

# THE CASH-FOR-CHANGE INITIATIVE

## Background

After four years of piloting cash and voucher (C&V) transfers at the country-office level, the Cash-for-Change initiative was started early in 2011 to enable WFP to integrate food, cash and voucher transfers into its food-assistance toolbox so that appropriate combinations can be provided to address particular beneficiary needs. The initiative has three phases: i) capturing innovation; ii) building capacity in country offices; and iii) facilitating deployments that can be scaled up.

## Introduction

The estimated cost of Cash-for-Change is US\$10.2 million.<sup>1</sup> The primary goals of the initial two-year work plan were to catalyse the required changes in WFP and to lay the foundations for scalable C&V transfers. The core elements were:

- learning from pilot operations and leveraging best practices to develop corporate systems to support large-scale C&V transfers;
- providing tools and guidance for regional bureaux and country offices for selecting, implementing and evaluating cost-efficient and cost-effective transfer modalities;
- developing an electronic delivery system that includes a beneficiary management module for each modality;
- enhancing capacities in WFP for C&V transfer programming; and
- contributing to international learning networks such as the Cash Learning Partnership, through dialogue with other agencies on market interventions and C&V transfer programming.

## Achievements

The Cash-for-Change team established in 2011 to manage internal capacity development raised 70 percent of the resources needed to implement a two-year programme. The team reviewed pilot operations implemented between 2009 and 2011 to identify best practices as a basis for establishing standardized C&V distribution models, and developed an integrated business process with roles and responsibilities assigned in WFP's various functional areas. These standardized processes and distribution models will enable WFP to deploy C&V transfers more frequently, more rapidly and on a large scale.

In 2012, the initiative focused on leveraging innovation and building capacities in regional bureaux and country offices. New tools for selecting, implementing and reviewing C&V transfers were developed, tested and validated. Guidance on the new business process was issued, and training in C&V transfer programming was offered to 300 operational managers from all WFP functional areas and to Country Directors, Regional Directors and other senior managers. Technical support was provided for country offices by ten experts based at regional bureaux and five based at Headquarters.

To facilitate secure delivery and near-real-time monitoring of C&V transfers, an IT system is being developed to support electronic transfers via mobile telephones and bank accounts.

As a result of the activities undertaken since 2011, approved C&V transfers increased from US\$139 million in 2010 to US\$360 million in 2012, representing 7.3 percent of WFP's overall programme of work and assisting 8 million beneficiaries. Of the C&V food assistance approved in 2012, 50 percent was for emergency responses, particularly in the Sahel and for Syrian refugees, and 45 percent was accounted for in protracted relief and recovery interventions.

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<sup>1</sup> Excluding indirect support costs.

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The research and development component of Cash-for-Change enabled WFP to position itself as a leader in cash transfer programming, in that the rapidly changing nature of market-based interventions in humanitarian and development contexts requires organizational flexibility and constant advocacy.

### **Expected way forward**

In 2013, Cash-for-Change will continue to integrate C&V transfers into WFP's programme work and to improve decision-making in the field. Significant expansion of C&V transfers is anticipated between 2013 and 2015 as the new systems are rolled out and capacities in WFP are enhanced. To ensure optimum use of C&V transfers, WFP will implement programmes in which the cost efficiency and cost effectiveness of food, cash and voucher modalities have been analysed. Systematic evaluations of the transfer modality selection process will be carried out.