



Food Governance Community of Practice

Digital vouchers: Learnings from the Covid-19 humanitarian response

31 August 2021: 10.00-12.00 (Zoom Meeting)

You can watch a video recording of the meeting [here](#) and see a participant list [here](#).¹

Welcome and Introduction - Florian Kroll (University of the Western Cape)

The Community of Practice (CoP) is a collaborative learning space connecting a group of people who are concerned about the way that food is governed. We aim to interact regularly, build networks, share information and to develop new knowledge that we can take into our individual practice as well as inform wider decision making. Our members are farmers, traders, government officials, civil society organisation representatives and practitioners. Ultimately we are orientated towards promoting transition to a sustainable and just food system. The CoP meetings are open to all and anyone who regularly attends and actively contributes is considered a member of the CoP.

During the Lock down several groupings have explored different ways of utilizing food vouchers as a means of enabling access to food. Today's session is a way of distilling some of the key insights and learnings from these experiences and to look forward at the future broader potential of this technology.

Presentations

Gillian Cullinan (Economic Development Partnership)

You can access Gill's presentation [here](#).

A voucher is a tool and it takes a team of people and lot of communication and problem solving to use it effectively. This involves collaboration among a range of people sitting

¹ The Community of Practice (CoP) has since its inception in 2017 distributed a participant list with email details for each participant in order to encourage communication and collaboration amongst CoP members. If you wish for your email address to not be included, please let us know by emailing camilla.adelle@up.ac.za

across formal and informal organisations. Our team included: Community kitchens that shopped, cooked, served, and reported back to us, the spazas and retail that provided special deals, the funders and intermediaries such as EDP who supported communication, the DG Murray trust that dealt with the finances, and also the technical partners.

At the start of the pandemic we noted the difficulties with distributing food parcels and also noted the pilot digital voucher scheme in Ceres. We partnered with the DG Murray Trust to do something similar sending digital vouchers directly to someone's cell phone. This provides dignity and choice. We had three projects supported by private and public funding. We thought that this would be straightforward. In the first project we sent weekly Shoprite or Boxer vouchers to soup kitchens. The kitchens sent back photos by whatsapp. Challenges included: phones lost/ stolen; no transport to shops; vouchers spent on wrong things; beneficiaries told by shops that the voucher was invalid. In our second project we partnered with Western Cape Government and DG Murray Trust to send Flash vouchers to spend at spazas for food, gas and electricity. We used existing kitchens and referrals from Food Forum. We focused on Covid hot spots. Challenges included: the perception that spazas were more expensive; 'commission' taken for redeeming the voucher; some beneficiaries didn't receive balances. In the third project we used Shoprite vouchers again but Shoprite didn't have gas. The balances also don't necessarily get returned to the funders.

What have we learnt? 1) Be clear on the purpose of the scheme. The 1st project was about distributing food. 2nd project was about injecting cash into a local economy. 2) Put resources into improving the user experience. Its not just about technological solutions; 3) Prioritise communication: it takes a lot of communication and problem solving. 4) Design your data base before you begin: Work out exactly what information you can collect for reporting and design the system around that. 5) Identify potential risks up front and proceed if the partners are happy to accept risks. Contingency plans and identifying designated trouble shooters can keep programmes operational. 6) Design an adaptive process that enables participation by beneficiaries. 7) Understand the context and make time for site visits to learn from the beneficiaries. 8) Give beneficiaries choice in what they spend their money on. 9) Acknowledge and value the investment that the voucher beneficiary is making to the process. The community kitchen organisers are the most critical people and the voucher is a small contribution to this. 10) Community kitchens are innovative, creative and a store of knowledge. They provide far more than food to the community. We have a lot to learn from them.

Vouchers can be used effectively in partnership with private and public sector. We worked together collaboratively to make it work – this was the key to success. Also our projects were not huge so the support was personal. It might be difficult to do this at scale.

Michael Krause (Violence Prevention through Urban Upgrading)

You can access Michael's presentation [here](#).

We started off with a pilot project with ECDs and then moved to a neighbourhood approach (at scale) and also to a circular economy perspective and moved away from just food and nutritional vouchers to thinking about how can we re-start the economy. Three main partners: City of Cape Town, German Development Cooperation, the German Development Bank. The spaza shops were our point of entry. We had specific beneficiary

groups such as pregnant women, gardens, food kitchens. We had principles about inclusion, local partnership. We provided a local communication system through providing local wifi hot spots.

We had 8.5m Euros in two phases (second phase ends October 2021). Target Group: Children 0-6 yrs, teachers of ECD's, members of urban gardens, pregnant women and food kitchens (Phase 2 focus on ECD, pregnant women, food kitchens). Target areas: Hanover Park, Manenberg, Gugulethu, Nyanga, Harare, Kuyasa, Monwabisi Park (last 3 neighbourhoods are all in Khayelitsha), Bonteheuwel. Urban gardens were only in phase 1 with the assumption that they are now making their own produce.

Outcomes of the first phase: working with 232 ECDs, 12 724 children and ECD teachers received vouchers. 2970 pregnant women identified through DoH data (field study for the pregnancy grant). 96 Wifi Hotspots running connected mainly ECD's in Harare, Monwabisi Park and Gugulethu area. 202 Food kitchens providing 14.000 meals daily. 117 Spaza shops were pre-approved and branded for the support. Partnering with about 68 urban food gardens, agricultural input, capacity building, and selective infrastructure. For the ECDs we provide R300 twice a month.

The women that run Community kitchens also got a voucher for the voluntary work they put in. 21157 people were eligible for vouchers. Vouchers to the value of R71 906 400 were issued. 87.8% redeemed. R59m individual vouchers and R3.9m kitchen vouchers. In phase two R31 611 774 value of vouchers have been issued. We are issuing about R2.5 million a week of which 90% is being redeemed, which is high compared to other initiatives. R350,000 is being distributed per week into each community.

One of the biggest problems has been a delay in issuing the vouchers and some technical problems which led to some frustration within the community. Its important to be present and visible in the communities at these times. Another challenge was the issue of 'commissions' being taken by the Spaza shops; Stolen phones; Gang violence and high levels of general violence prevented on time assessment of all ECD's for small infrastructure support. We also experienced hijacking and other crime.

Lessons learnt: We decided at the beginning to not go with the big retailers but to assist the local economy. Some of the spazas became strong allies to distribute messages around Covid, also the ECDs played this role. We could have perhaps have gotten better deal with some spaza shops but it would have involved exclusive rights and we wanted to give beneficiaries choice. We had a dedicated team to deal with the vouchers it is not something that can be done on the side. In phase 2 we got an SMS confirmation so that we could see who received the vouchers. We see potential for vouchers as a mechanisms to reward volunteerism.

Florian Kroll (University of the Western Cape)

You can access Flo's presentation [here](#).

This was a relatively small project with the following research questions: To what extent can voucher systems support an inclusive food relief strategy that also promotes enterprise retention and development? To what extent can vouchers alleviate food

insecurity? Where do people redeem vouchers? What do they buy? How do they re-allocate funds saved due to vouchers?

The project was a partnership between PAN - UWC - Kolisi Foundation - Mthunzi Network - Local CSOs. We conducted a telephonic survey on household demographics, COVID-19 knowledge, attitudes and practice, income and deprivation, hunger, and foodways (246 interviews). Four sets of vouchers of R200 each were distributed by sms to recipients identified by local aid organisations from November 2020 to February 2021. A follow-up survey was conducted in April 2021 (147 interviews). A high degree of food deprivation was found and low household incomes. There was a high prevalence of child hunger (higher than NIDs-CRAM survey). The vouchers did make some difference in terms of less households running out of food. Spazas were an important source of bread, soft drinks and dairy. Street traders were a key source of fruit and vegetables but they could not use vouchers with these retailers but savings from using the vouchers could be spent on street traders. Vouchers enabled recipients to save and reallocate money. Voucher savings were mostly spent in supermarkets, to buy staple foods and vegetables. Vouchers had no noticeable lasting effect on food consumption profiles, which reflect poor dietary quality and obesogenic patterns. People initially believed that traders would not accept vouchers but this perception changed. Drop outs seemed to be households that had a greater mistrust of vouchers or who felt that they were difficult to use. The loss of phones was also a problem. Local intermediary CSOs were essential in identifying recipients

Panel Discussion

Vanessa Rheeder (DG Murray Trust)

I have worked with both organisations (EDP and VPUU). My role was as the financial manager of the Co-Care programme. We spent in excess R100m over 300 000 vouchers issued with a redemption rate of 76%. In theory its easy to get a list of beneficiaries in and send them a sms voucher but in practice its not that easy. I would like to see more procedure and policies at an organisational level and budget for this. There should be some kind of standard operating procedures when implementing this type of programme. The vetting of beneficiaries and identification documents and cell phone numbers is important. We made a data base of beneficiaries on excel and fed this through to the voucher issuing companies like FLASH. Reporting is often a week behind not a live dash board or analytical. One needs to take into account language in terms of communication with beneficiaries. You need to train team before the programme starts as well as get reporting processes into place.

Shenaaz Scott (Mitchells Plain CAN)

When it came to accountability, most of our schemes were previously only accountability to themselves because we weren't used to getting outside funding. Instead it came mainly from our own pockets and some private sponsorship. We had to teach our kitchens how to report, manage resources and to be accountable. The programme helped us to reach out to more people and cook on more days. We could only use the FLASH and KAZANG vendors and we had to make relationships with these guys. We had to find retailers to give us good prices so that we could direct the kitchens there. The spaza shops in the townships charge high fees so did the kitchens get value for money? But if the bigger

retailers and wholesalers had come on board we might have been able to use our resources better. The vouchers really provided the assistance that we needed because with Covid- the retailers and people didn't have excess funds to support these initiatives.

Craig Stewart (Mthunzi/ Warehouse)

Mthunzi network emerged as a partnership to help the South African Council of churches develop and implement a voucher scheme across the country (rural and urban). We distributed R30m of vouchers to 40,000 households. We used FLASH vouchers and retail vouchers as well as some exploration of ATM vouchers. We worked with the South African Council of Churches to identify beneficiaries and then on the request of the Solidarity fund the Council of Traditional Leaders. Having local organisations in communities identifying small numbers of beneficiaries putting the data on a secure app that got pushed through to a central data base and verified against the SASSA data bases and sent eventually a voucher through the technical company like FLASH etc.

Responding to some of the questions, we need to be cautious at seeing vouchers as a cost effective way to get resources to people. Cost efficiency is the wrong focus. The social cohesion that started at a local level requires costs. There was a strong drive by donors for limiting the costs but we found there was a lot going on around the vouchers in terms of increasing capacity and providing the right support. These transaction costs of delivering this support needs to be made visible and acknowledged. It can be anywhere between 15-25% of the vouchers. We found it important not to get locked into any one way of providing vouchers (i.e. voucher vendors). Create a platform for collecting beneficiary details that is POPI compliant and is then able to push the voucher out to the beneficiaries while also getting data back from retailers (which is never live). It takes time to get people familiar with vouchers and how to use them. The voucher redemption rate was better in longstanding programmes rather than once off crisis relief. Its good to have a variety of vouchers and voucher platforms so that we can use the right solution for the right situation. I think its important to have the development practitioners and the fin/tech people together to find real all round development solutions rather than an obsession with the cheapest transaction costs. Donors don't want cash vouchers because it loses the line of sight about what the vouchers are being spent on but we know that at the macro level cash injections are better at getting the local economy working than very targeted voucher schemes.

Khalif Abdulahi (Khalif Langa Cash & Carry)

Seven kitchens come here to buy from me and its helping to grow our busines. It helps us to get more customers and more profit. Its very easy. The new customers buy things like rice, oil chicken. [There were connection difficulties].

Questions and Discussion

Vanessa Rheeder – On the question of why FLASH have dropped out. They are developing a 2.0 system and part of that will be to integrate additional reporting. We don't have a time line for that.

Feyi Odunitan-Wayas- Are the vouchers restricted to what things they can buy because there can be a tendency, of men in particular, to purchase things that were not related to food.

Gill- Yes we can see what the vouchers are spent on and if its spent on something that it should not be then we communicate directly with the beneficiary and if it happens again then they get dropped off the list.

Shenaaz Scott- We made it clear to our kitchens that they could only use the vouchers for food, electricity and gas.

Andrew Boraine – we have seen vouchers used for food security and now the circular economy. But what’s the long term future for using vouchers for broader development objectives. Is this a mechanism for transferring resources from donors to beneficiaries. Can we use these as a way to make sure that resources get to informal organisations working on the ground?

Michael Krause – Yes I agree, we could use vouchers for rewarding volunteerism.

Flo Kroll – It seems like we are exploring ways to develop more local economies and even developing currencies that can circulate in the local economy rather than the current economic retail model that is designed to siphon off value and accumulate it elsewhere, often off-shore.

Gill Cullinan – When designing a system everyone that will be using the system should have a role in testing and developing the system.

Mzikhona Mgedle– Kitchen Mamas would use spaza shops like Kahlif’s where you buy in bulk. They would buy some of these things available and exchange with informal veggie stands in the community. They found ways to organise to overcome these challenges informally.

Wrap up (Florian Kroll)

Voucher technologies might have initially been developed to quickly get resources out to the people that needed them, but they are now performing a broader function to include the development of local economies and solidarity economies. There are interesting tensions between donors needing to see what is being purchased and broader community benefits and agency. Critical issues of power and control are at play here.

It feels that this first stage in the lock down was a good place to develop and incubate these voucher technologies but now this is just the beginning and there is a lot of potential going forward.