

On the money

Vicky Tennant and Franziska Troeger



Can cash grants support the voluntary repatriation and reintegration of refugees?

Recent years have seen a growing interest in the use of cash grants as a tool for humanitarian assistance and as a component of social protection programmes. After major emergencies such as the Indian Ocean tsunami and the Pakistan earthquake, cash-based interventions provided a flexible and cost-effective form of support.

A three-year research project carried out by the Humanitarian Policy Group concluded in early 2007 that “a strong body of evidence is starting to emerge to indicate that providing people with cash or vouchers works”.¹ Cash is often cheaper than in-kind assistance, provides more choice to beneficiaries who are empowered to determine their own needs, and is likely to have a multiplier effect owing to the injection of cash into the local economy.

While highlighting that cash should not be seen as a universal panacea, the study recommended that cash transfers need to be seen as “part of the toolbox of humanitarian response, as both a complement and in certain circumstances, an alternative, to in-kind assistance”. Significantly, many aid agencies and donors have now developed operational guidelines on the use of cash grants.

Cash transfers have formed part of UNHCR’s protection and assistance programmes for many years, primarily in urban refugee settings and in repatriation operations. A recent example of the former can be seen in Syria, where cash grants are distributed to vulnerable Iraqi refugees in Damascus using an ATM system. Cash grants have also been extensively used since the early 1990s in UNHCR operations supporting the voluntary repatriation and reintegration of refugees. More than 900,000 Afghan refugees returned home from Pakistan with cash assistance in 1990-93, as did 370,000 Cambodian refugees returning from Thailand in 1992-93 and 43,000 returning Guatemalan refugees in 1992-97. More recently,

some 4.4 million Afghan refugees have returned to Afghanistan since 2002 from Pakistan and Iran with cash assistance. At the beginning of the operation, returnees also received non-food items (NFIs) but it was found that the costs of procurement, warehousing and distribution were prohibitive and that in any case returnees tended to monetise the items to meet their immediate needs. Accordingly, NFIs were phased out and the level of the cash grant increased. It now consists of a transport component and a fixed amount per person for reintegration purposes.

A recent assessment confirmed that the primary impact of the cash grant in Afghanistan has been in providing families with disposable income to enable immediate reintegration costs to be met, with food, transport and shelter coming top of the list. However, in general it does not address longer-term reintegration needs, nor protection issues. Accordingly, UNHCR has also maintained an extensive reintegration programme inside Afghanistan.

Future developments

A workshop to review the use of cash grants in UNHCR voluntary repatriation operations, held in Geneva in 2008, concluded that the use of cash grants was indicative of a considerable shift from a standardised approach to demand-oriented assistance, and was a valuable tool for providing beneficiaries with more control over the use of assistance, and a sense of independence and dignity.² Participants nonetheless emphasised the importance of a comprehensive needs assessment, including a situational analysis, an assessment of household productive capacity and a rapid assessment of local markets. The need to supplement cash grants with other interventions was also emphasised.

Measures to ensure the safety of staff and partners involved in transporting and delivering cash also have to be put in place. However, security risks

are context-specific and cash does not necessarily entail more risks than in-kind assistance. A range of distribution mechanisms can be considered, including remittance companies, money traders, sub-contracted banks and local cooperatives, as well the use of new technologies such as mobile phone transactions.

Cash grants may also have a positive protection impact, and can play a role in the empowerment of women, provided that it is part of a broader approach to promote gender equity.

UNHCR is currently evaluating the impact of its cash grants of 50,000 Burundian francs per person for Burundian returnees from refugee camps in Tanzania introduced in mid-2007. This marked a significant increase in assistance under the programme, which has been ongoing since 2002. The evaluation should therefore enable a comparative assessment in progress towards reintegration made by returnees returning with cash grant assistance, and those without.

Vicky Tennant (tennant@unhcr.org) is a Senior Policy Officer in UNHCR’s Policy Development and Evaluation Service. Franziska Troeger (franziskatroeger@gmail.com) is a former UNHCR intern.

1. ‘Cash-based responses in emergencies’ Paul Harvey, HPG Report 24, January 2007, Humanitarian Policy Group, Overseas Development Institute, London 2007

2. The report is at <http://www.unhcr.org/research/RESEARCH/48ecb2e32.pdf>

Witchcraft, Displacement and Human Rights Network

<http://maheba.wordpress.com/>

Following the high levels of response to Jeff Crisp’s article on ‘Witchcraft and displacement’ in the last issue of FMR (http://www.fmreview.org/FMRpdfs/FMR31/74.pdf), the Policy Development and Evaluation Service in UNHCR has created an informal network where information about new developments, research and news related to witchcraft can be shared. If you are interested in participating please email Maria Riiskjaer at riiskjae@unhcr.org