

Gure Shembola e-voucher pilot – A learning document



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Acronyms

ARRA	Administration for Refugee and Returnee Affairs
CBI	Cash Based Interventions
CO	Country Office
DCA	DanChurchAid
ETB	Ethiopian Birr
IP	Implementing Partner
LoU	Letter of Understanding
LWF	Lutheran World Federation
MoU	Memorandum of Understanding
NCA	Norwegian Church Aid
NFC	Near-Field Communication
NFI	Non-food Item
PDM	Post Distribution Monitoring
RR	Red Rose
UNHCR	United Nations High Commissioner for Refugees
WASH	Water, Sanitation & Hygiene

1 Introduction

NCA and LWF partnered up in a LWF led response; Joint Emergency Cash in WASH NFI Assistance to South Sudanese Refugees in Gure Shembola Refugee Camp, Benishangul Gumuz Regional State, Ethiopia. LWF has a long presence in the region and is a WASH IP for UNHCR in Gure Shembola refugee camp. The program outcome of the joint response was to provide 854 households (entire camp population) of Gure Shembola refugee camp with access to their choice of hygiene items through an e-voucher system, accompanied by hygiene awareness activities, and in parallel with household latrine and shower construction (implemented by LWF), providing an integrated sanitation and hygiene response. The project period of this cash-based intervention (CBI) pilot was October 1 – December 31 2017.

The e-voucher system was set up using the Red Rose platform. The pilot project is the first NCA project using e-voucher where NCA is responsible for managing the system. As a part of the pilot, Red Rose was recruited to conduct a training of relevant staff in order to increase the NCA capacity.

This learning document aims to document the constraints and challenges faced, and lessons learned from this e-voucher pilot, from the planning phase throughout the implementation phase, in order to improve future NCA projects with CBI modality.

2 Phase 1: Set up

2.1 Assessment

Assessment was conducted in order to assess the feasibility and appropriateness of doing cash based intervention in the context. This included assessing the market access, market functionality (availability of items and capacity of market actors), relevance as well as the willingness and acceptance of the stakeholders. Data was collected through market and camp visits, market survey, focus group discussions with camp population and key informant interviews with refugee representatives, UNHCR and ARRA.

The project emerged after a cash for sanitation feasibility study conducted by NCA/LWF in Gure Shembola in August 2017 with the objective of assessing the feasibility of implementing a WASH programme using CBI modality for construction of household latrines. The feasibility study concluded that a cash based intervention for latrine construction was an inefficient solution for the affected population in the given context based on distance to the market and the demographics of the camp population (86% female and children), amongst other. However, based on the assessment findings an intervention involving combining cash for work and e-voucher to provide an integrated sanitation and hygiene intervention in the camp was proposed. Finally, based on the feasibility study it was decided to do a joint NCA/LWF response, piloting e-voucher for NFIs.

Based on the findings from the feasibility study, a rapid need identification and market survey was conducted in October 2017. The objective of the survey was to identify the needs and gaps regarding food and non-food items (NFIs), with a particular focus on hygiene NFIs, as well as availability of commodities and market prices, in order to identify relevant items and deciding the size of the wallet for the hygiene basket and the unrestricted wallet for the e-voucher pilot.

2.2 Selection of service provider

NCA has experience with CBI from Gambella, Ethiopia, through a DCA led joint program including a component on WASH and fresh food distribution through e-vouchers. This project used the Red Rose platform. Based on this experience, NCA has decided to continue to use this service provider, building on the experience from the Gambella project.

A MoU was signed between Red Rose and NCA Ethiopia for this program. This agreement is limited for use in Ethiopia. Other programs in Ethiopia may be linked in the same dashboard providing a complete overview of the CBIs in a country. The platform was customized as per NCA/LWF requests in collaboration with Red Rose.

2.3 Determination of the basket content and voucher value

The e-voucher value for the pilot was set in the concept note to be 1050 ETB (app. 38 USD). Based on the assessment findings, it was decided to split the e-voucher into two wallets; one for hygiene items and one for unrestricted use for other items supplied by the selected vendors. The rationale for this was to mitigate the risk of the refugees to sell the hygiene NFIs in order to be able to cover more urgent needs such as food, blankets and clothes.

As there were no national or WASH cluster standards for minimum hygiene basket, the value of the e-voucher was based on the Sphere minimum standards for basic hygiene items. Based on the market price survey and average family size, a value of a minimum hygiene basket was estimated to be 464 ETB (app. 17 USD). In order to allow for replenishment of consumables (as this was a two months program) and allowing beneficiaries to cover other additional hygiene needs, the size of the hygiene basket was set to be 700 ETB/household. The remaining 350 ETB of the total e-voucher value was for unrestricted use.

The distribution plan involved distributing the total e-voucher value into two instalments; the first instalment involved 400 ETB for hygiene items and 200 ETB for unrestricted use. After three weeks, each household would receive a top-up of 300 ETB for hygiene items and 150 ETB for unrestricted items. This in order to reduce the risk of exhaustion of the market. It was also considered to split the total e-voucher value into even more and smaller instalment, but this was rejected due to the time constraint. In the end, due to delay in the signing of the LoU by ARRA and UNHCR, the entire amount had to be paid in one instalment due to the time constraint.

All households received the same e-voucher value. In the event of extension of the program, the size of the monthly top-up would be re-evaluated and take household size and vulnerability criteria into account.

The assessment survey identified the most urgent and prioritized needs of the beneficiaries, resulting in a list of about 18 different hygiene items and 19 food and other non-food items. This was a non-exhaustive list that had the potential to expand upon need and request from the beneficiaries and the vendors ability to supply the requested items. In the end, a total of 74 unique commodities were available for purchase using the e-voucher; 31 hygiene items (including different type, quality and/or size of soap, sanitary pads, mosquito nets, jerry cans, etc.) and 43 other items.

2.4 Beneficiary registration

Beneficiary registration of the project was done based on the data provided by UNCHR, by importing this information from an excel sheet into the platform. The information included the updated list of refugees hosted in Gure Shembola refugee camp involving head of the household, family size, name, gender and age of each family members and camp address.

2.5 Verification method

Initially, it was planned to use the UNHCR factsheet number as mean of verification for the beneficiaries to identify themselves to the vendor. By mistake, the UNHCR factsheet number was not printed on the cards, making this more difficult as this meant that the beneficiaries would need to bring both the e-voucher, UNHCR factsheet and ration card when using the e-voucher. Red Rose recommended to use a four digit PIN. After consulting with some of the refugee representatives, it was decided to use a PIN code.

2.6 Market approach

2.6.1 Setting the prices

The issue of having commodity prices based on fixed prices or market based prices were discussed. Some of the pros and cons related to these two approaches are listed in the table below.

	ADVANTAGES	CHALLENGES
FIXED PRICES	Stability	Impedes market competition
	Easier for vendors to plan	Quality compromising
	Easier to monitor	Complicated to set the prices
		Risk of higher prices
		Higher prices than nearby markets
		Need for market assessment when adding new items to the basket
		Needs more monitoring of quality of items
		Less benefit for the beneficiaries
MARKET BASED PRICES	Market competition	Dissatisfaction by beneficiaries buying for higher prices
	Can reduce prices	Risk of monopoly
	Wider selection of items	More need for close monitoring
	May provide higher quality of items	Higher need for market assessment
	Possibility of more benefits for the beneficiaries	

Table 1: Advantages and challenges for fixed prices vs market based prices.

In the end, based on the associated advantages and challenges and the fact that this was a two-month program, it was decided to use maximum prices for this pilot. This will in theory mean market prices with a set maximum rate, but may in reality work as fixed prices.

The price of each item in the baskets was based on the average price from the Assosa market and set in agreement with the vendors. New items that were added to the basket throughout the project period had to be agreed between the vendors and NCA/LWF before entered into the system.

2.6.2 The market place

There was no formal market in or nearby the camp. In agreement with ARRA, a market was established in an allocated piece of land in the camp. Two shops were constructed. Construction materials and labour were paid by NCA/LWF. This due to two reasons: 1) to position ourselves to negotiate for lower maximum prices (preventing the vendors from including transportation costs, warehouse costs, etc. in the prices) with the ambition to maintain Assosa average market price in the Gure shembola camp market; and 2) to be able to utilize the constructed shops beyond the pilot period. Market opening hours were set to 9.30 – 15.30 Monday to Friday.

2.7 Selection of vendors

A call for interest for vendors was advertised in the communities and towns in proximity to the camp with the intent of giving the local communities the opportunity, and priority, to benefit from the project through market intervention. Selection criteria involved necessary registrations, availability for training, prices and capacity to supply. As none of the vendors located close to the camp had the required registration, there were no applicants from the nearby community. Hence, vendors from the bigger town, Assosa, were selected. The selected vendors signed a MoU with LWF as the lead agency of the program.

It was decided to aim for three vendors for this program. Major factors to base this on involve the number of targeted beneficiaries and the e-voucher grant as the motivation of the vendors will be directly linked to the potential profit. Also, the likelihood of equal market business sharing and fair price competition among the vendors were taken into consideration. In the end, only two vendors could commit to supplying sufficient amount of the items to the agreed price. The qualified vendors received a one-day training as a part of the Red Rose training.

2.8 Recruitment of market facilitators

Two market facilitators were recruited for the program. These were employed by LWF and were from the host community in the nearest town. The market facilitators participated in the entire 5-day training by Red Rose.

2.9 Information sharing and training

UNHCR and ARRA on both camp level and area level were informed throughout the process. Both were highly supportive of piloting the CBI modality in the area. Prior to the e-voucher distribution, the camp population was informed on the program through the hygiene promoters. A 5-day training was held by Red Rose prior to the distribution. Representatives from UNHCR and the refugees were present in (parts of) the training as well as NCA and LWF program staff. ARRA staff were also invited to participate in the training, but was unfortunately not able to attend.

2.10 Other

Due to the time constraint and as an argument for negotiating lower maximum prices, it was decided that the program would support the vendors by transporting commodities from their shops in Assosa to the market in Gure Shembola camp.

3 Phase 2: Implementation

3.1 Project set-up

From NCA side, the pilot was managed by the Emergency Program Officer at NCA CO in Addis Ababa. The project implementation was led by the LWF Project Coordinator in Assosa (field level). A sanitation database manager was recruited for the project by NCA. Two vendors were selected for the program and two market facilitators were recruited. Hygiene promoters already employed by LWF were used for hygiene awareness activities.

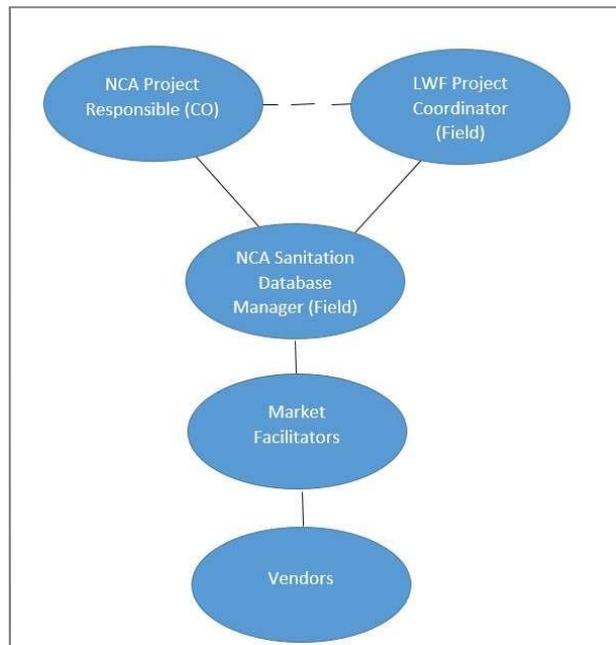


Figure 1: Program set-up.

3.1.1 Roles and responsibilities

The vendors: To supply the relevant commodities of sufficient quality and quantity, have the prices displayed in the shop, provide sufficient staff, ensure polite treatment of the beneficiaries and have the shop open during the market opening hours, in line with the MoU.

The market facilitators: To be present at the market place during opening hours to support the vendors and to monitor the market activity and the prices. The market facilitators distributed the smartphones to the vendors in the morning and collected them after closing hours, and continuously throughout the day synchronized the phones and blue tooth printers, providing sales reports.

The Sanitation Database Manager: Synchronizing the phones with internet, charging the devices and uploading data in the field office. Adding/removing/editing commodities in the Red Rose system upon need. Registration of new beneficiaries. Activation of cards. Monitoring the development of the program.

The NCA Project Responsible: Monitor the program remotely. Responsible for top-ups and processing financial reports from the Red Rose system. Support on post distribution monitoring. Make field visit upon demand.

3.1.2 Hardware

Ten android smart phones with near-field communication (NFC) technology and two blue tooth printers were procured for the project, in addition to one thousand customized branded, un-personal smart cards (e-vouchers). Two phones were set up and provided to each vendor. In addition, a spare phone for each vendor was available in case of loss or technical issues. The market facilitators were provided a phone each. Two smart phones were provided to two hygiene promoters in the purpose of receiving complaints and checking balance. The remaining phones were used for contingency and monitoring purposes.

3.2 Card activation and top-ups

The procedure for adding beneficiaries to the program involves adding beneficiary information in the platform, preparing cards (labelling with name and providing Red Rose card ID), card activation and top-up. The beneficiaries need to be grouped in the platform based on the distribution plan and according to the top-up frequency and size if this differs, in order to make the top-up easier.

The cards selected for this project was un-personalized cards. The reason for this is that this is two-month pilot and un-personalized cards have the possibility to be re-used in other programs. The cards were labelled with stickers with name of the head of the household and a unique Red Rose ID code and activated by Red Rose.

Before the distribution, the cards were topped up by performing the necessary operations in the platform by the Project Responsible. For each time changes have been made in the platform, all the active devices needs to be synchronized in order to activate the changes. (Note that if the cards don't have a PIN, the cards shouldn't be topped up before distribution day in order to prevent corruption in terms of misuse of the cards).

3.3 Distribution

A pilot distribution was done as a part of the Red Rose training. 101 vulnerable households were selected in collaboration with UNHCR, ARRA and refugee representatives. The e-vouchers were distributed to the head of the household. The beneficiaries had to identify themselves by showing the UNHCR factsheet in order to receive the e-voucher. The beneficiaries signed using fingerprints. Information on the program and use of the e-vouchers was included in the distribution activities. The remaining e-vouchers for the rest of the camp population were distributed systematically immediately after the LoU was signed.

3.4 Transactions

The vendors were provided android smart phones which were able to read the e-vouchers using NFC technology to process the transactions. Through the Red Rose ONE app installed on the phones, all the commodities and their prices (divided into the two different baskets; hygiene items and other items) were displayed on the phone. The vendors registered the items to be purchased in the app and the beneficiaries confirmed by entering the PIN. As the e-vouchers have a PIN, which is a private code, no other means of verification was required. This would also allow other than the head of the household to use the e-voucher. The vendor could also show the beneficiaries the balance at any time.

3.5 Payment to the vendors

Every transaction was saved in the platform in details, including identity of the buyer, name and quantity of the purchased goods, time of the transaction made, name of the vendor, etc. On a daily basis (after closing hours), the vendors were provided with a printed receipt of the complete sales history of the day

by the market facilitators. After synchronization of the phones, the system generates the updated sales report. In the platform, all the unpaid transactions are saved in a separate folder and transferred to the payment folder after approval by the responsible person (in this pilot: the project responsible). The final payment report of the system (purchase summary and transaction summary) were printed and sent to the vendor for confirmation and approval before heading to the actual payment, managed by the finance staff. Finance staff processed the payment and transferred the requested amount to the vendors' bank account. For this project, it was planned to pay the vendors on a weekly basis. However, due to problems with the system-generated reports from the platform (not sufficient details for the vendors to approve), in the end, payments were paid in instalments.

3.6 Complaint mechanism

A complaint form was prepared prior to the distribution and uploaded to the RR Collect application on the project smart phones. The form was prepared by NCA and shared with Red Rose for entering it into the system (NCA did not have the right to prepare this in the system directly). Two hygiene promoters were provided a smart phone each and assigned to be present at the market place filing complaints in the app. The filed complaints can be available in the platform and can be exported to excel.

4 Phase 3: Continuous operation

All activities can be monitored in the platform. The Red Rose platform also has the possibility to provide different kinds of dashboards that can be customized to monitor predefined indicators. This allows for close monitoring of the program activities and progress both at field level and remotely. Also, Red Rose has an affiliated website called Pentaho which is accessible from the platform and provides a tool for preparing customized reports. However, neither the dashboard nor the Pentaho page were used in the project as Red Rose failed to prepare the dashboard based on the requested indicators and the Pentaho page was under maintenance.

Transactions, allocated money, remaining balances in the card, amount of money redeemed by the vendor, amount of money paid to the vendor, kinds of goods sold by the vendors are some of the available information in the platform, and was used for monitoring and evaluating the progress of the project. Complaints and feedback have their own space in the platform accessible for the project responsible for immediate response.

After the end of the program, a post distribution monitoring (PDM) survey was conducted. The PDM form was prepared by NCA and shared with Red Rose for entering into the system (NCA did not have the right to prepare this in the system directly), and the data was collected using the smart phones.

Due to lack of funds, the program was not extended, and the project ended December 31. The hygiene NFI component of the WASH response in the camp was handed over to LWF in collaboration of Church of Sweden.

5 Program challenges and constraints

The major program challenge was the time constraint. This was originally a two months pilot project, with an intension of getting funds enabling the project to be extended. However, all the allocated funds had to be used by December 31, with no possibility of non-cost extension. Some of the decisions made were based on this fact, and might not be the optimal solution for other programs.

Some of the main challenges and constraints faced during program implementation involve:

- Cash based intervention is a modality that aims to boost the local markets, and also to pave the way to promote peaceful co-existence of refugee and host community, as they all gain economic benefit from the market. In this program, due to the limited project timeframe, it was not possible to use local vendors as they did not have the necessary registrations, and the process to arrange for this was estimated beyond the project period.
- LoU signing from ARRA and UNCHR side was a time-consuming process that delayed the project considerably for extended time. This resulted in that the beneficiaries had very short time to use the e-voucher before the end of the project. Also, this was challenging for the vendors to supply the demanded items within the limited timeframe.
- ARRA and UNHCR were very much supportive of the e-voucher intervention. However, they raised some concerns regarding giving the same amount to all households. They strongly recommended that this would have to vary proportionally with the number of household members.
- Setting maximum prices was challenging as the market price survey was not thorough enough to provide a good basis for estimating average prices.
- The PIN code as a mean of verification proved to be inappropriate for the context. The refugees did not manage to memorize the PIN and gave the PIN to the vendors to enter into the system.
- Language barrier between vendors and refugees.
- Security: During the last week of the distribution, incidents and unrest occurred in Oromia region on the way between the base and refugee camp. However, the situation was brought under control shortly after.
- The informal markets in the camp may have been affected by the market established by the program.
- According to the PDM report, the satisfaction level of the beneficiaries was high; 91 % expressed satisfaction. The reasons for not being satisfied were the high prices of some items and insufficient size of the top-up, especially for households with more than three household members.

6 Red Rose and the One Solution platform

6.1 The One Solution Platform

Red Rose is one of a number of service providers for CBIs. Red Rose offer the One Solution which is a programme management system that provides the full life cycle for all modalities of CBIs. The platform is customized for each program and provides the opportunity of creating different user accounts with different roles and rights for different project staff (field staff, project responsible, finance, etc.). The current Red Rose agreement enables NCA Ethiopia to compile and display all CBI projects countrywide in the same platform.

6.2 Training

As this is the first response where NCA is responsible for setting up a CBI platform, Red Rose was recruited to conduct a training with relevant project and NCA staff. Red Rose offers a customized 5-day training in the field involving setting up the platform, training project and field staff and including a pilot distribution.

6.3 Support

Red Rose created a support group on Skype immediately after signing the agreement. They are providing 24/7 service in this group. They have also been available for support after the ended project. This support group was found very valuable and was frequently used during and after the project.

6.4 Red Rose costs

- Red Rose is charging a service fee of 3 – 5 % of the total transfer value depending on the size of the transfer value.
- The price for the branded, un-personalized e-voucher was 2,00 USD. The price varies depending on the features of the cards. In addition, a design fee of 225 USD was charged
- The training fee is 7000 USD (for two trainers, including international airfares and living cost allowance, excluding domestic transportation and accommodation).
- Red Rose can also provide hardware (phones, blue tooth printers, etc.)
- Red Rose charges an additional 18 % for hand deliveries of goods.

6.5 Opportunities and challenges

Opportunities:

- Customized platform and dashboard
- Different types of access roles in the platform based on the roles of the program staff
- User friendly for vendors and program staff
- Easy to monitor the program activities and progress through the platform
- Sales history, purchase summary, transaction summary and other updated reports are provided by the system at any point of the project.
- Works offline
- 24/7 support provided through the Skype support group
- The system is compatible with biometric beneficiary identification and any other kinds of verification measure
- Possibility for up to 22 wallets on one e-voucher
- Can have different transfer modalities in one e-voucher (i.e. commodity voucher and cash for work)
- Complaints mechanism available in the system
- Can be used countrywide – one dashboard for all national programs
- A commodity e-voucher program can be designed and deployed within 7 days

Challenges:

- High training fee
- No access right to create forms to be used on the ONE app, such as complaint form and PDM form



- Using the complaint mechanism and PDM forms in the RR app is inefficient as Red Rose has a 7 day delivery time for this service and the fact that the NGO doesn't have the right to create or make changes to the form (inconvenient if you experience errors during data collection)
- No dashboard were available during the project period (the Pentaho¹ page was under maintenance and the dashboard has not been finalized according to our submitted indicators)
- Not possible to have pre-defined warning/alerts (as expected when choosing Red Rose)
- There has been an incident covered by the media regarding security concerns in terms of data security²

7 Learning points and recommendations for future CBI programs

- The feasibility and appropriateness of a CBI modality need to be based on a needs assessment, in every situations and context. CBI should always be included in the general assessment.
- It takes time to set up a CBI program; from assessment to a functional market. It's important at an early stage to plan and allow enough time for all the steps
- The Red Rose fee for training is high, and did not provide good value for money. As the competence and experience now are within the organization, it is recommended to use the internal capacity for setting up future programs rather than deploying Red Rose trainers
- It is important to choose appropriate verification method. PIN code may not be a suitable in some, but not all, context. Biometric registration may be considered. Alternatively, other identification papers such as UNHCR fact sheet, ration card, etc.
- Sufficient staff is crucial. Plan for timely recruitment of staff (market facilitators, hygiene promoters and program staff). The role similar to the sanitation database manager in this program is very important for the success of a CBI program and requires dedicated and skilled personnel.
- Start the vendor selection early in order to enable local vendors to register and be eligible to apply
- Consider do-no-harm; is the program negatively affecting the existing market, or creating tension between the host communities?
- Always try to engage the local market and vendors in order to facilitate the mutual benefit of host and refugee communities, to ensure the sustainability of the market by indirectly injecting the money in to it.
- In the planning phase, consider and plan for the costs and responsibilities related to construction of shops and transportation of materials to the market. In this program it was found beneficial to support the vendors with this as this reduced the prices.
- Consider to provide support for transportation for beneficiaries if access to market is challenging
- Plan distribution of the e-voucher according to the capacity of the vendors in order to prevent creating long queues at the market on distribution day
- For replenishment, the voucher size should vary according to the family size and/or vulnerability criteria, as this should cover replenishment of consumables. (The first instalment normally

¹ Pentaho: Red rose one payment solution affiliated website used to analyze data

² <https://www.irinnews.org/investigations/2017/11/27/security-lapses-aid-agency-leave-beneficiary-data-risk>



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actalliance

involves more durable items, such as water containers, mosquito net, or similar, for the household and therefor the same value for each household may be recommended)

- The complaint mechanism of using the hygiene promotors provided with smart phones with the app at the market place should be complemented by more hygiene promotors to receive complaints in the camp by being present and visible in the camp
- The NFI e-voucher program need to be accompanied with a strong HP component addressing both the general hygiene awareness messages as well as information on the e-voucher component
- Address language barriers between the different actors involved
- Evaluate the capacity of the implementation partner before signing agreements
- Always plan the exit strategy
- Provide visibility for vendors, shops, market facilitators and hygiene promotors timely