Cash and Vouchers

Update to the Executive Board

WFP
World Food Programme
wfp.org

CASH FOR CHANGE initiative

Briefing Structure

1. Context
2. Cash-for-Change Structure
3. Cash-for-Change Road Map
4. Current Portfolio
5. Priorities for 2013

Context

Context

- **Institutional Shift**
  - Food Aid to Food Assistance
- **WFP as a Leader in Food Assistance**
  - Implementing Scalable Cash or Voucher transfer Programmes
  - Establishing Systematic Approaches and Cross-Functional Business Processes
  - Setting Standards for Evidence Based Decision-making
- **Renewed Focus on Value for Money**
  - Cost-Efficiency and Effectiveness
  - Establish processes for selection of most appropriate Transfer Modality
- **Call for Country-led, Country-Owned Safety Net Programmes**
  - Enhance WFP ability to support governments in developing safety nets and other home-grown solutions for hunger and malnutrition
  - Stronger Partnerships with government
  - Increasing role for private sector support

'Modern WFP is problem-based rather than instrument-based'

Cash-for-Change Structure

Cash-for-Change Governance

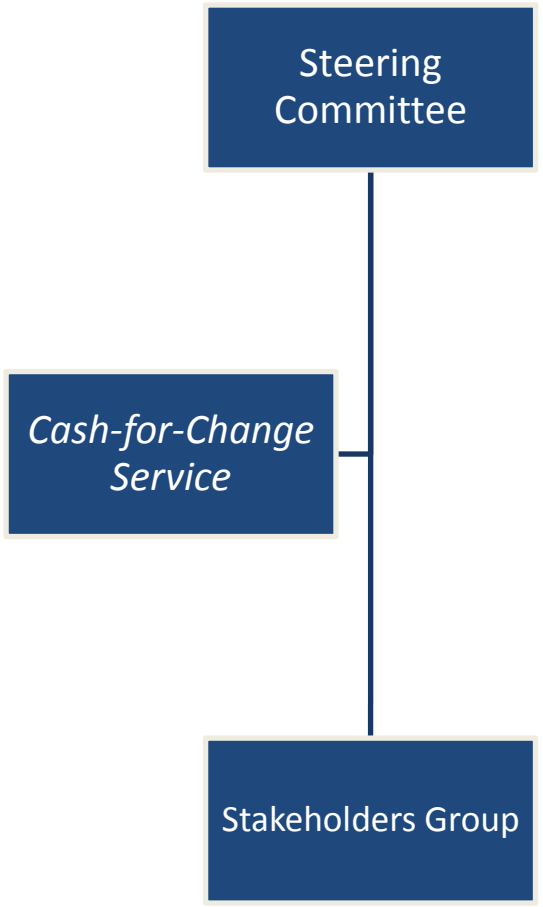
- **Steering Committee**

  Members: Division Directors

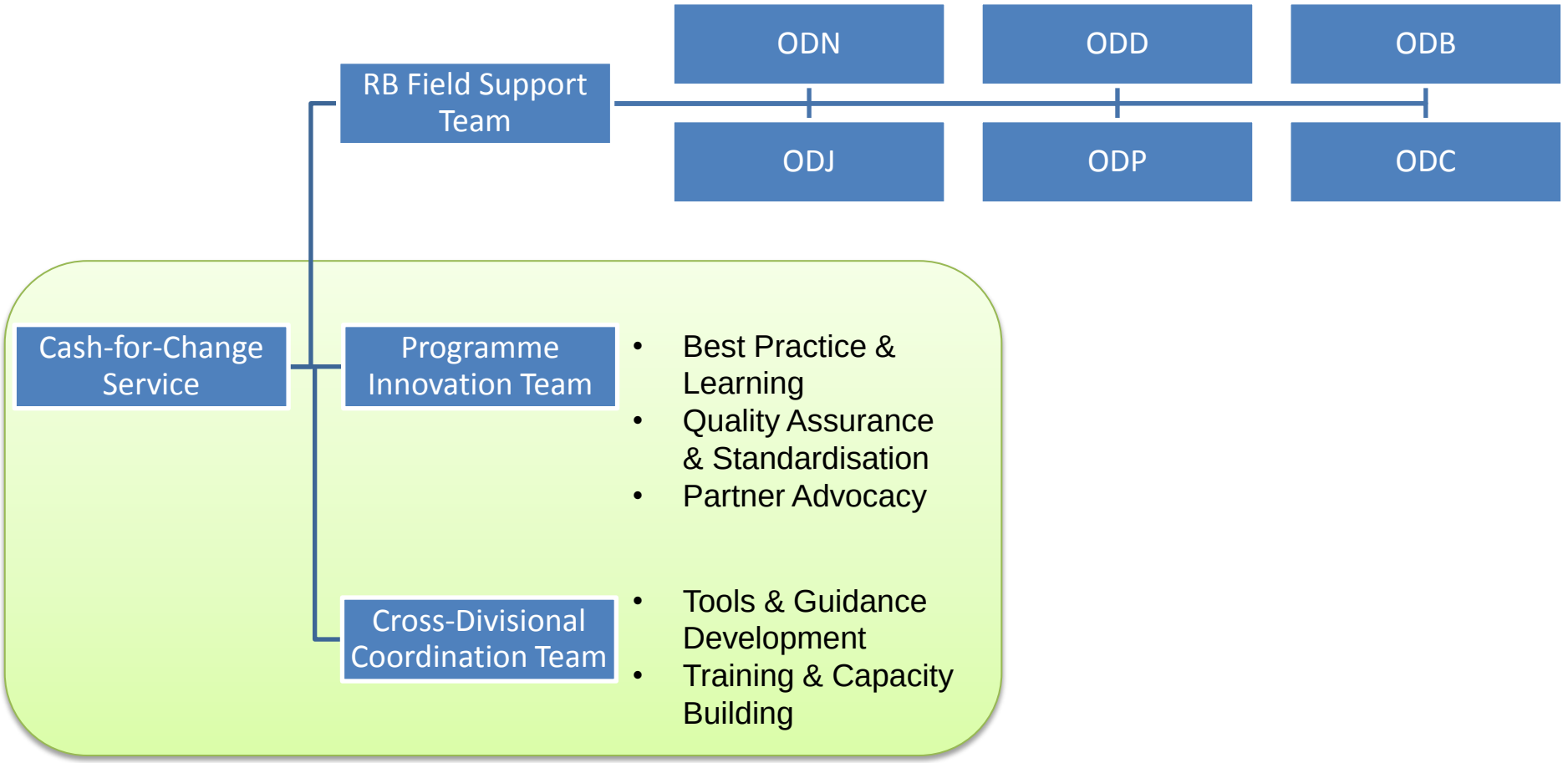
- **Cash-for-Change Service**

- **Stakeholders Group**

  Members: Service Chiefs



Cash-for-Change Structure



Funding and Partnerships

- **Funding**
  - ECHO
  - Sweden
  - Multilateral

- **Partnerships**
  - UNHCR
  - IFPRI
  - CALP
  - MasterCard

EUROPEAN COMMISSION
Humanitarian Aid and Civil Protection

REGERINGSKANSLIET
Government Offices of Sweden

UNHCR
The UN Refugee Agency

IFPRI
INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE
Supported by the CGIAR

CaLP
THE CASH LEARNING PARTNERSHIP

MasterCard

Cash-for-Change Roadmap

Cash-for-Change Road Map

2011 → 2012 → 2013

Phase 1

Capturing Innovation

- *Reviewing Pilots & Lessons Learnt*
- *Identify Best Practices and Challenges*
- *Define Corporate C&V Distribution Models*

Phase 2

Leveraging Innovation & Building CO Capacity

- *Establishing Business Processes*
- *Cross-Functional Roles and Responsibilities*
- *Guidance & Tools development*
- *Training*

Phase 3

Facilitating Scalable Deployment

- *Roll-out corporate tools*
- *Enabling Scale-Up*
- *Developing, Enhancing Partnerships*
- *Forecast Resource Potential*

Reaching Scale

Phase 1 - Capturing Innovation

- **Pilot Phase Produced Strong Innovation**
  - A wide variety of new approaches, partnerships and technologies

- **New Approach, New Risks**
  - Adoption of new business areas and new partnerships has inevitably brought new risks and liabilities for WFP Country Offices to mitigate.

- **Common Challenges:**
  - use of new ways of working;
  - procurement of new service providers;
  - limited of experience & capacity;
  - lack of clarity on roles & responsibilities; and
  - procedural challenges.

- **Changes in traditional COs' business model:**
  - Expanded operational roles for Programme and Logistics; and
  - New operational role Finance and ICT units.

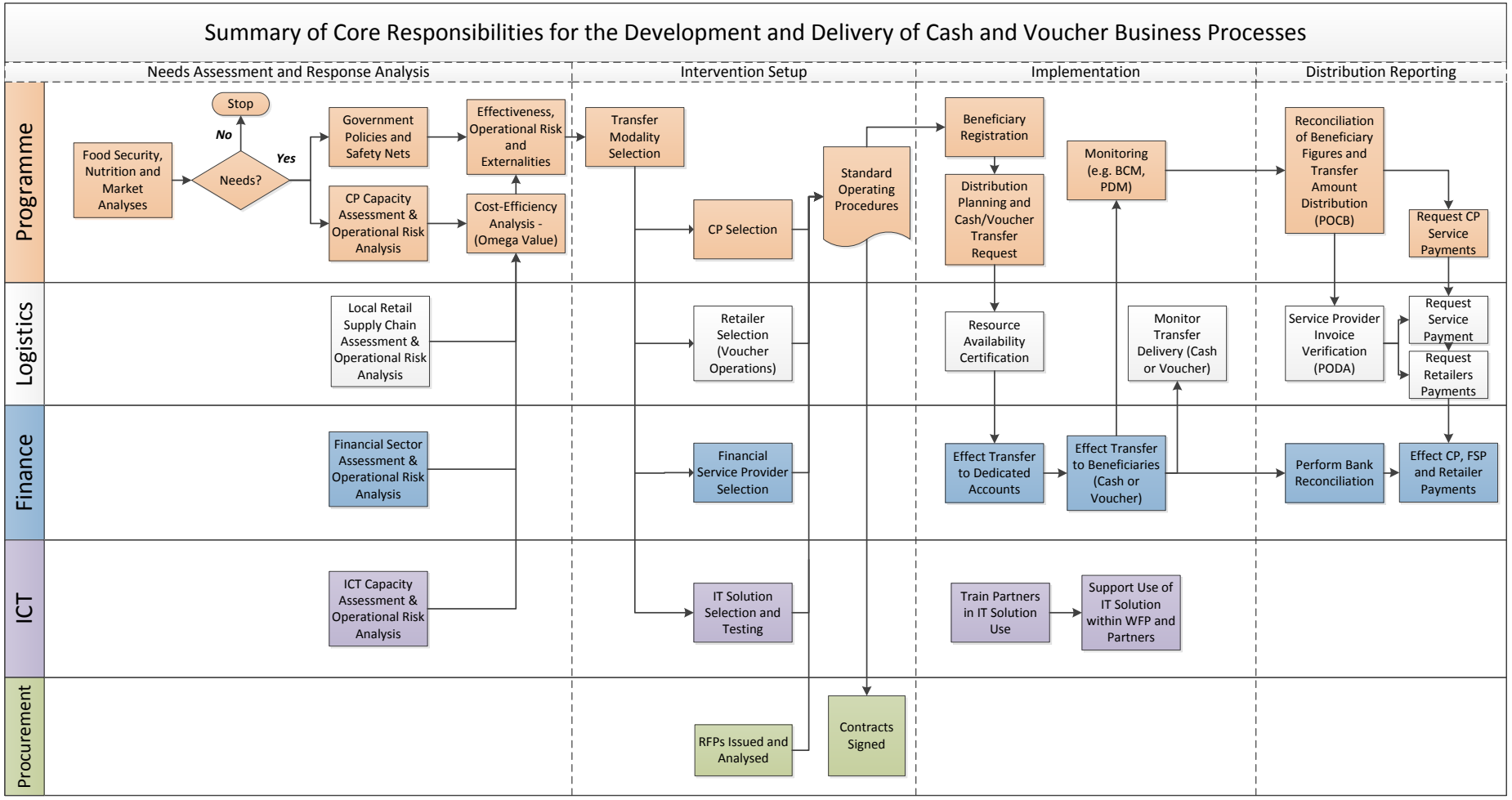
Phase 1 - Capturing Innovation

- **Identification of Standard Models**
  - Standardised design methodologies;
  - Defined business processes;
  - Rationalisation of delivery mechanisms; and
  - Provision of Corporate IT solutions.

- **Enabling Common Capacity**
  - Improved coordination (internal / external)
  - Streamlined, Cross-Divisional Roles and Responsibilities
  - Provision of Corporate Field Support to Country Offices
  - Enhanced corporate understanding at all levels

'From 40 models to 4 models'

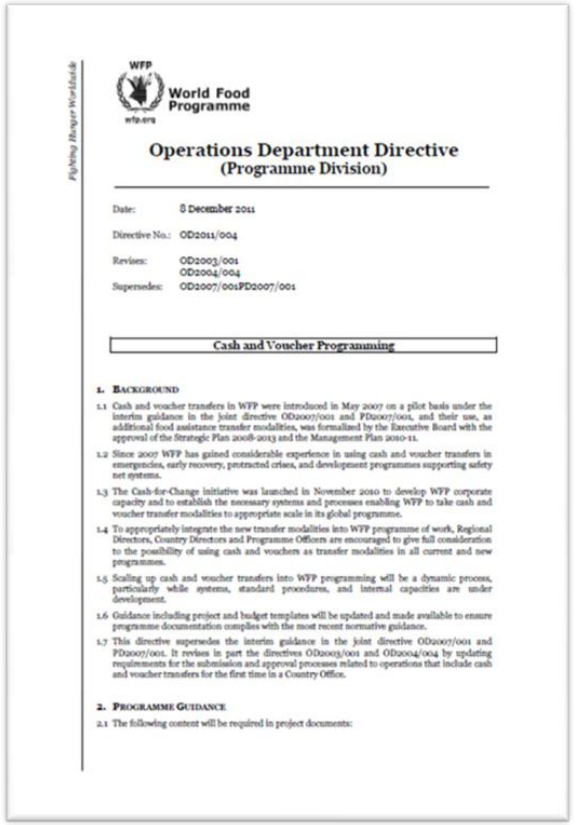
Phase 2 – Streamlined Roles



Phase 2 - Evidence-Based Selection

Operations Directive

- COs should use the set of transfer modality that best meets the needs of beneficiaries.



World Food Programme

Operations Department Directive
(Programme Division)

Date: 8 December 2011

Directive No.: OD2011/004

Revises: OD2003/001
OD2004/004

Supersedes: OD2007/001PD2007/001

Cash and Voucher Programming

1. BACKGROUND

1.1 Cash and voucher transfers in WFP were introduced in May 2007 on a pilot basis under the interim guidance in the joint directive OD2007/001 and PD2007/001, and their use, as additional food assistance transfer modalities, was formalized by the Executive Board with the approval of the Strategic Plan 2008-2013 and the Management Plan 2010-11.

1.2 Since 2007 WFP has gained considerable experience in using cash and voucher transfers in emergencies, early recovery, protracted crises, and development programmes supporting safety net systems.

1.3 The Cash-for-Change initiative was launched in November 2010 to develop WFP corporate capacity and to establish the necessary systems and processes enabling WFP to take cash and voucher transfer modalities to appropriate scale in its global programme.

1.4 To appropriately integrate the new transfer modalities into WFP programme of work, Regional Directors, Country Directors and Programme Officers are encouraged to give full consideration to the possibility of using cash and vouchers as transfer modalities in all current and new programmes.

1.5 Scaling up cash and voucher transfers into WFP programming will be a dynamic process, particularly while systems, standard procedures, and internal capacities are under development.

1.6 Guidance including project and budget templates will be updated and made available to ensure programme documentation complies with the most recent normative guidance.

1.7 This directive supersedes the interim guidance in the joint directive OD2007/001 and PD2007/001. It revises in part the directives OD2003/001 and OD2004/004 by updating requirements for the submission and approval processes related to operations that include cash and voucher transfers for the first time in a Country Office.

2. PROGRAMME GUIDANCE

2.1 The following content will be required in project documents:

Determining Feasibility:

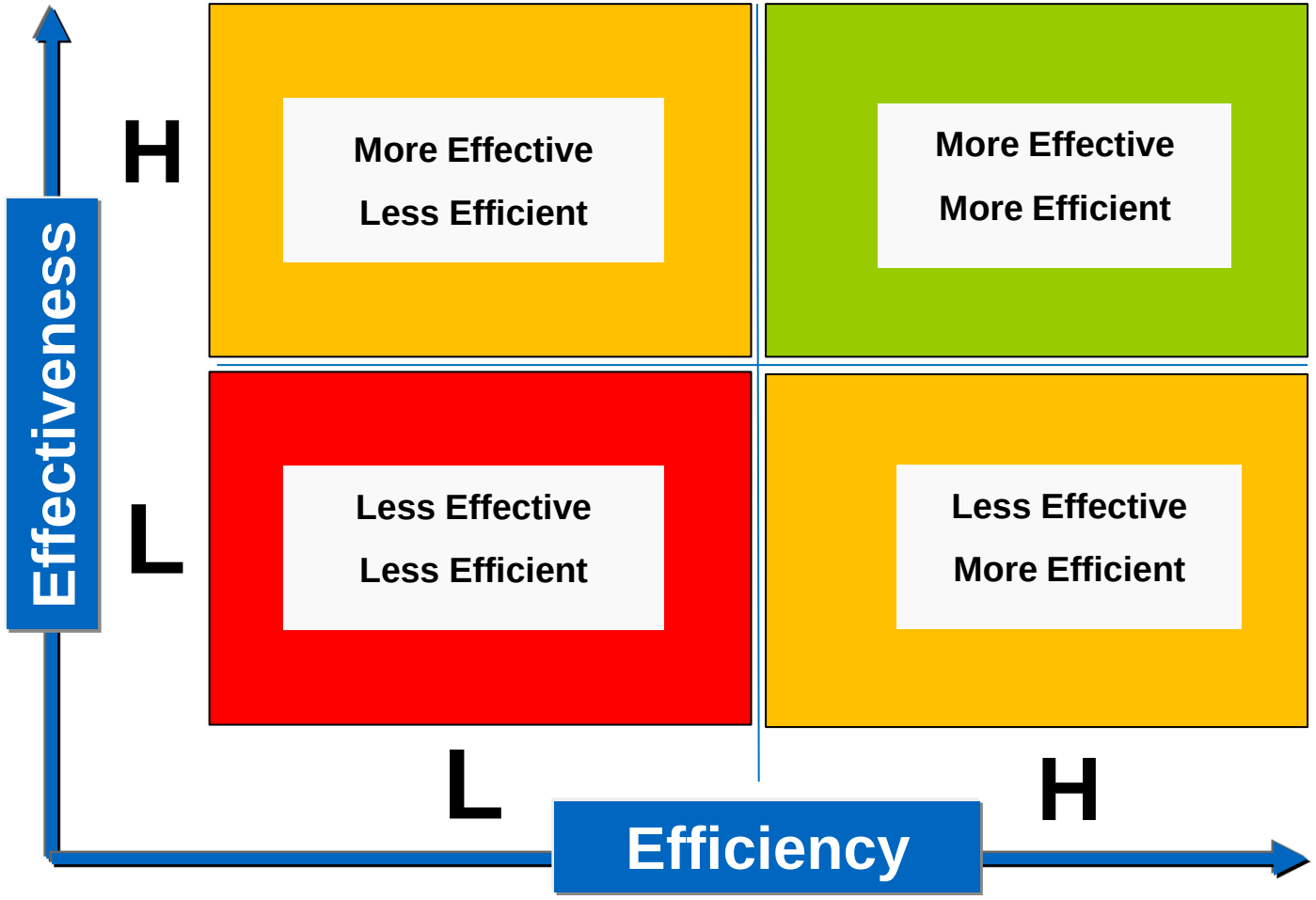
- Preferences, Food Security and Market Contexts
- Sectoral Capacity Assessments
- Cooperating Partner Capacity
- National Policies
- Security and Risk Context

Selecting the Appropriate Responses:

- Responses must be evidence-based and should be cost-efficient, effective and appropriate.

'Food-based interventions are not the default intervention'

Evidence-Based Selection



Phase 2 – Research Collaboration

WFP- Government of Spain Collaboration 2009-2013

- Captures operational lessons and evaluates comparative cost-efficiency and effectiveness of cash, food and vouchers.

- Using rigorous evaluation techniques, WFP and IFPRI have collaborated in Ecuador, Niger, Yemen, and Uganda.

Ecuador Findings

- Vouchers led to the highest increase in household food security ;
- Vouchers were found to be more cost-effective in increasing caloric intake and dietary diversity.

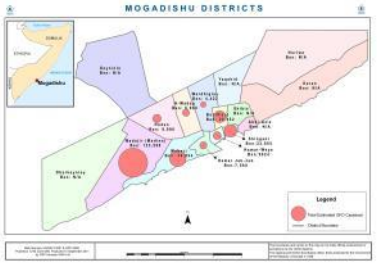
Uganda Findings*

- Cash led to the highest increase in household food-security;
- Food transfers increased the consumption of CSB, particularly for children under two years.

Capacity and Guidance

Field Support Function Established

- Full Rome Office and Regional Bureaux Established
- Country Specific Strategies Developed
- 57 Field Support Missions Undertaken



Capacity-Building Programme Launched

- **Three-Tier Training Strategy Established**
  - Decision Makers (CDs, RDs)
  - Mid-Level Management (National Officers, P3—P5)
  - Implementers (GS, P1—P2)
- **Cross-Functional Training Programme Rolled-Out**
  - 250 staff trained to date
- **E-Learning Module Under Development**

Capacity and Guidance

- **Financial Procedures**
  - Directive Under Approval
  - Revised Accounting Practices

Corporate IT System Development

- Modular system supporting beneficiary management, cash or voucher distribution, and reconciliation

- Piloting underway in Sudan, Kenya, Somalia and DRC.

Capacity and Guidance

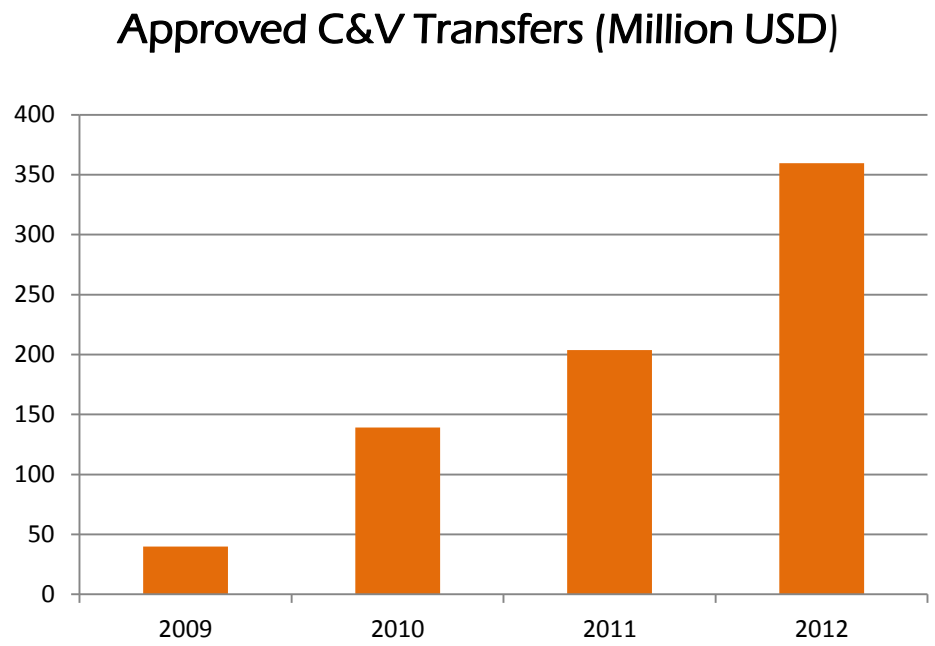
- **Protection and Gender**
  - Joint WFP-UNHCR Research Completed
  - Joint Guidance Note Under Development

- **Evaluation Guidance**
  - Under Development with ODI

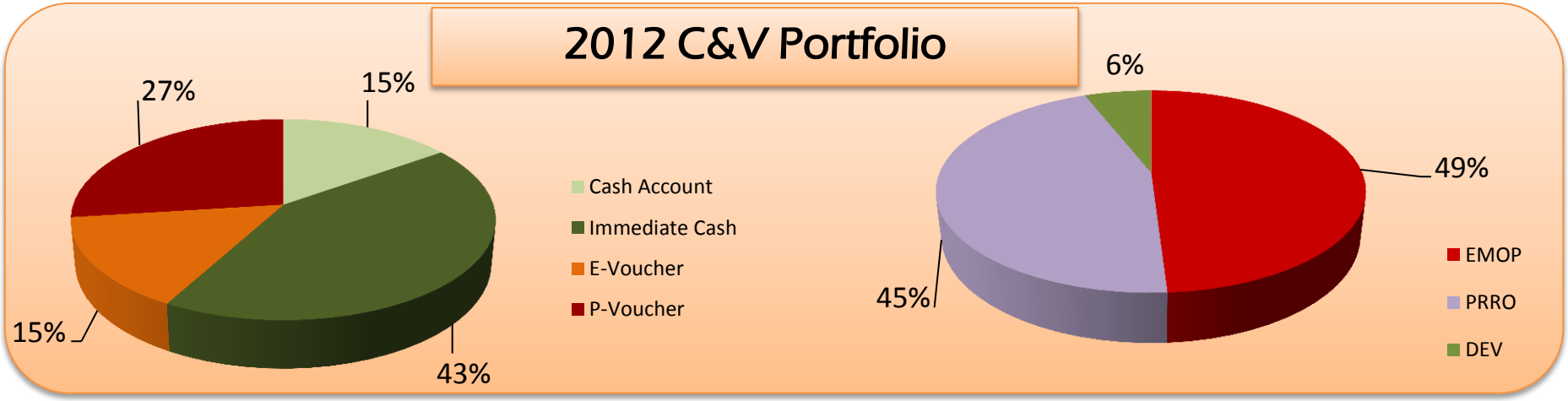
- **Cash-for-Change Consultation**
  - Review of progress with internal and external stakeholders

Current Portfolio

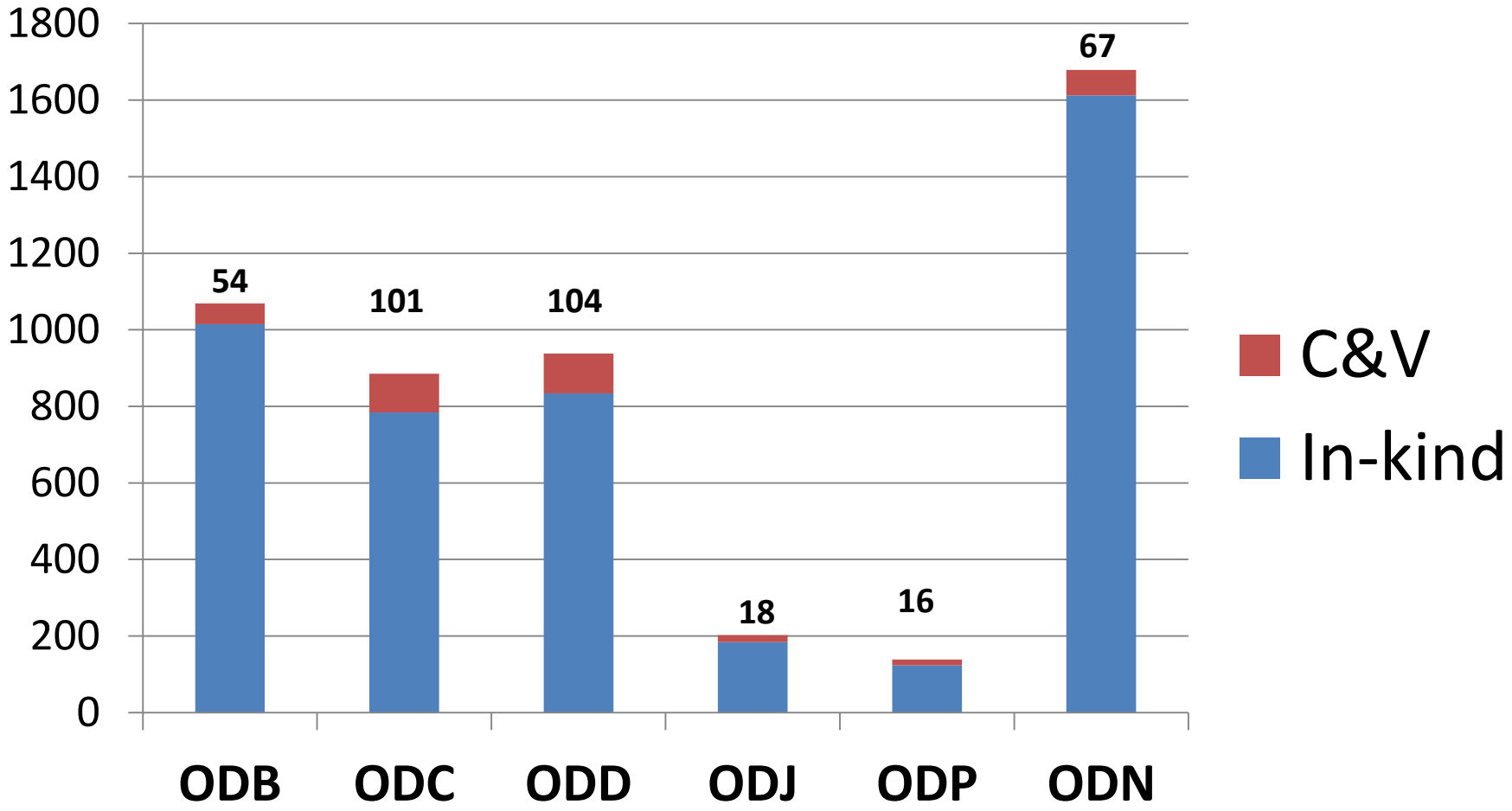
Growth of WFP's C&V portfolio



- Since 2009, there has been an **eight-fold increase** in the approved C&V programme of work;



WFP's 2012 Portfolio



Approved Programme of Work by RB in 2012 (million USD)

WFP's 2012 Portfolio

Regional Bureau	Proportion of Global Programme of Work	CV Proportion within Bureaux Portfolio
ODC	18%	11%
ODD	19%	11%
ODP	3%	11%
ODJ	4%	8%
ODB	22%	5%
ODN	34%	4%

Future Priorities

Facilitating Scalable Deployment

Improving Field-based Decision-Making

- Transfer Modality Selection

Full Integration of C&V Transfer Modalities

- Determine the Optimal Use of Cash and Vouchers in WFP's country portfolio

Continuing to Standardise Cash and Voucher Deployment

- Use of Core Distribution Models
- Corporate IT System

Partnership and Coordination

Increasingly Conducive Environment

- Increasing opportunities for collaboration

Capacity and Limitations

- Market, Partner and Service Provider capacity remains a critical limitation

Partnership Dialogue and Coordination

- WFP should play a greater coordination role
- Partnership dialogue should take account of changing roles and responsibilities of all players

Link to Government-Based Systems

- WFP must enhance its capacity to support, develop and/or utilise government-based systems

Conclusion