SAVING LIVES
CHANGING LIVES



Delivering cash-based transfers in Palestine

WFP's Expertise and Experience

In 2018 and under its current Country Strategic Plan (2018-22), WFP aims to assist close to 190,000 people in Palestine through cash-based transfers (CBTs), 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).

WFP works with 93 local shops in the West Bank and 85 shops in Gaza. The participating shops use an electronic terminal, similar to a credit card machine, where beneficiaries swipe their vouchers to buy food.

In January 2018, WFP eased the purchase restrictions of all assisted families who can now buy all types of food—barring unhealthy items such as candies, chocolate and soft drinks. Since October 2017, beneficiaries can shop and redeem their entitlements from any participating retailers. These initiatives were aimed at fostering competition and increasing people's freedom of choice and purchasing power with a view to further empower them as drivers of change.

An efficient modality of delivering assistance

CBTs are a flexible tool to respond to emergencies. Within a few weeks, WFP was able to scale up its voucher assistance from 60,000 people to 300,000 people during the 2014 Gaza conflict.

CBTs offer a common platform for multi-sectoral partnerships in emergency and recovery contexts. Since 2014, WFP's electronic voucher platform has been used and recognized as an efficient, cost-effective and flexible common delivery platform allowing for other stakeholders to transfer their assistance.

They has been used by the broader humanitarian community, including the United Nations Children Fund (UNICEF), the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), and a large array of humanitarian/development NGO partners.

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WFP's cash-based transfers (CBT) assistance has proven to be a catalyst to support small-scale food processors, including women-headed businesses, cooperatives and associations, in their endeavours to bolster their income-generating activities and expand their market outlets. Since 2011, WFP has invested nearly USD 170 million in the Palestinian economy using this modality. Participating CBT shops are selected by WFP's shop committee based on the following criteria: readiness of the owner to comply with the programme requirements, including administrative and financial obligations, availability of sufficient supplies and stock capacities, proximity with the beneficiary households, compliance with general quality and hygiene standards, registration with the tax authorities, adequacy of equipment, such as refrigerators and cold chain for appropriate storage of dairy products. modality of assistance.

These multi-sectoral partnerships have been instrumental to foster aid complementarity and effectiveness across sectors.

CBTs rely on efficient and cost-effective processes: Since 2011, WFP has been contracting a financial service company – a subsidiary of the Bank of Palestine called Palpay– to operate and manage the CBT platform. WFP's partnership with PalPay 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.

CBTs allow for strengthened and improved monitoring: The system records all transactions performed by beneficiaries using their electronic vouchers and enables WFP to have full oversight of the nature, quantity, price of all food items purchased in real time and be aware of any dysfunctionality or abnormal practices. This allows WFP manage the risk of fraud and diversion, ensure that the activity is fully compliant with WFP operational guidelines, rules and regulations, and take corrective measures.

While no instances of diversion have been reported, WFP has further strengthened its CBT control mechanisms by instituting a performance bond for all contracted retailers. Compensation in case of any verified instances of diversion is to be drawn from the performance bonds.

Primary impact of vouchers

CBTs improve household food consumption, nutritional status and dietary diversity: Vouchers have proven to be more effective than in-kind food assistance in improving people's dietary diversity.

To strengthen the nutritional impact of CBTs, WFP together with the local NGOs Ard El-Insan in Gaza and Palestinian Medical Relief Society in the West Bank run nutrition awareness classes to CBT recipients, in majority women. The classes proved to be a catalyst in strengthening women's role as autonomous decision-makers in the selection of food and preparation of meals, and in building a common understanding of the benefits of eating healthy among all family members.

In Gaza, the programme is all the more critical as 50 percent of Gaza population suffers from more than one micronutrient deficiency. 72 percent of female adolescents are deficient in vitamin D and 64 percent suffer from a shortage of vitamin A. Since 2011, more than 20,000 participants attended the training across all Gaza governorates.

CBTs promote women's empowerment and protection: more than 30% 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 armed hostilities in Gaza.



Photo page 1 and 2: WFP /Eyad Al Baba