
Cash-Based Interventions (CBI)

Overview

IOM uses the term **Cash-Based Interventions** (CBI) for all programmes where cash transfers or vouchers are provided to beneficiaries, including individuals, households, or communities, to directly purchase and access goods or services. Main CBI modalities currently include electronic cash transfer, hard cash payments, electronic vouchers, and paper vouchers.

The main CBI delivery mechanisms include electronic cash transfer, hard cash payments, electronic vouchers and paper vouchers. Depending on the context, the delivery mechanism used to distribute the cash or voucher will vary and can include cash in envelopes (hard cash), bank transfers, mobile transfers, pre-paid cards, paper vouchers, e-vouchers, e-cards, debit cards and e-wallets. Please note that this is not an exhaustive list as other options may be available depending on the specific context.

The term **Cash-Based Interventions** is used for both external programmatic discussion and coordination as well as for internal and accounting communication. Equivalent terms used by other organizations include Cash and Voucher Assistance (CVA), Cash-Based Assistance (CBA), and Cash Transfer Programming (CTP).

Well-designed and implemented CBI have demonstrated the ability to strengthen the implementing agencies' accountability to the unique needs of its beneficiaries as vouchers and cash gives beneficiaries the ability to prioritize items and services in accordance with their needs. This means that CBI modalities are seen to deliver assistance in a more dignified manner that can restore feelings of choice and empowerment for beneficiaries. Additionally, CBI can also contribute to the recovery of local markets and financial infrastructure following disruptions caused by disasters or conflicts.

The selection of the most appropriate modality must be based on a solid analysis, understanding, and assessment of the needs and context in an operating environment. It is also important to note that IOM does not foresee an end to in-kind assistance but rather considers CBI as a complementary modality of assistance, as and where appropriate.

Terminology

For terminology on CBI, IOM generally follows the [CALP Network glossary](#) which is the de facto interagency standard. Please be mindful that while the CALP Network refers to Cash and Voucher Assistance (CVA), IOM uses the term Cash-Based Interventions (CBI). The following table gives the definitions of some of the frequently

used terms.

Term	Definition
Cash-Based Interventions (CBI)	CBI refers to all programmes where cash transfers or vouchers are provided to beneficiaries, including individuals, households or communities, to directly purchase and access goods or services.
Modality	Modality refers to the form of assistance – e.g. cash transfer, vouchers, in-kind, service delivery, or a combination.
Delivery mechanism	The means of delivering a cash or voucher transfer (e.g. smart card, mobile money transfer, cash in hand, cheque, bank transfer, e-voucher, prepaid debit cards, Hawala etc.).
Financial Service Provider (FSP)	An entity that provides financial services, which may include e-transfer services. Depending upon the context, financial service providers may include e-voucher companies, financial institutions (such as banks and micro-finance institutions) or mobile network operators.
Multi-Purpose Cash Transfers (MPC)	Cash transfers (either periodic or one-off) corresponding to the amount of money required to cover, fully or partially, a household's basic and/or recovery needs for a set period.
Voucher	A paper, token or e-voucher that can be exchanged for a set quantity or value of goods or services. Vouchers are restricted by default, although the degree of restriction will vary based on the programme design and type of voucher. They are redeemable with preselected vendors or in 'fairs' created by the implementing agency.

Term	Definition
Commodity voucher	Commodity vouchers are exchanged for a fixed quantity and quality of specified goods or services at participating vendors. They may also be exchanged for commodities selected by recipients from a pre-determined list. Commodity vouchers share some similarities with in-kind aid in that they restrict and specify the assistance received.
Value voucher	Value vouchers has a denominated cash value and can be exchanged with participating vendors for goods or services of an equivalent monetary cost. Value vouchers tend to provide relatively greater flexibility and choice than commodity vouchers but are still inherently restricted as they can only be exchanged with designated vendors.
Cash transfer	The provision of assistance in the form of money, either physical currency or e-cash, to recipients.
Minimum Expenditure Basket (MEB)	An MEB requires the identification and quantification of basic needs items and services that can be monetized and are accessible in adequate quality through local markets and services. Items and services included in an MEB are those that households in the given context are likely to prioritize, on a regular or seasonal basis.

Key Considerations

The list below contains key considerations and questions that can help in deciding whether to select a CBI modality:

Consideration	Description
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Functioning markets	Can the market provide the right products? In the right quality and quantity? Can it meet an increase in demand? Note that sometimes the market's capacity might not be evident at first glance –proper market assessment/analysis is key.
Community preferences and protection	Does the affected population prefer cash over in-kind (why)? Are communities used to handling cash and how may personal safety or household dynamics be affected by cash?
Access and security	Can all targeted beneficiaries safely access the relevant marketplace? Remember to look at specific protection needs of vulnerable groups.
Financial literacy	Does the targeted community know how to use the available mechanisms? Are they accustomed to using cash for basic services?
Financial infrastructure	What methods and actors are available to transfer cash to beneficiaries? Which transfer mechanisms are most inclusive, user-friendly and best able to support the local economy?
Operational capacity	Does the mission have the necessary capacity to implement CBIs? Are there any coordinating structures in place?
Government position	Are the authorities fine with distribution of cash to the targeted populations? Do they have any reservations? In general, more advocacy from our side is needed.
Donor position	Does the donor fund CBI? What is their approach to the modality?

Relevance to IOM’s Emergency Operations

Cash-Based Interventions have long been an integral part of IOM operations. The arrival of new technologies, including electronic and mobile money transfer mechanisms; the renewed focus and recent body of evidence emphasizing on the choice of crisis-affected people and on the flexibility, reach and scalability of the transfer mechanisms; and the positive effect on market recovery have led to a renewed focus on cash and vouchers as modalities for delivering humanitarian assistance to people affected by crises.

Among other things, this has led to a unique workstream (Workstream 3 – increase the use and coordination of cash-based programming) of the Grand Bargain, dedicated to increasing and improving the delivery of assistance by CBI as and where appropriate. As a signatory of the Grand Bargain, IOM has committed to contribute to the collective realization of these objectives and commitments under this workstream.

CBIs are used to deliver assistance to meet project objectives and assessed needs, across a variety of sectors in response to crises, and as a means to achieve project outcomes. They can be used as modalities to meet the needs of a single sector (e.g. WASH) or needs across multiple sectors (e.g. food, shelter and water). **CBI should therefore not be considered as a programme or sector of humanitarian assistance in themselves.**

Additionally, it should be noted that interventions are not limited to emergency response activities but can also support long-term solutions including but not limited to national safety net programmes.

CBIs should be used in association with and complemented by adequate sensitization and technical assistance to beneficiaries. This will ensure informed decision-making among beneficiary populations, effective use, and meaningful access to assistance and services. Technical assistance should be based on a two-way communication strategy, aligning project objectives with beneficiaries' needs and feedback.

Coordination

Inter-agency cash coordination remains an active area of discussion. At field level, there remain multiple ad-hoc cash coordination groups, whilst sectors and clusters continue to be the main mode of coordination of current humanitarian architecture. Increasingly, Cash Working Groups are established at country-level to coordinate the design, implementation, and monitoring of cash and market-based responses.

Where CBI can increasingly represent a significant part of any given response, IOM missions are required to pro-actively collaborate, monitor and engage in Cash Working Groups, as they can strongly impact several other sectoral programs. Collaboration can include, but is not limited to, programming areas such as registration, market assessment and monitoring, agreeing on assistance packages, usage of similar (or joint) delivery mechanisms, transfer values, needs assessments and post-distribution monitoring and impact studies.

IOM missions are asked to frequently assess and review how cash and market-based responses can best be utilized in different sectors and contexts. If IOM has a cluster/sector coordination role in the response, the coordination staff must actively engage with the Cash Working Group on behalf of the sector.

If inter-sectoral coordination is lacking, IOM missions are encouraged to take the lead in ensuring that both sectors/clusters and cash actors frequently discuss and coordinate CBIs.

Globally, IOM actively engages in various CBI-related fora – most notably in the Global Cash Advisory Group, the Global Cash Working Group, as well as its role as Global Camp Coordination and Camp Management (CCCM) cluster lead for natural disasters.

Operations

CBI can be used for several purposes and to deliver different programmatic objectives. Potential types (based on the purpose and use) of CBI include, but are not limited to:

Sector	Type of possible CBI	Brief Description
Multi-sector	Multi-Purpose Cash Transfers (MPCs)	Unconditional; unrestricted cash transfers (either periodic or one-off) corresponding to the amount of money required to fully or partially cover a household's basic, and/or recovery needs for a set period. Cash transfers are hereby designed to address multiple needs, with the transfer value calculated accordingly. MPC transfer values are often indexed to expenditure gaps based on a MEB. MPCs can be conditional or unconditional, but unconditional is more common.

Sector	Type of possibleCBI	Brief Description
Cash-for-Work (CFW)		<p>Conditional cash transfers (most common) provided to beneficiaries on the condition of undertaking designated work. Payments are generally received according to time worked (e.g. number of days, daily rate) but may also be quantified in terms of outputs (e.g. number of items produced, cubic meters dug). CFW interventions usually pertain to public or community work but can also include home-based and other forms of work. Individuals benefitting from CFW are beneficiaries and thereby selected based on need and vulnerability. The rate of transfers is set by a labor market assessment as</p>

Rates are commonly set

Sector	Type of possibleCBI	Brief Description
Shelter	Construction or rehabilitation assistance	<p>Conditional; unrestricted cash transfers and/or vouchers (either phased or one-off), providing beneficiaries with the ability to directly purchase construction material and/or contract labour for the construction of a shelter. The value of the cash transfer and/or voucher is commonly set by a pre-approved Bill of Quantities (BoQ). The BoQ corresponds to an agreed shelter design and lists the needed works, material, and equipment to complete the job. Value and prices need to correspond to the local market. Beneficiaries should be provided with technical assistance required to construct/rehabilitate their shelter and the progress and quality of the construction/rehabilitation should be monitored.</p>
	Rental assistance or contribution to accommodation costs	<p>Conditional; unrestricted cash transfers and/or (in a few cases) vouchers (either periodic or one-off), providing beneficiaries with the ability to directly rent an apartment. The value of the cash transfer and/or voucher is commonly set by a rental market assessment. The value can be set to subsidize a part or the total cost of rent and utilities. The activity is commonly complemented by advocacy and technical assistance towards safe tenure, to reduce the risk of forced eviction.</p> <p>Renting apartments and paying directly to the owner, and then providing the accommodation to the beneficiaries, is a form of shelter assistance, but not CBI (exceptions might be reviewed on a case-by-case basis).</p>

Sector	Type of possibleCBI	Brief Description
Non-Food Items (NFIs)	Non-Food Items assistance	Conditional or unconditional; unrestricted cash transfers and/or vouchers, providing beneficiaries with the ability to directly access and/or purchase NFIs. Assistance is designed to cover essential household item needs. This can complement almost all shelter and settlement response options, but it can also be a response option on its own, mainly for immediate emergency response. The value of the cash transfer and/or voucher is commonly set in accordance with an agreed list of items (i.e. NFI Kits).
Livelihood	Business start-up assistance	Conditional; unrestricted cash transfers and/or vouchers (either periodic or one-off), providing beneficiaries with the ability to directly purchase materials, tools and equipment for business development or start-up. Often conditional and could include a vocational skills training component. It is recommended to split the total assistance into several payments in order to lower the risk of misuse of funds.
Water, Sanitation and Hygiene	Water assistance	Conditional or unconditional; unrestricted cash transfers and/or vouchers, providing beneficiaries with the ability to directly access and/or purchase water and related items.
	Sanitation and hygiene items assistance	Conditional or unconditional; unrestricted cash transfers and/or vouchers, providing beneficiaries with the ability to directly access and/or purchase sanitation and hygiene items. Assistance is commonly designed to cover essential household sanitation and hygiene needs. The value of the cash transfer and/or voucher is commonly set in accordance with an agreed BoQ (i.e. WASH Kits).

Sector	Type of possibleCBI	Brief Description
Camp Coordination and Camp Management	CFW for camp infrastructure rehabilitation and/or upgrade assistance	Conditional cash transfers (most common) provided to beneficiaries on the condition of undertaking work related to the rehabilitation of communal facilities, such as roads, water points, water canals, land preparation or small-scale construction and upgrades. The aim of the activity is to strengthen community participation and empowerment in camp settings.
	Movement assistance	Conditional or unconditional; unrestricted cash transfers and/or vouchers providing beneficiaries with the ability to access transportation during the process of camp closure, site consolidation or in transit to sites and other situations related to onward movement of population. In addition, it can include cash transfers for transportation for beneficiaries to access workplaces, training venues and education centres while living in camp settings.

Delivery Mechanisms

A delivery mechanism is defined as the means for delivering a cash or voucher assistance, such as prepaid and debit cards, mobile money transfer, cash in hand, check, bank transfer, or e-voucher. The selection of a delivery mechanism will establish the specific links with required internal processes including, among others, the creation of commitments, liquidation of expenses, legal templates, procurement process, due diligence for downstream partners, and risk and fraud mitigation controls and reporting.

The delivery mechanism should be selected in line with the financial infrastructure available in country, people's preferences, resources availability and the chosen implementation method, in order to maximize the impact of the selected delivery mechanism, while ensuring security of IOM's staff and assets. In most cases, financial service providers (FSPs) are contracted to conduct the transfer.

The following criteria may assist in the selection of a delivery mechanism.

Criteria	Description
Program objective	If the delivery mechanism contributes to the most significant outcome anticipated from the intervention.
Cost-effectiveness and efficiency	Agency costs, the monetary costs of the delivery mechanism i.e. transfer fees and other associated costs, and beneficiary convenience.
Risks and controls	List of contextual, programmatic and institutional risks and controls related to the delivery mechanism, especially regarding the level of automation, security of the system during transactions, fraud, corruption, misuse, security of beneficiaries and staff, data protection, security in the reporting and reconciliation process, among others.
Human resources	Staff requirement to roll-out operations, their level of capacity and time to be invested in administrative and financial processes related to the delivery mechanism.
Timeliness	The time it takes to roll-out the response.
Acceptability	If beneficiaries, vendors and field staff are comfortable with the delivery mechanism.
Beneficiary preferences	If the delivery mechanism is preferred by the beneficiaries and if they have the capacity and ability to deal with the required technology.
Resilience	Ability to recover data and to continue the service when the context is difficult or changes suddenly.
Scale	Effectiveness of the different options at operating on a large scale and the possibility to scale up operations.

Criteria	Description
Financial service providers	Geographical coverage of services, experience and capacity to operate and scale up.
Flexibility	If the mechanism can be adapted to different transfer values, frequency and purpose of different interventions.
Registration requirements	Type of identification required for beneficiaries to be registered, receive assistance and make use of the mechanism.
Compliance requirements	Ability of the system to meet both internal and donor compliance requirements for reporting i.e. data protection, procurement principles, due diligence and anti-money laundering, among others.

From an accounting, treasury, risk mitigation, and security perspective, IOM strongly discourages to the extent possible the direct handling and provision of hard cash (notes) within operations, which should be used only as a last resort and following coordination with relevant units at the mission and HQ levels (depending on the amounts handled and the risk rating).

Select what actor should implement the delivery mechanism based on country context, content of planned intervention, and availability of resources and payment mechanisms:

Via Implementing Partners (Sub-contracting)	Via Financial Service Providers (FSPs)	By IOM directly
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<p>To allow local knowledge and resources and/or for large scale activities in complex environments.</p> <p>In Cash-for-Work activities, Implementing Partners might be better suited to comply with relevant domestic legislation and will be required to organize insurance for participating beneficiaries – thereby reducing IOM's exposure to risk.</p> <p>For distribution of cash assistance by an implementing partner, use the Project Implementation Agreement template found on the LEG SharePoint.</p>	<p>Service Providers assist with specific delivery mechanisms, e.g. ATM cards, mobile money, e-vouchers, etc.</p> <p>Use the templates for Service Agreements with Financial Service Providers found on the LEG SharePoint. LEG Contract Review can be contacted for guidance.</p>	<p>When time is of the essence, IOM has staff and administrative capacity to implement itself, and/or no suitable Implementing Partners and/or Service Providers can be identified in time, IOM may opt to implement and transfer the assistance directly.</p> <p>Try to avoid payment of hard cash (bank notes), though if impossible the office should be able to mitigate all risks and obtain relevant approval from FAD, TSY and LEG depending on threshold amounts.</p> <p>LEG Contract Review can be contacted for advice on applicable templates to obtain beneficiaries' consent. Use the Beneficiary Assistance and Consent Forms found on the LEG SharePoint.</p> <p>For Cash-for-Work activities, it is strongly recommended to obtain insurance for the beneficiaries in case of accident. If not possible, alternative measures need to be discussed with LEG.</p>
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Restriction and Conditionality

Restrictions and conditionalities are components of utmost importance for intervention design. Restrictions and conditionalities are controls that stipulate the framework within which the value transferred to the beneficiary can be attained and used. Restrictions and conditionalities can be externally applied to the intervention or relate directly to the context of operations, nature of the modality, purpose of the assistance, as well as the delivery mechanism selected.

Please see the below table for the definition of restriction and conditionality:

Term	Definition	Term	Definition
Conditionality	Conditionality refers to prerequisite activities or obligations that a beneficiary must fulfil in order to receive assistance. Note that conditionality is distinct from restriction (how assistance is used) and from targeting (criteria for selecting recipients).	Unconditional	No prerequisite activities or obligations to be fulfilled for the beneficiary to receive the cash transfer or voucher.
		Conditional	Prerequisite activities or obligations are to be fulfilled for the beneficiary to receive the cash transfer or voucher.
Restriction	Restriction refers to limits on the use of assistance by beneficiaries. Restrictions apply to the range of goods and services that the voucher can be used to purchase, and the places where it can be used.	Unrestricted	No limits on the use of assistance by beneficiaries.
		Restricted	Limits are applied on the use of assistance by beneficiaries.

Lessons Learned / Best Practice

The [IOM CBI Annual Report and Case Studies 2](#) features case studies from more than 30 countries that implemented CBI in 2021 and highlights the increasing use of cash and voucher assistance in IOM missions, reaching close to 1.9 million beneficiaries in 2021. This report showcases the various contexts in which CBI can be used, provides lessons learned and an exchange of experiences between missions, and highlights the capacity

development activities undertaken by the CBI team, including the field-testing version of the IOM CBI Manual. The [IOM Strategy for Humanitarian CBI Global Report on Achievements 2019-2021](#) outlines how the strategy was implemented and highlights IOM's key achievements to institutionalize and systematize CBI within the organization at different levels. See also the [IOM CBI Annual Report and Case Studies \(2020\)](#), [IOM CBI Case Studies \(2019\)](#), [IOM Cash Updates \(2017\)](#), and [IOM Cash-Based Transfer, Update and Case Studies \(November 2017\)](#) for more case studies demonstrating the range and breadth of IOM's CBI programming.

IOM has examples of country level tools and documents that are available on the [CBI Global SharePoint](#). These documents can also be made available upon request. The SharePoint also includes literature reviews, lessons learned, and samples of workplans and CBI staff Terms of Reference.

Further, IOM has developed a template for Standard Operating Procedures (SOPs) for CBI, to be adapted at the country level. The latest draft of the template SOPs is available in the References and Tools Section of this entry.

If you wish to set up CBI projects, please contact IOM's CBI Support team at cbisupport@iom.int for practical experiences in project set-up, specifically in relation to IOM systems.

Links

- [CBI In Brief \(INTERNAL\)](#)
- [IOM Strategy for Cash Based Interventions 2019-2021 \(INTERNAL\)](#)
- [CBI Manual \(INTERNAL\)](#)
- [Procurement Processes for Different CBI Transfer Mechanisms \(INTERNAL\)](#)
- [CBI Agreement Templates \(INTERNAL\)](#)
- [IFRC Cash in Emergencies Toolkit](#)
- [Global Shelter Cluster Position Paper on Cash and Markets](#)
- [ODI: Doing Cash Differently](#)
- [CALP Dgroup](#)
- [Markets in Crisis Dgroup](#)
- [Emergency Market Mapping and Analysis Toolkit](#)
- [Cash Learning Partnership \(CaLP\)](#)
- [The Logistics Cluster: Cash and Markets](#)
- [CBI Proposal Checklist \(INTERNAL\)](#)
- [CBI SOP Template \(INTERNAL\)](#)
- [CBI PDM Question Bank \(INTERNAL\)](#)
- [Risk Management Matrix \(INTERNAL\)](#)

- [USAID/BHA Proposal Guidance for CBI \(INTERNAL\)](#)
- [Thematic Guidance - Children as Beneficiaries of CBI \(Nov 2020\) \(INTERNAL\)](#)
- [Guidance - CBI and COVID-19 \(June 2020\) \(INTERNAL\)](#)

Contacts

For more information, please contact CBI Support: cbisupport@iom.int.

For guidance and approval of legal contracts, contact LEG Contract Review: legcontracts@iom.int.

Key Points

- IOM uses the term Cash-Based Interventions (CBI) for all programmes where cash transfers or vouchers are provided to beneficiaries, including individuals, households, or communities, to directly purchase and access goods or services.
- IOM has many years of experience in CBIs across multiple departments and programmes. Although CBIs are not new, globally, and particularly following the Grand Bargain commitments, there is a growing interest for their increased use - mainly in humanitarian operations.
- Where appropriate and if implemented properly, CBIs constitute an effective and efficient response option that empowers affected individuals and communities and contributes to the recovery of local markets.
- IOM is committed to consistently considering and increasingly using CBIs on equal footing with in-kind assistance as modalities to deliver humanitarian assistance where appropriate.
- CBIs are a means to deliver assistance and not a sector or standalone programme. All CBIs should be clear on the objectives and engage with relevant sectors.
- CBIs depend on the functioning of local markets, on the availability of financial infrastructure for secure, accountable, and responsible delivery, on the preference and financial literacy of target populations, and on the adequate access for them to safely access cash and voucher assistance through the selected modality.

References and Tools

- [Operational Guidance and Toolkit for Multipurpose Cash Grants](#)
- [IOM Grand Bargain Commitments](#)
- [Common Donor Approach for Humanitarian Cash Programming](#)
- [UN Common Cash Statement](#)

Other Entries in this Topic

- [Guidance Documents and Tools for Shelter-NFI](#)
- [Logistics Emergency Catalogue](#)
- [Shelter and NFI](#)
- [Water, Sanitation and Hygiene \(WASH\)](#)

Document date

Document last updated: Nov 2022