



Cash-Based Transfers

EMPOWERING PEOPLE, MARKETS AND COUNTRIES

WHY CASH?

In some contexts where WFP works, food and services are available locally but people lack the financial resources to purchase them. A cash-based transfer is money given to vulnerable people who can use it to buy what they most need in their local markets. In 2019, WFP transferred a record -high US\$2.1 billion of purchasing power to almost 28 million people in 64 countries - up from US\$10 million in 10 countries in 2009.

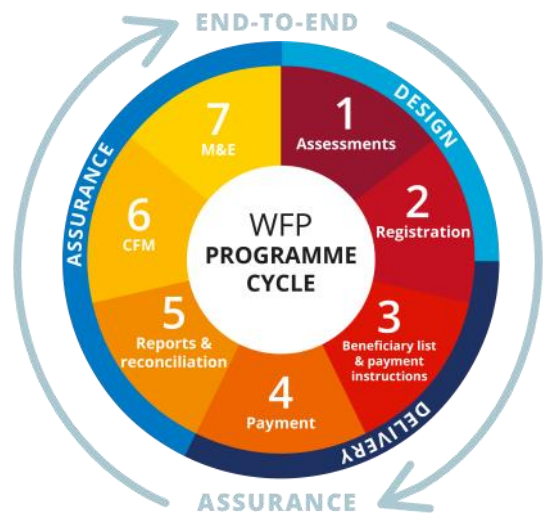
Over the last decade, we have seen that cash can contribute to unique outcomes for people, markets and governments. Here are the top three reasons why WFP delivers cash:

1. Empowering People

Cash puts people at the centre of assistance and allows beneficiaries to drive it in unprecedented ways. It empowers people with choice to address their essential needs according to their priorities and increases their chances of becoming full participants of a rapidly modernizing and connected world with stronger markets, social protection systems, technology and financial sector. Our findings show that when vulnerable households are provided with purchasing power, they make choices that improve their wellbeing, and are less likely to sacrifice food security to meet other needs, for instance rent, medical bills, or transport.

2. Boosting Markets

By enabling people to spend cash on local goods and services, cash transfers stimulate local economies. Vouchers also have benefits - they can be used to act on specific market segments and give implementers an idea of what goods beneficiaries buy and at what prices, helping improving services. Studies in Lebanon, Rwanda and Uganda showed that US\$1 given in cash to a refugee or vulnerable person translated into US\$2 in the local economy.



END-TO-END CORPORATE ASSURANCE STANDARDS AND SOLUTIONS TO ENSURE THE RIGHT PEOPLE RECEIVED THE RIGHT CASH VALUE AT THE RIGHT TIME

3. Supporting Governments

WFP's CBT expertise makes it an ideal partner to governments, as well as commercial and development actors to strengthen country systems, end poverty and contribute to social and economic growth. What's powerful about cash is that it allows us to do this through both our direct delivery in emergencies and conscious work in shock responsive social protection; as well as technical assistance in countries where governments provide or intend to provide cash-based assistance through national programmes and systems. WFP's programme cycle matches the typical steps of a national social protection programme. While many organizations deliver well on specific elements of the value chain, WFP has expertise across all elements (design, delivery and assurance) linking a complete value chain end-to-end.

COVID-19

Cash transfer programs are at the frontline of governments' responses to COVID-19. WFP is currently supporting a number of Governments in their cash-based responses to mitigate the socio-economic impacts of the crisis (Government-to-Person payments or G2P, as part of broader social protection actions).

PRIORITY AREAS FOR 2021



Continuing to promote an essential needs approach: more holistic understanding of what people consider their essential needs – food, nutrition, health, shelter, etc. rather than 'only' the quantity of kilocalories cash can buy locally. A household that receives cash in a dollar value calculated for food items alone may use it to cover other essentials and then fall short in food security.



Simplifying our processes, particularly for emergency contexts, to make sure our Country Offices are equipped with the right tools and guidance to rapidly design and implement effective CBT programmes.



Supporting Governments as they strengthen and scale up their own cash programmes, either through direct delivery, complementing national programmes or by providing technical assistance.



End-to-end assurance through digital and automated processes and solutions, and leveraging data analytics and insights to manage risks across the programme cycle, detect anomalies, and rapidly adapt



Digital Financial Inclusion: we have a joint project with the Bill and Melinda Gates foundation which explores how CBT programmes can encourage the inclusion of people in the digital financial world, and women's economic empowerment.



Increasing and improving our **interagency work** to deliver integrated cash responses.

SNAPSHOT OF 2020 DATA—AS OF NOVEMBER 16

- WFP has delivered US\$ 1.7 billion in cash transfers. This represents 6 percent less than the same period in 2019 (\$US 1.79 Bn) but 20 percent more if we exclude the Syria Crisis Regional Response.
- The top 5 operations by volume were: Yemen (US\$218 million, Lebanon (US\$213 million), Jordan (US\$150 million), Turkey (US\$134 million) and Bangladesh (US\$88 million).
- The Syria + 5 crisis account for 33 percent of WFP's overall cash assistance (US\$ 559 million).
- WFP is supporting 33 Governments in their cash-based responses to mitigate the socio-economic impacts of the COVID-19 crisis.
- Projections for 2020 estimate that WFP will deliver US\$1.9 billion in CBT, representing 36 percent of the total transfer value.