



World Food Programme

Cash Based Transfers (CBTs)

Background

In 2008, WFP made a historical shift from a food aid to a food assistance organization with an introduction of the Strategic Plan (2008–2013). Cash Based Transfers (CBTs) - cash and voucher modalities - became part of a robust set of tools to respond to critical hunger needs. Responding to the corporate transformation, WFP Sudan launched CBTs in 2009 and has since successfully scaled up CBTs, emphasizing an evidence-based approach and innovative solutions, such as electronic vouchers via SCOPE and cash with prepaid cards. In 2016, WFP Sudan assisted over 600,000 individuals, reaching approximately USD 40 million in transfer value.

Electronic Vouchers (e-vouchers) via SCOPE

WFP Sudan introduced e-vouchers in August 2015, applying the corporate solution—SCOPE. Over the past year, 30,000 people received food assistance through e-vouchers in West and South Darfur states.

Cash with prepaid cards

In 2016, WFP Sudan launched the first pilot of cash via prepaid cards with a financial institution. The pilot assisted 68,000 IDPs located in Otash IDP camp in South Darfur State. In addition, WFP assisted some 500,000 IDPs with commodity vouchers.

Impact Study among Different Modalities

The Cash pilot will be followed by a study to measure the impact on food security, livelihoods, nutrition, gender, protection and local markets among in-kind, cash and voucher modalities.

Evidence-Based Approach

Multi-Sectoral Capacity Assessment (MSCA)

WFP conducts MSCA to assure that CBTs are feasible in the locations of targeted beneficiaries in the aspects of security and the capacity of local markets, NGOs, and service providers in the finance and ICT sectors.

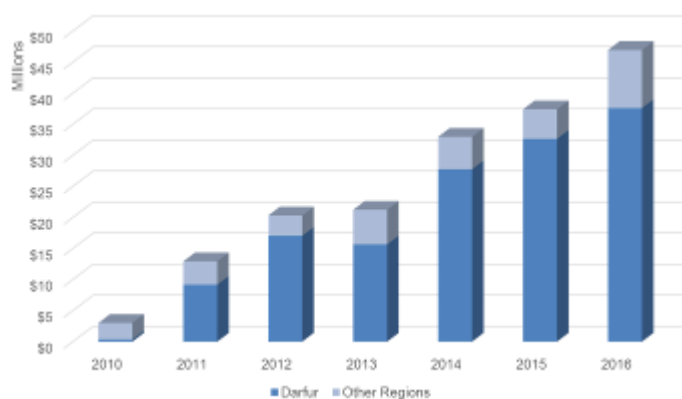
Comparative Analysis via Omega tool

WFP applies its corporate tool for a comparative analysis to select the most appropriate modality among in-kind, cash and vouchers. The analysis takes into consideration 1) efficiency (timeliness and cost); 2) effectiveness (nutrient value score, gender and protection); and 3) externalities (ex. impacts on local markets and economy.)

Calculation of Transfer Value

WFP calculates transfer value, reflecting food baskets based on beneficiary's preference, energy intake, nutrient balance, and local prices of selected food items. VAM collects prices weekly to capture signs of inflation and seasonality. If inflation rates exceed 20%, transfer value will be adjusted.

WFP Sudan CBT Transfer Value (2010– 2016)





Opportunities

- **Empowerment of Women.** Market assessments indicate that CBTs at Otash IDP camp in South Darfur state empowered women by allowing small female traders to participate in WFP food assistance through CBTs.
- **Diversity of Food Selection.** Vouchers offer 18 food items based on the individuals preference while in-kind includes only 2 – 4 food items.
- **Impacts on Local Economy.** Local traders increased 20 – 30% of their business through voucher-based food assistance in Kassala.
- **Efficiency and Effectiveness.** Comparative analysis shows that CBTs are more efficient and/or effective than in-kind in Kassala, West Darfur and South Darfur states.
- **Coordination with the Government and UN Agencies.** CBTs allow WFP Sudan to strengthen coordination with the government and UN agencies to apply the same delivery mechanisms for a safety net system and UN One approach through banking cards.

Challenges

- **Inflation due to climate change – El Nino:** WFP Area Offices in North and South Darfur States increased transfer value by 20% due to El Nino in 2016.
- **Poor infrastructure in finance and ICT sectors:** Innovative solutions, such as mobile money, are not applicable in some locations due to a poor infrastructure.
- **Security and Protection:** Implementation of cash requires a lengthy preparatory process to assure safety of WFP staff and targeted individuals, particularly in Darfur region.
- **Lengthy procurement process:** The custom process requires a few months to procure ICT equipment required for e-vouchers via SCOPE.
- **Funding constraints:** CBT shortfall for the coming 6 months is USD 17.7 million, of which USD 12.8 million is the transfer value. Should no funds be received to bolster the CBT pipeline, WFP will have to shift to in kind assistance, halting significant gains made in the sensitization and positive effects seen for beneficiaries through the CBT modality.

History

- **2009:** Paper vouchers assisted ex-combatants via food assistance for assets and training, and institutional feeding activities in Kassala, North Kordofan and Red Sea states.
- **2011:** Paper vouchers assisted IDPs via general food distribution (GFD) introduced in 6 IDP camps in North, West and South Darfur.
- **2012:** Paper vouchers helped meet the needs of the new refugees via GFD in Kassala.
- **2013:** Paper vouchers were used in response to the emergency in North Kordofan, where IDPs fled the Abu Kershola conflict zone. Paper vouchers expanded to Otash camp, South Darfur and to longstanding refugees in Kassala.
- **2014:** Paper vouchers were introduced to the largest IDP camp—Zamzam camp in North Darfur.
- **2015:** Electronic vouchers were introduced in Dereige IDP camp in South Darfur. Paper vouchers expanded to 6 IDP camps in West Darfur state and 1 IDP camp in South Darfur state.

Thank You
WFP is grateful for the following donors' generous support to the CBT programme

	DFID
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	Switzerland
	UN CERF
	USAID

Donors are represented in alphabetical order.