Implementation and Use of Paper and Electronic Food Voucher Systems in Yemen
Yemen has been experiencing a deteriorating situation for several years due to multiple, back-to-back shocks. The people of Yemen have been left without much room to recover between these shocks, which are triggering continuous and ever-growing challenges for its citizens. The national economy was severely weakened during the global financial crisis of 2008 and 2009, leading to a dramatic increase in poverty levels.

Before communities and economic systems could fully recover from the economic crisis, unrest that resulted from the 2011 Arab Spring further depressed the economy and worsened the situation of many households that were already over-stressed.\(^1\) According to the Brookings institute, “Yemen’s poverty increased from 42 percent in 2009 to 54.5 percent in 2012.”\(^2\) Yemen is one of the poorest countries in the Middle East and North African region (MENA).

Mr. Ali Abdullah Saleh, Yemen’s former president, was forced to resign in January 2015, further exacerbating an already dire situation. Shortly after Mr. Saleh’s resignation, Saudi Arabia led out a coalition against the rebel group, known as the Houthis, in support of the former president who is recognized by the international community.\(^3\) The armed conflict between the Houthis and forces loyal to Mr. Saleh has contributed vastly to a deepening of the country’s continuing crisis.

In this incredibly challenging context, ADRA has been able to serve the Yemeni community successfully in the sectors of food security, livelihoods, and water, sanitation, and hygiene (WASH)—among others.

ADRA began implementing food voucher programs in Yemen in 2012, first during the implementation of the Abyan and Lahj Food Assistance (ALFA) project and continuing with Food Assistance, Resilience Achieved (FARA) and Food Assistance for Abyan, Al-Dhale’e, and Lahj (FAADL).

This brief will concentrate on the latest voucher intervention by ADRA, FAADL, which has been in implementation since 2016. Within the scope of the project, this paper will describe how vouchers have been implemented in this environment, how they have worked, reasons behind the success, key lessons learned, and key recommendations.

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\(^1\) Food Assistance, Resilience Achieved Project Fina Reports (September 2013-December 2014)
Voucher Implementation

During the design of a project, it is important to consider the best modality according to the context of the project. For example, when thinking of food security in an emergency, organizations should contemplate the best path to meet the needs of the people while preserving their dignity. ADRA has chosen to work with food vouchers in Yemen due to several factors: preservation of dignity, effect on local markets, timeliness, security, ability to monitor, and nutrition promotion.

Preservation of Dignity: The voucher modality empowers people to make decisions for their own households and allows for a continued sense of freedom. Instead of having a uniform ration for every household, each household can purchase according to their individual and unique needs. ADRA conducts nutrition promotion activities for beneficiaries and defines the food groups that can be purchased, but there is still room not only for freedom of choice, but also for culturally appropriate foods that beneficiaries are accustomed to and are willing to consume.

Effect on local markets: Going beyond providing the immediate need for food, ADRA also considers the greater impact on a community's ability to recover. This effort to help communities recover and individuals to re-establish their livelihoods is best supported through existing market structures and channels, which will also help return food prices to more affordable levels. Though the situation in Yemen is dire, there are still functioning markets. ADRA has worked with various vendors in past interventions and many of those vendors were eager to work with ADRA again in FAADL. In contrast, the distribution of in-kind materials is not the best option to accomplish these types of synergies as it floods the market with goods procured from vendors elsewhere.

Timeliness: Working with vouchers allows for timeliness in addressing emergency needs. Conducting an in-kind distribution program would have required a longer timeframe to build necessary systems and processes, hire the right staff, and possibly face major transport delays since the port of Aden had only recently been reopened during the startup phase and it was not clear how long the import of commodities would require to clear customs and be made available for distribution.

Having a voucher system was paramount for ADRA to provide the critical aid in a reasonable amount of time with existing market functionality. Vendors were selected from the target areas to guarantee the support of existing supply chains and minimize logistic planning and transportation needs. Once the vendors and beneficiaries were selected, the distribution itself was quickly organized, and all 8,158 households received their first voucher within the first five months of the project. The total target of FAADL was to reach 8,375 households, which means that just five months into implementation, ADRA was a few steps away from reaching the overall target number of beneficiaries for the project.

Security: The utilization of vouchers instead of in-kind commodities mitigated security risks for ADRA staff. ADRA does not have to be responsible for transporting food from warehouses, over long distances, and through potentially dangerous areas, to distribution sites that could expose ADRA staff to the risk of kidnapping. Conversely, vouchers mitigate the exposure of beneficiaries as well. It allows them to choose their nearest vendor instead of going to one set distribution point and carrying food items long distances, exposing them to theft of potential harm. Further, vouchers reduce risk for both staff and the beneficiary of assault because it is not hard cash—the voucher can only be used in approved shops, making it less attractive to thieves.

ADRA’s engagement of local community stakeholders in all phases of program implementation is especially important during beneficiary selection. Communities themselves appoint five to six-member committees who identify the most vulnerable households. This prevents any one individual from having too much power in the selection process and helps avoid situations of sexual exploitation and abuse. A committee approach heightens the possibility that potential beneficiaries are identified without bias.

ADRA also took the step of conducting gender-specific voucher distributions with separate queues and staff for female beneficiaries. Female staff and volunteers assisted women throughout the process. This allowed women to feel at ease as they received their inputs and catered directly to Yemen’s cultural norms.

By providing vouchers and creating strong partnerships with local vendors, ADRA can contribute to the local economy and help in its revitalization.
Monitoring: The benefits for monitoring through the voucher system can also be classified as a higher operational effectiveness. With the voucher system, ADRA can track each beneficiary and his/her behavior as they choose food for their households. Having this ability helps the organization track nutrition habits as beneficiaries shop, which can in turn inform the organization about which nutrition messages should be developed further. ADRA can accomplish this because each identified beneficiary is assigned a unique ID number on the voucher provided to them.

In the FAADL project, vendors prepared all redeemed vouchers for reimbursement by ADRA. ADRA then compared all redeemed vouchers with the receipts and lists compiled by the field officers. The team checks for signature and fingerprint of the beneficiary in each case, and once all are confirmed correct and accurate, they are submitted to the finance team for reimbursement. Through this system, falsification of vouchers is substantially reduced.

The use of the e-voucher system makes monitoring significantly easier as redeemed vouchers are automatically counted by the system. The system also allows ADRA to see what the purchasing habits of the beneficiaries are and thus tailor nutrition messaging around actual behavior. For further ease of the voucher modality, ADRA is working on a feature in the system that would allow vendors to submit the redeemed vouchers and reserved amount of money electronically instead of having to submit them in paper form.

ADRA’s monitoring process is as follows:

ADRA monitors the voucher modality from the printing of vouchers and assigning beneficiaries with vouchers to the redemption at vendor sites, reimbursement, and food consumption.

- Paper vouchers are printed with unique numbers.
- Each beneficiary household is assigned one voucher as per the beneficiary list.
Voucher Implementation, *con’t.*

- Only planned number of vouchers to be distributed are taken to voucher distribution sites during the distribution period.

- The number of vouchers distributed and redeemed is tracked daily.

- Distribution of agreed food items, selling of vouchers, and selling of received food items issues are closely monitored through trained volunteers in addition to project staff.

- In addition, interactions of the project staff, volunteers, and vendors with beneficiaries are also monitored for the protection and dignity of beneficiaries.

- Beneficiaries can provide feedback and complaints through hotlines, face to face interviews, and/or by sending complaint messages to the field office, which are received by the M&E team who are responsible for addressing complaints in accordance with the complaint mechanism.

- Post distribution monitoring (PDM) surveys are conducted to collect beneficiaries' feedback regarding the type and quantity of food as well as the quality of service received in general.

The E-voucher system eases the process of tracking the distributed and redeemed vouchers as it is done automatically. In addition, the e-voucher system does not allow vendors to provide items with less than the voucher values, and calculates prices automatically and accurately in a shorter timeframe compared to the paper voucher system.

The monitoring process for the electronic vouchers is listed below:

- List of beneficiaries is prepared, uploaded to the electronic system, and loaded on the mobile devices (i.e. iPads). This is done to convert data from web-based environment to mobile device operating system. Mobile devices could be used in online or offline modes.

- Offline: Once internet access is regained data is then fed into the main system.

- Each beneficiary household is assigned one voucher number as per the beneficiary list.

- Electronic cards are linked to the direct beneficiaries' information, fingerprint, and signature.

- Cards are distributed to beneficiaries as per the beneficiary list.

- Verification of beneficiaries is conducted through fingerprint biometric authentication technique. Other types of authentication techniques also exist in case of biometric malfunction.

- The number of vouchers distributed and redeemed is tracked daily. This is easily shown in the system dashboard.

- The electronic system allows vendors to only distribute agreed food item as per the agreed cost of item and within the value of voucher. In addition, the distribution of the agreed food items, selling of vouchers, and selling of received food items issues are closely monitored through trained volunteers in addition to project staff.

- Interactions between project staff, volunteers, and vendors with beneficiaries are also monitored for the protection and dignity of beneficiaries.
Voucher Implementation, con't.

- Beneficiaries can provide feedback and complaints through hotlines, face to face interviews, and by sending complaint messages to the field office which are received by the M&E team who are responsible for addressing complaints in accordance with the complaint mechanism.

- Post distribution monitoring (PDM) surveys then conducted to collect beneficiaries’ feedback regarding the type and quantity of food as well as the quality of service received in general.

Conditions/Restrictions: Along with the voucher, beneficiaries received nutrition education, training, counseling, and messaging focused on behavior change. Key messages were prepared in the local language as well as with the utilization of illustrations, which are approved and used by the ministry of health. Before receiving their vouchers beneficiaries were required to attend nutrition and health trainings—this was a condition set by ADRA to participating beneficiaries. These trainings were held on the same day of the food voucher distributions.

Furthermore, child malnutrition screenings were held in conjunction with beneficiary selection. As part of ADRA’s strategy, nutrition information was provided at each distribution site, with varied topics covered at each distribution.

To reinforce the nutrition messaging and complementary activities, vouchers were restricted to nutritionally rich foods. The food vouchers included the following food items: rice, flour, lentils, peas, beans, vegetable oil, pasta, dates, eggs, tuna, liquid milk, yogurt, cheese, salt, and sugar.
Voucher Types: Paper vouchers and pilot E-vouchers

### PAPER FOOD VOUCHER FEATURES

- Dollar equivalent—based on estimated food expenditures for households (HH) of an average of 6.6 people
- Split coupon value—two coupons of equal amounts, allowing beneficiaries to purchase at different times and from different vendors *(Note: this feature will no longer be available in future interventions as none of the beneficiaries in previous interventions or current have chosen to utilize it.)*
- Expiration—vouchers expire within 5 days of distribution to minimize the potential time for counterfeiting or fraud
- Minimum purchase requirements—coupons must be used to purchase at least four different items to minimize potential diversion of resources through stock up and resale
- Controls—printed with unique serial numbers to control redemption by assigned beneficiary; also printed in different color each month to minimize counterfeiting
- Receipts—voucher serves as receipt for both beneficiaries and vendors
- Nutrition information—voucher will be printed with key nutrition messages

### ELECTRONIC FOOD VOUCHER FEATURES

- Upfront mobile
- Field-level data collection on program beneficiary households
- Identification cards with a memory slide, that holds the beneficiaries’ information, are distributed to beneficiaries.
- Verification of beneficiaries is conducted through fingerprint biometric authentication technique. Other types of authentication techniques also exist in case the biometrics dysfunction for any reason.
- After beneficiary verification vouchers are generated on-site at distributions using portable printers *(added layer of security as there is no opportunity to copy the voucher.)*

_The e-vouchers were originally intended to reach 500 of the beneficiary households. The e-vouchers were so well received by both vendors and beneficiaries that ADRA was able to increase the e-voucher coverage to 5,618 households all of whom redeemed their vouchers._

Using e-vouchers has facilitated the monitoring efforts and has contributed to saved time for vendors and ADRA. Through informal monitoring and group discussions with vendors—who worked on paper and electronic vouchers—they reported that one of best features of the e-voucher system is that the calculation of food items prices is automatic, which enables the vendors to produce accurate invoices in a short time. In addition, as mentioned above, the counting of redeemed vouchers and calculating the reserved amount of money is also automatic.
Reasons for Success

In the difficult context of Yemen, ADRA has successfully implemented an array of interventions. As part of ADRA’s learning strategy, the team has come together to analyze the reasons for success with the purpose of intentionally duplicating steps taken for future interventions. Below is an outline of the major attributions to positive results for ADRA’s food security interventions—specifically for FAADL.

► ADRA has a strong network of vendors and kept relationships with these partners.
► ADRA provides freedom of choice within a scope of designated food groups.
► ADRA provides access to culturally appropriate food.
► ADRA involves the community in the implementation decision-making process:
  ► Selection of beneficiaries
  ► Selection of voucher distribution points
► ADRA works directly with beneficiaries instead of partners which has built strong trust between ADRA and the community.
► ADRA provided separate entry points for men and women during distributions which was well received by the community.
► ADRA provided gender-specific teams that conducted the voucher distribution process where this was warranted by local cultural norms.
► Vendors followed ADRA’s example and hired gender-specific employees to facilitate and provide services for women who participated in food vouchers distribution and redemption.
► ADRA ensured the inclusion of the Muhamasheen community (known in the local language as Al-Akhdam).

► Through the coordination of local authority and benefited communities, Muhamasheen communities were listed as communities in need. ADRA includes all people in need for support without any discrimination.

Reports by UNICEF identify the Muhamasheen community as the most socially excluded and thus most vulnerable group in Yemen. “The Muhamasheen is a group historically known to be of ‘African descendant, distinguished from the general population with their dark skin. ...anecdotal evidence has highlighted huge inequalities between Muhamasheen communities and the average poor within Yemen. These communities are even less likely to access basic social services; and usually live in slum areas.”¹⁴ These reports have been corroborated by the work ADRA has carried out on the ground. The inclusion of the most vulnerable groups has increased project buy-in of the beneficiaries as it creates an understanding that ADRA’s goal is truly to reach the most vulnerable with relevant aid.

Further, ADRA’s consideration of the needs of women in the context of Yemen created a ripple effect with the vendors. It helped them see the importance of catering to their female customer base and encouraged them to hire more people to serve these needs.

ADRA’s intentional involvement of the community actors, its direct work in the field, and attention to the needs of all the groups it is serving has created a recipe of trust and ensure buy-in which has enabled the successful implementation of its projects.

¹⁴ UNICEF Yemen Situation Report, June 2014. Key Focus: Muhamasheen: Reaching Marginalized Communities
Key Challenges

Though ADRA has had successes in the implementation of its programs and has been able to identify the key factors for that success, it has not come without challenges. ADRA embraces the opportunity to address challenges for the sake of the beneficiaries, the program, and the organization. Below are the key challenges encountered during the implementation of FAADL:

► Prices of food and exchange rates of currency are not stable, making it difficult to ensure the value of the voucher will cover the planned amounts.

► It was difficult to find literate vendors who can use the e-voucher technology.

► The lack of electricity in some areas means that the e-voucher equipment cannot always be charged to keep up for services.

► Limited internet access/strength hindered the use of some e-voucher system features.

In the following key recommendations, ADRA lists how these issues were addressed and/or will be addressed in the future.

Key Recommendations

► ADRA has adopted the practice of conducting monthly price control analysis and assessment to more accurately project voucher values and address the challenge posed by fluctuating exchange rates.

► Providing power banks to vendors who use the e-voucher system will allow charging.

► Increasing e-voucher system coverage in the areas where internet will provide more accessibility.

Key Best Practices

► Usage of electronic vouchers for monitoring and tracking purposes.

► Pair voucher distribution with home visits to disseminate key nutrition messaging.

► ADRA Yemen’s strong network with vendors.

► Involving the community in implementation decision-making process.

► Following through with promised intervention activities, which drives the relationship building process in the communities and has helped establish ADRA Yemen a well-respected organization. Beneficiaries and vendors have testified that ADRA has always fulfilled its promises.

► Working directly with beneficiaries instead of through partners.

► Strong relationship with the local authorities who participate in project implementation.

Conclusion

ADRA has been able to serve the Yemini community successfully and increase the food security of vulnerable households because of its ability to adapt proven strategies to the context in which the USAID-funded program is implemented. Food vouchers in particular have brought higher food security to vulnerable Yemeni communities with the conscious effort to:

► Preserve dignity

► Contribute to existing local markets

► Find ways to be time effective

► Mitigate security risks

► Increase ability to monitor

► Provide nutrition promotion

The implementation strategy combined with deliberate inclusion of the most vulnerable groups, such as the Muhamasheen community and women, have been strongholds of ADRA’s ability to provide critical aid in the realm of food security through a modality that if not implemented correctly could easily become a wasted effort.

Along with the inclusion of key vulnerable groups, there is an emerging theme on the importance of purposeful relationship building with the community at all levels. ADRA continues to cultivate and strengthen relationships with local authorities, vendors, and specifically chooses to implement directly as its preferred strategy to pursue personal relationships with
Conclusion, con’t.

beneficiaries. Another stronghold in ADRA’s implementation strategy is flexibility, a willful desire to learn from challenges, and the ability to explore solutions.

Expressions of Gratitude (Success Stories)

Gamal Taleb Mohammed Al-Dahbali has a family of 7 and works for daily wages to keep minimal amounts of food on the table. His desire was to buy sheep to grow and reproduce; however, the situation he lived in did not allow for the plan to come to fruition. Gamal was selected to be an ADRA beneficiary for the FAADL project in which he received food assistance through vouchers allowing him to feed his family and save his daily income. With the money he was able to save Gamal bought 5 sheep and enough fodder to feed them. Now, he has 7 sheep one of which he was able to sell to buy clothing for his family.

Mohammed Ahmed Bin Ahmed Shoga’a is a 38-year-old cash farmer. His household consists of five people: he, his wife, and 3 children (two boys and one girl). He also works some time driving people on a motorcycle which provides him with just $4.28 a day or less. The critical situation in Yemen has directly affected Mohammed and his family. One of his boys was found to be malnourished and his daughter suffers from brain atrophy disease. ADRA has carefully identified the most vulnerable and provided food vouchers to with the intent to ameliorate their situations. Thanks to FAADL Mohammed’s son was able to receive treatment for his malnutrition and thanks to the food vouchers Mohammed was able to save enough money to pay for the treatment his daughter needs for her brain atrophy. Along with the health benefits that the vouchers and project components have brought to his children, Mohammed was able to buy a cow and sell its milk. The cow is expecting a calf which the family plans to sell.

Had it not been for the generous support of ADRA, I would never have fulfilled my dream and my family would be still suffering, so a great thanks to ADRA”

—Saddam Mohammed Qaied

“Because of ADRA’s help, I can now provide my daughter’s treatment which costs about 15,000 YER a month”.

—Mohammed