

Delivering cash-based transfers in Palestine

WFP's Expertise and Experience

Under its current Protracted Relief and Recovery Operation, **WFP aims at assisting close to 177,000 people in Palestine through cash-based transfers, using electronic vouchers as the modality of assistance**. Food vouchers help poor urban and semi-urban families purchase nutritious foods in local shops, such as bread, eggs, cereals, milk and cheese, olive oil and *tahini* (sesame seed paste).

With vouchers, beneficiaries can choose food from **15 different nutritious items**, including bread, cereals, dairy products, eggs, olive oil, fresh vegetables and *tahini*. More than 99 percent of them are **produced and/or processed locally.** WFP works with more than **170 local shops in the West Bank and 75 shops in Gaza**. The participating shops use an electronic terminal, similar to a credit card machine, where beneficiaries swipe their vouchers to buy food.

An efficient modality of delivering assistance

Flexible tool to respond to emergencies. Within a few weeks, WFP was able to scale up assistance through vouchers from 60,000 people to 300,000 people during the 2014 Gaza conflict.

Platform for multi-sectoral partnerships in emergency, recovery and development contexts. The voucher system is adaptable to meet different agency requirements across different sectors. UN and NGOs have used WFP's vouchers to provide emergency/ recovery food and other items using WFP's One card ("e-wallet"):

- Since 2014, WFP has been partnering with the UN Relief and Works Agency (UNRWA) in the West Bank using WFP's voucher system to provide monthly food assistance to UNRWA's refugee beneficiaries. The programme is reaching 47,000 refugees who can redeem their vouchers in more than 110 shops.
- UNICEF and WFP regularly join forces, allowing WFP's voucher recipients to purchase water, sanitation and hygiene (WASH) and school items in addition to food with their WFP vouchers.
- WFP's Onecard was used by a large array of humanitarian/development NGO partners (HelpAge International, Médecins du Monde, Oxfam GB) to deliver multi-sectoral assistance.

Efficient and cost-effective processes: WFP's partnership with PalPay, a subsidiary of Bank of Palestine, takes advantage of technological developments and increases the efficiency, reduces implementation costs and provides flexibility to scale up voucher assistance in case of an emergency. It uses internationally-recognized financial processes and procedures to control risks and manage payments.

Strengthened and improved monitoring: the voucher platform allows timely monitoring of shops and beneficiaries' voucher redemption rates, allowing corrective measures in real time.

Primary impact of vouchers

Improves household food consumption, nutritional status and dietary diversity: food items in the WFP voucher list provide at least 30 percent of the daily needs of micronutrients for the beneficiaries, and 60 percent of their daily calorie needs. Vouchers have proven to be more effective than in-kind food assistance in improving people's dietary diversity.

To strengthen the nutritional impact of its Cash-Based Transfers (CBTs), WFP together with UNICEF and the local NGO Ard El-Insan run nutrition awareness sessions for 2,500 women and 1,000 men receiving CBTs in Gaza. Interactive sessions have been instrumental to strengthen women's role as autonomous decision-makers and promote a common understanding of the importance of healthy eating.



The programme is all the more critical as 50 percent of the population suffers from more than one micronutrient deficiency, particularly female adolescents in Gaza where 72 percent are deficient in vitamin D and 64 percent are deficient in vitamin A. Since 2011, 4,850 women and their families have benefitted from the training.

Promotes women's empowerment and protection: around 25% of WFP's entitlements cards are issued in women's names, and shops are located in areas that are easily accessible to households headed by women, to reduce women's security risks. This is particularly crucial in times of emergencies/ recurrent wars in Gaza.

Promotes dignity and domestic harmony: vouchers give beneficiaries a choice in what products they buy, and protect families from engaging in negative coping mechanisms, such as purchasing food on credit, reducing the variety of consumed food and reducing the number of daily meals.

Secondary impact of vouchers

The voucher modality supports and maximizes the return and benefit for the local economy. Through this innovative instrument, **WFP has invested more than USD 135 million in the Palestinian economy** since 2011, including **USD 58 million in Gaza**.

Vouchers have a multiplier effect on the local economy. Findings of WFP's 2016 assessment showed that:

- The average additional monthly sales triggered by vouchers: **USD 10, 638 per shop,** of which USD 2,825 are indirect sales;
- Participating retailer owners reported re-investing their profits and guaranteed revenues: **USD 4,2 million of investments since 2013**, i.e. more than USD 30, 000 of investment per year for participating shops (2,3 times more than for non participating shops);
- 230 **new full time jobs created** in participating shops and at producers since the start of the programme;
- Over **USD 1 million of VAT revenue** generated annually;
- 55% of participating dairy processors attributed their increased sales to the voucher programme.

