



World Food Programme Cash-based transfers for delivering food assistance

The World Food Programme (WFP) delivers millions of tons of food each year to hungry people, but, increasingly, this assistance comes through cash-based transfers (CBT) that allows them to buy food in the market and be in charge of key decisions that affect their lives.

For WFP, cash-based transfers are an effective way of reaching the Zero Hunger development goal by 2030, through reducing the cost of providing food assistance while maximising the number of people reached. If deployed in the right context, CBT can improve access to food, contribute to more consistent consumption patterns and diversified diets as well as reduce negative coping strategies such as selling valuable production assets to buy food. WFP takes the view that it is the people it serves who are in a position to decide what is best for them. Cash-based transfers help by giving the purchasing power to the people.

WFP is a lead humanitarian organization providing cash-based assistance. In 2016, it supported more than 14 million people globally with cash-based transfers for food. These transfers come in various forms from traditional banknotes, bank transfers or value vouchers to more innovative electronic platforms such as smart cards or mobile money. Their use is dictated by the situation, from the immediate aftermath of a natural disaster to a protracted refugee crisis or recurrent assistance needed during the lean season.

WFP works closely with other humanitarian partners, national governments and non-governmental organizations, as well as new partners from the

private sector to implement programmes that are cash-based. They include telecom companies and financial service providers, such as banks, microfinance institutions and money-transfer companies, as well as local food retailers to optimize the food supply chain and ensure that consumers get the best possible price.

Benefits beyond food assistance

Cash transfers are known to have a multiplier effect on the local economy. By enabling people to purchase food locally, they can help strengthen local markets, encourage small-holder farmers to be more productive and build national capacities, even in times of crisis.

These programmes can also be integrated into broader social protection and safety net systems. In particular, in countries where there are no social safety nets or they are weak, rolling out WFP cash-based transfer programmes can help support their creation. WFP recognizes the importance of building and using government systems and infrastructure to support a quick and effective deployment of assistance.

In Ecuador, following the April 2016 earthquake, WFP was able to quickly deploy cash assistance to victims by transferring funds through an existing national social protection scheme. Funds were transferred to the government and redistributed as a monthly cash allowance to the affected people. A similar operation was put in place in Fiji in response to the February 2016 cyclone.



A comprehensive approach to increase efficiency and better meet needs

Cash-based transfers are part of an integral solution to enable WFP to respond faster to the needs of the people it serves. Using the latest technology available, they bring flexibility and agility to traditional assistance, allowing WFP to swiftly move from cash to in-kind assistance and vice versa. The decision to choose one modality over another, or both together, relies very much on the local context and a survey of the given situation. For instance, cash-based transfers are effective where food is available in the markets but beyond people's financial reach, whereas physical food deliveries help respond better in emergency situations where basic market infrastructure is no longer functioning.

For that purpose, WFP conducts in-depth analyses to determine the most effective way, given the specificity of the situation, to achieve its programme objectives. That includes surveys of local market conditions, financial service providers, nutrition

WFP is currently using cash-based transfers to provide food assistance in 95 operations across 60 countries, a rise from 84 operations across 54 countries in 2015 and just 26 projects in 19 countries in 2010.

In 2016, a total of over 14 million people received cash-based transfers compared to 9.6 million in 2015 and only 3 million people in 2010.

In 2016, cash-based transfers amounted to a total of US\$ 880 million, up from US\$680 million in 2015. The Regional Emergency Response for Syrian Refugees remained WFP's largest cash-based transfer programme.

requirements, among others. The situation is closely and continuously monitored locally to be in a position to switch modalities if required.

The right response in different situations

WFP's largest intervention using cash-based transfers is its Syria regional emergency operation for refugees, in which the bulk of assistance is provided through cash and value vouchers in the five neighbouring countries hosting Syrian refugees. In this instance, the cash-based transfers give people the possibility to purchase the food they prefer, thus giving them a sense of normality in tough times. Refugees are provided with an individual e-card which they can use in selected retail stores, or withdraw cash at an ATM.

In Turkey, WFP is implementing in partnership with the Turkish government and the Turkish Red Crescent, a Euro 348 million programme for Syrian refugees funded by the European Union. Refugees living in host communities are provided with a top-up bank card to help them cover multiple needs, including food, health and housing.

In the countries around Lake Chad basin, WFP is assisting internally displaced people (IDPs) and refugees fleeing conflict, using a range of cash-based transfers from traditional banknotes in Niger to mobile money in northeast Nigeria. With the cash assistance, people are able to buy food at the local market as they were doing before being displaced.

In Somalia, WFP is providing cash-based assistance using SCOPE, a technology developed in-house to register targeted beneficiaries, monitor assistance and transfer cash using a closed-loop payment system available within the SCOPE network. People are given a SCOPE card which enables them to purchase food from registered retailers. This system was put in place due to the poor financial infrastructure and the absence of reliable financial services providers.

For more information
www.wfp.org/cash-based-transfers

