

Cash-Based Transfers

Latest Developments and Emerging Opportunities

November 2016

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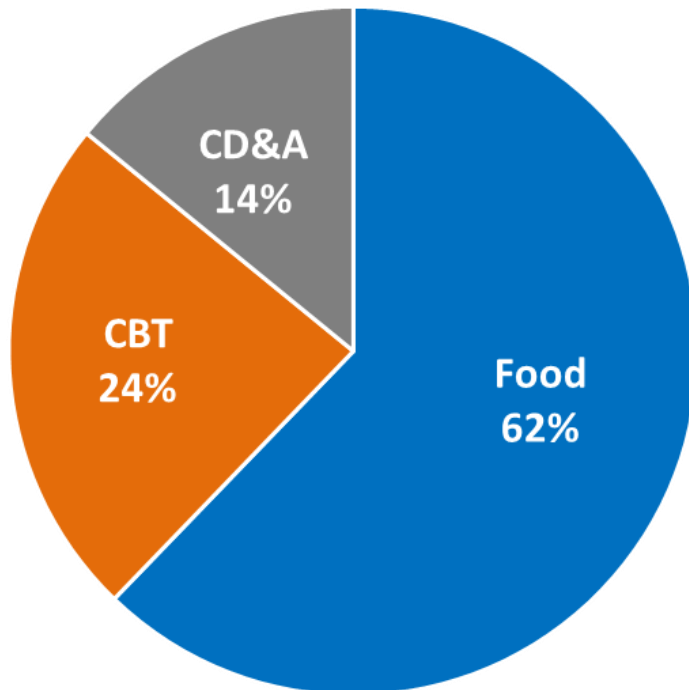
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FACTS AND FIGURES & ONGOING INITIATIVES

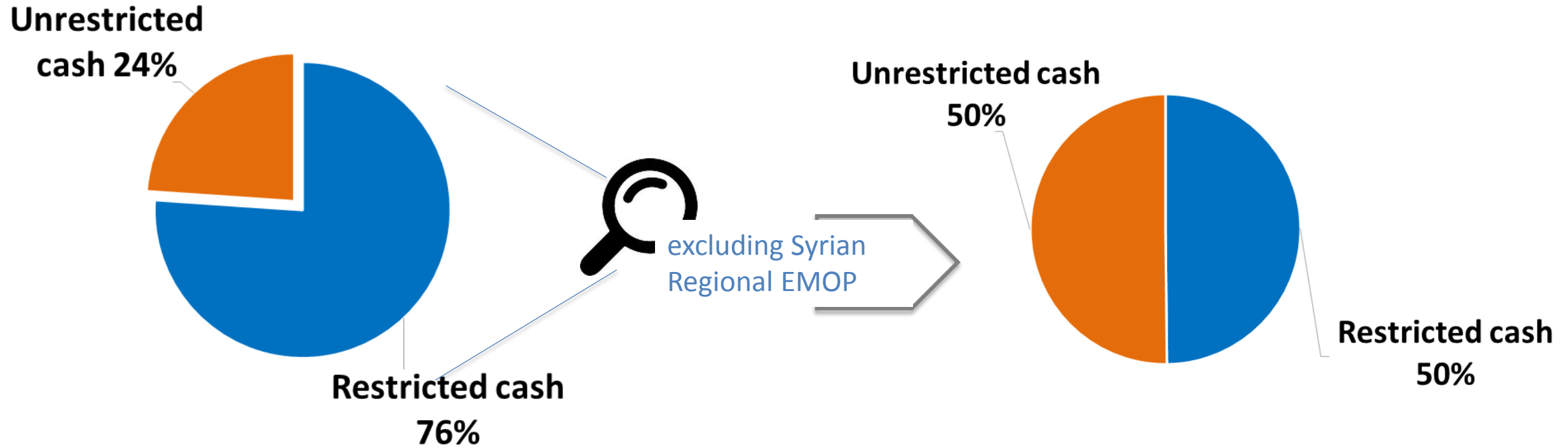
Global Coverage

- ✓ WFP accounts for an estimated **60%** of all cash transactions in the entire humanitarian sector¹
- ✓ Active in **84 projects** across **54 countries** (2016)

CBT Percentage share WFP Global Food Portfolio (2015)



Restricted / Unrestricted Cash

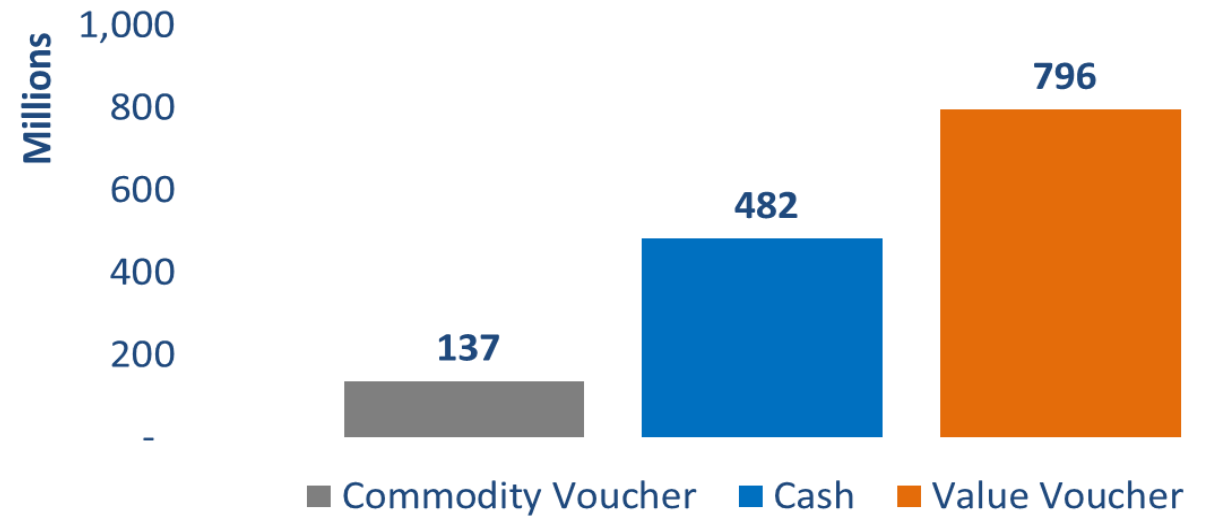
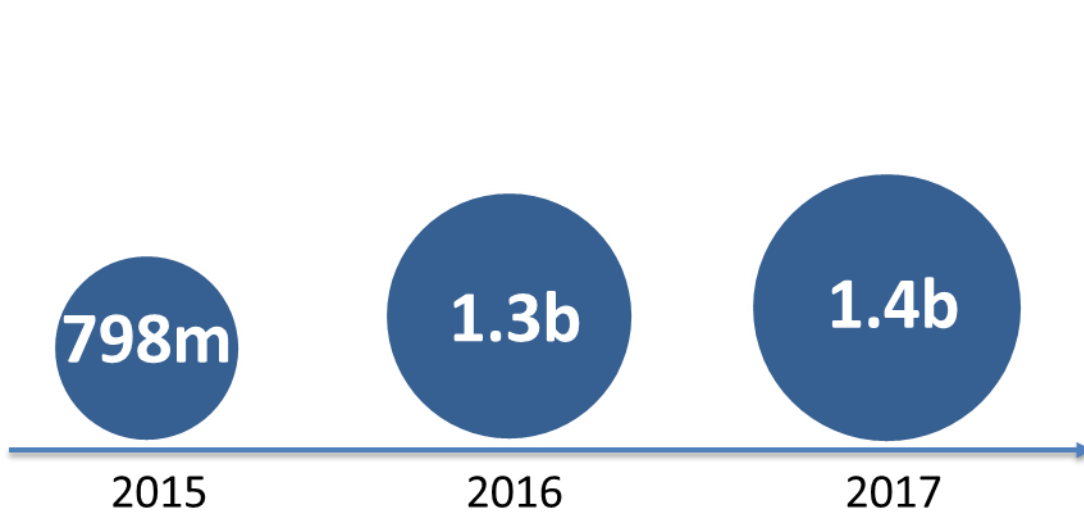


High allocation of restricted cash due to Syrian EMOP requirements

Approved Budget



CBT Prioritized Plan of Work 2017, Management Plan 2017-19



Resource based including DOC and DSC, no ISC

The CBT Resources based Plan of Work increase by 77% between 2015 and 2017

Transfer Value

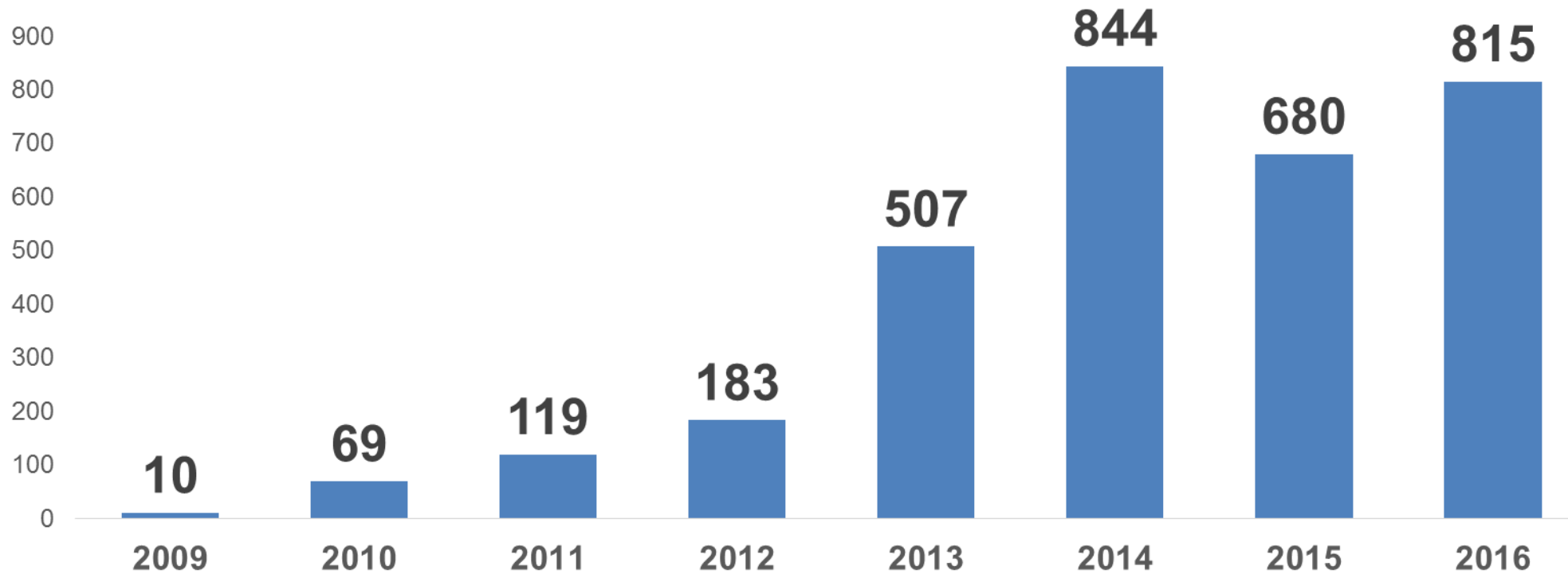


In 2015, WFP transferred USD 680 million to beneficiaries via CBT

As of 23 November 2016, USD 733 million have been transferred via CBT

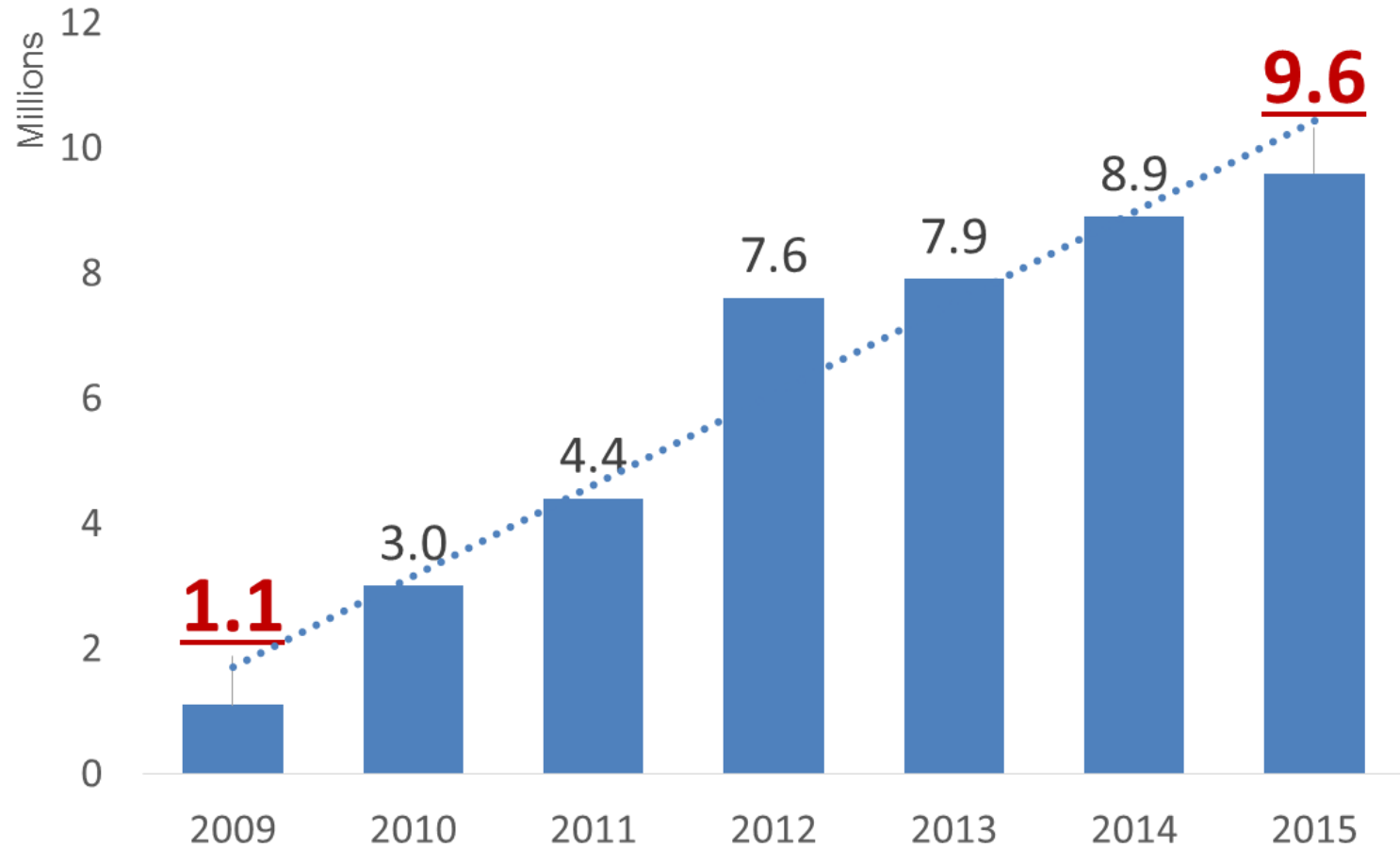
CBT Actual Transfer Value 2009 - 2016

in million USD



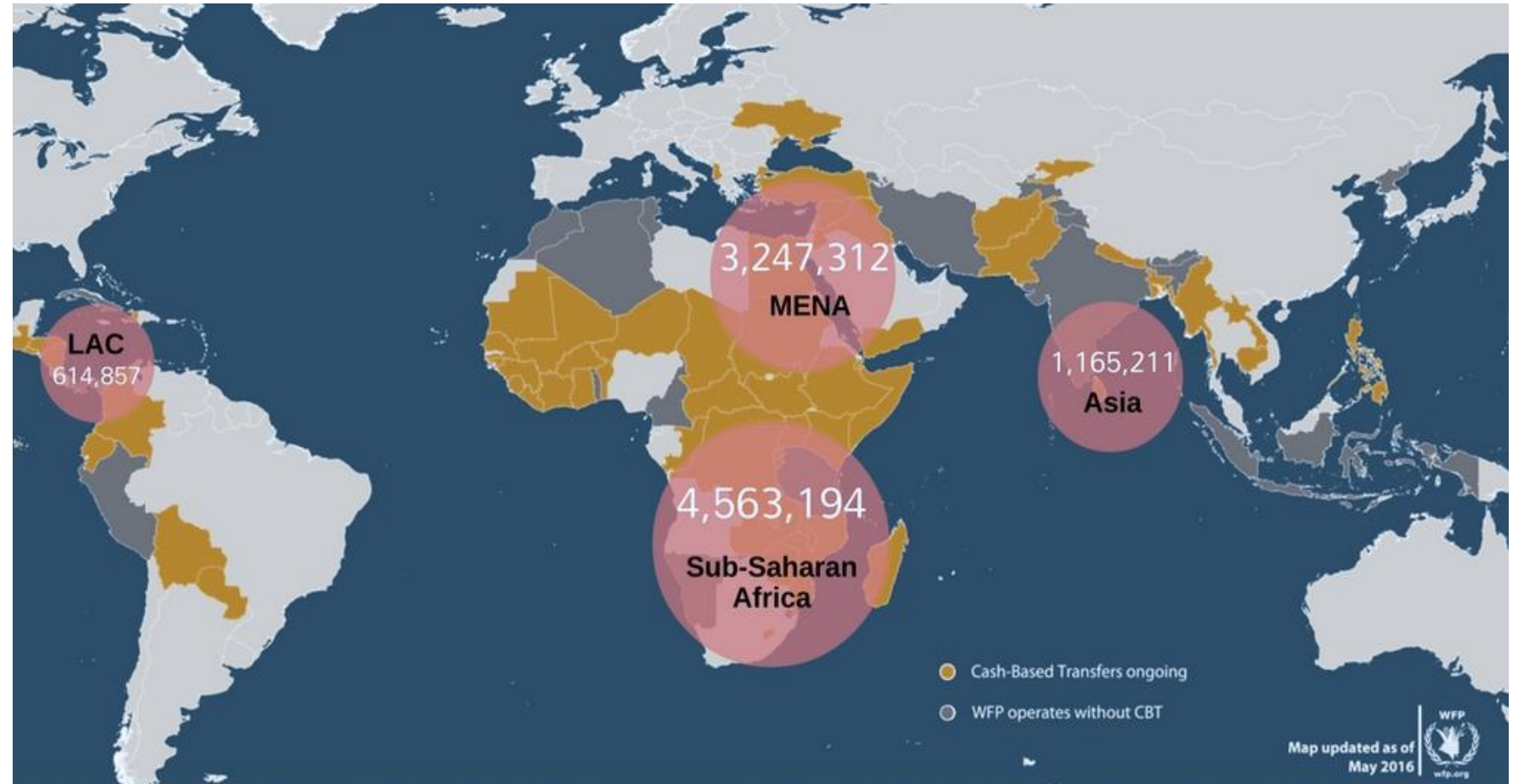
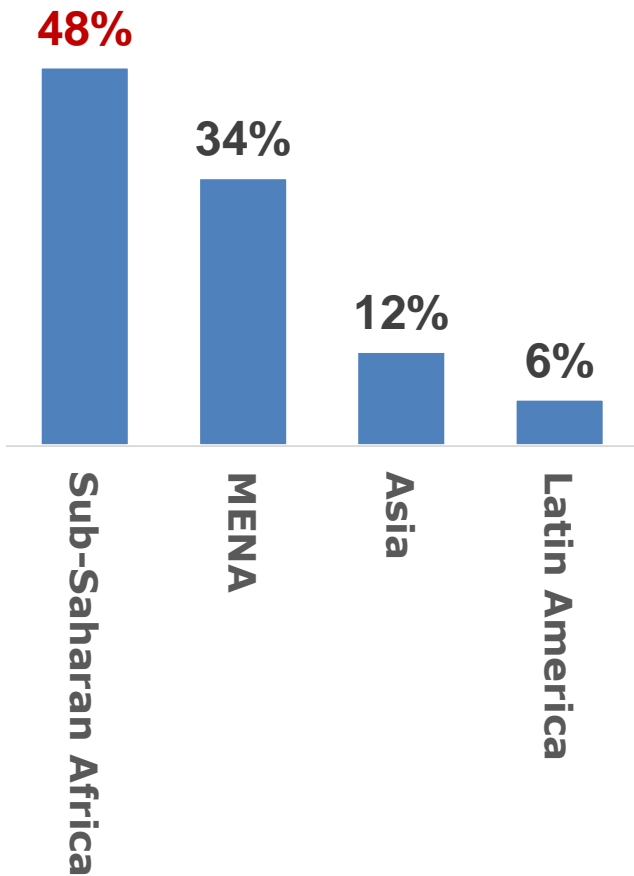
*2016 figure estimated based on current trends

Direct CBT Beneficiary Scale-Up



Average yearly growth of 150% since 2009

CBT Beneficiaries by Region in 2015



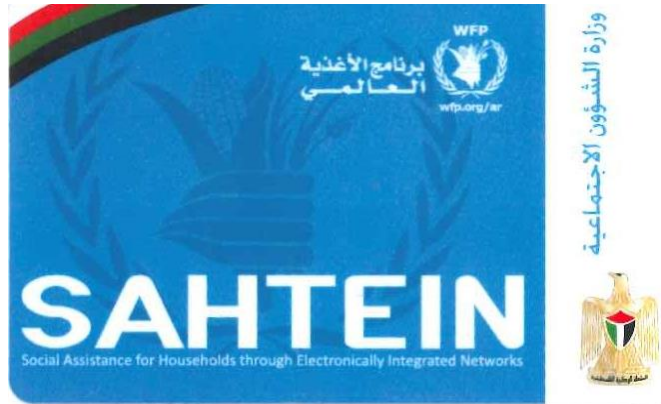
Nearly half the Beneficiaries reached with CBT are in Sub-Saharan Africa

Services Providers and Partners

Service Provider type	Active in 2016
Banks	32
Cooperating Partners	20
Micro Financial Institutions	16
Mobile Network Operators	24
Remittance	3
Retailer – providing delivery mechanism	7
Security Company	1
Technology Company	1

In total 104 Service Providers active in 2016

Local, Regional and Global solutions



LOCAL SOLUTION



REGIONAL SOLUTION



GLOBAL SOLUTION

Field Capacity Building/Partner support



Team of Trainers in place for all regions (pool of 140 staff)



73 country offices & regional bureaux already reached



2,300 WFP staff trained globally



CBT-Advisors in all WFP Regional Bureaux



150 staff trained from external partners, including other UN agencies, national administrations
and NGOs

CBT E-learning

- ✓ Internal CBT E-Learning course is the most popular online course at WFP
- ✓ External CBT Online Course launched in November 2016



The [Cash-Based Transfers E-Learning Course](#) developed by the World Food Programme (WFP) is designed to help humanitarian workers understand the

On-going Capacity Building/Partner support

Knowledge sharing with humanitarian community and donor partners

- ✓ Joint Initiative with **OCHA, UNHCR, UNICEF, WFP**
- ✓ **UNICEF/WFP** Joint Emergency Response Simulation
- ✓ Support to Tools, Guidance, Principles/Standards

Shock responsive Safety Nets



Increase of CBT within Social Safety Nets (SSN)

- ✓ **Philippines / Haiyan Typhoon:** 500,000 people reached through '4Ps'
- ✓ **Lebanon / Syria Crisis:** Development of Lebanese SSN through cash assistance
- ✓ **Jordan / Syria Crisis:** Current exploration with government of Jordan
- ✓ **Fiji / Tropical Cyclone Winston:** 72,000 people targeted via government SSN
- ✓ **Sri Lanka / Floods:** 60,000 people reached via SAMURDHI SSN
- ✓ **Ecuador / Earthquake:** Reliance on GoE Bono de Desarrollo Humano cash to 105,000 people
- ✓ **Haiti/ Hurricane Matthew:** WFP and CARE supporting the Ministry of Social Affairs and Labour

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STRATEGIC DIRECTION

WFP Cash Based - Service Value Chain



**INTENDED
OUTCOMES ARE
INTEGRATED,
CLEAR, CREDIBLE,
AND PRINCIPLED**



**THE RIGHT
HOUSEHOLDS ARE
EMPOWERED TO
ACCESS GOODS AND
SERVICES**



**BENEFICIARY CAN
TRUST SECURE AND
ACCOUNTABLE
SYSTEMS; BUILD
HOUSEHOLD
RESILIENCE**



**CASH TRANSFER
RISKS ARE
CONTROLLED**



**CLIENTS CONNECT
TO THE RIGHT
FINANCIAL SERVICES**



**DATA IS LEVERAGED
AND WELL
MANAGED INCL.
FRAUD DETECTION**

SCALE

SPEED

REACH



PROGRAMMES ARE WELL MANAGED



INTENDED OUTCOMES & IMPACTS ARE REACHED



AFFECTED POPULATIONS HAVE A SAY



GUARANTEE SUSTAINABILITY AND SUPPORT LOCAL INFRASTRUCTURE

Standards and Principles



- ✓ Select payment mechanisms for **recipient empowerment**
- ✓ Collect data that is **relevant** and proportional
- ✓ Safeguard the **right to data privacy** and protection
- ✓ Facilitate pathways to **financial inclusion** when possible and appropriate
- ✓ Prioritize and build on **existing local systems** and infrastructure
- ✓ Invest in organizational **preparedness** to quickly leverage digital payments, when appropriate
- ✓ Develop institutional and collective capacity for effective **humanitarian-private sector** engagement
- ✓ Better coordinate use of **multipurpose** and **shared payment systems**

Opportunities for Financial Inclusion - Standardization

WFP and partners have the ability to reach millions of households and connect them to:

- ✓ **financial services** (& support building-up of local financial ecosystem)
- ✓ **opening bank accounts and e-wallets**
- ✓ **accessing services** (incl. mobile money, card services, ATM, transfer services, weather insurance)
- ✓ **financial literacy/ consumers protection** (i.e. help desk, active role for “clients”)

Opportunities for Financial Inclusion - Standardization



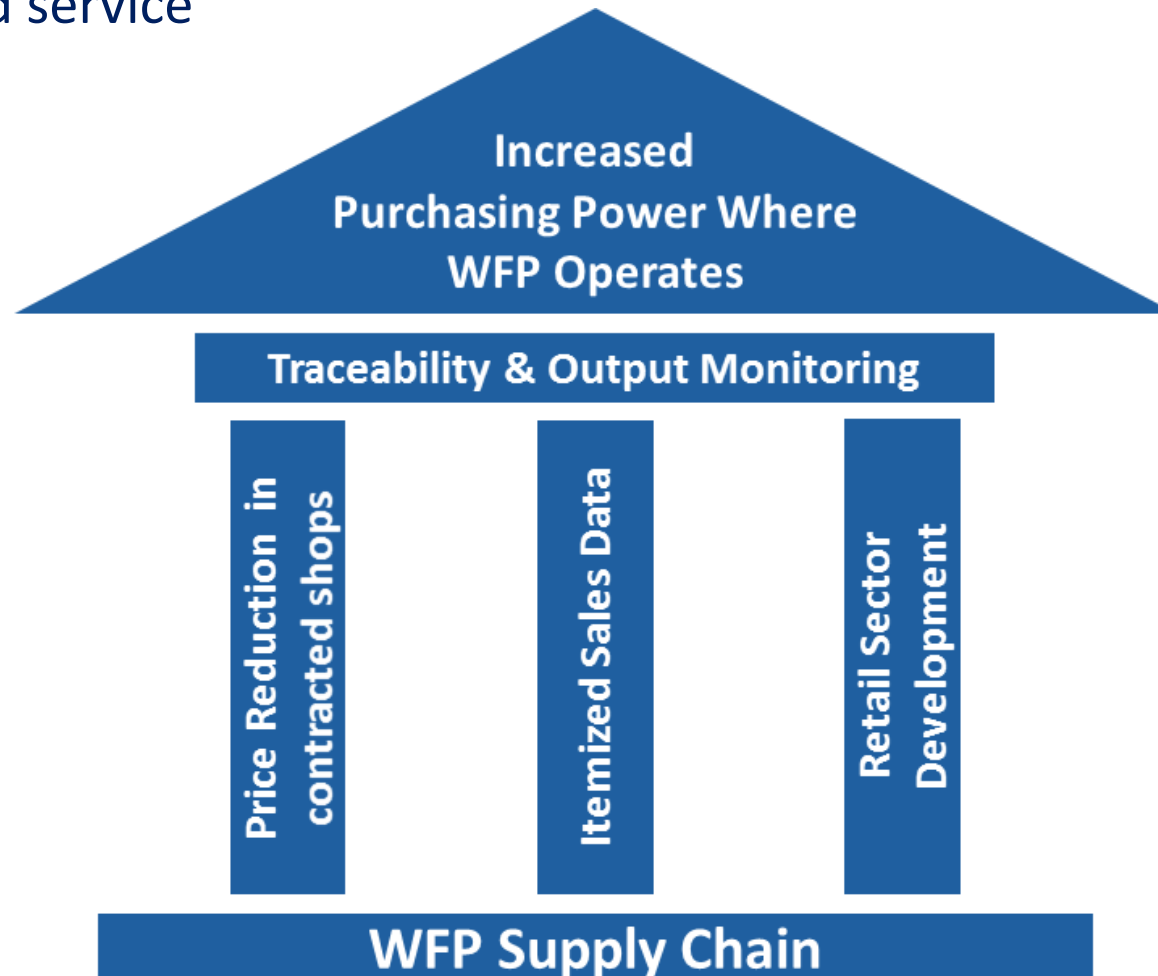
... continues:

- ✓ **WFP connects thousands of retail shops to commercial financial systems and services**
- ✓ **WFP has on-going contracts with more than 70 domestic commercial financial services**
- ✓ **Standards for better interoperability** among Humanitarian/Development actors & Financial

Service Providers / Private Sector

Retail Engagement Strategy

Leverage WFPs supply chain expertise and purchase volumes that ensure sustained availability, good quality, fair price and good service



Retail Engagement Strategy – Proven by Success

2016 Focus Countries

- ✓ **Lebanon:** 7% checkout discount in chain stores (US\$3M *pa*)
- ✓ **Jordan:** 8% selling price reduction in Za'atri (US\$1.7M *pa*) + checkout discount (US\$2M *pa*)
- ✓ **Iraq:** 15.3% selling price reduction by Nov16 (US\$1.2M *pa*)
- ✓ **Kenya:** 6% reduction in selling price (US\$640K *pa*)

FOCUS 2017

Gains in disrupted supply chain of developing markets like Kenya & Sudan are likely to yield higher benefits

In 2016 WFP could increase purchasing power by **US\$ 8.5 M/y**

Beneficiary Data at the Centre of Assistance

The power of transfer / itemized sales data

Beneficiary communication

Monitoring and targeting

Spending patterns

Retailer development

Food security

Tax calculation

Local market impact



ARIF - Making sense of e-card transaction data

- ✓ ARIF, the **Automated Real-time Information Feed**, is a digital monitoring and analysis tool
- ✓ Automated and **real-time anomaly detection** will strengthen the current manual fraud detection systems
- ✓ Thanks to millions of transaction records we know **where people shop and how mobile they are**
- ✓ An **advanced prototype** is available for piloting in Lebanon

Card Holder Mobility: Patterns

This map shows where transactions occur, the location is based on payment terminals. Beneficiaries living in Beirut/Saida and the Tripoli area tend to gravitate around the same network of local shops.



ARIF Dashboard



ARIF



DECEMBER 1, 2015 - DECEMBER 31, 2015

Dashboard

DATA

General

Transactions

Retailers

Cases

Alerts

SYSTEM

REST API Doc

Details

Dashboard & statistics

415
Active Retailers

VIEW MORE

194,384
Transactions

VIEW MORE

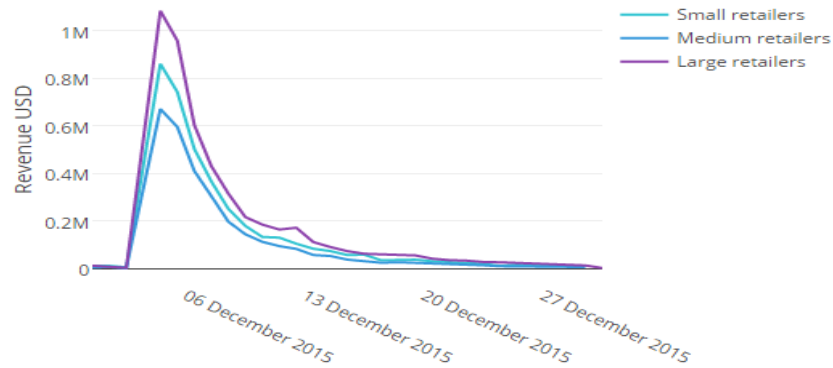
373
Alerts

VIEW MORE

132,513
Cases

VIEW MORE

RETAILER REVENUE totals per size category

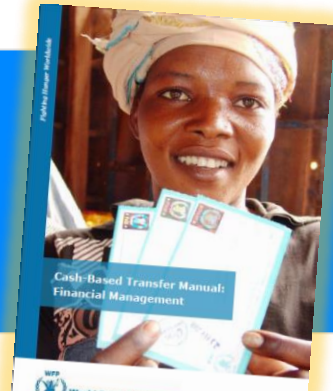


ACTIVE RETAILERS



Cash-Based Transfer Manual: Financial Management II

In 2016, Finance collaborated with cross-functional divisions to release the new CBT Manual for Financial Management. With clear guidance and tools in a wide range of CBT aspects the manual is also useful for CBT colleagues outside of Finance.



Key Improvements:

Guidance on risk mitigating measures through the Macro & Micro Financial assessments.

Highlighting the role of Finance in selecting & contracting Financial Service Providers.

Revised & simplified Expense Recognition Policy for CBT Accounting/Distribution Scenarios.

New User-Friendly Structure (3 sections):

- Managing Cash-Based Transfers;
- Safeguarding Cash-Based Transfer Resources;
- Special Cash-Based Transfer Arrangements.

Reduced accounting scenarios that define distribution & financial reconciliation type - from five to three.

Guidance on how to conduct Financial Performance Review at the end of CBT interventions.

Underlines the regulatory framework for CBT financial loss.

Identifies and describes 4 phase CBT Internal Control Framework

Special Account overview. CBT Services now available to Governments, UN agencies and cooperating partners.

Cash-Based Transfer Special Account (SACV)

Delivering as One

Consistent with the UN effort of ‘**Delivering as One**’, HQ CBT Finance developed the Special Account (SACV) & the Multipurpose Card. Now, WFP and the humanitarian community have a single place to manage and distribute funds.



Special Account, Quick Facts:

- Currently being utilized in **Lebanon, Palestine & Jordan**;
- The Special Account has a Cash Transfer Value of **USD 89.28 million**;
 - Lebanon CO, **USD 66.80 million**
 - Palestine CO, **USD 15.32 million**
 - Jordan CO, **USD 7.16 million**
- **14 partner users** including UN agencies, NGOs & governments;
- Reaching **425,000 beneficiaries** in 2015



Cash-Based Transfer Special Account (SACV)



Benefits of the Special Account



Beneficiaries:



Partners:



Donors:

FSP

Financial Service Providers:



wfp.org

- 'Delivering as One'.

- The Multipurpose card unifies assistance from multiple actors;
- Enhances self reliance;
- Provides freedom of choice;
- Reduces travel to distribution sites.

- Reduced costs;
- Shortened implementation time;
- Provides detailed reporting.

- No overlap of efforts/costs;
- Reduces beneficiary duplication/fraud;
- Creates cost efficiency.

- Swifter payment cycle;
- Reduces administration & paperwork;
- Enhances security & transparency;
- Enforces 'Know Your Customer' (KYC).

Current CBT Special Account Partners

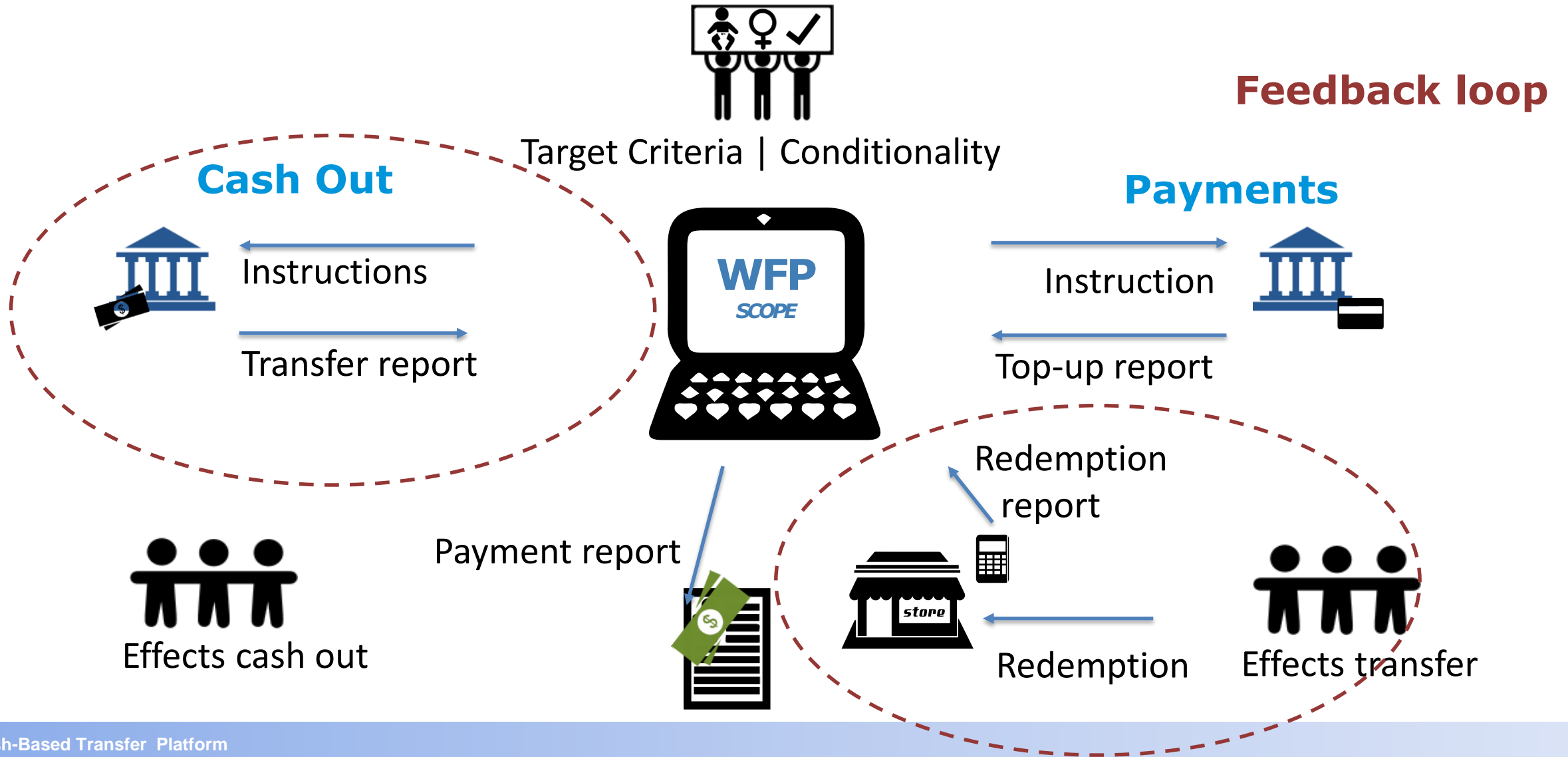


Ministry of Finance (Lebanon), UNHCR, Mercy Corps, ACTED, Save the Children, Medecins Du Monde, CARE...



Solidarities International, UNICEF, Oxfam, International Rescue Committee, World Vision International, IOM, UNRWA

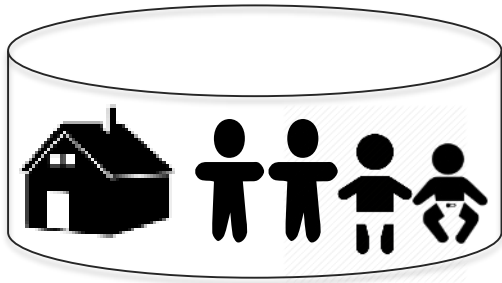
SCOPE: WFP system for cash-based interventions



System Capabilities: Registration to Analysis

Single Registry

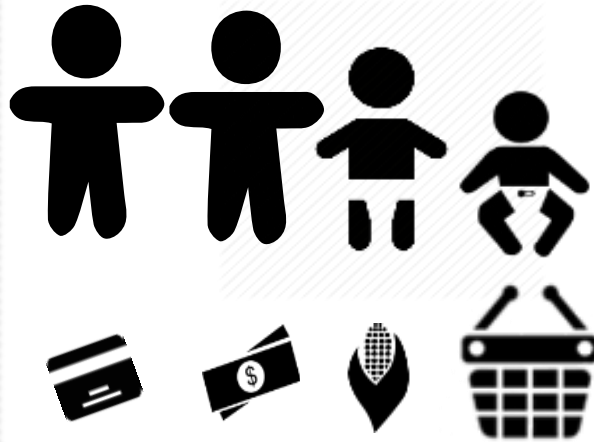
Imports | Biometrics
| Protection



Only register or import data once and then reuse it for future interventions.

Entitlement Mgmt.

Targeting | Conditionality | Locations



Change entitlements quickly and know an entire household's assistance basket.

Flexible Delivery

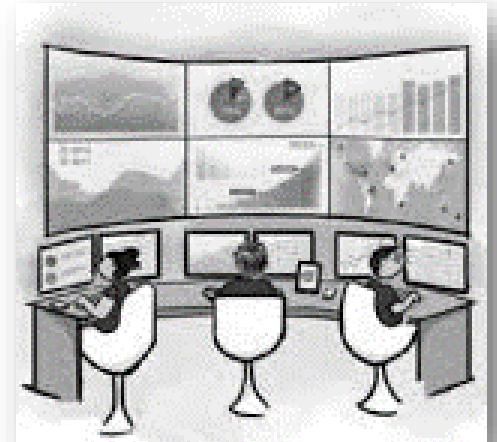
CP | SP | WFP | Governments



WFP manages the delivery cycles and anyone can do the delivering.

Operational Mgmt.

Feedback | Analysis | Adjust



Analyze information and adapt the programme based on real data.

SCOPE figures



Engaged in **49** countries



3

NEXT STEPS

Challenges



Focus on overcoming certain restraints

- **Global need for more capacity** at country level to elevate the cash transfers and financial inclusion beyond the payment gateway and the cash advocacy.
- Necessity for WFP and partners to escalate these discussions at government as well as regulator level to **optimize transfer of benefits** and potential financial inclusion of individuals
- Based on the above, **build and strengthen country systems**

Tackling these challenges and prepare the path forward that WFP has identified:

- ✓ **Proactively pursue new partnerships, and build on existing ones**
- ✓ **Systemic digital identification** to build country systems, and linked with KYC requirements
- ✓ Engage further with national government to advance **financial hub services**
- ✓ Building-up expertise on “**Big Data Transaction Analysis**” to deliver new insight in programme operations and build further expertise on pre/post transfer
- ✓ Taking advantage of both government existing structures, digital data and identification to better understand the needs of the communities assisted

Goal: Build, Support and Leverage Country Systems

Host Governments have a central role to play in the scale up of cash transfer

- Further investment in linking existing SSN to **preparedness**, and creating an **enabling regulatory environment** that supports rapid action to meet urgent humanitarian needs
- Close **collaboration** with Private Sector Financial Service Providers
- **Strengthened pre & post cash transfer capacity** among UN, IOs, (I)NGOs, Communities to better reach vulnerable population



As part of Agenda 2030 (SDG 2 and SDG 17) WFP's ultimate objective is to enable country systems to manage risks, better absorb shock, and better respond to crises

Q&A Session

World Food Programme

Learn more:

<http://www.wfp.org/cash-based-transfers>

<http://go.wfp.org/web/cash-based-transfers>



World Food Programme

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