

# Fill the Nutrient Gap and Cash-Based Transfers



Increasing cash-based transfers' contribution to achieving nutrition objectives

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# **Cash and Nutrition:** Enabling people to choose healthy, nutritious diets



Cash transfers help people access basic goods and services. They have an empowering effect on consumers, enabling them to have choices, and they have a positive effect on the local economy. Additional possible benefits include improved financial inclusion, economic empowerment, and access to health care. Emerging evidence shows that cash can also have empowering effects on women's decision making and that cash support, when managed by women, is linked to improved child nutrition<sup>\*</sup>. Within WFP, cash-based transfers (CBT) refer to currency or value entitlement transfers, including cash (unrestricted) and value vouchers (restricted). Cash can be transferred physically or digitally, as bank notes, e-money, mobile money, debit cards or value vouchers redeemable at local merchants. Multipurpose cash transfers are a specific type of unrestricted cash transfer designed to address multiple needs. Their value corresponds to the amount of money required to fully or partially cover a household's essential needs. Commodity vouchers, which are not part of WFP's CBT definition, refer to a restricted voucher that is exchanged for fixed quantities of specified foods. More information on cash transfers can be found at www.wfp.org/cash-transfers.

To ensure optimal use of resources and the success of a CBT programme, its designers need to understand the environment in which it is to be implemented. The successful use of cash or commodity vouchers to meet nutrition objectives and achieve basic food security outcomes depends on many factors. These include functioning markets which consistently make affordable nutritious foods available; functioning supply chains; predictable prices and appropriate consumer behaviour. Other crucial design parameters are the size of the transfer, the targeting and prioritisation strategy (i.e., whether for households or individuals), and any complementary activities connected with the programme. All of these factors influence whether CBT is an appropriate modality for meeting nutrient needs and whether it is the most cost-effective way of doing so.

#### WHAT IS THE FILL THE NUTRIENT GAP ANALYSIS?

The Fill the Nutrient Gap (FNG) analysis aims to improve understanding of drivers of malnutrition in local contexts by identifying bottlenecks, opportunities, and enabling factors that are linked to food insecurity and malnutrition across the food system. To do so, it examines diets, availability, cost, and affordability of nutritious foods. The analysis identifies characteristics of households least able to access nutritious diets across food environments and seasons, the drivers of diet costs, the nutritious foods that are most challenging to access, and who is affected. It is carried out for the general population within a region or country, as well as for nutritionally vulnerable groups such as young children, pregnant and lactating women (PLW), adolescent girls and older people.

Analytical tools such as this enable policymakers and programme managers to evaluate and compare the potential contribution of different assistance modalities to food and nutrition security. This includes comparing the appropriateness of different modalities in the same setting (i.e., comparing cash, in-kind or hybrid approaches), and different values (i.e., comparing the impact of different amounts of cash or food in-kind). The WFP's FNG analysis is highly complementary with other analytical tools such as the Essential Needs Assessment, Minimum Expenditure Basket and Market Functionality Index.<sup>1</sup>



#### HOW CAN THE FILL THE NUTRIENT GAP INFORM CASH-BASED TRANSFER PROGRAMMES?

The FNG unpacks what drives the cost of a nutritious diet in a specific context and identifies entry points where the cost to the household can be reduced. FNG assessments have supported Country Offices (as shown in the list below) in understanding the following:

- a. *Market functionality*: whether food availability at the market is adequate to meet the nutrient needs of different household members (Somalia, Democratic Republic of Congo, Kenyan refugee camps).
- Needs estimation: the amount of money needed by households to meet their nutrient needs through the market, including the needs of specific household members (Rwanda, Burundi, Indonesia).
- c. *Modality decision*: how different assistance modalities compare to each other regarding access and choice of nutrient-dense foods, and which is most appropriate for the context (Ethiopia).

d. *Gap analysis*: the means that households have; the services or targeted interventions that are already available and can contribute to meeting food and nutrition needs; whether the ration/entitlement must cover 100 percent of needs or complement other activities; what gap remains and; what role specialized nutritious foods (SNF) can play in complementing general food assistance (Somalia, Uganda, Bangladesh).

This document outlines how the FNG assesses the food environment, identifies the main barriers to a nutritious diet, compares the potential impact of different modalities to improve access to a nutritious diet, and informs transfer value setting. It describes the role of targeting specific areas of a population with adequate transfer amounts and supporting nutritionally vulnerable target groups with complementary interventions, using cash and specialized nutritious foods as vehicles to improve demand for healthy foods.

## ASSESSING THE IMPACT OF IMPROVED AVAILABILITY AND MARKET FUNCTIONALITY

## WITHOUT AVAILABILITY OF THE RIGHT FOODS, CASH CANNOT BUY A NUTRITIOUS DIET

When carrying out the Somali FNG in the Quardho and Johwar regions of Somalia, it was not possible to calculate a diet that would meet nutrient needs of modelled individuals as foods high in iron, such as animal source foods or green leafy vegetables, were not available at the market. However, FNG models estimated that if spinach were available from other regions at the average Somali price, it would be possible to calculate a nutritious diet for all household members at a cost of USD 6.0 and USD 5.2 in Quardho and Johwar respectively. This is more than twice the food items cost reflected in the Somali minimum cost expenditure basket (CMB) in those regions, which are set at the equivalent of USD 2.9 and USD 2.1 per day.

This shows that the food environment in those areas did not provide the foods required for an adequately nutritious diet. Supply side actions that improve availability of fresh and fortified foods would be required in order for CBT to be able to provide a nutritious diet.

In the Democratic Republic of the Congo (DRC), primary data collection conducted as part of the FNG analysis has shown that diversity of available foods is different even within one region, and that there are further disparities between the urban and rural environments. While on average 70 different commodities were found in the markets nationally, rural Tanganyika had just above 20 and the urban part of the same region had around 40 foods, still below national average. This low availability of nutritious foods impacts on being able to purchase a nutritious diet: in both rural Kabalo and rural Kalemie, subdistricts in Tanganyika Province, it was not possible to calculate a nutritious diet that could meet the nutrient needs of the household members. In Kenya, to identify how to get the best value for money from CBT in refugee camps in Kakuma and Kalobeyei, the FNG analysis estimated the impact of different supply chain optimization interventions on the cost of a nutritious diet. Initiatives focused on reducing supply chain inefficiencies and increasing the availability of nutritious foods by linking fresh produce traders with local farmers and fisherfolk. Actions include reducing the mark-up of prices by cutting out middlemen, facilitating contractual agreements with wholesalers for reliable prices on preferred commodities, and ensuring that savings from improved business-to-business linkages are passed on to the end consumer. The analysis found that interventions that achieved price reductions ranging from 5-20 percent for dried fish and green leafy vegetables would result in a 2-9 percent reduction in the cost of the nutritious diet for the household.

# RECOMMENDATIONS AND ADJUSTMENTS FOR CBT PROGRAMMING

- When designing cash-based transfer programmes, assess availability of, and physical access to, nutritious foods. Where required, support retailers and producers to ensure the supply of nutritious foods.
- Ensure that any market assessment includes and monitors availability and affordability of nutritious foods, especially in countries with high price volatility.



**Figure 1**: Visualization of food availability and impact on availability of a nutritious diet in Johwar and Quardho, Somalia. Cost are per USD/household/ day (FNG 2020)

# ESTIMATING THE NUTRITION NEEDS OF THE POPULATION

#### THE CASH AMOUNT NEEDS TO BE HIGH ENOUGH TO BUY A NUTRITIOUS DIET CONSIDERING VARIATION OF COST BETWEEN REGIONS AND OVER TIME

For programming in the refugee camps in Rwanda, the FNG analysis identified where change would be required in order to improve nutrient intake. It estimated the cost of a diet meeting only kcal needs (energy only diet) and a diet meeting nutrient needs (nutritious diet). These costs were compared to the current transfer amount that refugee households received, in many cases the household's only source of income. The analysis showed that existing transfer levels would need to be doubled to purchase a nutritious diet, assuming all of the transfer would be dedicated to buying food (Figure 2).

In Burundi, following a similar Fill the Nutrient Gap analysis for non-refugee households, the cash transfer amount for food-insecure households in the north was doubled - from USD 0.53 per household per day to USD 1.06 – with the objective of covering immediate food and nutritional gaps. The average daily cost of a nutritious diet per household was estimated to be near USD 1.70 meaning that, in combination with other sources of income, this increase would significantly reduce the gap between available money and the cost of a nutritious diet.

The amount that is needed to buy a nutritious food basket varies between regions within a country and over time. In Indonesia, the FNG analysis found that different transfer amounts would be needed per region to achieve the same level of nutrient intake. A nutritious package costing an average of IDR 220,000 across the country, was found to range from IDR 150,000 (East Java) to IDR 270,000 (Papua) per household per month. In addition to regional variation, it is important the transfer amount reflects changes in prices over seasons, particularly since those of nutritious foods often fluctuate more than those of staples.

# RECOMMENDATIONS AND ADJUSTMENTS FOR CBT PROGRAMMING

- Reflect nutrition in the programme design, including through the transfer value (using Cost of the Diet and Fill the Nutrient Gap Analysis) and any complementary programming necessary to make the amount provided effective in achieving nutrition outcomes (see also joint RAM and NUT guidance note on aligning Cost of the Diet and Minimum Expenditure Basket assessments to inform Essential Needs programming at wfp.org/fillthenutrientgap).
- To ensure that food and nutrition security objectives are met, consider the transfer amount to include other essential (non-food) needs. Broadening essential needs can make CBT programmes more nutrition-sensitive and reinforce and support nutrition objectives.
- Consider whether a secondary nutrition objective could be included in CBT programming such as the nutrition-sensitive indicators of the Corporate Results Framework (CRF): improved minimum acceptable diet for children aged 6-23 months, minimum dietary diversity for women, improved food consumption score or improved uptake of nutrient-dense foods (also see seven opportunities highlighted in Nutrition-Sensitive Programme Guidelines, available at <u>https://docs.wfp.org/api/ documents/WFP-0000022216/download</u>).



Figure 2: Energy only and nutritious diet costs in five refugee camps in Rwanda, and level of cash transfer (assuming all of the transfer would be spent on food) (FNG 2018)

### **INFORMING THE MODALITY DECISION**

## INCLUDING NUTRITION OBJECTIVES IN TRANSFER MODALITY DECISION MAKING FOR SPECIFIC CONTEXTS

In Ethiopia, the FNG analysis compared the amount by which different modalities could reduce the cost of a nutritious diet to the household. Two options were modelled that represented the same cash value to the household: a) receiving food assistance in-kind (15 kg of sorghum - grains vary across regions), and b) spending the same value of the in-kind foods (using their market price) on any foods available it the market. The second option, assuming cash was used to purchase nutritious foods, could buy more nutritional value for money and lowered the additional amount that households would require to fully meet their nutritional needs. This highlights that in the right environment, cash assistance can provide consumers with the flexibility to make nutritious choices beyond what they would receive if the same value were provided in-kind as basic non-perishable foods (Figure 3).

For this flexibility to translate into making the optimal nutritious choice, enough demand and supply of fresh, nutritious foods needs to exist. Likewise, a voucher, restricted to purchase fresh foods, can work as a way to direct consumers to fresh, nutritious foods while stimulating supply by creating steady demand for those products. In Ethiopia, the FNG identified different combinations of fresh foods that could all be bought with the same value and estimated the reduction of cost of a nutritious diet to the households for these combinations (Figure 4). The results clearly show that different combinations have different nutritional value.

Therefore, additional measures, such as social and behaviour change communication (SBCC) (e.g. nutrition

messaging) or commodity specific vouchers (e.g. for eggs, milk and kale, rather than 'fresh foods'), may be required to direct consumers to those choices that provide the best nutritional value for money.

**Figure 3**: Comparing contributions of different modality options to the cost of the nutritious diet for households after receiving the intervention in Ethiopia (FNG 2020) [PSNP: Productive Safety Net Programme; FFV: Fresh Food Voucher]



Assumption: Households spend cash value of in-kind ration on nutritious foods, nutritious foods are allocated within the household based on individual needs

#### RECOMMENDATIONS AND ADJUSTMENTS FOR CBT PROGRAMMING

- Integrate an adequate SBCC component considering: the food and nutrition practices of the population, consumer food choices, intra-house distribution, and other cultural and social beliefs.
- Consider use of a commodity-specific voucher to ensure uptake of foods of high nutrient density, whether specific fresh items or fortified foods.
- Consider the timing, frequency, predictability and duration of the transfer to enable regular purchases of fresh foods or enable investment in own production of nutritious foods, rather than encouraging bulk purchases of dry goods.



Figure 4: Comparing the cost reduction from different basket compositions, reflecting individual choices at the market. Costs reflect remaining amount to be spent on food after consumption of basket (FNG 2020) [FFV: Fresh Food Voucher]

#### REDUCING INDIVIDUAL GAPS THROUGH TARGETED PROGRAMMING

#### CONNECTING CBT WITH TARGETED INTERVENTIONS MAKES AVAILABLE CASH GO FURTHER IN A LOW-RESOURCE FOOD ENVIRONMENT

Individuals have their own nutritional vulnerabilities, influenced by gender, age and status (such as pregnancy or illness). Targeted interventions based on age and genderspecific micronutrient needs can reduce overall cost for specific target groups. In Somalia, the average daily cost of a nutritious diet for an adolescent girl was found to be USD 2.5, 41 percent of the total cost in a household of five people. However, if household food resources are shared only according to energy needs (which is common), the actual needs of the adolescent girl are unlikely to be met. Meeting part of her nutrient needs through individual targeted interventions reduces the overall budget the household requires, making household interventions go further. For example, FNG estimates that supplementation with multiple micronutrient tablets three times per week would halve the daily cost of the diet for the adolescent girl to USD 1.2 per day.

In Pakistan the FNG analysis helped the government evaluate different mixed modality options to complement cash transfers with nutrition-specific interventions. The nutrition-sensitive conditional cash transfer component that is being added to the social protection package targets pregnant and breastfeeding women during the first 6 months after delivery, and children aged up to 24 months. It is delivered through the basic health unit and includes: quarterly visits for ante-natal care; immunizations; growth monitoring and nutrition education; specialized nutritious foods (SNF) for women during pregnancy and lactation and for children aged 6-23 months; and a small cash transfer to encourage the uptake of the services. To encourage birth spacing, only one child per household can be enrolled at a time. In the next three years the programme will reach 350,000 young children, pregnant women, and breastfeeding mothers.<sup>2</sup>

The SNF is being provided through the basic health unit but if it were available on the market, beneficiaries could be provided with a commodity-specific voucher to get SNF from a shop.

Given the varying needs within the household, addressing individual requirements through multisectoral interventions shows strong potential to improve affordability of nutritious diets. Targeted interventions can ensure specific individual intake of nutrients that come from expensive foods, bringing down the overall transfer value needed in general food assistance to meet a household's food and nutrition needs. In Myanmar, the daily household cost without any ongoing intervention was estimated at MMK 4,449 (USD 3.27). After addressing individual needs with a combined package of targeted interventions (such as a household package consisting of interventions for adolescent girls, pregnant or breastfeeding women and young children), the total amount needed for the household would decrease by almost 33 percent to MMK 3,071 (USD 2.21). Targeted interventions such as these are usually provided by a variety of sectors, such as health (supplements) or education (school meals). A cash transfer that targets households with pregnant or lactating women and children under 2 (Maternal and Child Cash Transfer – MCCT) can provide resources to be dedicated specifically to nutritious foods for the most vulnerable.

As figure 5 shows, coordinating interventions from different sectors allows cash to go further, addressing food and nutrition insecurity by building on the foundation of reductions through other interventions.

#### RECOMMENDATIONS AND ADJUSTMENTS FOR CBT PROGRAMMING

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- Include nutrition-sensitive targeting criteria for beneficiaries to cater for individuals with specific high nutrient needs, e.g. children under 2 years of age, adolescent girls or pregnant and breastfeeding women.
  - Include provision of nutritionspecific services, either directly through the platform used to distribute CBT or by linking the beneficiaries to another platform (such as the basic health unit in the case of Pakistan).
  - Ensure that specific and adequate nutrition outcome indicators, potentially reflecting an agency's main corporate results (Common Results Framework (CRF) in WFP's case), are included in the log frame and monitored.

**Figure 5**: Multisectoral household packages, showing the reduction through targeted and household interventions<sup>3</sup> (household package), as well as the gap after a mother and child cash transfer programme (MCCT) (FNG 2019)



Fill the Nutrient Gap and Cash-Based Transfers



## HOW CAN SOCIAL AND BEHAVIOUR CHANGE STRATEGIES IMPROVE THE USE OF CASH AT THE HOUSEHOLD LEVEL?

Social and behaviour change (SBC) is an important instrument in ensuring that cash is maximized for reaching nutrition programme objectives. SBC strategies can be deployed across a wide range of audiences and activities, helping to make nutritious food available and desirable, leading to its purchase and consumption.

Specifically, this can include work with retailers to build capacity and incentivise stocking of nutritious foods, while among different audiences it can include nutrition education and counselling to improve knowledge of a nutritious diet, community mobilization, and mass media communication. It can also include diverse promotional activities such as cooking demonstrations, recipe cards, nutrition classes or coupons. SBC can support the objectives of cash programming, including nutrition objectives such as promoting the purchase and consumption of nutritious foods. To succeed, SBC should range across consumers, retailers and food producers and include clear identification of nutritious products, raising awareness of the importance of a nutritious diet among consumers, training in nutrition and business essentials for retail owners and shop assistants, and stimulating producers to provide healthy, nutritious products to meet increased demand.

SBC is an essential accompaniment to all types of CBT programmes, influencing how cash is spent and improving the use of closed-commodity vouchers, such as those for fresh foods. Ensuring a good understanding of the benefits of this hybrid modality – unrestricted cash transfer combined with a fresh food voucher for fruit, vegetables or animal source foods –can improve uptake of the programme which will, in turn, improve diets.

While behaviour plays a major role in shaping choice, it is important to consider affordability as an essential prerequisite for consumption of nutritious foods and a potential barrier to accessing nutrient-dense foods. To estimate affordability, the prices of nutritious foods ought to be monitored regularly to adjust programmes as necessary.

#### Endnotes

<sup>1</sup> For the technical note on how MEB and FNG complement each other, please refer to: https://www.wfp.org/ publications/fill-nutrient-gap-and-minimum-expenditure-basket

<sup>2</sup> For more information on how FNG has been and can be used to inform social protection programmes, please refer to "Maximizing Social Protection's Contribution to Human Capital Development" at https://docs.wfp.org/ api/documents/WFP-0000113930/download/

<sup>3</sup> Package 1 consists of: Fortified Rice and Home Garden for the household, school meals with fortified rice for the school aged children (6-7 years and adolescent girl), Super Cereal for the breastfeeding mother and her child. Package 2 consists of: Vitamin B1 supplementation for the household, school meals, school milk and multiple micronutrient tablets (MMT) for the adolescent girl, school meals and school milk for the school-aged child and multiple micronutrient supplements for both the breastfeeding mother (MMT) and her child (MNP).

#### **Further Reading**

www.wfp.org/fillthenutrientgap - Summary Reports and Topic Briefs (Social Protection and a concept note detailing overlap between MEB/FNG).

Ambler, Kate; De Brauw, Alan. (2017) The Impacts of Cash Transfers on Women's Empowerment: Learning from Pakistan's BISP Program. Social Protection and Labor Discussion Paper; No. 1702. https://openknowledge.worldbank.org/handle/10986/26272

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Gender and Cash - WFP Study https://www.wfp.org/publications/gender-and-cash-wfp-study

Interim Guidance on Transfer Value Setting: https://newgo.wfp.org/documents/transfer-value-interim -guidance

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Unlocking WFP's Potential. Guidance for Nutrition-Sensitive Programming: https://docs.wfp.org/api/documents/WFP-0000022216/download/

#### Contributors

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