

Sending money to people affected by crises is empowering. People can buy food and other things that they urgently need, and this supports local businesses. When we direct the money to women, we help unleash their economic potential so entire economies grow. When poverty goes down so does hunger.



## CHANGING LIVES



# Cash-Based Transfers Empower People while Building Resilience

## THE CHALLENGE

At no point in modern history have humanitarian needs ever been greater. WFP estimates that a record 349 million people across 79 countries are facing acute food insecurity - up from 282 million at the start of the year. Climate change, conflict, and the COVID-19 pandemic have increased hunger and desperation. Approximately 100 million more people are living in poverty because of the pandemic <sup>1</sup> - the first reversal of progress in combatting extreme poverty in 20 years.

The human costs of crises are enormous, and what people need most is flexible and timely assistance that allows them to pay for their food, shelter, medical bills, and other urgent needs.

WFP sends money to people in 72 countries, including those that have been hardest hit during this global food crisis, like Somalia, Yemen, Afghanistan, South Sudan, and Sudan, where markets are functioning, but people can't afford to buy food. **During the Covid-19 pandemic, 17 percent of the world's population received a cash transfer from their government.** <sup>2</sup>

<sup>1</sup> World Bank, [Updated Estimates of COVID-19 on Global Poverty](#), 2021

<sup>2</sup> World Bank, [Cash Transfers in Pandemic Times](#), 2022

Sending money to vulnerable people continues to be critical to protect them against the effects of high food prices and job losses, and to keep local shops open.<sup>3</sup> In 2022, WFP increased its cash operations by 30 percent between January and September compared to the same period in 2021, and this is continuing to grow.<sup>4</sup>

Conflict, climate, and the COVID-19 pandemic have also exacerbated gender inequalities, with 150 million more women than men going hungry in 2021.<sup>5</sup> Without empowering women, it will be impossible to end world hunger and close the gender food gap. Gender equality is a fundamental human right, yet women don't have the same opportunities as men to participate in education, health, and finance. Digital technologies have expanded, bringing new possibilities for economic growth, and connecting people with jobs and other opportunities. These advances are still not equally accessible. Women are 16 percent less likely than men to be connected to mobile internet,<sup>6</sup> and over 740 million women are excluded from the formal financial system.<sup>7</sup> Only 28 percent of women have IDs in low-income countries, compared with almost 50 percent of men.<sup>8</sup> Without an ID, women can't open an account, receive a government safety net transfer, or even vote.

## WHAT CAN WE DO?

**EACH DOLLAR INVESTED IN ANTICIPATORY ACTION SAVES AN ESTIMATED US\$34 IN COSTS COMPARED TO IF WE SENT PEOPLE MONEY AFTER A CRISIS**

**MILGO YASSIN MUHMED**  
received cash before the seasonal drought in Ethiopia



### Sending people money reduces the human cost of crises

When we can send money to people **before** a disaster hits, people are able to prepare to protect themselves and their assets. They suffer less during the disaster and bounce back quicker, reducing both the human toll and the overall cost of the emergency. Money helps people during an emergency and builds their resilience **at the same time**.

### Money gives people choice and flexibility

When a disaster strikes, conflict flares, or a shock hits, money is often the first thing people need to buy food, pay for transportation and temporary accommodation to get out of harm's way, or cover urgent medical costs. Not everyone needs the same thing at the same time, and mostly people are on the move, so the flexibility to buy what they need at different times is critical. People spend most of the money we send them on food.<sup>9</sup> They also use it to pay medical bills, rent, or school fees. Sending money means that people don't need to make impossible trade-offs like deciding to eat less so that there is enough money to keep all their children in school.

**IN 2021 WFP SENT US\$2.3 BILLION IN 69 COUNTRIES**

*"Between food assistance and cash, I prefer cash"*

Source: The Cashboard

**KISIMBA**  
Democratic Republic of Congo



<sup>3</sup> [Joint Statement FAO, IMF, World Bank Group, WFP and WTO on Global Food Security Crisis](#), 2022

<sup>4</sup> WFP CashBoard, 2022

<sup>5</sup> CARE, [Food Security and Gender Equality: A Synergist Understudied Symphony](#), 2022

<sup>6</sup> GSMA, [The Mobile Gender Gap Report](#), 2022

<sup>7</sup> World Bank, [Global Findex Database](#), 2021

<sup>8</sup> World Bank Group, [ID For Development, Global ID Coverage, Barriers and Use by Numbers](#), 2017 Surveys

<sup>9</sup> WFP, Cash Key Findings, 2019 (internal)

## Money is empowering

When we send money for the family to women, they have more power in the household. WFP helps women to get their own accounts or mobile money wallet, so they can save money and access other financial services like credit or loans. This means they have a way to manage cash flow for their small business. When WFP programmes end, it means they are also able to receive money from other sources like a government safety net or remittances from family members abroad. Putting more money in women's own accounts helps them to become economic actors, and when women begin to gain economic equality with men, economies grow, poverty goes down and so does hunger. **Advancing women's equality could add US\$12 trillion to global growth by 2025.**<sup>10</sup>

## Sending money is highly efficient

Sending money is the most cost-effective way to deliver assistance to people in crisis.

**On average 83 percent of every donor dollar ends up in people's hands when WFP sends it as an unconditional cash transfer.**<sup>11</sup> People spend the money right away in their local shops, injecting it into the local economy and multiplying the value, sometimes even doubling it. This means that an injection of cash of US\$1 million would generate additional income of US\$1.5 million to US\$2.5 million for the local economy.<sup>12</sup>

## We can use our expertise to strengthen national systems

WFP supports government systems, including national identity, registration, and payment platforms. Wherever possible, we work through these systems rather than creating a parallel one. We have built WFP's cash operations over a decade and developed expertise in sending money to hard-to-reach people, and more governments are asking for our support to help them develop or strengthen national social protection systems.

<sup>10</sup> McKinsey Global Institute, "[The Power of Parity](#)," 2015

<sup>11</sup> CBT Policy White Paper, "Sending Money in Crises," 2022

<sup>12</sup> ODI "[Humanitarian cash transfers: cost, value for money and economic impact](#)," Egger et al., 2021, Taylor et al., 2016, Taylor et al., 2016b, Barrientos, 2006, and Davies et al., 2008

<sup>13</sup> WFP Cashboard, Nov 2022

<sup>14</sup> WFP Cashboard, Nov 2022

<sup>15</sup> WFP PDM Report, [WFP Evidence Summary: Cash-based transfers Lessons from Evaluations](#), 2021

## WHY WFP?

**US\$12 TRILLION COULD BE ADDED TO GLOBAL GDP BY 2025 BY ADVANCING WOMEN'S EQUALITY**

**PYTHSHLANDE**  
is a rice farmer who supports her family in Haiti



Source: McKinsey.com

## 1 WFP is a world trusted leader and the largest provider of humanitarian cash transfers

We distributed a record amount of [US\\$2.3 billion](#) to 41 million people in 69 countries in 2021. **In 2022, we will deliver an estimated US\$3 billion in 72 countries through our cash programmes.**<sup>13</sup> WFP has put robust assurance systems in place which allow it to verify that the right people have received the right amount of money.

## 2 WFP Empowers People to Choose

Over one billion dollars was sent to people as unrestricted cash in 2021,<sup>14</sup> because we trust people to know best how to satisfy their urgent needs. Most of the money we give to people is spent on food. In Lebanon and Jordan, over 90 percent of the families that WFP gave cash to reported prioritizing spending it on food, followed by rent and medical fees.<sup>15</sup>

### 3 WFP puts more money in women's hands, so everyone benefits

Through a partnership with the Bill & Melinda Gates Foundation, we are changing WFP programmes to meet women's needs and helping them get their own accounts in their own names. A study in Kenya found that when women had access to mobile money services – storing and transferring funds through a mobile phone – they increased their savings by more than a fifth, and extreme poverty was reduced by 22 percent.<sup>16</sup>

<sup>16</sup> CGAP, [The Long Run Poverty and Gender Impacts of Mobile Money](#), 2016

<sup>17</sup> WFP, [Evaluation of the WFP Response to the COVID-19 Pandemic](#), 2020

### 4 WFP works with governments and other partners to create sustainable change

In 2021, WFP supported 65 countries to scale up or adapt existing social protection measures in response to COVID-19. The support ranged from direct delivery of money on behalf of governments to helping build governance, capacity, and coordination competencies.<sup>17</sup>



WFP/Gabrielle Menezes

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January 2023