Strategic Opportunity

The world is faced with an unprecedented humanitarian challenge, ‘business as usual’ for WFP is not an option. The combination of conflict, climate change, and the COVID-19 pandemic have devastated people’s lives, livelihoods, and national economies. UNHCR tells us that a record 82.4 million people have been forced to flee their homes due to conflict in 2020. Eighty-six percent of people displaced abroad are living in developing countries. An additional 7 million people were internally displaced at the end of 2020 due to extreme weather events. In 2022, the UN estimates that 274 million people will need humanitarian assistance. Our work needs to be more efficient and impactful than ever. Prioritizing women and supporting their economic empowerment will get us that impact.

Unleashing women’s economic power is our best bet to achieve gender equality and lift millions out of poverty and food insecurity. The International Monetary Fund estimates that women’s economic parity with men would increase global GDP with up to 27%. This has been projected to amount to as much as USD 12 trillion annually by 2025. Evidence shows that when women are economically empowered, everyone benefits, not just because economies grow, but also because women tend to invest their earnings in their families and local communities. For example, in 2016, women migrant workers, who make up for 50% of the migrant population globally, were responsible for half of the USD 601 billion in remittances that were sent to families in developing countries despite earning less than migrant men. Moreover, greater inclusion of women in the labour market keeps girls in school, delays girls’ sexual debut, reduces child marriage, improves girls’ nutritional status, and enhances economic resilience of the household which results in immediate and longer-term poverty reduction and improved food security. Women’s potential is enormous. The needs are staggering. Putting more money into more women’s hands is imperative.

Gender equality is a fundamental human right, yet women continue to be among those furthest left behind. Millions of women and girls across the world face daily violence and discrimination and are restricted from accessing the instruments to improve their lives because of systemic discrimination. Women make up the majority of adults living on less than USD 1.90 per day and the gender poverty gap is growing. In 2021, there were 118 women in poverty for every 100 men in the same circumstances globally. By 2030 this ratio is expected to rise to 121 poor women for every 100 poor men. The gap is greatest in countries affected by crises, where poverty among women is further exacerbated by violence. One in five displaced women in complex humanitarian settings are estimated to have experienced sexual violence. The IMF estimates that an increase in violence against women by 1 percentage point is associated with a 9 percent lower level of economic activity.

The intrinsic interlinkages between poverty, food insecurity and malnutrition mean that the world will not achieve zero hunger without equality between men and women.

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1. UNHCR, Global Trends Report 2020
2. Ibid
3. IDMC, Global Internal Displacement Database
4. UNOCHA, Global Humanitarian Overview 2022
5. IMF, Women’s Empowerment and the IMF
8. UNOCHA, Global Humanitarian Overview 2022
9. UN Women, From Insight to Action, Gender Equality in the Wake of COVID-19
10. According to data from the World Economic Forum’s Global Gender Gap Index 2021 Rankings
11. IMF, Rasmate Ouedraogo and David Stenzel, The Heavy Economic Toll of Gender-based Violence: Evidence from Sub-Saharan Africa
Women face enormous obstacles to realizing their economic potential. The World Economic Forum estimates that it will take 268 years to close the economic gap between men and women. Less than half of women participate in the labour force compared to 75% of men, and women are more than twice as likely as men to be engaged in informal and vulnerable employment. Globally, women earn 77% of what men earn and the difference is even higher in developing countries where women are overrepresented in the informal sector. Legal barriers to women's economic opportunities likewise persist with over 2.7 billion women legally restricted from having the same choice of jobs as men in 2018. Women also have poorer access than men to financial services and make up the majority of the more than 1.7 billion people who lack access to bank accounts, loans, insurance and saving schemes. These barriers are aggravated by the large proportion of women who do not have personal identification documents. Half of women in low-income countries do not have an ID (compared to 28% of men), leaving them with limited access to social services, unable to get a SIM card or bank account in their name, and unable to exercise their right to vote.

**THE POLICY PROBLEM**

For years, WFP has prioritised women as recipients of in-kind food assistance in line with its policy to promote gender equality. Continuing to prioritize women, now as recipients of money transfers, is a game-changer. The opportunities this provides to decrease poverty, enhance economic resilience, promote equality between men and women, and increase food security and nutrition are significant. WFP needs a CBT policy that clearly commits us to designing programmes that deliberately and consistently support women's economic empowerment while ensuring that vulnerable men are not left behind.

**WFP'S VISION**

The Bill and Melinda Gates Foundation estimates that delivering humanitarian cash transfers directly to women could lift 100 million women out of poverty. With the volume of evidence about the impact of women's economic equality on hunger and malnutrition, the question is not: "Should we prioritize women?" but rather, "Why wouldn't we prioritize women?" when all evidence shows this is the best way to help everyone.

Therefore, WFP will:

- Prioritise women as primary recipients of money transfers that benefit the household and establish cash transfer systems that reflect women's needs, preferences, and experiences. While specific design for women is needed to ensure women's access to services, WFP will ensure that vulnerable men and their households are not excluded if the household does not receive a transfer through a woman.
- Connect women with good formal financial services and products. Women need their own accounts to receive money from a variety of sources in addition to WFP, such as government social assistance and remittances, to deposit and save their own earnings, and to build a credit history so that they can qualify for loans and insurance.
- Promote the issuance of government-issued IDs to women. Connecting women to formal financial services also includes ensuring they have a government-issued ID. With an ID women can open bank accounts, access other public services, such as health care and schools for their children, vote or get a SIM card.
- Provide women with the knowledge and skills to take full advantage of economic opportunities and instruments at their disposal. Women need to enhance their financial management skills to use financial products to their benefit. And they need to know how to use digital tools if they opt for digital financial products.
- Inform women of their rights and entitlements and set up feedback and complaints mechanisms where they can safely and easily get help or complain when things go wrong.

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12 World Economic Forum, *It will take another 136 years to close the global gender gap*
14 UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development*
15 World Bank, *Women, Business and the Law 2018*
16 World Bank Group, ID4D, *Global ID Coverage, Barriers and Use by the Numbers: Insight from the ID4D-Findex Survey*
17 Bill and Melinda Gates Foundation, *With the economic recovery failing women, now is the time to act on gender equality*