



THE CASH LEARNING PARTNERSHIP

## VOUCHER FAIRS

A QUICK DELIVERY GUIDE FOR CASH  
TRANSFER PROGRAMMING IN  
EMERGENCIES

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# VOUCHER FAIRS:

## A QUICK DELIVERY GUIDE FOR CASH TRANSFER PROGRAMMING IN EMERGENCIES

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# QUICK DELIVERY GUIDE: VOUCHER FAIRS

## NECESSARY PRECONDITIONS

- ✓ There must be a large enough number of local sellers with adequate quantity, quality and variety of goods.
- ✓ Local sellers must be willing to participate in the programme on agreed terms and conditions. E.g., quality standards and/or price, requirements for accountability materials, or presence of staff and volunteers for monitoring.
- ✓ Local sellers must be reliable and continue to function through the emergency.
- ✓ The fair location must be consultatively established, easily accessible and safe to access, accessible to vulnerable groups and accessible to the sellers by varying modes of transport. Impact on the community and access to other services (for example, transport) and cleanup after the fair should also be considered.
- ✓ A secure and reliable way of paying the sellers must be available.
- ✓ Voucher fairs are acceptable to local authorities, communities and other stakeholders.
- ✓ No official identification is needed.

## DESCRIPTION OF THE PAYMENT METHOD

A **voucher fair** is basically an organised space where sellers display their products and the buyers (beneficiaries) use vouchers to purchase the **goods or services** they need. Voucher fairs imitate markets and bring traders and beneficiaries together to meet

specific or diverse needs. The main advantage of voucher fairs over direct distributions is that voucher fairs allow beneficiaries to construct their own ‘baskets’ or combination of goods or services according to their own priorities, which also provides useful data to the aid agency. Voucher fairs can be used to meet emergency needs in a variety of sectors (food security, WASH, shelter), as long as required items are available through local sellers.

**Fair vouchers** are papers or coupons that can be exchanged for goods or services from approved sellers **only during the fair**. Sellers can redeem their fair vouchers for cash from the issuing agency. Fair vouchers are typically cash vouchers that are denominated with a cash value (e.g. \$2, \$5, \$10), but can also be commodity or service vouchers.

## Features of Voucher Fairs

Elements of the Payment Process	Features of Voucher Fairs
<b>Creation of database</b>	A paper-based or electronic database can be used. If fast set-up is required, then a paper-based database can be used. This is done for both sellers and beneficiaries before an organised fair.
<b>Method of identification and authentication</b>	Beneficiaries do not need official identification (such as a national identity card) to receive vouchers for fairs. However, some form of identification should be used to ensure that beneficiaries have been verified and to prevent duplicates (double registration). Beneficiaries could be checked against a database (e.g., household list by village administration) or be identified by a

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community leader.

There should be authentication just before the fair begins using the database and/or cross checked using NGO identity card or identification by a community leader. Fair vouchers must also be authenticated as being genuine by checking the serial number, date and location of fair. Fair vouchers are time-bound to be used on a specific date and location to avoid fraud.

<b>Currency</b>	Cash voucher / commodity voucher / service voucher
<b>Point of Payment (PoP)</b>	Vouchers are distributed on the date of the fair just before it begins. The vouchers are then exchanged by beneficiaries for goods or services at the organised fair. The agency reconciles the fair vouchers with the sellers at the end of the fair and before sellers go home. Sellers are paid after the fair.
<b>Reporting and reconciliations</b>	Easy reporting and reconciliation if an electronic database (such as Excel) is used. Prices of items sold at the fair are compared with prices collected and agreed with sellers prior to the fair date. Data collected may be on type of commodity available at the fair, quality and amounts purchased by beneficiaries. Only a minimum amount of information should be recorded to minimise administrative burden. Information from the paper registers will then be entered in database and reconciled against fair vouchers gathered by each seller.

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<b>Promotion, training, communication, beneficiary support</b>	<p>A brief session is required with beneficiaries to explain what is a fair, how it will be organised, beneficiary and local leaders role in planning and implementing the fair, what is the fair voucher value, the various denominations, how to use the fair vouchers, the fair date and the location. A similar session should be held with traders.</p> <p>The fair details should be communicated and advertised in various ways e.g. posters, chiefs/local leaders meeting, local markets and worship places. If appropriate, signs or banners are put up on the fair day for easy identification. If there are agreed prices or quality standards, this information should be communicated to sellers and buyers prior to starting the fair and displayed at the fair.</p> <p>Fair voucher design should show necessary information e.g. logos, value of the voucher, items to be accessed, date and fair venue.</p> <p>Fairs are a good opportunity to transmit other messages relevant to your target group e.g. nutrition, HIV and AIDS, health promotion.</p>
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## ADVANTAGES AND DISADVANTAGES

	<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
<b>Timing, preparednes s and</b>	Voucher fairs can be reasonably fast to get up and running in an	Can take time to have the fair vouchers printed and fairs

<b>partnerships</b>	<p>emergency if there are fair vouchers printed and there are in-principle agreements with local sellers and financial institutions already in place. Voucher fairs can be faster than procurement processes.</p> <p>Fair vouchers could be set up very quickly if there are fair vouchers printed and there are in-principle agreements with local sellers and financial institutions already in place.</p> <p>Voucher fairs may have lower security risks for staff and beneficiaries than direct cash grants.</p>	<p>organised, especially if supply chains are disrupted.</p> <p>If traders are unfamiliar with vouchers, they may be hesitant to participate, requiring timely negotiation.</p> <p>If goods are in insufficient supply, there are few traders, or payment mechanisms are not fully functional, voucher fairs are likely to take more time to set up. Small traders may not have the initial liquidity to purchase the required stocks of goods.</p> <p>It may take time and training to ensure that partner organisations, beneficiaries and sellers must be aware of organisational policy, administrative requirements and accountability issues around cash transfers.</p>
<b>Scale, flexibility</b>	Voucher fairs can be implemented in a variety	Scale is limited to availability of required

<b>and resilience</b>	<p>of contexts and are relatively secure.</p> <p>It is relatively easy to track what fair vouchers were used for, where, and when they were exchanged.</p> <p>Can be operated on a small or large scale, and the approach can be modified to suit the level of need. Able to continue as long as sellers have the required quantities and are willing to participate in programme.</p> <p>Voucher fairs help to create trade and information links between beneficiaries and traders, which may have longer lasting benefits.</p> <p>The process is open and transparent and supports the local economy.</p> <p>Beneficiaries are less vulnerable to inflation and devaluation as prior arrangements/negotiations have been held with the sellers prior to the</p>	<p>items, and by the number of sellers willing to participate in the programme.</p> <p>Voucher fairs can be easily disrupted in conflict areas especially if displacement of beneficiaries and / or sellers occurs, or if access routes are unsafe.</p> <p>If ongoing fairs are planned, regular adjustments will be required to protect from inflation and fraud.</p> <p>Fair vouchers need to be printed and distributed specifically for each fair.</p>
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	<p>fair.</p>	
<b>Costs</b>	<p>Voucher fairs are relatively cost effective compared to in-kind distributions, and are simple to implement, monitor and evaluate.</p> <p>Voucher fairs are often a low-cost solution. If direct payment is used, fair vouchers have low payment costs.</p>	<p>May have high administration costs and be administratively burdensome to the aid agency.</p> <p>Staff or volunteers are required to monitor the fairs.</p> <p>If repeated payments are required, there is the cost (time and money) of repeated fair organisations and distributions of fair vouchers. If a financial institution is used to pay traders, there may be transaction charges.</p>
<b>Vulnerable groups</b>	<p>Minimal literacy or numeracy is required for using a fair voucher.</p> <p>Voucher fairs provide vulnerable beneficiaries the freedom to choose goods that meet their specific needs.</p> <p>No official form of identification is needed, therefore voucher fairs are less likely to exclude</p>	<p>Sometimes beneficiaries can have trouble understanding the voucher system. If value vouchers of small denominations are used, beneficiaries may need to have minimal numeracy skills or be supported in order to use the system.</p> <p>Very small-scale</p>

	<p>groups such as children, women and the elderly.</p> <p>Fairs can be organised close to the beneficiaries, ensuring that women, elderly, and chronically ill are more likely to attend unassisted.</p> <p>Fairs can be organised with small-scale traders who are vulnerable themselves, providing a boost to their livelihoods.</p> <p>Voucher fairs mirror the ‘normal’ market trading system, ensuring a degree of dignity for beneficiaries.</p>	<p>traders may not have access to sufficient stock to be able to participate in voucher fairs and thus are excluded from the benefits despite being more vulnerable than traders with larger businesses.</p>
<b>Urban versus rural</b>	<p>Most successful fairs have been organised and held in the rural settings as this is where the need for “artificial markets” is generally greater. Fairs can be held in both urban and rural areas as long as adequate sellers can be available with sufficient goods to meet beneficiaries’ needs.</p>	<p>It may be more difficult to negotiate a space for voucher fairs in urban areas.</p>
<b>Others</b>	<p>Can tie aid to certain commodities so as to better meet programme</p>	<p>Less choice for beneficiaries compared to cash.</p>

	<p>objectives and quality standards.</p> <p>There is less risk of diversion or loss of stock than with direct distribution.</p> <p>Voucher fairs provide an excellent forum for meeting diverse needs (e.g. seeds, clothing, hygiene items, tools, shelter items, school fees) in one place.</p> <p>Voucher fairs can be used for any type of distribution as a way of providing greater choice to beneficiaries and supporting local traders.</p>	<p>Beneficiaries may have other priorities (such as repaying debt) that are not usually met through voucher fairs.</p> <p>Risk of forgery of fair vouchers.</p> <p>Risk of organisations becoming very comfortable and controlling in the use of fair vouchers as compared to other cash transfer modalities.</p>
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## QUICK TIPS

- Conduct a quick assessment of the availability, quality and prices of items to be accessed through the fairs e.g. seeds, understand the capacity of the sellers to support the fairs.
- Conduct several rounds of socialisation / training to ensure that all stakeholders understand and support the voucher fair methodology and are able to participate in the planning and implementation.
- Involve local elders, women's and youth representatives and/or government officials at key phases of implementation (e.g. targeting, identifying the fair location, monitoring).

- Time the fair voucher distribution and use to coincide with local cropping calendars in case of agricultural inputs, or with other important seasonal considerations.
- If appropriate, consider starting with smaller groups or allocating time slots to beneficiaries to avoid overcrowding in one fair location.
- The fair location, time and date should be convenient to both the sellers and beneficiaries (buyers). The location should be accessible by vehicles, bicycles, or carts as well as by foot.
- In advance of the fair, establish how sellers will be paid, and agree on the following details:
  - Documentation, forms and any identification requirement to register sellers;
  - Documentation (e.g. seller ID) that must be presented on the day of the fair;
  - Consolidation of fair vouchers (method);
  - Currency of payment;
  - When payment will be made (date/month);
  - Where the payment will be done (location) & documentation required;
  - Quotas, quality standards, and rules / guidelines (including sanctions) as applicable.
- Ensure that relationships with local sellers are maintained. Several tips on how to work with the local sellers:
  - Hold information sessions with sellers to negotiate agreements on: terms and conditions, price range of the items to be accessed through the fair, quality of goods to be brought to the fair, time of seller arrival and registration procedures, and payment method, date, time and location;
  - Sign contracts with sellers that include information on the agreements above
  - Provide training on administrative requirements (e.g., registering exchanges and filling in reconciliation forms);

- Create awareness of alternative sources and varieties e.g. local seeds or locally made fish nets;
  - Stagger the fairs over several days so that shops and/or service providers do not get overwhelmed.
- Provide staff and volunteers at the fair to monitor compliance with agreements (e.g. price and quality of goods), prevent fraud, and help with crowd control.
- Consider using quotas to ensure that all traders get a reasonable share of the trade from the fair.
- Serial numbers should be printed on the fair voucher to avoid misappropriation or falsification. Alternatively, if there is a high risk of fraud, a fair voucher could have a more sophisticated electronic security tag. Fair vouchers should be printed on good quality paper and should include information such as period of validity/fair date, the value, and the list of commodities. Colour-code the vouchers to help illiterate people use them.
- Set up appropriate accountability mechanisms and review them periodically if necessary. This may include:
  - Government extension officers, community representatives and qualified staff members to monitor the quality and price of goods brought to the fair, and report any problems.
  - Hold regular feedback meetings between local sellers and community representatives to discuss any problems with quality of goods, etc. Have community liaisons, phone hotlines or feedback boxes.
- Use a fair voucher tracking system that is not too administratively burdensome. Only important procedures required should be put in place; only information that is required should be collected. Some sellers may have limited or no literacy, and requiring them to fill in detailed registers may be a barrier to participation. Appropriately resource the

tracking system with staff (e.g., finance and data entry staff) and other resources (e.g., computers).

- Work closely with administration and finance teams to ensure that local sellers are paid in a timely manner, so as to minimise the drop out rate of their participation.
- In some countries, authorisation is required from the local authority or government to use fair vouchers. Check if this authorisation is needed as part of preparedness plans.
- Fairs offer additional opportunities for social mobilization and awareness-raising campaigns (e.g. nutrition education sessions, hygiene messaging).

## **EXAMPLES OF THIS PAYMENT METHOD BEING USED**

### **Seeds & Livestock: Haiti flood recovery**

In Haiti after the floods in 2004, Oxfam GB provided the neediest farmers with fair vouchers, which were used to purchase seed and livestock from a range of vendors (producers, middlemen, and traders) in fairs organized in disaster-affected communities. The fairs brought together farmers and merchants from neighbouring villages and gave local farmers the opportunity to choose from a range of varieties displayed. Voucher fairs permitted a quicker distribution of seed material, otherwise not possible through formal seed systems, and they offered an opportunity for farmers and traders to exchange information. The varieties of seed and livestock exchanged were those most familiar to the local farmers. However, the fairs failed to display the expected wide variety of seed and livestock: dominant individuals put pressure on recipients to purchase from a limited number of traders, thus reducing recipients' free choice and creating some speculative price inflation.

### **Responding to displacement with Voucher fairs: North Kivu, Democratic Republic of Congo**

In 2009, Concern Worldwide implemented a 9-month emergency project that sought to contribute to the livelihood security of displaced and host families in Masisi territory by increasing household access to food, non-food items (NFIs) and water. A primary activity of the project was creating fairs where beneficiaries could use vouchers to purchase non-food items (e.g. kitchen utensils, clothes), seeds and tools from vendors, as well as to pay school fees. Concern opted to use fairs and vouchers rather than distributing NFI kits to provide beneficiaries flexibility and choice. Beneficiaries received \$35 worth of vouchers in local currency, and could use these to purchase a variety of articles pre-selected based on focus groups held with women. Traders were selected from local areas and prices were fixed based on negotiations with traders.

Most beneficiaries preferred the fairs to receiving pre-packaged NFI kits, cash or vouchers to use in the local markets because the fairs provided them with choice and were safer than receiving cash or vouchers to use in the local market. The option of paying school fees was an especially popular aspect of the intervention. However, the prices of certain goods in the fairs were higher than market prices, which meant that beneficiaries accessed less assistance than they would have if they had received cash. Additionally, the lack of small voucher denominations reduced flexibility because beneficiaries could not pay for articles with precise amounts, and traders did not provide change, therefore beneficiaries had to purchase multiple items with one trader. Another lesson learned was that men should have been included in the focus groups, as items such as men's clothing were under-represented at the fairs.

## ALTERNATIVES TO THIS PAYMENT METHOD

- Direct cash.
- Vouchers directly with traders.

## FURTHER READING AND DETAILED INFORMATION

Bailey S. (2009) *An independent evaluation of Concern Worldwide's emergency response in North Kivu, Democratic Republic of Congo Responding to displacement with vouchers and fairs* (HPG/ODI)

CaLP (2010) *Delivering Money: Cash Transfer Mechanisms in Emergencies*

CRS (2002) *Seed Vouchers and Fairs: A manual for seed-based agricultural recovery in Africa* (CRS)

Harvey, P. and Bailey, S (2011) *Good Practice Review 11: Cash Transfer Programming in Emergencies*, (ODI/CaLP)

**The CaLP is the Cash Learning Partnership of Oxfam GB, Save the Children, the British Red Cross, Action Against Hunger / ACF International and the Norwegian Refugee Council.**



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This is a living document and we are always eager to hear your ideas, comments and feedback on how we could make it better.

For more information, or to provide feedback, please contact:  
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