</th>
<th>The provision of money to refugees and other persons of concern (individuals or households) intended to meet their basic needs for food and non-food items or services, and to facilitate self-reliance and/or durable solutions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vouchers (cash or commodity)</td>
<td>A coupon that can be exchanged for a set quantity or value of goods, denominated either as a cash value (e.g. USD15) or pre-determined commodities or services (e.g. 5 kg maize; milling of 5kg of maize). They are redeemable with pre-selected vendors or at ‘fairs’ organised by the agency.</td>
</tr>
</tbody>
</table>

### DIFFERENT DELIVERY MECHANISMS FOR CASH AND VOUCHERS

<table>
<thead>
<tr>
<th>Immediate cash</th>
<th>Direct cash payment</th>
<th>Cash handed out directly to recipients by the implementing agency.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery through an agent</td>
<td>Cash delivered to recipients through a formal or informal institution that acts as an intermediary, e.g. money transfer agents, post offices, traders, or microfinance institutions. Does not require recipients to hold an account.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash accounts</th>
<th>Pre-paid card</th>
<th>Plastic card usable at cash machines (automated teller machines/ATMs), used for cash grants and vouchers. Requires network connection.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart card</td>
<td>Plastic card with a chip, valid with point-of-sale devices, used for cash grants and store purchases. Does not require network connection.</td>
<td></td>
</tr>
<tr>
<td>Mobile money</td>
<td>SMS code that can be cashed at various retail or other outlets, used for cash grants and vouchers. Requires network connection.</td>
<td></td>
</tr>
<tr>
<td>Bank account</td>
<td>Personal bank accounts or sub-bank accounts that are used to deposit cash grants. Requires recipients to have formal identification (ID) documents and often formal residence status.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vouchers</th>
<th>Paper voucher</th>
<th>Paper token that is handed out directly to the recipient and can be cashed in designated outlets.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile or e-voucher</td>
<td>SMS with voucher code or plastic card used at point of sale. Requires network connection.</td>
<td></td>
</tr>
</tbody>
</table>
## UNCONDITIONAL AND CONDITIONAL CASH-BASED INTERVENTIONS

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional</td>
<td>A direct cash or voucher grant given to recipients with no conditions attached or work requirements. There is no requirement to repay any of the money, and recipients are entitled to use it however they wish. Multi-purpose grants are unconditional if there is no qualifying condition.</td>
</tr>
<tr>
<td>Conditional</td>
<td>Qualifying conditions: The cash or voucher is received after a condition is fulfilled (e.g. children enrolled in school, participation in training). Cash for work, where payment (cash or vouchers) is provided as a wage for work (usually in public or community programmes) is a form of conditional cash transfer.</td>
</tr>
<tr>
<td></td>
<td>Use conditions: A condition is attached to how the transfer is spent (e.g. on food, rent or shelter materials, or waiver of payment for school fees). Vouchers are often conditional as they can only be redeemed through contracted individuals or businesses for pre-determined types of goods and services.</td>
</tr>
</tbody>
</table>

xxvi From JAM Technical Guidance Sheet No. 4 on transfer modalities, p.43.
6. REFERENCES

The guidelines complement existing UNHCR operational guidance, including the UNHCR Manual, specifically the Chapter 4 Operations Manual, and Chapter 9 of the Handbook for Emergencies.

Annex 1 includes a checklist that is intended as a rapid reference for managers, for division staff who are providing technical support, and for the Annual Programme Review (APR). Annex 2 is a template Standard Operating Procedure to be used by the country office to document the rationale for the use of cash-based interventions to meet specific objectives in a given context and the detailed design of the programme. Additional references can be found in Annex 3.

7. MONITORING AND COMPLIANCE

Coherence with these guidelines will be supported through regular contact with field offices through the Cash-Based Interventions Section (CBIS) in the Division of Programme Support and Management as well as through a global network of cash expert staff in regional and country offices.

Compliance will be reviewed during the Annual Programme Review (APR) process, external evaluations, and scheduled and ad hoc audits. The Controller’s office, Treasury and Legal Services may review specific elements relevant to their offices.

8. DATES

The Guidelines are effective on 29 January 2015. It will be reviewed and updated regularly to reflect major evolutions in United Nations and UNHCR practices. The next scheduled review shall be conducted no later than 31 January 2017. The High Commissioner may at any time recall or initiate a review of any UNHCR official guidelines.
9. CONTACT

Cash-Based Interventions Section (CBIS), Division of Programme Support and Management (DPSM): hqcash@unhcr.org

10. HISTORY

This is the first approved version of these Guidelines.

11. ANNEXES

- Annex 1. Standard Operating Procedures Template
- Annex 2. Additional References
ANNEX 1

Template for country-level standard operating procedures (SOPs) for UNHCR cash-based interventions

[Instructions for completing this template: Follow instructions in brackets [ ]. All text in brackets should be deleted. Any sections which are not relevant for the programme may be deleted. Refer to the Global SOPs for an overall description of which steps should be taken by whom when implementing CBIs, and design the country-specific SOPs accordingly.]

[Title]
[Enter here the title describing what the SOP covers. Examples: ‘SOP for cash grants for refugees in Lebanon’, ‘SOPs for the food fair voucher programme in the Kinama, Musasa and Bwagiriza refugee camps.’]

1. Introduction
These SOPs outline the system, responsibilities, and critical actions for implementing the ____________ [project name]. These SOPs aim to ensure clarity between departments, including finance and program managers, and between field and headquarters staff. The SOPs only deal with the implementation phase of the project cycle. They do not cover any pre-implementation activities (e.g. assessment, response analysis) or any post-implementation activities (e.g. evaluation).

These SOPs are: [select one: (1) specific to UNHCR only or (2) joint SOPs with [partner, e.g. WFP, NRC, local NGO]

[Note: If these are UNHCR-specific SOPs, they should be signed by the Country Representative or a Programme Officer. If they are joint SOPs with an operational or implementing partner, they should be signed by UNHCR and the representative of that partner. It is acceptable for UNHCR-specific SOPs to be used for a programme which is implemented in whole or part by a partner or contractor.]

Staff will be held accountable to these SOPs. Adherence to approved SOPs is auditable at the field and headquarters’ level.

<table>
<thead>
<tr>
<th>Date initial SOPs drafted:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date(s) of SOP revision / approvals:</td>
</tr>
<tr>
<td>Period of validity: [Note: the end date of the period of validity will likely coincide with the budgeting cycle]</td>
</tr>
<tr>
<td>To be reviewed by: [date to coincide with budgeting cycle]:</td>
</tr>
</tbody>
</table>

• The latest version of the SOPs should be abided by until a new version is approved.
• Training will need to be provided on these SOPs to ensure that all staff are able to implement them.
• Unless there are specific justified reasons for not doing so, these SOPs should be distributed to all implementing partner organisations, and their feedback sought.

2. Programme rationale and objectives
[This section should be no more than three paragraphs and summarise the needs assessment and response analysis. It should allow a UNHCR staff member who is not familiar with the programme to gain sufficient background information to be able to fulfil his or her tasks. Refer to any annexes as necessary, e.g. needs assessment, feasibility study, decision-making matrices.]
Describe:
• The overall objectives of the programme;
• Start date and expected duration;
• The approximate number and type of beneficiaries (individual or household; blanket or targeted assistance);
• Summary of response analysis;
• The transfer modality, delivery mechanism, payment amount(s), frequency and duration of payments;
• Implementation arrangements and justification;
• Identified risks, including their likelihood, and how they will be managed, including protection and data protection risks (referring to Section 5.2); the risk that cash or vouchers will not be used as intended; risks of theft or diversion; security risks; financial risks to the organisation; and the risk of negatively affecting market supply or prices;
• Major assumptions that if disproven would result in a change in programme approach;
• (for updated SOPs) Any significant changes made and the reasons for making these changes.]

3. Targeting criteria
[The section should:
• Justify why assistance will either be blanket or targeted.
• List the criteria to be used to determine which individuals or households will receive the cash-based assistance. These should draw on established UNHCR criteria or reflect shared criteria that result of joint vulnerability assessments.

Example 1 (Lebanon):
1. Principle applicant (PA) is a single female head of household (WR-HR)
2. Female Head of household not accompanied by any adult male (WR-UW)
3. PA is a female, with one or more disabled persons in the family
4. PA is elderly Female or Male, without any adult male (ER)
5. PA elderly Female or male with one or more disabled persons in the family
6. Separated and/or accompanied minor (SC)
7. PA is disabled (DS)
8. A Family with two or more disabilities (DS)
9. PA is male or female with large family (seven members or more)
10. The PA was visited and assessed positively for financial assistance by a UNHCR multifunctional team.

Example 2 (Burundi):
All registered Congolese refugees residing in camps

• Explain any exceptions or specific circumstances relevant for that country; Examples:
  o “Refugee females married to Lebanese nationals generally do not qualify for cash assistance unless otherwise deemed extremely vulnerable by community services, protection and or (such as SGBV, domestic violence, etc).”
  o “On exceptional limited basis, families and individuals outside the detailed criteria and with specific protection concerns can be selected by UNHCR community services, field and protection units and with due written justification and approval can benefit from the financial assistance.”

• Describe the process and timing to be used to verify the accuracy of the criteria and revise, if needed.
4. Identification and verification of eligible beneficiaries

This section should describe the process for identifying potential beneficiaries, if blanket targeting is not being used.

Example 1 (Lebanon):

Potential beneficiaries will be identified using the following means

1. ProGress vulnerability codes
2. PoC approaching UNHCR office identifying themselves as in need of cash assistance to Community Services (CS) or Field staff.
3. PoC may write a letter to UNHCR requesting inclusion in financial assistance. Community Services and the Field staff may verify such cases before inclusion.
4. Through the hotline, PoC may request for inclusion in financial assistance. These will be forwarded to Field and Community Services for verification.
5. Cases may be referred by other UNHCR units (Registration, Protection, and Resettlement)
6. Field and CS may also identify cases by searching through the ProGress database and/or Refugee Information and Assistance System (RAIS) for persons with known vulnerabilities

This section should also describe how targeting criteria will be verified for accuracy and if sampling is used, what threshold will trigger 100% verification. What the documentation is used in verification of eligibility? Who will determine if someone is no longer eligible? What are the criteria for discontinuation of entitlement?

5. Delivery mechanism and transfer modality

[Describe the transfer modality (e.g. cash, vouchers or combination of cash with in-kind aid) and delivery mechanism (e.g. e-vouchers, immediate cash) to be used. Refer to the Guidance on CBIs and the Global SOPs as necessary.]

6. Protection considerations

[What special arrangements will there be for groups of persons with specific needs or other persons requiring special attention throughout the distribution cycle (receipt of transfer, spending/exchange of transfer, transport, etc.)?]

[Where an in-depth protection assessment has taken place, refer to it as an annex. If not, describe what is known about potential protection-related issues connected to the CBI, sources of information, what are identified risks, their likelihood, and what is the mitigation strategy. Refer to the SOP Protection Risk Inventory (Annex 2 Global CBI SOPs). Indicators for monitoring protection risks should be included in the Protection Monitoring Framework]

[If an assessment of the possible risks related to data protection has taken place, describe the main findings here. If not, describe any potential risks related to sharing data about refugees with partners (e.g. sharing names and addresses with banks). Describe what steps will be taken to ensure that beneficiary data is appropriately protected. See 'Protecting beneficiary privacy in e-transfer programmes – A code of conduct for the secure management of personal data' (CaLP).]

7. Responsibilities of partners and contractors, coordination protocols

[Describe any initiatives, e.g. technical working groups, to ensure programme review and real time learning. Outline the core responsibilities of each of the following (referring to sections 13 and 14 below as appropriate):]
- UNHCR disaggregated by function (programme, protection, finance, supply, etc.);
- Operational partner(s);
- Implementing partner(s);
- Other operational partner(s), specifically protection partners;
- Government;
- Financial service provider (FSP), if any; and
- Retailers / merchants (for voucher programmes)

If this is a joint programme with WFP, describe which agency will be responsible for each step of programme implementation and which steps will be conducted jointly (refer to a ‘joint action plan’ or ‘joint road map’ as appropriate).

How will partners coordinate? Will there be a ‘technical working group’ consisting of lead staff from each organisation? How often will this group meet? (Meeting before/after each distribution/every 2 weeks, systematic use of mailing list to ensure same level of info among partners, etc.) Will coordination include protection staff?

Include all contracts including implementing partner or tripartite agreements as annexes to these SOPs.

8. Selection and training of retailers/shops
[For voucher programmes, describe the process and selecting and then training or sensitising any vendors or traders involved in the programme. Answer the following questions:
  • What criteria will be used to select retailers / shops?
  • Who will be responsible for the selection, e.g. respective roles of UNHCR and partner(s)?
  • What will the training / sensitization consist of? (e.g. objective, content and duration of sessions).
    Ensure Code of Conduct training is included.
  • Who will take part? (number and type of participants)
  • Which agencies and which departments will be responsible for carrying this out?
  • How often will it occur?
  • What training materials or information will be used (refer to annexes as necessary, e.g. ‘Form for expression of interest in becoming a trader’ or ‘questionnaire to evaluate the capacities of traders’)]

9. Implementation procedures
[Refer to Global UNHCR Standard Operating Procedures for Cash-based Interventions for guidance and UNHCR Finance and Administrative Procedures for Cash Based Interventions (in progress). Describe accountability, responsibility and authority, and procedures for:
  - How the results of eligibility verification (e.g. home visit or other) will be communicated;
  - How verification of receipt of transfer will be conducted (biometrics, home visit, etc.) and if sampling is used, what threshold will trigger 100% verification;
  - How beneficiary lists are managed and updated (e.g. in ProGres and/or other);
  - How information about access to entitlements is recorded and shared with others within UNHCR;
  - What are the money transfer and payment processes and bank processes;
  - What are the internal controls and how is bank reconciliation done;
  - How vouchers are produced, distributed and reconciled;
  - How partners, contractor/vendors are paid;
  - How beneficiary data is protected;
  - Remedial actions to be taken for anticipated problems, e.g. if an individual does not pick up a payment; an individual receives the wrong amount; the voucher has a printing mistake.]

122
10. Communication and feedback
[Who should be consulted and kept informed? For each group describe what are key messages, means of communication, and frequency and responsibilities.]
- Refugees
- Local Authorities at all levels of administration
- Host community

What will the complaints management and response (CMR) mechanism consist of? (Who is involved, when and where, what method will be used, how will complaints be managed, etc.) Refer to an annex as necessary.

11. Market monitoring
[Describe the process for conducting an ongoing monitoring of market trends once the programme is underway. The necessary level of detail will vary; in some contexts, a simple analysis of secondary data will suffice, while in other contexts it will be necessary to collect and analyse primary data, e.g. from remote areas.]
- Who will be responsible for conducting the market monitoring? (e.g. logistics, programme staff, name of implementing partner organisation)
- What questions will be asked? (Refer to annexes as necessary)
- What geographic areas or markets will be covered by the market monitoring?
- How will the information obtained be complied and analysed?
- How will the information obtained inform programme implementation? Describe specific steps that will be taken, e.g. ‘If prices of X good raise by more than Y%, the amount of cash or voucher will be increased by Z amount’. Or, ‘If the local currency is devalued, prices paid to traders (in a closed fair) will increase by the amount of devaluation’

12. Programme and monitoring protection results
- [Which agency or unit is primarily responsible for overall programme monitoring? How will this be carried out, when? Define programme monitoring strategy (Annex).]
- Which agency or unit is primarily responsible for monitoring of protection related issues (if not included within the post-distribution monitoring)? Define protection monitoring strategy (Annex)

13. Government relations
[Describe the steps that will be taken to engage with relevant Government stakeholders as appropriate.]
- Which staff member or units will be responsible for liaising with Government concerning the cash-based intervention?
- Which part of Government will be the primary points of contact?
- How often will consultations take place?
- If a joint programme with WFP, will there be joint representation at the national level by both agencies?
- What types of documents (e.g. progress reports, post-distribution monitoring reports) are expected to be shared with Government stakeholders? Who will be responsible for sharing these?

Refer to an annex that describes the identified risks (if any) concerning Government relations and the steps that will be taken to mitigate these. Outline any additional procedures that will be undertaken during programme implementation to address these.

14. Coordination with other agencies
[Describe what coordination with other agencies (i.e. non-partners for this project) will be necessary:]
- Does a coordinating mechanism for CBIs (e.g. a cash working group) exist in this context?
- Does such a mechanism need to be created?
- Which other agencies are most relevant to coordinate with for this programme?
• Which staff member or units within UNHCR will be responsible for coordination?

15. **Training on these country-specific SOPs**
[What kind of training will take place concerning how to implement the delivery mechanism? Who will participate? Include as an annex to these SOPs reference or guidance materials for those who have missed the training.]

16. **Reporting**
[Describe the reporting procedures to be followed, for reporting by partners and within UNHCR.]

17. **Evaluation**
[What agency or unit will be responsible for carrying out an evaluation (if any), in what capacity and when?]

18. **Exit strategy and/or suspension**
[Describe the circumstances in which the project would be suspended, including theft of resources, change in the refugee situation, non-conformity with codes of conduct, etc. Describe the planned exit / transition strategy for the project, if known.]

19. **Annexes**

**Mandatory**
- Targeting criteria
- Eligibility verification strategy
- Admin and financial procedures
- Operational and financial risks inventory and mitigation strategy
- Protection risk inventory and mitigation strategy
- Post distribution monitoring strategy (indicators, methods, responsibility)
- Protection monitoring strategy (indicators, methods, responsibility)
- Agreements/contracts with service providers and implementing partners

**Optional**
- Needs assessment
- Feasibility study
- Response analysis/decision-making on transfer modality
- Communication and information tools
ANNEX 2
ADDITIONAL REFERENCES

UNHCR References


UNHCR (forthcoming) Finance Procedures for Cash-based Interventions.


UNHCR (2009) Policy and Guidelines for DAFI Scholarship Projects


UNHCR (2012b) An Introduction to Cash-Based Interventions in UNHCR Operations. Geneva: UNHCR.


UNHCR (2012-2016) Education Strategy: Summary


UNHCR (2013b) UNHCR Livelihood Strategy 2014–2018

UNHCR (2013c) Proposed Cross-sectoral Strategy with Focus on Cash, Beirut, Lebanon, November.


UNHCR and WFP Road Map (2013) Developing a common platform for delivery of assistance to Syrian Refugees in Lebanon.

UNHCR and WFP (2014) Joint Assessment Mission Guidelines
BIBLIOGRAPHY


Berg et al (2013) Case Studies of the World Food Programme (WFP) and United Nations High Commissioner for Refugees (UNHCR). In-depth case studies were done in Bangladesh, Chad, Ecuador, Jordan, Kenya, Pakistan, Occupied Palestinian Territories (OPT), and Sudan; see also International Food Policy Research Institute (IFPRI) and WFP (2013), Save the Children (2012)


