

CASH TRANSFERS

PROMOTING SUSTAINABLE LIVELIHOODS IN SUB-SAHARAN AFRICA

What are cash transfers?

Cash transfers are regular money payments to poor households.

Beneficiaries use this money to cover their family's basic needs, such as food, health care and children's education. Cash transfers can also help lift poor subsistence farmers out of the vicious cycle of poverty by enabling them to invest and produce more food. In addition, cash transfer programmes stimulate local economies.

Cash transfers are becoming an increasingly important tool for reducing poverty in developing countries.



Who are the beneficiaries?

In sub-Saharan Africa, cash transfer programmes target the poorest and most vulnerable people, who are mostly subsistence farmers. Some programmes specifically target families with members who have disabilities or who take care of orphans or older people.

Eligible households are often identified at the community-level and payments can be made through local post offices, pay points or via mobile phones.

What are the benefits?

Households

Increased food consumption and better nutrition, improved school enrolment, reduced child labour, more investment in productive assets such as agricultural tools, fertilizers and livestock.

Communities

Beneficiaries buy goods and services that stimulate the local economy. Cash transfers also help communities become more self-reliant and strengthen social networks.

Some examples

Kenya

- Families consumed more dairy products, eggs, meat and fish.
- Families also produced more of their own food.
- Secondary school attendance up by 9%.
- Access to preventative health care services up by 10%.

Malawi

- Families invested in agricultural equipment and livestock and produced more of their own food.
- There was less use of negative coping strategies, such as begging and taking children out of school.

Lesotho

- For every 1 Maloti transferred to beneficiary households, an additional 1.23 Maloti in income was generated in the community.

What is FAO doing?

The FAO-led project From Protection to Production (PtoP) is analysing the productive and economic impacts of cash transfer programmes on economic development, food security and nutrition in seven sub-Saharan countries.

FAO is also advising and training policy-makers and programme managers on how to improve the impact of cash transfer programmes and how they can be combined with other agriculture interventions.

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