

IOM STRATEGY FOR HUMANITARIAN CASH-BASED INTERVENTIONS

2019–2021



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DRAFT

IOM is committed to using the best modalities and mechanisms available to ensure effective and dignified assistance to people in need. As signatory to the Grand Bargain commitments and recognizing the flexibility, efficiency and effectiveness of using cash-based interventions, IOM commits to institutionalizing Cashed-Based Interventions (CBIs) as a modality of assistance across its activities under the Department of Operations and Emergencies.



Inside cover: Cash for work activities in Central African Republic. © IOM/ Amanda NERO, 2017.

Cover Photo: Cash-for-work vouchers distributed upon successful installation of shelter upgrades in Wau, South Sudan. © Rikka Tupaz, 2018.

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I. INTRODUCTION

I.1 PURPOSE

With the increasing use of cash-based interventions (CBIs)¹ as a service delivery modality in humanitarian programming,² the IOM Strategy for Humanitarian Cash-Based Interventions 2019–2021 outlines the overall goal and strategic objectives for systematizing, expanding and integrating CBIs across the humanitarian programmes overseen by the Organization's Department of Operations and Emergencies (DOE). The document provides an overview of how IOM uses CBIs as part of its humanitarian programming, as well as in support of outcomes that go beyond humanitarian priorities and contribute to longer-term development processes. It also sets a forward-looking plan with concrete actions required for effective use of this modality within IOM programming. IOM does not foresee an end to in-kind assistance but rather considers CBI as a complementary modality to in-kind goods and services, capacity-building and technical support as and where appropriate.

While IOM has been using CBIs for decades, there is a need to further institutionalize and systematize the approach. To this purpose and prior to drafting this strategy, IOM organized four global workshops³ since 2016, bringing policy, programme and

resource management units together in order to build a common understanding of what cash-based interventions mean, and also where, why and when to use them, to ensure higher level of efficiency and effectiveness.

This Strategy is also complemented by the: (1) Cash-Based Interventions Standard Operating Procedures template, which aims to equip programme managers to better understand when and how to design, implement and monitor the impact of cash-based programmes and (2) Guidance on how to prepare context-specific SOPs and the required support documentation for CB programming.

I.2 SCOPE

While IOM may use CBIs in other programming areas, this strategy is focused on the humanitarian interventions led by the agency's Department of Operations and Emergency (DOE), including preparedness, response, recovery and stabilization programmes.



Newly arrived refugees in Austria receive pocket money from camp administrators to help pay for basic personal necessities. ©IOM, 1958.

- 1- IOM uses the term cash-based interventions or CBI for all projects where cash is transferred (in one form or another; including vouchers) to beneficiaries (individuals, households or communities) to directly purchase and/or access goods or services. See annex for definitions.
- 2- The State of the World's Cash Report, CaLP, February 2018 www.cashlearning.org/downloads/calp-sowc-report-web.pdf
- 3- Four global workshops on CBI were held on June 2016, May and October 2017, and October 2018 in Geneva.

2. SUMMARY OF GOALS AND OBJECTIVES

Overall Goal

The goal of the IOM strategy for humanitarian cash-based interventions is for country missions to be equipped to consistently consider and use cash and market-based interventions on equal footing with in-kind assistance, whenever appropriate, empowering crisis-affected people to meet their needs.



<u>Strategic Objective 1</u> Capacity, Preparedness and Operations	<u>Strategic Objective 2</u> Partnerships and Coordination	<u>Strategic Objective 3</u> Evidence and Learning
Reinforce IOM's institutional and operational capacity including preparedness to mainstream and expand humanitarian assistance delivery through CBI	Strengthen partnerships and coordination of CBI delivery	Systematically monitor and evaluate CBI programming to ensure accountability and integrate learning

3. CONTEXT

3.1 BACKGROUND

While cash transfers have been used in development settings for many years, cash as a modality of assistance in crisis and fragile settings has garnered more attention in the last two decades with donors,⁴ aid agencies, and other international institutions actively integrating CBIs into humanitarian programming. Although governments remain by far the largest provider of cash assistance to their populations, aid agencies have lately stepped up their contribution to affected populations through this modality. From 2014 to 2016, cash-based interventions expanded two-fold from USD 1.2-1.5 billion to USD 2.8 billion.⁵ This transition has been heralded a positive development in making humanitarian responses more ‘people-centered’, while also promising better efficiency and effectiveness with regards to funding and reach.

3.2 CASH-BASED INTERVENTIONS AS A MODALITY

IOM views CBI as a modality for project delivery where cash assistance (in one form or another) is provided to people in need of support (individuals, households or communities) to directly purchase and access goods or services.⁶ Depending on the context and the project requirement, CBIs could have several forms. They can be conditional or unconditional; restricted or unrestricted and could be delivered through hard cash, electronic cash transfer or vouchers.⁷

When associated with appropriate programming, in the stabilization of communities or to support national social safety nets, CBIs can also be a useful tool to strengthen the Humanitarian Development Nexus (HDN) and support the well-being of crisis-affected people.

CBI should be prioritized in contexts where: a) markets are assessed to be functioning adequately (or in need of increased demand to be revitalized) and are dependent on the needs and costs of goods and services locally available; b) financial infrastructure is available for secure/ accountable/ adequate/ responsible cash delivery; and c) people are financially literate enough to access money safely through the selected assistance transfer modality.⁸

IOM recognizes that needs are fluid and that people themselves, often using local markets, usually act as first responders prior to the arrival of international assistance. CBIs, when feasible and appropriate, will be used to empower the affected population, restore the markets’ activities and decrease the dependence on external assistance. However, CBI, in its different forms is only one type of assistance modality out of many available programmatic ways of delivering humanitarian aid to people-in-need. Therefore it is advisable to use CBI as a complementary modality with other ongoing in-kind assistance and services in order to respond to their needs in a comprehensive manner.

3.3 IOM'S COMMITMENTS TO CBI

IOM is committed to using the best modalities and mechanisms available to ensure effective and dignified assistance to people in need. As signatory to The Grand Bargain commitments (2016)⁹ and recognizing the flexibility, efficiency and effectiveness of using cash-based interventions, IOM commits to institutionalizing and increasing the use of CBI as a modality of assistance across its activities under the Department of Operations and Emergencies.

The use of CBI can reinforce the implementation of IOM's Migration Crisis Operational Framework (MCOF)¹⁰ and help crisis-affected populations to better access their fundamental rights to protection and assistance before, during and after crises.

The MCOF, endorsed by the IOM Council in 2012, anchors IOM's approach to crisis response. It supports Objective 2 of the Migration Governance Framework (MiGOF): to effectively address the mobility dimensions of the crisis. IOM's MCOF promotes comprehensive, inclusive and holistic responses, with 15 sectors of assistance to support affected or at-risk mobile populations and vulnerable groups, regardless of their migration status, across the crisis spectrum. This focus helps to ensure programme continuity and coherence throughout a crisis. Furthermore, the IOM CBI strategy and the increased use of CBIs when appropriate reinforce IOM's commitment to the following policies:

- The human rights of migrants – IOM policy and activities (MC/INF/298 of 12 November 2009)¹¹
- IOM's humanitarian policy – Principles for Humanitarian Action (C/I06/CRP/20 of 12 October 2015)¹²
- Guidance note on how to mainstream protection across IOM crisis response (IN/232 of 20 January 2016)¹³
- IOM framework for addressing internal displacement (IOM 2017)¹⁴
- The progressive resolution of displacement situations (IOM 2016)¹⁵

4- ECHO: http://ec.europa.eu/echo/files/policies/sectoral/ECHO_Cash_Vouchers_Guidelines.pdf / Australian DFAT: <http://dfat.gov.au/about-us/publications/Documents/cash-transfers-dfat-humanitarian-strategy-guidance-note.pdf> USAID (pg. 148 for CBI)/ https://www.usaid.gov/sites/default/files/documents/1866/USAID-OFDA_Proposal_Guidelines_February_2018_0.pdf

5- The State of the World's Cash Report, CALP, www.cashlearning.org/downloads/calp-sowc-report-web.pdf

6- In line with CALP's glossary of cash transfer programme terminology www.cashlearning.org/downloads/calp-updated-glossary.pdf

7- See “terminology” annex.

8- This is not an exhaustive list. More preconditions and enablers could be relevant based on the context.

9- The Grand Bargain, Commitment 3: Increase the use and coordination of cash-based programming. https://reliefweb.int/sites/reliefweb.int/files/resources/Grand_Bargain_final_22_May_FINAL-2.pdf

10- www.iom.int/files/live/sites/iom/files/What-We-Do/docs/MC2355_-_IOM_Migration_Crisis_Operational_Framework.pdf

3.4 EXAMPLES OF CBI IN IOM OPERATIONS

IOM has been using CBIs to support dignified and effective assistance to people in need for decades. From IOM's varied portfolio, programmes ranging from Assisted Voluntary Return Reintegration (AVRR) to Shelter, Stabilization, Basic Needs and many others have tried and tested a variety of CBI modalities to suit project objectives and meet the needs of affected populations. Examples include:

- A landmark initiative called the German Forced Labour Compensation Programme between 2000 and 2007, which provided financial reparations to those who had suffered forced labour or lost property or wealth due to the actions of the Third Reich. This programme reached 96,656 claimants with a total of USD 480 million.
- In South Sudan, IOM supported shelter upgrades in the Wau Protection of Civilians site (PoC) through a combination of cash for work and vouchers, whereby a trader's fair was established in the camp to support people's purchases.¹⁶ Between January and March 2017, 810 conditional cash grants were provided and 180 individuals received skills training in bamboo thatching.
- In response to the 2010, 2011 and 2012 floods in Pakistan, the IOM One Room Shelter (ORS) programme supported over 77,400 flood-affected families to rebuild safer shelters in 24 districts in Sindh, Punjab and Khyber Pakhtunkhwa provinces. The programme was fundamentally a cash transfer programme with a training component. In total over USD 22 million were transferred to beneficiaries in three tranches conditioned to the completion of construction stages.
- Between 2014 and 2017 in Turkey, following the onset of the Syrian crisis, IOM provided restricted cash assistance to support the basic needs of Syrian refugees through e-cards to purchase food, non-food items and winterization materials, reaching over 200,000 persons.

The most vulnerable refugees were supported with monthly top-ups to support their basic needs whereas others were supported with one-off assistance during the winter months.

- In the Central African Republic, Cash for Work (CfW) was a key element of broader early recovery and community stabilization projects that began in 2014. A particular project in Bangui used CfW to revitalize the fragile economy, promote social cohesion, and to provide both immediate relief and longer-term resilience building for displaced persons and host communities.
- In support of the recovery of conflict affected communities in Ukraine, in 2016 IOM rolled out a CfW initiative targeting 400 vulnerable IDPs and host community members in Eastern Ukraine. Activities are focused on improving the municipal environment and infrastructure.

Additional projects were also implemented in other countries. In total, IOM reached around 420,000 persons through CBIs in 16 countries in 2017. IOM will be compiling and sharing, on a yearly basis, information on CBIs implemented at the global-level.

11- www.iom.int/jahia/webdav/shared/shared/mainsite/microsites/IDM/workshops/human-rights-migration-november-2009/MC-INF-298-The-Human-Rights-of-Migrants-IOM-Policy-and-Activities.pdf

12- www.iom.int/sites/default/files/our_work/DOE/humanitarian_emergencies/IOM-Humanitarian-Policy-Principles-on-Humanitarian-Action.pdf

13 www.iom.int/sites/default/files/our_work/DOE/humanitarian_emergencies/mainstream/IN-232-How-to-mainstream-protection-in-IOM-crisis-response.pdf

14- www.iom.int/sites/default/files/press_release/file/I70829_IDP_Framework_LowRes.pdf

15- www.iom.int/sites/default/files/our_work/DOE/humanitarian_emergencies/Progressive-Resolution-of-Displacement-Situations.pdf

16- <https://southsudan.iom.int/sites/default/files/IOM%20-%20CBI%20Wau%20Case%20Study%202017.pdf>



A Syrian refugee uses her e-voucher card, which is pre-loaded with money, to buy household essentials in Turkey. © IOM/ Muse MOHAMMED, 2016.

3.5 GUIDING PRINCIPLES

While scaling up the use of CBI as a modality for the implementation of IOM activities, the following five principles will be observed:

Principle 1: Accountability to affected population and community empowerment

Cash-based interventions need to be people-centered, preserve gender equality and give displaced and disaster or conflict affected people, migrants and host communities the dignity and choice in prioritizing their individual, family and community specific needs. In times of crisis and displacement, independence and self-sufficiency are disrupted, disempowering individuals and making them vulnerable to circumstances beyond their control. They also become more dependent on humanitarian aid. In-kind assistance, while meeting urgent needs, can further exacerbate this dependency. While cash is not a panacea, nor an immediate remedy to solving all problems associated with crisis and humanitarian aid, it can facilitate an individual's return to a productive and independent life and empower communities when used in the right context. Whenever possible, CBIs link affected populations to national systems such as safety nets, existing services and markets which are more sustainable than the temporary assistance most agencies can provide.

Principle 2: Efficiency and effectiveness

IOM selects its operational modality, including CBI, based on the context, needs, and potential for maximized results/impacts at a lower cost. Prior to any intervention, proper needs analysis, assessments and consultations with different stakeholders (including community leaders, civil society, local authorities, aid organizations and most importantly community representatives from different ages, gender and groups) are required to ensure that an appropriate assistance modality is selected to deliver a well-tailored programme in a safe and dignified manner. Therefore, CBI should be considered on an equal footing with other assistance modalities and used when it is the most suitable one according to the context and evidence gathered.

Furthermore, IOM will pursue new and innovative transfer mechanisms relevant for respective contexts in order to maximize the portion of the funding that reaches crisis-affected men, women, boys and girls.

Principle 3: Safety and security

Assistance distribution (both through CBI or in-kind) in crisis-affected areas attracts a large number of people and if not planned and managed properly, might carry high risks to the safety and security of staff, crisis-affected people, implementing partners and service providers. This is applicable both during the distribution and afterwards as cash recipients return to their dwellings. Also, some communities might be seen as "favored"

which could possibly lead to communal clashes. Therefore, IOM CBI programming must assess all possible security risks and ensure that adequate measures are put in place to reduce this risk to the minimum.

Principle 4: Do-no-harm

Before launching a cash-based intervention in a new location, IOM will undertake thorough assessments to ensure that the project will not have harmful and unintended negative consequences on:

- a) The beneficiaries and their families: IOM will ensure that service and assistance delivery (provided directly or through implementing partners) are culturally appropriate; gender-sensitive; does not increase gender-based violence, nor trigger or intensify any communal clashes; and preserves the physical integrity and dignity of individuals and communities.
- b) The market: when preparing for a CBI, IOM will carefully assess the market conditions to ensure that CBI interventions do not negatively distort markets at the local or national level, nor lead to inflation, monopoly by vendors and other negative effects, which does not only impact beneficiaries but also on the rest of the community (including those that are not receiving IOM's support).

Principle 5: Fraud prevention and risk mitigation

Risks of fraud, corruption and aid diversion can affect all modalities of assistance (in-kind, vouchers, cash, etc.) and they increase in fragile contexts such as in conflict or disaster caused by natural hazards affected areas. Given the fact that cash is a highly desired commodity in such contexts, IOM will assess fraud risk and establish robust CBI tailored financial and operations related controls that adequately address the risks identified.

Some of these measures include:

- a) proper separation of duties among different IOM units and staff involved in the programme delivery;
- b) choosing the most adequate modality and transfer mechanism;
- c) fair selection of beneficiaries and financial service providers; and
- d) carefully planning assessments and distributions.
- e) robust controls to measure, monitor and report distributions.

4. GOALS, OBJECTIVES AND ACTIONS

Overall Goal

The goal of IOM's humanitarian CBI strategy is for country missions to be equipped to consistently consider and use cash and market based interventions on equal footing with in-kind assistance, whenever appropriate, empowering crisis affected people to meet their needs.

To reach this goal, IOM will work on: a) reinforcing country-level preparedness and institutional capacity, with increased guidance and training as needed; b) strengthening partnerships and coordination with humanitarian partners, development actors, relevant government entities and the private sector; and c) building an evidence base on programme impact and effectiveness.

Achieving this goal will require the commitment of multiple offices, departments and divisions within IOM as a whole, specifically the Department of Operations and Emergencies (DOE) and the Department for Resources Management (DRM), in coordination with the Office of the Director General (ODG), Office of the Inspector General (OIG), Legal Department (LEG), and Regional and Country offices.

The following three (3) Strategic Objectives will contribute to achieving the overall goal set by this strategy. It is expected that these objectives and the activities listed under each of them will be completed or be close to fruition by the end of 2021.

Strategic Objective 1

Capacity, Preparedness and Operations

Reinforced institutional and operational capacity, including preparedness, to mainstream and expand humanitarian assistance delivery through CBI

To institutionalize CBI and improve the organization's capacity to implement CBI activities, IOM will ensure that country missions, regional offices and relevant divisions within Headquarters and at Administrative Centres are well informed and equipped to routinely consider CBI as a modality of assistance.

Main actions to be implemented in order to accomplish this objective:

- **ACTION 1.1:** Establish a Steering Committee to lead and coordinate IOM humanitarian Cash-Based Interventions which will include dedicated CBI staff from Headquarters, supported by focal points at regional and country missions.
- **ACTION 1.2:** Revise the IOM humanitarian CBI SOP template to include detailed guidance on administrative processes and the respective roles and responsibilities of support units and programme staff during each phase of implementation for different modalities of CBI.
- **ACTION 1.3:** Review and regularly update the minimum standard and documentation requirements related to CBI transfers to reflect adequately on emerging operational and donor requirements.
- **ACTION 1.4:** Map out service providers available for CBI at global, regional and country level.
- **ACTION 1.5:** Review the feasibility of long-term agreements with financial service providers to facilitate rapid country level response, and establish agreements where relevant. Where global agreements are not relevant identify priority countries and develop agreements as a preparedness measure.
- **ACTION 1.6:** Map out CBI capacity within IOM field missions, designate focal points, establish a CBI pool of experts as surge capacity, and train regional thematic specialists (RTS) and project managers on CBI.

Strategic Objective 2

Partnerships and Coordination

Strengthened partnerships and coordination for delivering Cash-Based Interventions

CBIs require IOM and partner aid agencies to properly coordinate their interventions in order to ensure a fair and even assistance to the affected population, while at the same time avoiding duplication, maximizing coverage and reducing the indirect support costs. As such, IOM will enhance partnerships with governments, donors, non-governmental organizations, UN agencies and the private sector at the country, regional and global level to improve programme quality, timeliness and scale, while contributing to interagency coordination mechanisms.

Main actions to be implemented in order to accomplish this objective:

- **ACTION 2.1:** Actively engage in country-level interagency CBI Working Groups.
- **ACTION 2.2:** IOM Missions to work with national authorities to build CBI capacity to support national social safety nets and link CBI with transition strategies whenever appropriate, including as part of recovery, stabilization and reparations initiatives.
- **ACTION 2.3:** Work closely with partners to harmonize transfer arrangements and consider joint negotiations for unified ways of transferring cash where possible.
- **Action 2.4:** Incorporate market assessment questions within the DTM, and link IOM biometric registration with other agencies' systems.
- **Action 2.5:** Work closely with partners to ensure CBIs implemented at the country level contribute to strengthening the Humanitarian Development Nexus (HDN).

Strategic Objective 3

Evidence and Learning

CBI programming systematically monitored and evaluated to ensure accountability and integrated learning

Similar to in-kind assistance, CBIs require a high level of monitoring. To mitigate risk and to improve CBI delivery and beneficiary satisfaction in future interventions, IOM will systematically monitor evaluate outcomes in an effort to gather lessons learned and promote advancements in CBI efficiency.

Main actions to be implemented in order to accomplish this objective:

- **ACTION 3.1:** Establish digital share point where case-studies, lessons learned, and other CBI documentation can be shared by missions.
- **ACTION 3.2:** Consolidate lessons learned and good practices from different missions where CBI was implemented and evaluated, and agree on actions to be taken to operationalize Monitoring, Evaluation, Accountability and Learning (MEAL).
- **ACTION 3.3:** Collect and review innovative forms of CBI programming across IOM and evaluate whether these can be scaled up or piloted in other contexts.
- **ACTION 3.4:** Collect different CBI tools, templates and indicators used by missions and work on harmonizing them when possible, taking into consideration the different contexts and requirements.

5. CROSS-CUTTING ISSUES

5.1 MONITORING, EVALUATION, ACCOUNTABILITY AND LEARNING (MEAL) IN CBI

Results-based monitoring and evaluation help demonstrate accountability; detect aid diversion; and determine efficiency, effectiveness, impact and learning outcomes related to strategy objectives and key performance indicators. It is required to understand needs for evidence-based programming but also determining how beneficiaries spend their entitlements, the direct impact on beneficiary households, the indirect impact on the traders and market development, etc.

CBI strategy key performance indicators will be routinely tracked through innovative and contextualized results-based monitoring (RBM) approaches to measure progress towards strategic objectives. These approaches include social accountability in line with IASC principles, core humanitarian standards (CHS) and IOM's Global AAP framework, which will be fully integrated to ensure institutionalization of accountability to affected populations in CBI.

Active learning following the testing of new innovations and evidence-based decision-making will be done throughout strategy implementation through community of practice platforms, webinars, and periodic strategy performance review meetings. Evaluations guided by IOM's evaluation policy will play a crucial role in determining results and impact of CBI.

5.2 GENDER, AGE AND DISABILITY CONSIDERATIONS

In general CBIs as well as other assistance modalities need to contribute to enhancing the well-being of all recipient household members, including women, girls, men and boys. If well designed and delivered, CBIs have proven to be a good tool for empowering women and girls to participate in household decision-making, and in some cases reduce domestic violence. However, it should be noted that cash assistance is not always sufficient to empower female recipients. In some cases it might also have adverse effects, necessitating a full analysis prior to implementation in addition to active monitoring throughout the program.

Furthermore, the selection of transfer mechanisms is key to ensure that assistance takes place within safe and easy to reach locations that are known by the affected individuals and are accessible by all groups including: medical cases, disabled individuals, traditionally discriminated groups, etc. Therefore in order to really contribute to gender-equitable outcomes and ensure adequate access to all members of the community, IOM missions implementing CBIs will need to carefully design and monitor the activities throughout the project cycle.



EU FLASH Cash for Work activities in Shibus District, Mogadishu. © IOM, 2017.

5.3 INTERAGENCY CASH COORDINATION

IOM will continue to attend, participate, and contribute to operational Cash Working Groups at country and field levels, as well as interagency discussions on response analysis, review and priorities setting, through inter-cluster/sector working groups, HCTs and other fora where overall response planning takes place. IOM will also continue to actively participate in fora where joint technical issues, assessment/ feasibility/ evaluation/ impact studies and guidance development are made. Key assessments and data analysis tools such as DTM and IOM sector assessments will feed into interagency cash coordination where required.

In terms of operational partnerships, IOM will continue to work with local and international actors to implement programmes that use CBI, and will seek to ensure close coordination with other agencies on programming areas such as registration, market monitoring, agreeing on assistance packages, usage of similar (or joint) transfer mechanisms, needs analysis and post distribution monitoring and impact studies.

IOM will continue to be engaged on the global interagency discussions on cash. At Global level, IOM will continue to proactively collaborate, monitor and engage in cash discussions, as well as seek to frequently assess and review how cash transfers and market based responses can be best utilized in different sectors and contexts. IOM will also leverage its sector expertise in the areas of CCCM, Shelter, WASH, Protection, Stabilization as well as its tools such as DTM to support, build capacity of cash actors and ensure the coordination and outcomes for sector-based cash or MPG's are conducted, met and measured, to the extent possible.

5.4 PARTNERSHIP WITH THE PRIVATE SECTOR

The private sector has always been involved in humanitarian response in several ways, including provision of commodities, facilities, services, logistic support, facilitation of payments, etc.

In particular for CBIs the private sector plays an important role in: a) transferring the cash to the recipients (such as banks, microfinance institutions, money transfer companies, mobile network operations and local remittance agents); b) providing the goods and services to be purchased or redeemed by program beneficiaries (markets, shops, merchants, skilled labour, etc.); and c) other support functions such as call centres, printing shops, transportation, communication and other services.

IOM will further leverage its cooperation with the private sector especially when this partnership leads to improving the quality and reduce the cost of services provided through CBIs. To do so IOM will:

- a) regularly assess the availability and map out all potential private sector partners and related services at global, regional and local level;
- b) engage in discussions and negotiations with relevant service providers;
- c) provide trainings and information sessions to private sector partners in order to give them a better understanding of different humanitarian action aspects, characteristics and related requirements.



Cash-for-work vouchers distributed upon successful installation of shelter upgrades in Wau, South Sudan. © Rikka Tupaz, 2018.

6. CONCLUSION

The IOM strategy for humanitarian cash-based interventions, provides guidance in the form of principles and objectives, and lays out actions to be undertaken in the coming three years through multiple layers including at Headquarters, Regional Offices, and at country-level in order to systemize and improve the way that IOM does cash assistance. It also underlines how IOM will institutionalize the use of cash as a modality so that missions and programme managers can make an informed choice when designing and implementing activities. As ever this should be in consultation with the target individuals and communities, as well as key stakeholders in country such as local/ national government, private sector and other humanitarian and development agencies and actors. Choosing the type, amounts, duration and delivery mechanism of CBIs depends on the context, needs, objectives and outcomes of the project, national regulations as well as donor priorities and capacities in country.

The objectives and activities laid out in the document will be led by the Department of Operations and Emergencies, in close coordination and partnership with the Department of Resources Management. Dedicated focal points will be assigned within DOE and DRM to move these actions forward, working in close coordination with all relevant Departments and regional and country missions.



One Room Shelter programme in Pakistan; IOM provided technical training and cash to each beneficiary family. © Usman Ghani, 2013.

ANNEX: TERMINOLOGY

Cash-based interventions

IOM uses the term cash-based interventions or CBI for all projects where cash assistance (in one form or another) is provided to beneficiaries (individuals, households or communities) to directly purchase and access goods or services. Depending on the context, the delivery mechanisms used to distribute the cash will vary and can include cash in envelopes (hard cash), bank transfers, mobile transfers, pre-paid cards, cheques, unrestricted monetary paper or e-vouchers or e-cards. It includes programmes directly implemented by IOM and implemented by partners.

Conditional and unconditional transfers

CBI transfer modalities can be conditional or unconditional.¹⁷

- Conditional cash-based interventions refers to cash assistance provided after and strictly and only if/ once the beneficiary has undertaken a specific activity/action, (eg. attending a training programme or school, building a shelter or undertaking some form of work). Cash for work, cash for training or cash for assets is one of the main examples of conditional CBI which IOM and other agencies undertake.
- Unconditional CBI refers to cash provided to recipients without requiring them to specifically undertake an activity beforehand. It could be provided based solely on the vulnerability of the individual or an agreed upon defined beneficiary selection and targeting criteria for assistance.

Restricted transfers

Cash assistance may or may not be restricted. Restriction is related to the utilization of a cash transfer after and once it has been received by a recipient. It is distinct from conditionality, which pertains only to prerequisite conditions that someone must fulfil before in order to receive the transfer.

- Restricted cash refers to transfers whereby the beneficiary can only purchase particular goods or services pre-defined by IOM and is usually linked to a sectoral outcome (eg. cash for NFIs or cash for rent/shelter depending on how it is implemented whereby the beneficiary may be able to select the type and quality of NFIs or shelter items, rental accommodation but cannot purchase anything further). Restricted cash is usually provided in the form of paper or electronic plastic e-vouchers redeemable at selected vendors or service providers.
- Unrestricted cash (sometimes through the form of multipurpose cash grants MPG or Cash-for-Work/ Cash-for-Training) is when the beneficiary can use and spend the cash received in any way they choose, based on a pre-determined amount (e.g. national labour wage rates or cost of a minimum expenditure basket MEB e.g. to meet basic needs) meaning IOM does not impose a limitation on a beneficiary's expenditures.

Multipurpose cash grants

Multipurpose Cash Grants (MPGs) are a transfer corresponding to the amount of money a household needs to cover, fully or partially, a set of basic and/or recovery needs. They are by definition unrestricted cash transfers, so IOM can have no control of how they are spent. The MPG/MCA can contribute to meeting a Minimum Expenditure Basket (MEB) or other calculation of the amount required to cover basic needs, but can also include other one-off or recovery needs.

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17- As per CALP definition "Conditionality refers to prerequisite activities or obligations that a recipient must fulfil in order to receive assistance. Conditions can in principle be used with any kind of transfer (cash, vouchers, in kind, service delivery) depending on the intervention design and objectives. Some interventions might require recipients to achieve agreed outputs as a condition of receiving subsequent tranches. Note that conditionality is distinct from restriction (how assistance is used) and targeting (criteria for selecting recipients). Types of condition include attending school, building a shelter, attending nutrition screenings, undertaking work, training, etc. Cash for work/assets/training are all forms of conditional transfer" www.cashlearning.org/downloads/calp-updated-glossary.pdf



IOM E-Voucher cards being used by Syrian refugees in Turkey. © IOM/ Muse MOHAMMED, 2016.

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