

# Cash-Based Transfers

*Latest Developments and Emerging Opportunities*

20 July 2015



**World Food Programme**

## Presentation Outline

- I. The Journey
- II. Cash-Based Transfers: WFP's Strategic Approach
- III. Key Priorities and Emerging Opportunities

# Part I

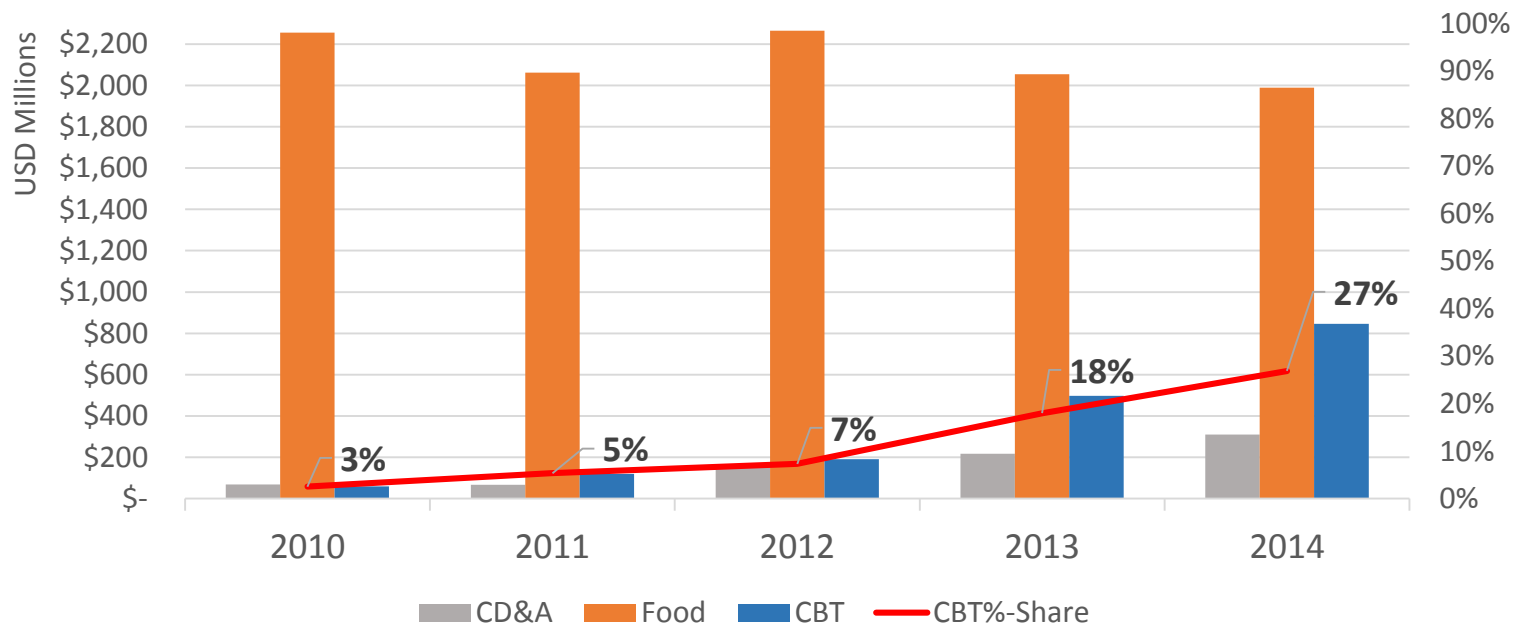


## The Journey

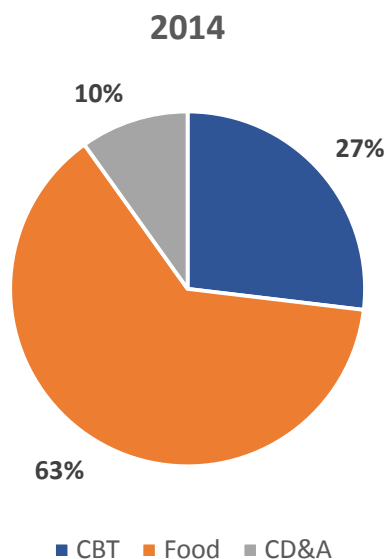
# WFP's Global Food Assistance Portfolio 2010 - 2014



## Continuous growth of Cash-Based Transfers



# Cash-Based Transfers – 2014



10 Largest Cash-Based Transfer Operations 2014 – Actuals				
	Countries	Project Type	Project Number	Actual Expenditure (million USD)
1	Egypt, Iraq, Jordan, Lebanon, Turkey	EMOP	200433	\$607,195,672
2	Sudan	EMOP	200597	\$32,610,979
3	Kenya	PRRO	200294	\$20,458,651
4	Palestine	EMOP	200298	\$16,786,827
5	Niger	PRRO	200583	\$13,246,056
6	DRC	PRRO	200540	\$10,793,078
7	Palestine	PRRO	200037	\$10,389,540
8	Ethiopia	PRRO	200290	\$10,361,898
9	Iraq	EMOP	200677	\$9,767,488
10	Philippines	EMOP	200631	\$7,231,569

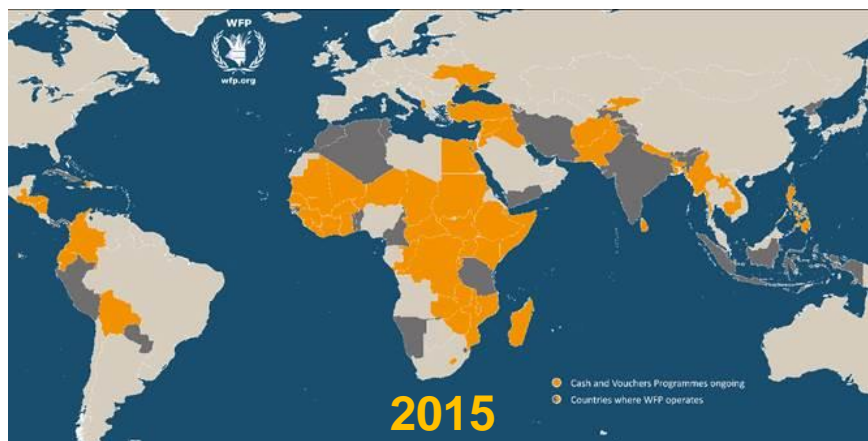


In 2014, has reached 8.9 million people with Cash-Based Transfers

# Global Coverage

## Scale

- ✓ WFP is the first mover at scale and the single largest humanitarian agent of cash-based transfers.
- ✓ WFP accounts for an estimated 60% of all cash transactions in the entire humanitarian sector.
- ✓ In 2015, WFP is planning to use Cash-Based Transfer modalities in 88 projects across 59 countries (*as of 14 July 2015*)



In 2014, WFP transferred USD 846 millions in form of CBT

# WFP Cash-Based Transfers

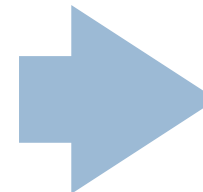
## Field Capacity Building/Partner support

### Field Training/Capacity Building:\*

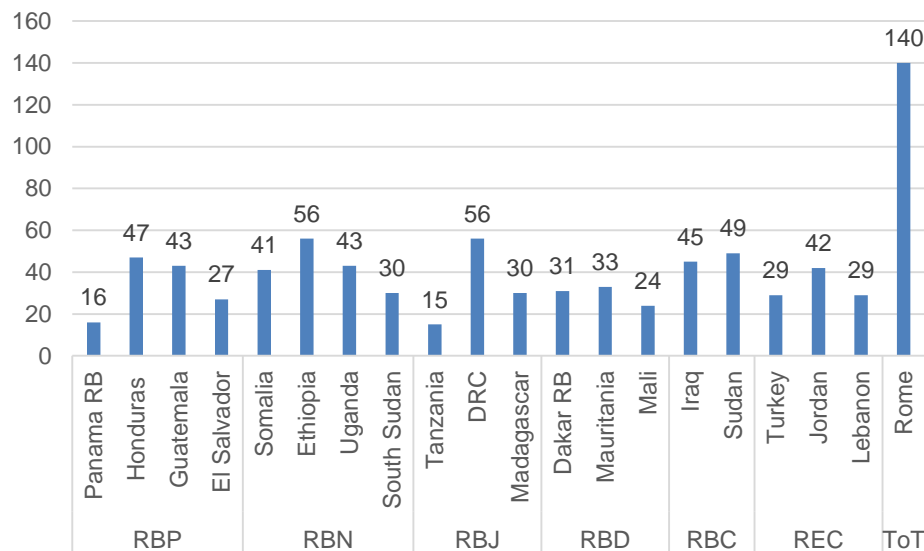
- ✓ Team of Trainers in place for all regions (pool of 140 staff)
- ✓ 19 country offices & regional bureaux already reached
- ✓ 826 staff already trained globally
- ✓ CBT-Advisors in all WFP Regional Bureaux



Multifunctional regional teams  
("Training-of-Trainers")



Country office, sub-office and regional bureau staff



### Way forward:

- ✓ 2,580 people to be trained by December 2015, including 250 partners
- ✓ Cash-Based Transfers workshops for government partners
- ✓ Knowledge sharing with humanitarian community and donor partners

\* Data as of 17 July 2015

# WFP Cash-Based Transfers

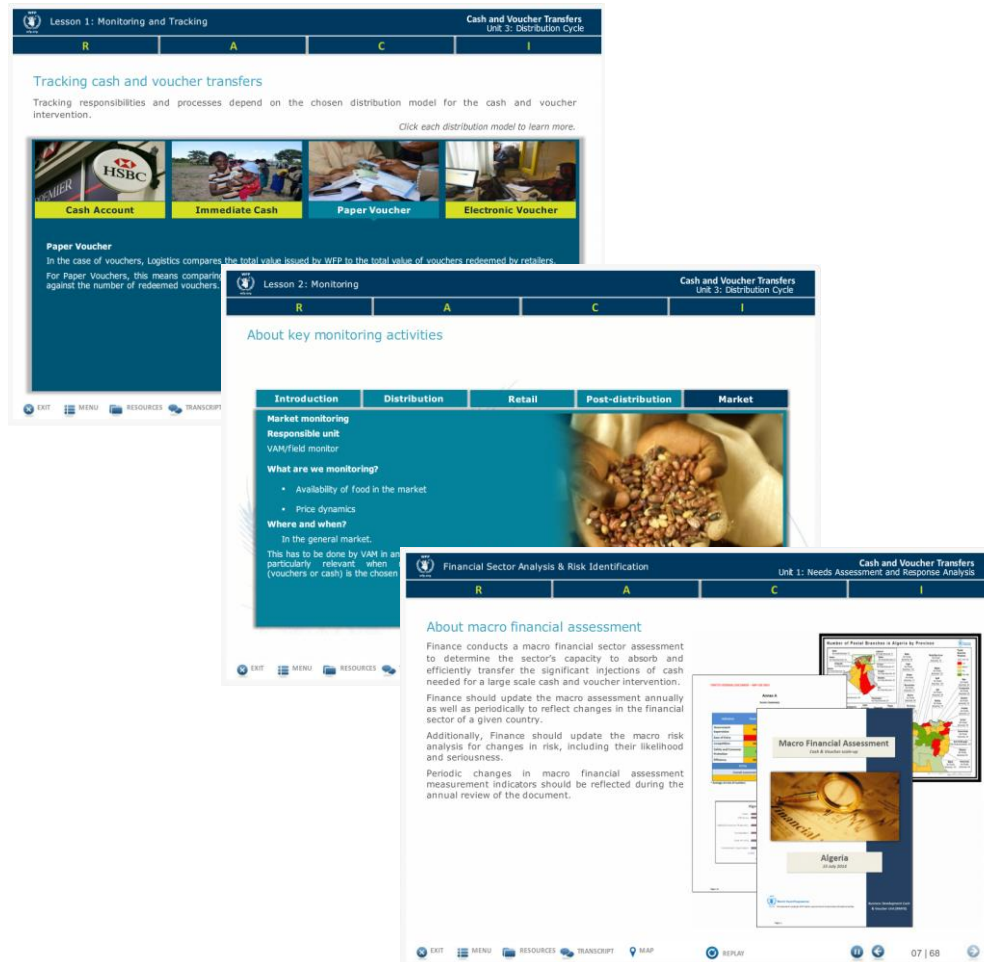
## Field Capacity Building/Partner support

## Multifunctional E-learning Course

- ✓ Integral part of the Corporate Multifunctional Training
- ✓ Six Modules (one foundation module + one per function)

*As of early July 2015:*

- ✓ 1269 courses completed
- ✓ 836 staff members from all six regions reached



The image displays a collage of screenshots from the WFP e-learning course. The top screenshot shows 'Lesson 1: Monitoring and Tracking' with a navigation bar (R, A, C, I) and a title 'Tracking cash and voucher transfers'. Below the title are four images representing different distribution models: 'Cash Account' (HSBC logo), 'Immediate Cash' (people in a field), 'Paper Voucher' (hands holding vouchers), and 'Electronic Voucher' (a person at a computer). The middle screenshot shows 'Lesson 2: Monitoring' with a navigation bar (R, A, C, I) and a title 'About key monitoring activities'. It lists 'Market monitoring' as the responsible unit and 'VAN/field monitor' as the role. It also lists monitoring activities: 'Availability of food in the market' and 'Price dynamics'. The bottom screenshot shows 'Financial Sector Analysis & Risk Identification' with a navigation bar (R, A, C, I) and a title 'About macro financial assessment'. It explains that Finance conducts a macro financial sector assessment to determine the sector's capacity to absorb and efficiently transfer significant injections of cash. It also mentions that Finance should update the macro assessment annually and periodically reflect changes in the financial sector of a given country. The bottom right corner of the collage shows a 'Macro Financial Assessment' report for Algeria, dated 07 Sep 2013, with a navigation bar (EXIT, MENU, RESOURCES, TRANSCRIPT, MAP, REPLAY) and a page number '07 | 68'.



# Cash-Based Transfers: WFP's Strategic Approach

# Cash-Based Transfers

## Opportunities for Food Security and Nutrition



- ✓ **Food Security and Nutrition outcomes** remain WFP's key objectives
- ✓ Sometimes, Cash-Based Transfers address beneficiaries' food security needs better than in-kind transfers
- ✓ WFP values **beneficiary empowerment** with dignity and security
- ✓ WFP uses three transfer modalities to **assist food insecure populations**: in-kind food, cash, vouchers
- ✓ They can be used individually or in combination and there are **no default transfer modality**



# Cash-Based Transfers Effectiveness

## Cash, Food or Vouchers?

*Evidence from a Four-Country Experimental Study*



### **Ecuador, Niger, Uganda, Yemen**



#### **Impact on dietary diversity?**

- Uganda, Yemen: Cash had a relatively larger impact on improving dietary diversity
- Ecuador: Vouchers had the highest relative impact on improving dietary diversity
- Niger: In-kind food transfers had the largest relative impact on dietary diversity

#### **Impact on caloric intake?**

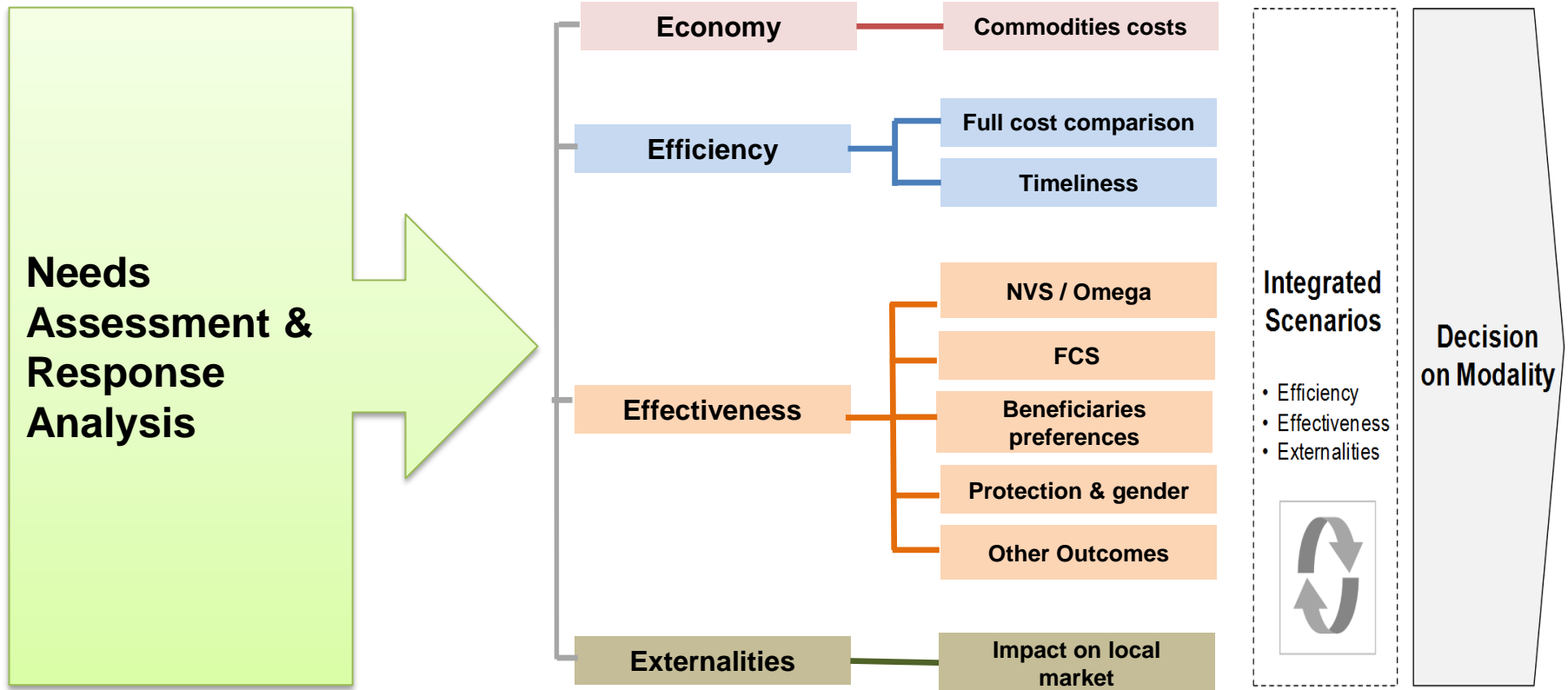
- Ecuador, Yemen: Food had a relatively larger impact in terms of increasing quantity of calories available for consumption at the household level

#### **Conclusion?**

- There is **no one “right” transfer modality**
- Relative effectiveness depends heavily on **contextual factors** such as the severity of food insecurity and the functioning of food markets

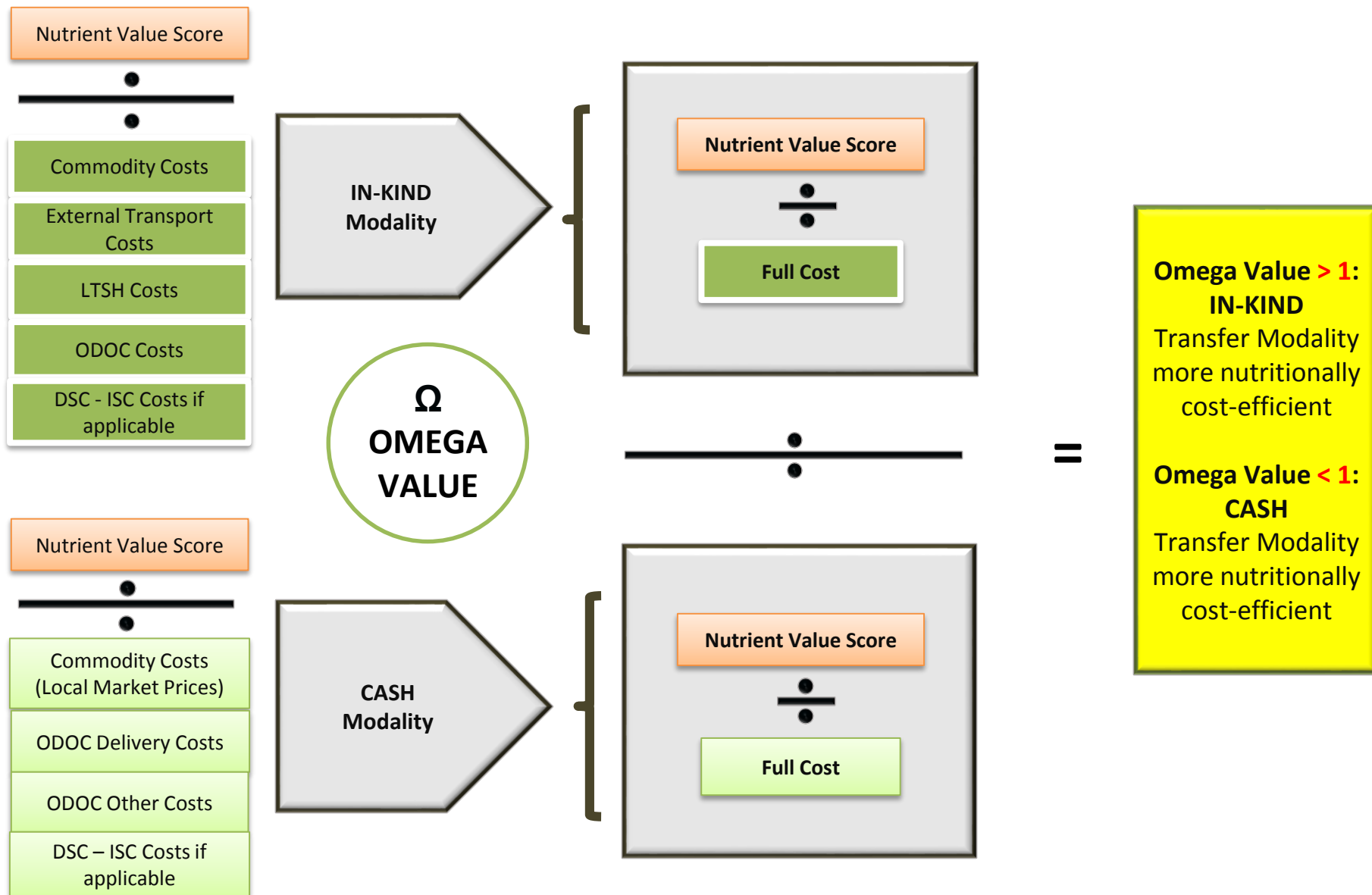
# Transfer Modality – Decision Tree

## Integrated 4E Scenarios



# Comparative Decision-Making Process

## The Omega Tool



## Agility

- ✓ Evolving contexts require WFP transfer modalities to be **flexible**
- ✓ WFP has enormous and **diverse delivery capabilities**
- ✓ WFP can **maximize assistance utility** to affected populations by switching between transfer modalities or adopting the best combination



### Example:

Switching from cash-based to in-kind transfer modalities when local food price increased during the agricultural lean season.

- Niger (Birnin Gaoure) – Cash-Transfers
- Sudan (North Darfur) – Voucher-Transfers

## Key Priorities and Emerging Opportunities

# Cash-Based Transfers

## Emerging Opportunities



## Beyond improving Food Security and Nutrition, Cash-Based Transfers can:

- ✓ Strengthen **local markets** → “**Multiplier Effects**”



*E.g.: **US\$1** spent, generates additional benefits worth **US\$1.50** to the Lebanese economy*

- ✓ Build, support and leverage **national social safety nets**
- ✓ Foster **small farmer productivity**
- ✓ Improve the **financial inclusion** for the world's poorest

## WFP leverages value beyond 'just' the delivery of Cash-Based Transfers:

- ✓ Establishment of **partnerships, capabilities, and systems**
- ✓ **Common Delivery Platform**
- ✓ **Value Optimization**

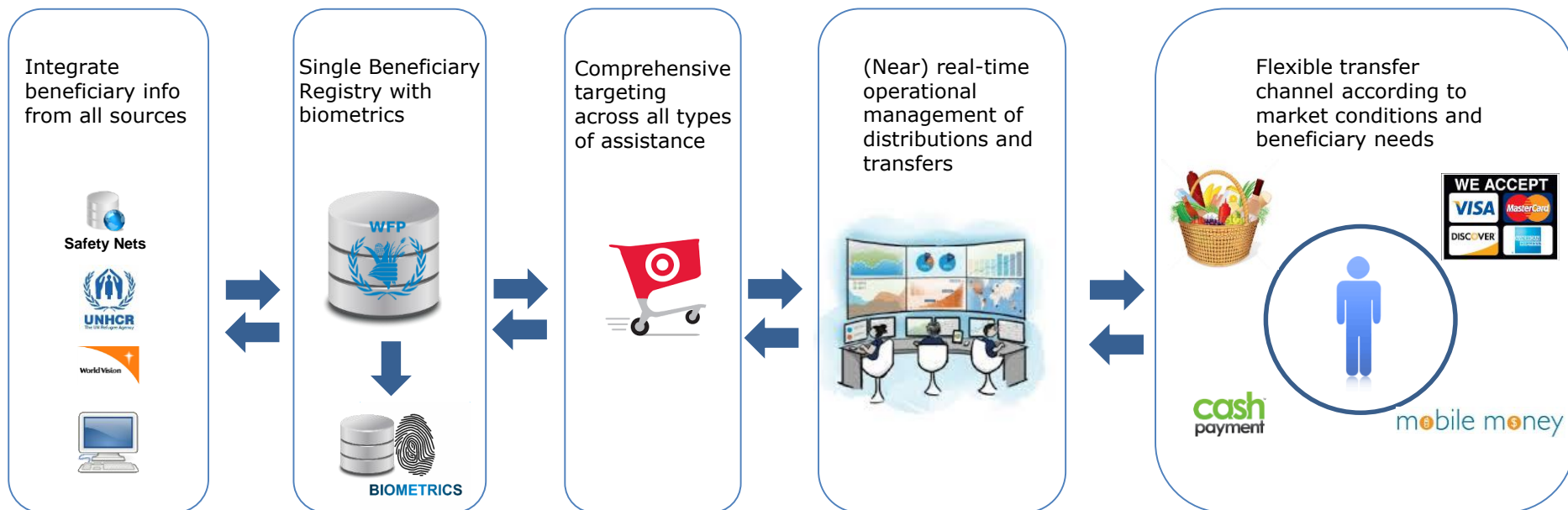




# Cash-Based Transfers

## Emerging Opportunities

## Digital Support for Cash Based Transfers



# Cash-Based Transfers

## Emerging Opportunities

## Build, Support and Leverage National Social Safety Nets

### Case Study: Emergency Response to Typhoon Haiyan

- ✓ **Integration** of cash and in-kind response
- ✓ **Close collaboration** with the Government of the Philippines and the Department of Social Welfare and Development (DSWD)
- ✓ **Leveraging** DSWD's '4Ps' social safety net platform infrastructure – minimal set up costs and rapid deployment
- ✓ **Partnerships** with NGOs to reach vulnerable non-4Ps households



In 2014, WFP transferred cash to more than 500,000 people by leveraging DSWD's '4Ps' social safety net platform

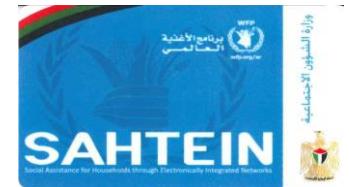


# Cash-Based Transfers

## Opportunities for Common Delivery

### Operational Common Delivery Platform

- ✓ **Multi-sectorial assistance** via a common delivery transfer mechanism
- ✓ **Traceability**
- ✓ **Reduced transaction costs**
- ✓ Accommodation of **different transfer modalities** and different levels of conditionalities:
  - Cash withdrawal function (in ATM/bank branches)
  - Vouchers through points of sales (POS)
  - Vouchers tied to merchant categories (groceries, pharmacies...)
- ✓ Currently operational in **Palestine, Jordan, and Lebanon.**
- ✓ **Partners:** UNRWA, HelpAge – Oxfam GB, UNICEF, NGO Consortium (Save the Children, ACTED, CARE, IRC, Solidarité international, World Vision) and the Government of Lebanon



**WFP and partners add value beyond providing a ‘simple cash-delivery platform’!**

# Q&A Session

**World Food Programme**

Learn more:

<http://www.wfp.org/cash-and-vouchers>

<http://go.wfp.org/web/cash-and-vouchers/home>



**World Food Programme**

20 July 2015

# ANNEX

World Food Programme



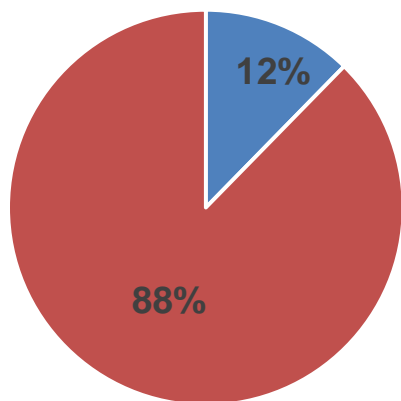
**World Food Programme**

# Cash-Based Transfers

## Analysis by Modality

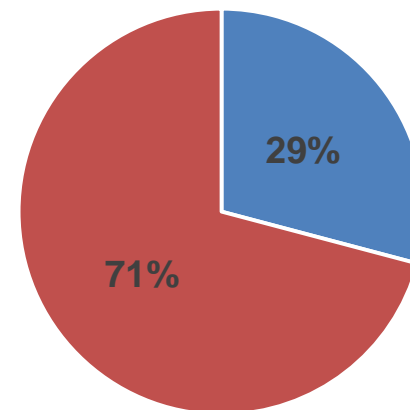
### 2014 - Actuals

All operations

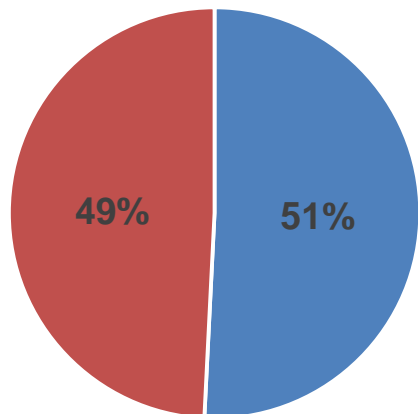


### 2015 - Planned (as of 17 July)

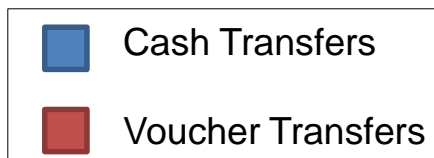
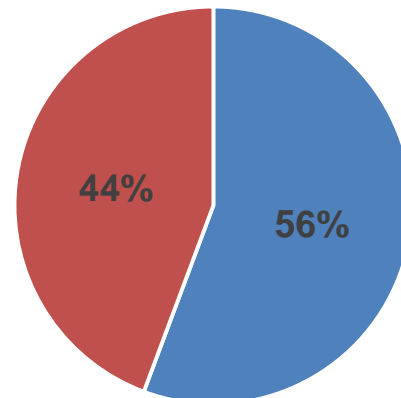
All operations



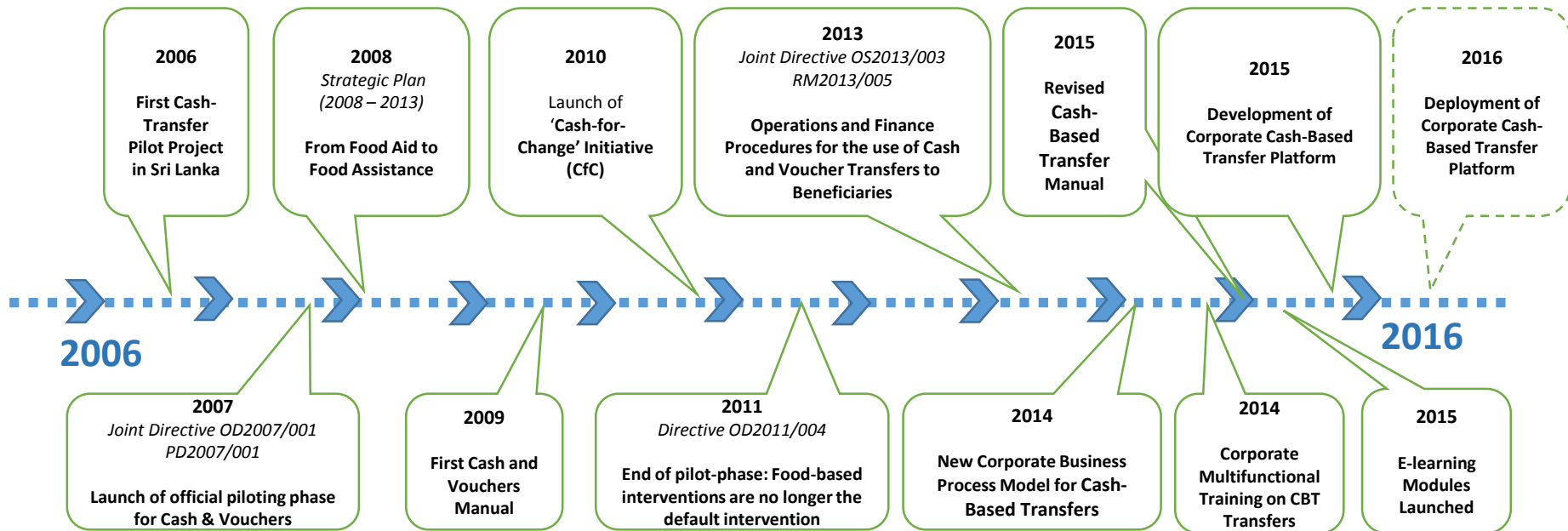
Excluding Syria Regional Response



Excluding Syria Regional Response



# Cash-Based Transfers: Milestones (2006 – 2016)



**Cash-Based Transfers are a Critical Corporate Initiative**

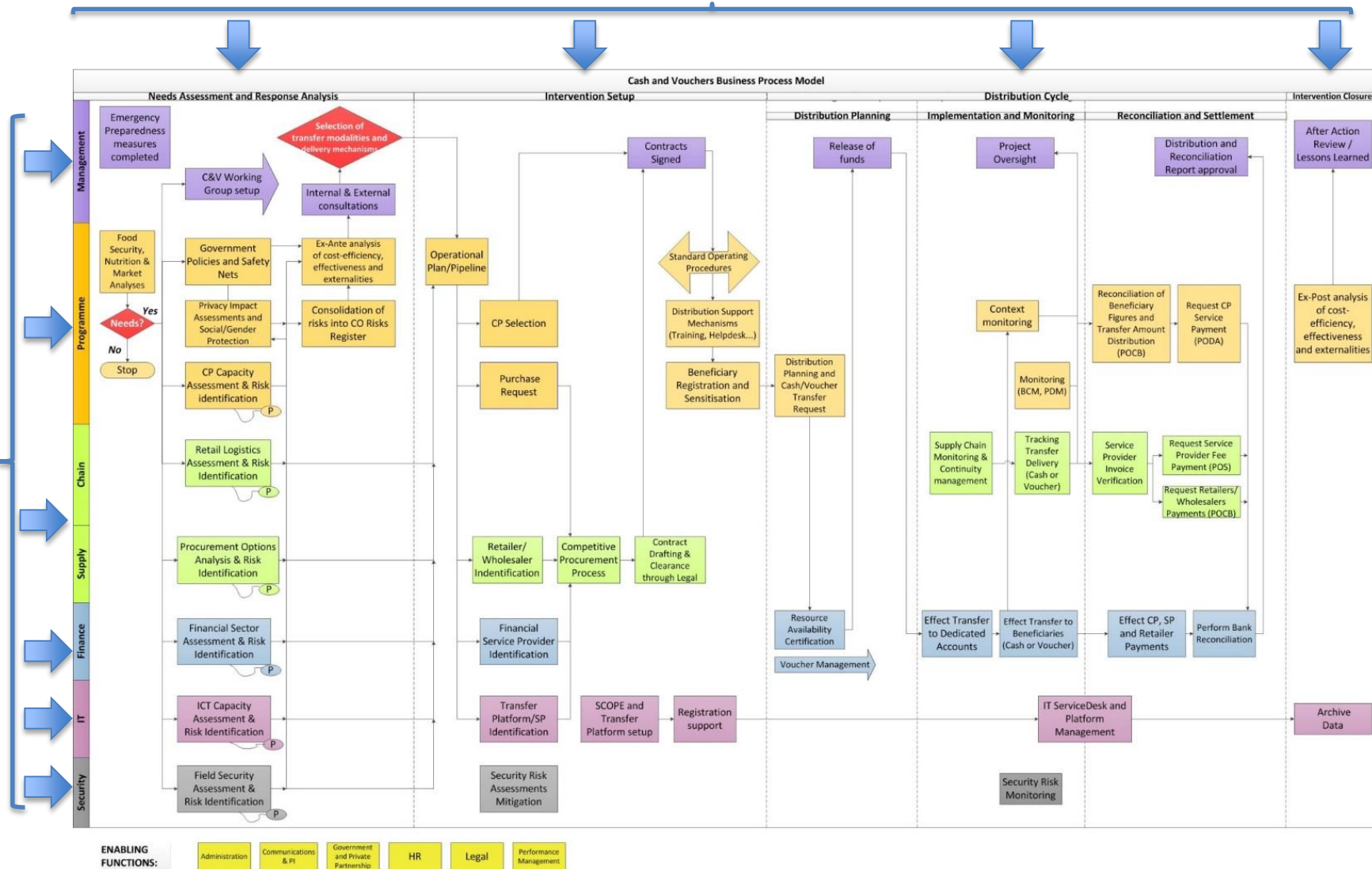
**USD 8.9 million from PSA Equalization Account for 2015/2016**

# WFP Business Process Model

## Defining roles and responsibilities

### Across 4 Phases

### Across 6 Functions

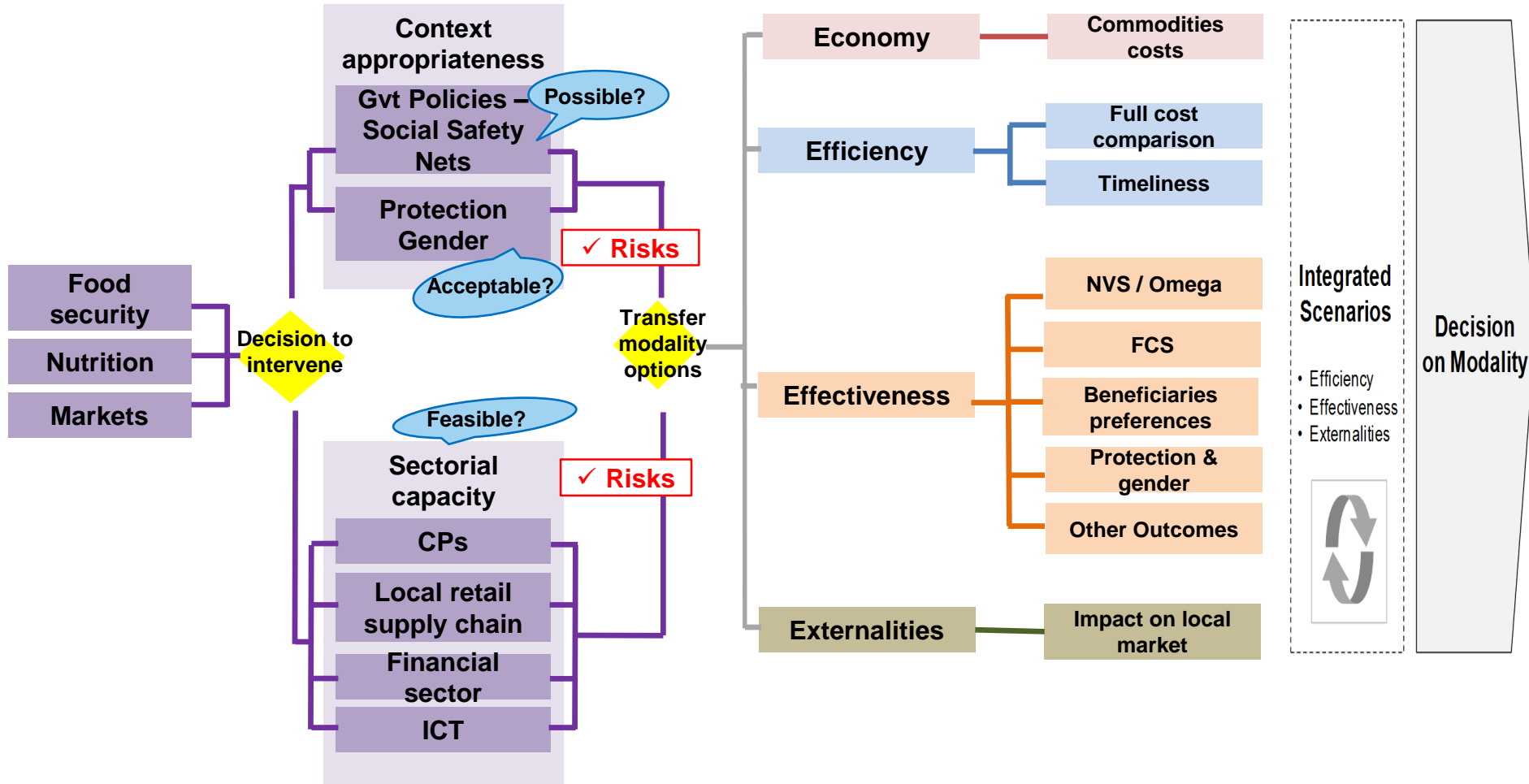




# Transfer Modality – Decision Tree

From Needs Assessment to ...

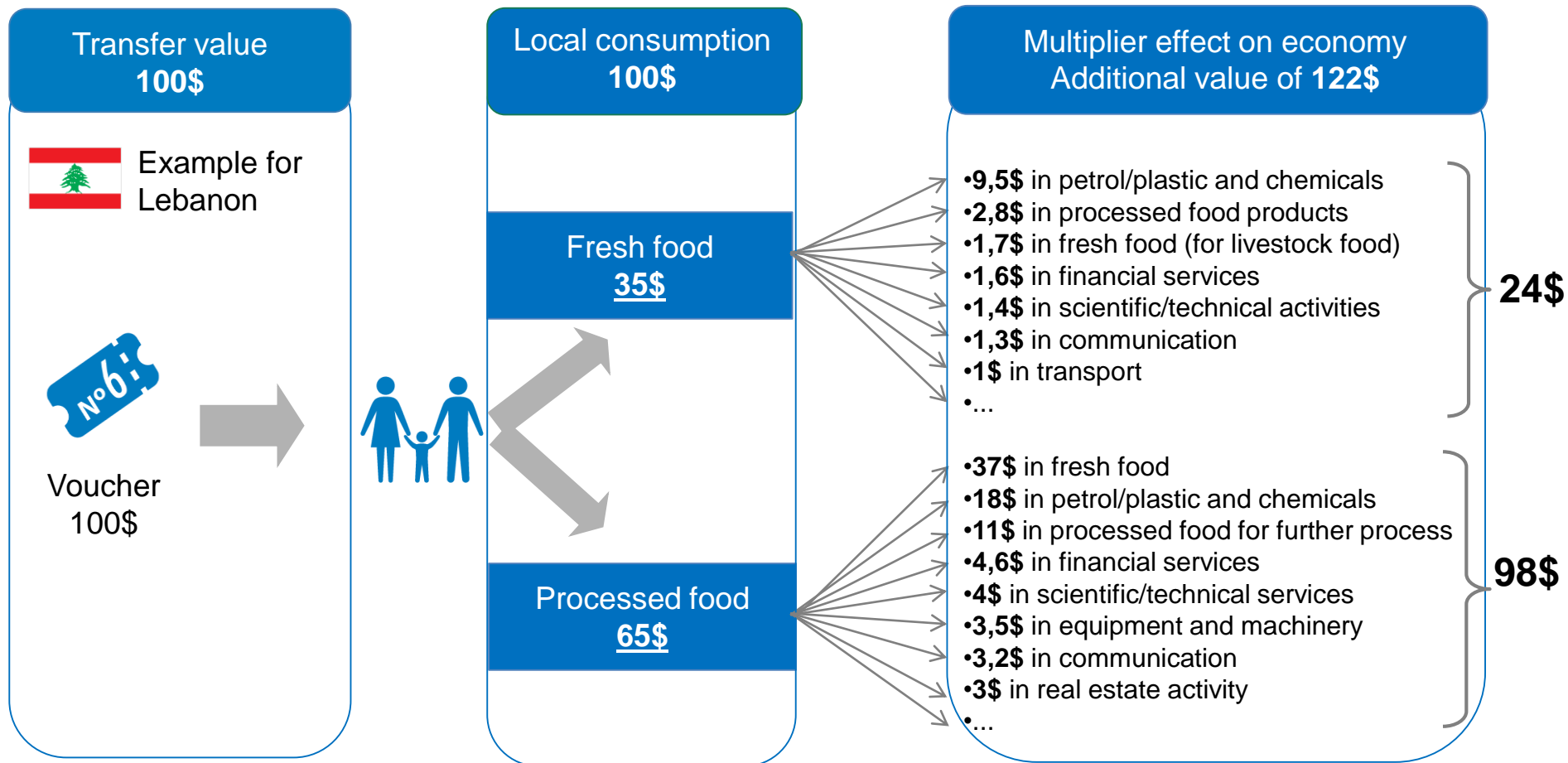
... Integrated 4E Scenarios



# Cash-Based Transfers

## Emerging Opportunities

### Strengthening Local Markets: Multiplier Effects



Source:

WFP Lebanon economic impact study (2014)

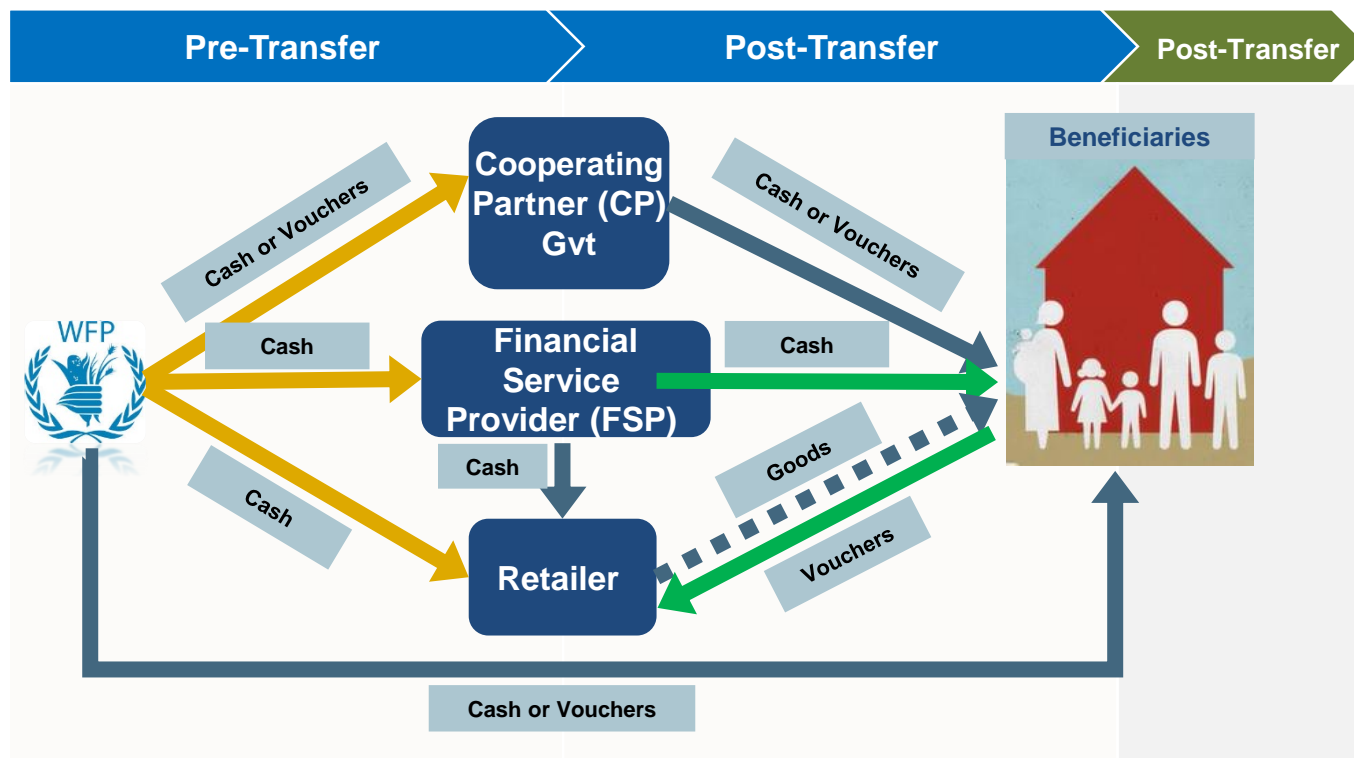
**100\$ given by WFP means 100+122 = 222\$ for the economy**

# Internal Challenges

## More Actors/Choices

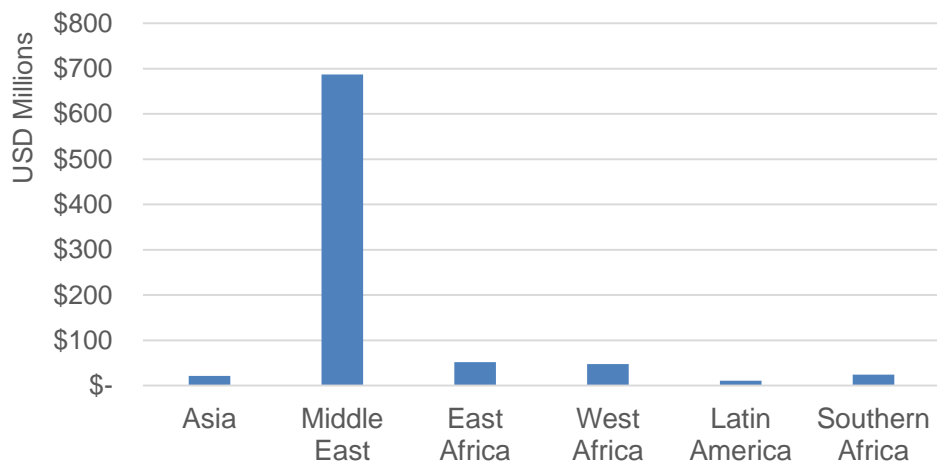
More actors :

- ✓ partnerships goes far beyond in-kind food project (Service providers) and modality choices needs to be done
- ✓ in the supply chain requiring hybrid profiles/re-profiling from WFP and Partners

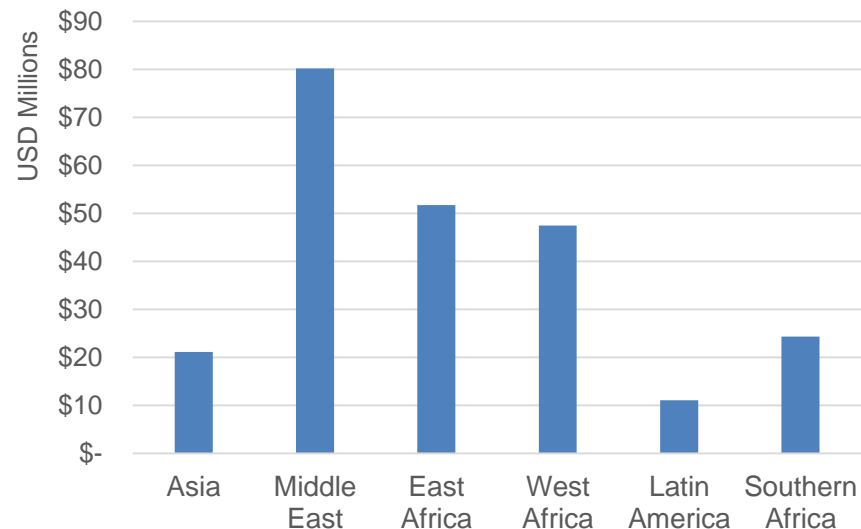


# Regional Comparison – Cash Based Transfers with/without Syria Reg.EMOP

## 2014 Actual Expenditure (USD) All Operations



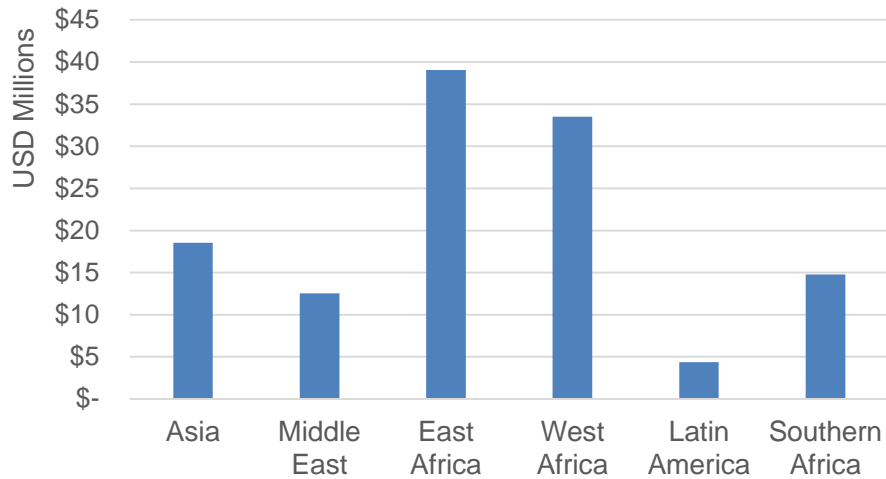
## 2014 Actual Expenditure (USD) Excluding EMOP 200433



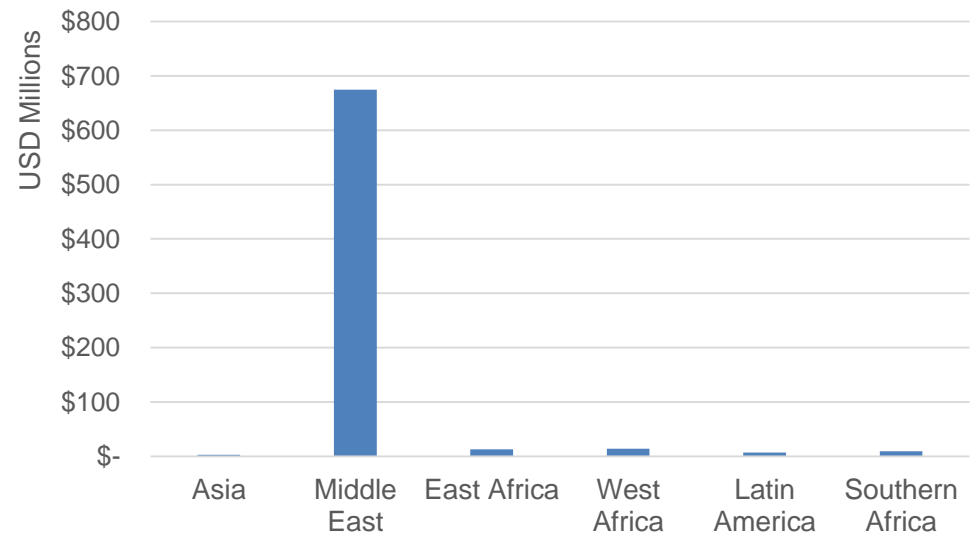
# Regional Comparison Cash / Vouchers Transfers



**Actual Expenditure (USD)**  
**Cash Transfers**



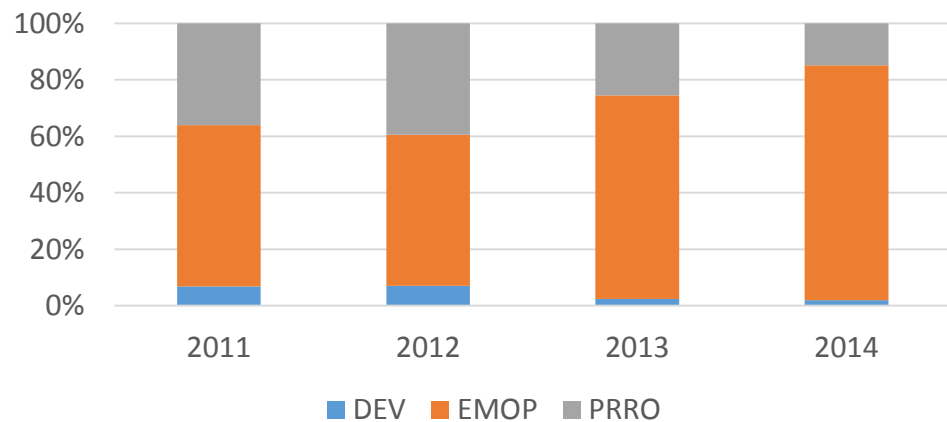
**Actual Expenditure (USD)**  
**Voucher Transfers**



# Cash-Based Transfers by Programme Category with and without Syria Reg. EMOP

Actual C&V Expenditure (USD) by Programme

Category  
All Operations



Actual C&V Expenditure (USD) by Programme Category Excluding EMOP 200433

