

SAVING
LIVES
CHANGING
LIVES

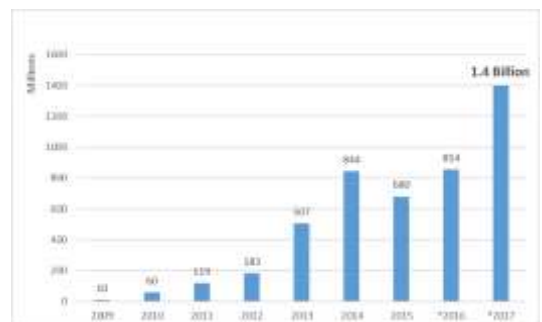


Cash transfers for fast and effective assistance

For WFP, cash transfers are an effective way of accelerating progress towards the Sustainable Development Goal of Zero Hunger by 2030. They help reduce the cost of providing assistance while maximising the number of people reached. Cash transfers enable the people in need to decide what is best for themselves, thus empowering them to make the key decisions in their life. If deployed in the right context, they can improve access to basic goods, contribute to a more diversified diet, improve nutrition as well as reduce negative coping strategies such as selling production assets or taking children out of school to cover essential needs.

WFP's cash transfers have grown substantially over the past decade to reach US\$**1.4 billion** in 2017, representing over 30 percent of the organisation's portfolio. WFP directly reached **19.2 million** beneficiaries, half of them located in sub-Saharan Africa. Being the single largest organisation providing humanitarian cash

transfers, WFP accounts for about 40 percent of global transfers.



These transfers come in various forms from traditional banknotes, bank transfers or value vouchers to more innovative digital platforms such as smart cards, mobile money, and blockchain technology. Their use is dictated by the context, from the immediate aftermath of a natural disaster to a protracted refugees crisis, or recurrent assistance needed during the lean season.

Cash transfers bridge the gap between humanitarian and development needs and allows WFP to work directly with existing or nascent government support systems to respond to crises and alleviate hunger.

When using cash transfers, WFP is able to provide assistance through national social protection mechanisms, thus helping to build such systems.

WORKING WITH GOVERNMENT SAFETY NET SYSTEMS

WFP has set as one of its priorities to work with national governments to strengthen their own social protection systems. WFP is implementing the single largest humanitarian cash programme to date, known as the Emergency Social Safety Net (ESSN) programme in Turkey, in cooperation with the Turkish government and the Turkish Red Crescent. This programme, funded by the European Union and started in December 2016 to support 1.3 million Syrian refugees living in host communities, amounts to a total of one billion euros over two years.



In Latin America, WFP contributed to the building up of the Ecuador safety net system when it transferred cash assistance through an existing mechanism in response to the 2016 earthquake. Other countries in the region are now looking at this example to strengthen their own safety net systems. Building on it, WFP was able to quickly respond to the 2017 emergency caused by hurricane Maria in the Caribbean island of Dominica by transferring cash assistance through an existing social protection scheme.

BOOSTING LOCAL ECONOMIES

Cash transfers are known to have a multiplier effect on the local economy. By enabling people to purchase essential goods locally, they can help strengthen local markets, encourage small-holder farmers to be more productive and build national capacities. Studies conducted in Lebanon, Rwanda and Uganda have shown that US\$1 given to a refugee translates into almost US\$2 into the local economy, as businesses respond to the increase in demand.

THE MOST ADEQUATE RESPONSE TO FIT THE CONTEXT

Cash 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 one modality to another depending on the local context. For instance, cash 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 humanitarian objectives. That includes assessments of local market conditions, financial service providers, nutrition requirements, among others. The situation is closely and continuously monitored locally to be in a position to switch modalities if required.

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

Photo page 1: WFP/Adedeji Ademigbuji
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