

SOMALIA NEWSLETTER

CASH-BASED INTERVENTIONS

Sustainable reintegration through cash-based interventions

Over US\$ 25.5 million provided to around 65,000 persons of concern by UNHCR in Somalia with multi-purpose cash interventions in 2017



Somali returnee supported by UNHCR with cash assistance to open a retail shop and generate income to support family. © UNHCR, Mahat Dakane, Kismayo, September 2017

With the distribution of over US\$ 25.5 million to 65,000 persons of concern (over 13,000 families) Somalia became **the fourth largest UNHCR operation using cash-based interventions in the world** as of 30 September 2017.

Multi-purpose cash interventions by UNHCR in Somalia **enabled persons of concern to achieve self-reliance and reintegrate locally.**

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Cash-based interventions (CBIs) refer to all interventions in which cash or vouchers for goods or services are provided to refugees and other persons of concern on an individual or community basis.

UNHCR in Somalia has monetized five components of the enhanced return package for returnees through cash assistance largely through cash, including a **subsistence allowance** of US\$ 200 per household per month to cover their basic needs. The **reinstallation grants** of US\$ 200 per person paid upon arrival to re-establish their lives in Somalia, as well as cash grants to purchase **core relief items**, conditional cash grants to cover **education** and a conditional **shelter** grant for the persons who are able to secure land and have title deeds issued in their name.

From 1 January to 30 September 2017 alone, UNHCR provided **cash assistance to around 37,900 (over 8,500 families) returnees, who voluntarily repatriated to Somalia** from Kenya, Yemen, Djibouti and other countries. These are part of the over 65,000 persons of concern supported with cash in 2017.

One of them was Aisha¹ a returnee who started **a retail shop with a cash assistance received under the enhanced return package**.

Aisha, 55 years old, a single mother of five children, was forced to flee Somalia in 1991 due to the outbreak of the civil war and famine. After 25 years as a refugee in Dadaab (Kenya) Aisha and her family decided to return home. The family voluntarily repatriated to Somalia in January 2017.

During their first week in Somalia, Aisha and her family received the reinstallation grant of US\$ 200 per household member and decided to **use the reinstallation grant to establish a retail shop**. For the next six months they received subsistence allowance in the amount of US\$ 200 per month which they used to improve the retail shop.



Aisha invested the cash she received from UNHCR to set-up her own business © UNHCR, Mahat Dakane, Kismayo, September 2017

“With US\$ 200 every month, we were able to buy new items for our shop, including household assets such as this fridge,” explained Aisha.

Cash assistance provided to Aisha’s family was used to address their specific needs through purchases on the local markets, multiplying the impact of cash assistance to benefit the local market directly. This represents a concept called **the multiplier effect of cash**.

Aisha used the cash received to purchase items locally benefiting local wholesalers and also increasing their income. Since the money paid is spend locally, CBIs benefit a multiple of players along the value chain.

Aisha told UNHCR she is very happy back in Somalia and her retail shop enabled her to cater for most of her family’s needs. She is one of the fourteen percent who have used their cash grant to start-up small businesses to generate more income. Others returnees have pursued other livelihood options including agriculture and livestock.

This is an example of how the multi-purpose cash assistance has been used to realize sustainable reintegration for returnees in Somalia.

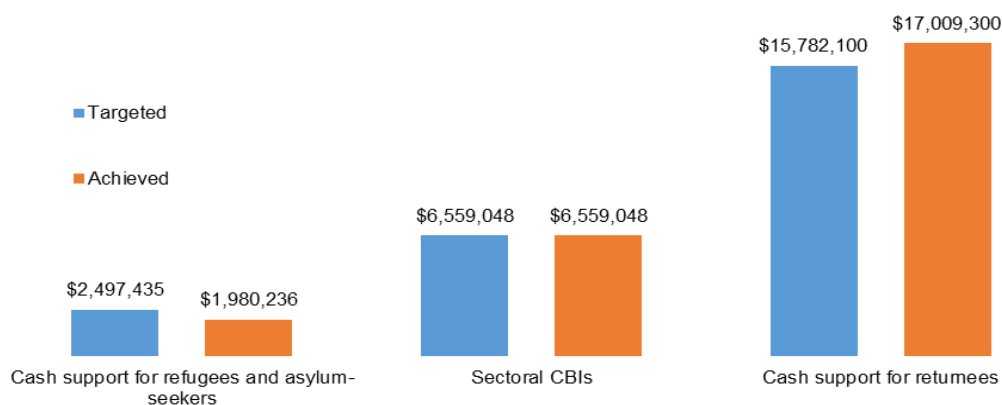
¹ Not her real name.

UNHCR Somalia the biggest CBIs operation in Africa by a large margin

UNHCR's **Policy and Strategy on Cash Based Interventions** were introduced in 2016. They set the use of CBIs as a modality of assistance and service delivery across the organization and its operations worldwide as a corporate priority. **CBIs are intended to provide persons of concern greater dignity of choice in meeting their needs.** Designed and delivered appropriately, CBIs can reduce protection risks, facilitate solutions and improve efficiency and effectiveness in programme delivery. They can also contribute to the local economy and foster positive relations with host communities.

Since 2015, UNHCR Somalia has been consolidating and scaling up the delivery of CBIs to their fullest potential across all regions and sectors. In line with the global recognition of the value and importance of CBIs in humanitarian response, through Standard Chartered Bank (SCB) and Amal Bank, **UNHCR Somalia has distributed more than US\$ 25.5 million as of September 2017.** This represents 42.5 per cent of the **total US\$ 60 million operations budget** received by UNHCR Somalia as at 31 September 2017.

Figure 1: CBIs per sector as of 31 September 2017



Over 75 per cent of UNHCR Somalia's cash assistance is delivered directly through reputable financial service providers at a **cost of just around two per cent of the transfer value in commission** thereby maximizing the amount of aid directly benefiting refugee returnees and other persons of concern.

The operation has trained around 75 staff (50 per cent) in CBIs through both online and face-to-face trainings. **The future of CBIs in Somalia looks promising** judging from the plans of 2018. CBIs will continue to be used for Somali refugees returning from Kenya, Yemen, Djibouti,

Eritrea and other countries as well refugees and asylum-seekers. **Multi-purpose cash for IDPs** is an option for future consideration and an area of potential expansion in 2018 for UNHCR.

For the Somali operation, scaling up the CBIs has proven that persons of concern can get cash assistance in a dignified way, boost local markets and enabled people to use cash assistance based on their priority needs. This facilitates empowerment, independence and sustainable reintegration.

Payment process of a cash assistance for Somali refugee returnees

The payment process takes less than **five days** for reinstallation grants and around **fourteen days** for subsistence allowance

Somali refugee returnees who repatriate under the voluntarily to receive **one-time reinstallation grants and monthly subsistence allowances**, as part of the enhanced return package.

As soon as a returning family reaches the border way station, the family is **verified** based on a manifest shared by a country of asylum and a voluntary repatriation form (VRF) in their possession. Upon arrival to a home way station returnees are verified again and informed that their cash assistance is available at a nearest pay point. There are a total of **105 pay points** across the country available for use.



UNHCR staff verifying and approving cash assistance to returnees. © UNHCR / Mogadishu, September 2017

The service provider receives the money from UNHCR to distribute to returnees. Pay points also receive an **approved list** of persons of concern together with the instruction to release the grant. A list is verified and approved by various UNHCR departments based on the final manifest of returnees from the country of asylum. Beneficiaries present their VRF which has to match with details on a payment list.

At the pay point **fingerprints** of the person of concern are taken and the cash grant is paid.



Returnees collecting their grant at one of pay points. © UNHCR / Kismayo, March 2017

Pay points share with UNHCR a **payment report** indicating who was paid or not. Field and protection units follow-up with 'no-show' cases to establish why they have not claimed their entitlement.



Fingerprint taken from a returnee as a prove of received grant. © UNHCR / Baidoa, March 2017

To date less than one percent have failed to appear within the payment period although in most cases they eventually appear and arrangements are made for them to receive their entitlement.

CBIs monitoring exercise: preliminary findings

Cash assistance mainly used for food, business and shelter

UNHCR in Somalia uses cash to **protect and assist returnees, refugees and asylum-seekers as to meet a wide range of their needs.**

UNHCR has commenced a systematic **post-distribution monitoring** (PDM) exercise for CBIs starting in Baidoa. The team interviewed a total of 295 heads of households (61 per cent female, 39 per cent male) out of the 1,062 returnees who have come to Baidoa in 2017 and supported with CBIs (representing 28 per cent of assisted population).

According to the data most returnees indicate that they decided to return due to the announced closure of the camps in Kenya (45 per cent) followed by those who viewed the situation home to be better than in the country of asylum (35 per cent). Seven per cent cited cash assistance as the reason for returning to Somalia.

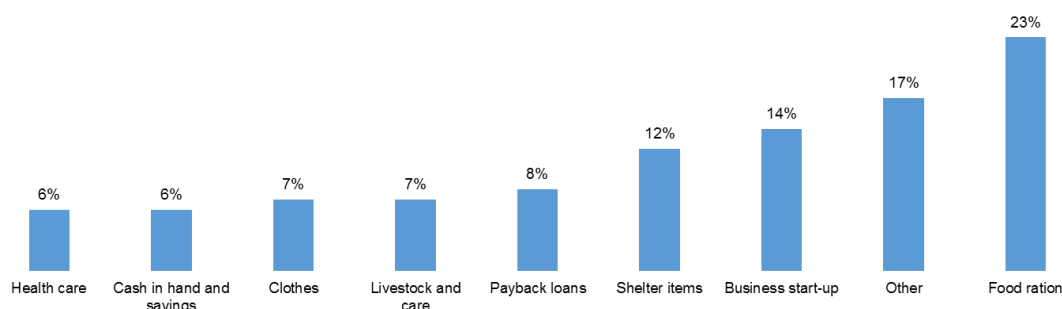
When asked the question who decides on how to utilize the cash, **46 per cent of interviewed indicated that it is the female head of the**

household while 41 per cent said it was male member of the household and 12 per cent was jointly between the male and female.

PDM also analysed **the cash utilization at the household level**. The allocation of cash across different priority need shows the multi-purpose nature of cash assistance.

According to the data around 23 per cent of the money was used on food, 14 per cent on business start-ups, 12 per cent to purchase shelter items, eight per cent to pay back loans, seven per cent to buy clothes, while health and livestock purchases are six per cent each. Fewer financial resources (below four per cent) were spent on fuel/energy, transport, education (a separate conditional education grant is provided by UNHCR), rental payment, savings, cash not yet used or allocated, social events and sharing with others.

Figure 2: Cash utilization by returnees assisted UNHCR in Baidoa



*Other 17 per cent includes education (four per cent), transport (four per cent), rentals (three per cent), energy - fuel and charcoal (three per cent), social events and sharing (two per cent) and other (one per cent)

UNHCR in Somalia uses cash to **protect and assist returnees, refugees and asylum-seekers as to meet a wide range of their basic needs.** In Somalia cash if implemented well has proven to be one of the best choice of modality to respond to the needs of people in locations where markets are functional,

movement of persons of concern is not restricted and where they are able to spend their money freely according to their needs. The survey showed that cash is indeed a means to provide for basic needs and to promote self-reliance and durable solutions.

Cash assistance revitalizes local economy



A local businessman noticed cash-based interventions boosted his business. © UNHCR, Lower Juba region, September 2017

Cali (*not his real name*) is a local businessman in Lower Juba region who owns a retail shop and indirectly benefited from UNHCR cash-based interventions.

“The local traders managed to quickly supply most needed commodities into the market” he said. The cash assistance improved the purchasing power of beneficiaries, hence such cash injections are shown to have a multiplier effect, benefiting traders, transporters, shopkeepers and service providers in the local communities in the area.

“Cash-based intervention have actually revitalized our local businesses” said Cali.

Cali further noted that cash assistance improved the buying and selling in the market and many people now have access to credit.

A returnee family integrates with CBIs assistance



A returnee family bought a plot of land and built a house with cash assistance. © UNHCR, Yussuf Hussein Ahmed, September 2017

Amina (*not his real name*) 36 years old, mother of five returned to Somalia from Dadaab refugee camp in Kenya. After decades of displacement Amina’s family returned in April 2017 and received reinstallation grant of US\$ 1,000 from Amal Bank upon arrival in Afmadow and afterwards received subsistence allowance of US\$ 800 over the first four months. After

receiving the cash, the family decided to buy a plot of land and built a house.

Amina’s husband said **“We thank UNHCR for facilitating our return to our home country and giving us good reinstallation grant for our reintegration”**.

They left the country at young age and they were generally worried how they will locally integrate with the community. She is looking forward to make income generating activities programme so that she can engage herself in small business activities since she has a business idea of setting up a small butchery within the village.

“I will use the remaining two month substance allowance to set up a butchery so that I can make a living for my family and sustain my children living standard” concludes Amina.

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