



No. 3.3 Cash Transfer Programmes: Vouchers

What are vouchers?

A voucher intervention **aims to improve access to a specified range of commodities or services**. Vouchers allow more choice than in a general food distribution but they can still be bound to certain commodities.

Vouchers can be *cash vouchers*, which have a monetary value and can be exchanged for a range of commodities up to that specific value, or *commodity/service vouchers*, which can be exchanged for a fixed quantity of named commodities or services.

Vouchers have been used to improve access to food, seeds, livestock, milling and other non-food items.

They are exchanged either in shops, or at local markets, distribution outlets, fairs and other events organised for the purpose of relief. For instance:

- **Fairs.** Vouchers usually tie relief aid to a specific sector (agriculture, livestock, etc.), but beneficiaries can exercise their own preferences for commodity type, quality, and prices. Fairs

are purposely organised in areas affected by disaster.

- **Shops.** Beneficiaries use either cash or commodity vouchers, collecting goods at local or community shops that may sell food and/or various other items and services (e.g., grain milling).

Table 1 lists some advantages and disadvantages or challenges of this kind of response.



Fig. 1: Exchanging vouchers for food in Niger (Credit: Glenn Edwards/OXFAM)

When should voucher-based programmes be implemented?

Vouchers are usually used as a response during the **rehabilitation phase** of an acute emergency, or in the **recovery phase** to rebuild livelihoods assets (e.g., to purchase goods in seed or livestock fairs).

However, various criteria must be present for the programme to be appropriate and/or viable, including:

- Essential commodities are available or can be brought in by traders;
- There are opportunities to make agreements with traders/suppliers;
- Traders are able and willing to respond to an increased demand; and,
- The market is characterised by a large amount of suppliers that avoid monopolistic behaviours.

Table 1: Advantages and disadvantages or challenges of implementing voucher-based programmes

Advantages	Disadvantages/challenges
<ul style="list-style-type: none"> • Promotes purchase of local products, benefiting local markets and economy • Can tie aid to specific commodities • Commodity/service vouchers can protect from inflation • Low logistical requirement and easy to monitor • Limits security risks associated with transporting food or cash • Fairs give opportunities for community awareness and sharing information • Beneficiaries empowered to make own choices 	<ul style="list-style-type: none"> • Risk of forgery • May create parallel economy • May need regular adjustment to protect from inflation • High administrative requirement (in tracking system) • Occasional difficulty in beneficiaries' lack of understanding of the system

What are the outputs or outcomes of voucher-based programmes?

There are various outcomes associated with voucher projects, including:

- Beneficiaries' **purchasing power and access to essential commodities is increased**;
- Livelihoods are recovered by **providing access to productive assets**; and,
- **Markets and trade are stimulated**, since money from the project is injected into the local economy.

Box 1: Using vouchers in emergencies: a rough checklist

- ✓ Voucher type and value determined according to project objectives, opportunities and risks
- ✓ Communities sensitised, involved and mobilised in voucher system
- ✓ Traders/suppliers identified and agreements made about types of and prices (reflecting market trends) of commodities, and secure repayment of voucher
- ✓ Vouchers edited and printed (considering anti-fraud measures and local context/capacity)
- ✓ Project monitoring system in line with project indicators established
- ✓ Beneficiary lists regularly maintained and reconciled
- ✓ Voucher tracking system designed and implemented (*Note: This can be a highly burdensome project element, so must be adequately resourced and contain only the necessary procedures, as advised by the financial co-ordinator*)
- ✓ Finance team liaised with to redeem vouchers
- ✓ Baseline information gathered, and a monitoring and evaluation system developed
- ✓ Monitoring and evaluation of fairs and purchases performed

Are there any programme examples using vouchers?

Vouchers have been used in various Oxfam humanitarian interventions. For instance:

- Sri Lanka—after the 2004 tsunami, vouchers (and grants) were distributed to vulnerable people (women, or those in single-headed households) to meet food and some livelihoods needs.
- Zimbabwe—during an acute food crisis across Southern Africa in 2004–05 (exacerbated in Zimbabwe by *inter alia*, macro-economic decline) vouchers were used to recover and increase food production (for seeds and other agricultural and pastoral inputs).
- Niger—drought and locust invasion seriously disrupted agricultural production, leading to severe food insecurity in 2005. Vouchers for community works (plus free vouchers for those unable to engage in work) could be retired for food in markets or distribution points.

How do voucher initiatives link to other humanitarian programmes?

Vouchers could be tied to purchase of non-food items during an emergency, linked to other humanitarian needs such as public health and shelter. For instance:

- Water and sanitation—vouchers could be used to pay for non-food items related to water and sanitation during an emergency (e.g., purchasing of water buckets, sanitary napkins, etc); and,
- Shelter—likewise, vouchers could be used as payment for construction materials for building temporary shelters during emergencies.

Where can I find further reading and more detailed information?

Oxfam EFSL Rough Guides <ul style="list-style-type: none">– 3.1 Cash for Work– 3.2 Cash Grants– 7.3 General Food Distribution	Oxfam Skills and Practice. <i>Cash-transfer Programming in Emergencies: A practical guide</i> (Creti and Jaspers 2006) http://publications.oxfam.org.uk/oxfam/intranet/add_info_024.asp
ODI Resource Library—Cash and Vouchers in Emergencies www.odi.org.uk/hpg	The Sphere Project 2010 (forthcoming). <i>Humanitarian Charter and Minimum Standards in Disaster Response</i> : www.sphereproject.org

Who can I contact for more information and guidance?

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