

Cash-Based Interventions (CBI)

Overview

IOM uses the term **Cash-Based Interventions** (CBI) for all programmes where cash transfers and/or vouchers are provided to individuals, households or group/community recipients 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 recipients as vouchers and cash gives aid recipients 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 recipients. 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 and/or vouchers are provided to individuals, households or group/community recipients 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 (modalities). This can include both direct transfers to household level, and assistance provided at a more general or community level e.g., health services or WASH infrastructure. |
| Delivery mechanism | Delivery mechanism is a means of delivering or transferring cash or vouchers to recipients (e.g., smart card, mobile money transfer, over the counter, cheque, ATM card, etc.). Some delivery mechanisms may also facilitate receipt, storage and payments (e.g. mobile wallet, bank account, smart card, etc.). |
| Financial Service Provider (FSP) | An entity that provides financial services, which may include digital payment 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 (MNOs). |

| Term | Definition |
|------------------------------------|--|
| 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 that can be monetized and purchased. |
| Voucher | A paper or e-voucher that can be exchanged for a set value, quantity and/or type of goods or services, denominated either as a currency value (e.g., \$15), a predetermined range of commodities (e.g., fruits and vegetables) or specific services (e.g., a medical treatment), or a combination of value and commodities. 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. |
| Commodity voucher | Commodity vouchers can be redeemed at participating vendors for goods or services selected by recipients from a pre-determined list of items or services of specified types and quality. They may provide some choice in terms of vendors and market locations. Commodity vouchers are typically significantly more restricted than value vouchers. |
| Value voucher | Value vouchers has a denominated currency value and can be redeemed 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 | Assistance provided in the form of money, either physical currency or e-cash, to recipients (individuals, households or communities). |
| Minimum Expenditure Basket (MEB) | An MEB is an operational tool. It is used to identify and calculate, in a particular context and for a specific moment in time, the average cost of a socioeconomically vulnerable household's multisectoral basic needs that can be monetized and accessed in adequate quality through the local market. |

Key Points

- IOM uses the term Cash-Based Interventions (CBI) for all programmes where cash transfers and/or vouchers are provided to individuals, households or group/community recipients to directly purchase and access goods or services.
- IOM has many years of experience in CBI across multiple departments and programmes. Although CBI are not new, globally and particularly following the Grand Bargain commitments, there is a growing interest for their increased use.
- Where appropriate, and if implemented properly, CBI constitute an effective and efficient response option that empowers affected individuals and communities and contribute to the recovery of local markets.
- IOM is committed to consistently consider and increasingly use CBI on equal footing with in-kind assistance, as modalities to deliver humanitarian assistance where appropriate.
- CBI are a means to deliver assistance and not a sector or standalone programme. All CBI should be clear on the objectives and engage with relevant sectors.
- CBI are dependent upon the functioning of local markets availability of financial infrastructure for secure, accountable and responsible delivery, 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.

Key Considerations

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

| Consideration | Description |
|--------------------------------------|--|
| 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 recipients 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 recipients? Which delivery 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 CBI? 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 delivery 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 delivery 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.

CBI is 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.

CBI should be used in association with and complemented by adequate sensitization and technical assistance to recipients. 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 recipients' 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 CBI.

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

Following the endorsement by the Inter-Agency Standing Committee (IASC), the CAG was established in June 2022 to support country level cash coordination technically and in terms of capacity, with the overall aim of improving the quality and effectiveness of cash coordination. Since its establishment, the CAG has been developing a transition plan for the model to be implemented in the field, taking into account different contexts and operational realities. In this plan it was agreed that all participating countries will transition by March 2024. Its principal aims are to facilitate the sharing of new Cash Coordination Model information with CWG members; update TORs of CWGs in line with the new model; improve alignment between CWGs in mixed settings and sub-national groups and engage within cash coordination mechanisms. The question of if and how elections /leadership changes should take place, particularly for contexts with high-functioning groups is adequately approached and ongoing capacity building with an emphasis on local actors will be facilitated.

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 Assistance (MPCA) | 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. MPCA transfer values are often indexed to expenditure gaps based on an MEB. MPCA can be conditional or unconditional, but unconditional is more common. |
| | Cash-for-Work (CFW) | Conditional cash transfers provided to recipients 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 pertain to the designated work. Rates are commonly set below the market rate as to not compete with longer-term livelihood opportunities. CFW can contribute to sector-specific objectives but in general is considered multi-purpose due to the unrestricted nature of the transfer and the flexibility that it gives to the recipient to use the assistance. |
| Shelter | Construction or rehabilitation assistance | Conditional; unrestricted cash transfers and/or vouchers (either phased or one-off), providing recipients 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. Recipients should be provided with technical assistance required to construct/rehabilitate their shelter and the progress and quality of the construction/rehabilitation should be monitored. |
| | Rental assistance or contribution to accommodation costs | Conditional; unrestricted cash transfers and/or (in a few cases) vouchers (either periodic or one-off), providing recipients 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. 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). |

| Sector | Type of possible CBI | Brief Description |
|---------------------------------------|--|---|
| Non-Food Items (NFIs) | Non-Food Items assistance | Conditional or unconditional; unrestricted cash transfers and/or vouchers, providing recipients 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 recipients 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 recipients 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 recipients 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). |
| Camp Coordination and Camp Management | CFW for camp infrastructure rehabilitation and/or upgrade assistance | Conditional cash transfers (most common) provided to recipients 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 recipients 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 recipients 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 recipients 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 aid recipients, vendors and field staff are comfortable with the delivery mechanism. |
| Beneficiary preferences | If the delivery mechanism is preferred by the aid recipients 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. |
| 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 recipients 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 |
|---|---|---|
| <p>To allow local knowledge and resources and/or for large scale activities in complex environments. 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. 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. 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> |

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 recipients. 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 recipients. |
| | | Restricted | Limits are applied on the use of assistance by recipients. |

Lessons Learned / Best Practice

The [IOM CBI Annual Report and Case Studies 2023](#) provides details and statistics on IOM's CBI throughout 2023 and features case studies from 41 IOM missions, shedding light on good practices and lessons learned in different contexts. It includes sections focused on disaster risk reduction and climate adaptation, livelihood, return and reintegration and multipurpose cash assistance. There is also a special focus on regional responses, including the regional Afghanistan and Ukraine responses and the regional responses to the Venezuelan refugee and migrant crisis, the Sudan crisis and the Syrian crisis.

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 2022](#), [IOM CBI Annual Report and Case Studies 2021](#) and the [IOM CBI Annual Report and Case Studies 2020](#) 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.

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

Links

- [IOM Cash-Based Interventions Strategy 2022-2026](#)
- [A Camp Manager's Guide to Cash-Based Interventions](#)
- [CALP Network](#)
- [CALP Network Discussion Groups](#)
- [Markets in Crisis Discussion Group](#)
- [IFRC Cash in Emergencies Toolkit](#)
- [ODI: Doing Cash Differently](#)
- [CBI Country-Level SOP Template \(INTERNAL\)](#)
- [Question Bank for CBI Post Distribution Monitoring \(INTERNAL\)](#)
- [Risk Management Matrix \(INTERNAL\)](#)
- [CBI Agreement Templates \(INTERNAL\)](#)
- [Cash-Based Interventions Manual](#)

References and Tools

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

Other Entries in this Topic

- [Guidance Documents and Tools for Shelter-NFI](#)
- [Emergency Relief Items Catalogue](#)

- [Shelter and NFI](#)
- [Water, Sanitation and Hygiene \(WASH\)](#)

Contacts

For more information, please contact the CBI Unit at: cbisupport@iom.int.

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

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