

Cash-based programming to address hunger in conflict-affected South Sudan: A case study

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For some time aid agencies and donors have recognised the benefits of utilising markets to deliver food assistance. And for almost as long, cash-based programming has been effective in doing this by improving people's ability to purchase sufficient nutritious food. Addressing hunger through cash and voucher programmes removes the cost of transporting and storing food for implementing organisations, boosts the local economy, provides a wider choice and variety of food for beneficiaries, and restores a level of control and dignity for those receiving food assistance.

Yet, for all the benefits it brings, cash-based programming is not appropriate in every context. It requires functioning, competitive, accessible and well-supplied markets and performs best in contexts where the economy and local currency are stable.

In South Sudan, Protection of Civilian (PoC) sites, where civilians have settled on UN premises to escape violence, present a unique set of circumstances, challenges and opportunities for the effective delivery of food assistance through cash or vouchers.

The successful introduction of restricted value vouchers¹ in Juba PoC, as one of World Vision and World Food Programme's (WFP) modalities for the delivery of food assistance, demonstrates the potential for well-planned cash-based programmes to complement in-kind distributions in these settlements.

Context

Violent clashes between warring parties began in Juba in December 2013 and quickly spread to other parts of the country. Now, at the end of its third year, the conflict has resulted in massive displacement and suffering of civilians, especially children. As of October 2015 the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) estimates more than 1.66 million people were displaced; half of these are children who are particularly vulnerable.² Of this number, some 194,000³ people sought shelter in PoCs in Juba, Bentiu, Malakal, Bor, Melut

¹ Vouchers for a specific value that can be used to purchase specified items only.

² OCHA, *Humanitarian Needs Overview: South Sudan* (2016), 4.

³ Ibid.

Vouchers have improved dietary diversity for children living in Juba's Protection of Civilian site.
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and Wau; more than 27,000 people have sought refuge in Juba's PoCs alone.⁴

A total of 3.7 million people are still in need of assistance across the country. Many of these people are food insecure and could be at risk of famine, with children under age 5 particularly affected. The violence destroyed livelihoods for urban populations, such as those living in Juba, and has pushed millions of South Sudanese beyond their normal coping strategies. The latest Integrated Food Security Phase Classification (IPC) report⁵ shows that 125,000 people in Central Equatoria, where Juba is located, are at crisis and emergency levels of food insecurity.⁶



A World Vision food distribution in Upper Nile state.
© Melany Markham/World Vision

Within this context of persistent conflict, logistical challenges are compounded by the lack of paved roads and the extended wet season, which combine to make large parts of the country inaccessible for months at a time. Frequent fuel shortages and the deteriorating economy increase the cost of logistics even further. Despite these obstacles, commercial traders manage to supply some markets across the country with food and other commodities.

Given the situation, it makes sense to take advantage of, and stimulate, local markets as far as possible without overwhelming them or causing localised inflation, which has a negative impact on the affected population.

World Vision's response

Food assistance remains a priority to address hunger in conflict-affected populations. Efficiency and cost-saving mechanisms are particularly crucial in such a chronically underfunded response.⁷

As the conflict has continued, World Vision's emergency response has expanded beyond affected populations in the PoCs in Malakal and Juba to those in other areas in Upper Nile and Jonglei states. Within conflict-affected areas World Vision has provided food assistance to more than 700,000 people, as well as water sanitation and hygiene kits that include plastic sheets, buckets and soap, blankets, kitchen sets, mosquito nets, nutritional screening and supplements.

Within Malakal and Juba PoCs, in addition to all of the above, World Vision's projects include protection and psychosocial support, nutrition and emergency education to support affected children and their families.

⁴ United Nations Mission in South Sudan (UNMISS), *POC Update no. 93* (September 2015).

⁵ The IPC was originally developed by the Food and Agriculture Organisation (FAO) as a tool for improving food security analysis and decision-making. Since then, several national governments and international agencies have introduced it in different food security contexts.

⁶ IPC, *Republic of South Sudan: December 2015 Update* (2015).

⁷ The 2015 Humanitarian Response Plan (HRP) was only 64 per cent funded, the reduced requirement for the 2016 HRP is considered the bare minimum, and the UN and partners are calling on the international community to ensure it is funded.



Cash-based programming

Urbanisation, improvements in markets and the reach of basic financial services in developing countries and the struggle to fund responses to a large number of crises have helped drive growing interest and use of cash and vouchers as service delivery mechanisms in the past few years.⁸ These programmes are increasingly central to donor and national government policies.

Cash and vouchers

Cash and vouchers deliver food assistance through a similar market-based approach, whereby beneficiaries are equipped with the purchasing power to access food. Cash transfers provide people with money, while voucher programmes provide vouchers for a fixed quantity of food or a fixed monetary value. Both modalities enable beneficiaries to access commodities with contracted traders or shops. Cash-based programming can be combined with in-kind assistance.

Benefits

- Cash-based programming benefits the local economy, as beneficiaries spend the cash or vouchers in local markets.
- People often prefer cash and vouchers to in-kind food assistance, because they offer more choice and variety.⁹
- Households are empowered to manage their own budgets, deciding what and when to buy, restoring a sense of control and dignity.
- Cash and vouchers remove the costs of transporting and storing food and minimise logistical challenges and issues of supply pipeline breaks¹⁰ for implementing organisations.

Considerations

Cash and voucher mechanisms are not appropriate in every context, and the following considerations must be taken into account when considering whether cash, vouchers, in-kind food assistance or a combination of these is appropriate for a given context.

Program objectives and effectiveness

The effectiveness of cash, vouchers or in-kind food assistance first depends on the specific context and objectives of the programme. In most instances in food assistance, both food in-kind and cash transfers are able to achieve outcomes in terms of food consumption and nutrition. However, food in-kind or restricted vouchers remain a preferred modality for some nutritionally focused programmes. If boosting the local economy through cash injections or empowering households to address their most pressing needs is part of the project objective, cash-based programming may be preferable. Considerations of markets, administrative capacity and beneficiary preference must all contribute to decisions about the modality of food assistance that is used; however, they must be considered through the lens of the programme objective.

Markets

One of the benefits of cash and voucher programmes to deliver food assistance is the role of the private sector, local markets and traders. This can boost the local economy as new traders join the market or existing traders expand and hire new staff. This means that cash and voucher programmes require functioning, well-supplied and elastic markets to be effective. If the markets cannot easily expand – due to a lack of supply, inaccessible or remote location of the demand, or other trading restrictions – cash and

⁸ WFP, *Vouchers and Cash Transfers as Food Assistance Instruments: Opportunities and Challenges* (2008).

⁹ WFP, *Cash and Vouchers* (2016).

¹⁰ Refers to failure for various reasons to have commodities for distribution in time, with the right quantities and at the correct destination.



voucher programmes risk shortages, pipeline breaks and price hikes for beneficiaries and host communities. This is one of the reasons that in-kind food assistance, where beneficiaries directly receive food commodities, is still a critical component of programming, particularly in crises and emergencies when markets and supply routes often break down.

Institutional and administrative capacity

Cash has raised some additional concerns about corruption and security – that it is more prone to diversion and that it may put aid agency staff and beneficiaries at risk.¹¹ There are a number of safeguards that are already practised in cash programming, taking into account specific contexts. These include ensuring a strong system of monitoring and evaluation; transparency about the entitlements of beneficiaries; biometric identification; and different modes of delivery, including vouchers, bank accounts, distribution of debit cards and the use of local cash-transfer technologies.¹²

Beneficiary preferences

Beneficiary preferences for food, cash or vouchers are very context specific; however, there are some general principles that tend to influence preferences, including access to markets, whether the beneficiary is a man or woman, and the time of year in relation to harvests.

Rather than being seen as rigid alternatives, cash, vouchers and in-kind food aid can be complementary modalities. Administrative capacity, markets and beneficiary preferences change over time. The composition of transfers and the balance between cash and food should be flexible enough to adjust according

Food assistance within Protection of Civilian sites

One hundred and ninety-four thousand civilians¹³ fleeing the conflict have sought shelter at PoC sites. These settlements have been hosting internally displaced persons (IDPs) within UN premises for the past two years and, unless peace prevails, may continue to do so for the foreseeable future.¹⁴



The Juba Protection of Civilians site. © Alex Pritz/Will Miller

¹¹ P. Creti, *Cash-Transfer Programming in Emergencies*, Oxfam GB (2006).

¹² L. Gordon, *Risk and Humanitarian Cash Transfer Programming*, ODI (May 2015).

¹³ OCHA, *Humanitarian Needs Overview*, 4.

¹⁴ D. Lily, *Protection of Civilians Sites: A New Type of Displacement Settlement?* Humanitarian Practice Network (September 2014).



Those living in PoCs do so under the protection of the United Nations Mission in South Sudan (UNMISS). Although they are free to leave, most have not set foot outside the camps for fear of persecution and violence. Many had jobs or other means of income prior to the conflict, but this ended with the onset of the crisis. As a result, the diet of the IDPs is largely limited to what they receive through food assistance.

Unlike many other IDP and refugee settlements scattered throughout South Sudan, PoCs are in major centres or cities where markets had previously existed. When PoCs were created, markets began to spring up inside the camps. Although not very large, traders set up shops providing a variety of goods and services to meet demand. This situation presented an opportunity to consider cash-based programmes to deliver food assistance within a PoC – something that had never been done before in South Sudan.

The introduction of cash-based food assistance to Juba PoC

1. In-kind food assistance

Food distributions have been occurring in the Juba PoCs since the conflict began at the end of December 2013. In June 2014, World Vision and WFP jointly implemented a food-assistance project that reached more than 20,000 people. Beneficiaries received monthly food rations of cereals, pulses, vegetable oil and salt. Due to other unmet needs, there were reports that beneficiaries were selling part of their rations to obtain other types of food such as meat, fish, milk, sugar, fruits and vegetables.¹⁵

This is seen across many contexts and is not a reflection of over-allocation but of the inability of stretched humanitarian funding to sufficiently meet the basic needs of these households. Unfortunately, beneficiaries will often sell in-kind food at a much reduced rate, which affects their ability to access other adequate food and affects the efficiency of the project.¹⁶

Pipeline breaks can also be a challenge for in-kind food distribution, sometimes meaning that less food was available for distribution. For example, in April 2015 no pulses were available for distribution in Juba PoC, and in May 2015 the vegetable oil ration was 0.4kg per person instead of 0.9kg.¹⁷ World Vision and WFP recognised that distribution of vouchers had the potential to enable people to access these commodities, and others, in the market.



Women wait to receive vouchers in Juba PoC.
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¹⁵ World Vision South Sudan, *Voucher Project Evaluation* (January 2016).

¹⁶ WFP, *Vouchers and Cash Transfers as Food Assistance Instruments*.

¹⁷ World Vision South Sudan, *Voucher Project Evaluation*.



2. Assessing the opportunity for cash and vouchers

With markets present in the Juba PoC and beneficiaries demonstrating the desire to purchase alternative food commodities, WFP and World Vision looked at the potential to replace part of the in-kind food relief with cash or vouchers.

Ideally, the project would ensure that IDPs had access to a diversified food basket in their households. This would have secondary benefits in stimulating the local economy and helping to re-establish livelihoods and productive capacity through the support of local traders.

'Within a month of the PoC starting, markets had become established. Also, the beneficiaries wanted to diversify their diet. Juba seemed like a natural environment where the voucher programme could succeed.'
—Tiwonge Machiwenyika, WFP¹⁸

Although value voucher projects had existed in South Sudan since 2013, the project proposed for Juba PoC was the first of its kind within the emergency response in South Sudan. In part, this is because of the way conflict and crises affect markets and traders. In the immediate aftermath of conflict, markets are adversely affected, because traders are not able to access commodities.

To satisfy these questions about the market, WFP and World Vision carried out market assessments to determine whether cash or vouchers would be appropriate.

The assessments concluded that the major markets outside the PoCs, within Juba, were functional, with a good variety of food items. The markets within Juba PoC, while small, were also functional and able to provide some diversity in the food offered. The assessment also found that these markets would be able to expand once a cash or voucher project commenced, but concluded that cash-based programming should be introduced to complement rather than replace in-kind food assistance in order to give the markets time to adapt. Security issues and lack of access to banks within the PoC helped rule out cash transfers in favour of vouchers.



Lahad, a trader in Juba PoC, sits inside his store.
© Alex Pritz/Will Miller

3. Implementing the voucher project in PoC

In March 2015 the plan for restricted value vouchers was introduced to the community in Juba PoC.

The project targeted close to 21,000 people, including more than 5,000 children under 5, who were already receiving in-kind food assistance from World Vision. With the beginning of the project, half the ration of food assistance was still distributed in kind, while the other half was replaced with vouchers of equivalent value. Each month beneficiaries received an in-kind allocation of cereals, pulses, vegetable oil, salt and, for children under 5, Corn Soya Blend, a specialised nutritious food. In addition, they received restricted value vouchers, which could be exchanged for rice, milk, cereals, vegetables, beans, sugar, bread or oil.

¹⁸ T. Machiwenyika, personal communication (October 2015).



This list of eight items was agreed, in consultation with the community, as the most desirable products in diversifying a food basket and providing the most nutrition for children.

On the market side, 184 traders became part of the project. They received training and signage and were assisted in making links to markets in Juba to help them maintain stock levels.

Lessons from the project

Challenges

Beneficiary acceptance in the context of conflict and insecurity

Initially, the proposal to work with local traders was met with resistance. At community meetings people expressed distrust of food brought in by traders, voicing fears of contamination of food not distributed by WFP and World Vision. The nature of the conflict in South Sudan had led to a perception of people who came from outside the camp as the 'enemy'. This delayed the introduction of vouchers as WFP and World Vision worked to address the issues raised by the community.

Resolution: Engage affected communities in the decision-making process and programme delivery

Alternatives, such as a humanitarian store run by World Vision and WFP, were explored. Discussions continued in community meetings around the challenges of implementing such a store and the potential benefits of using existing traders to boost local markets and grow employment opportunities and spending power within the PoCs. Eventually, these benefits were accepted by the community, and the voucher programme was able to proceed.

After their concerns had been discussed and addressed, the community expressed a preference for receiving the vouchers over exclusively in-kind assistance because of the choice the vouchers provided them.

'One problem when we were just getting the basic food basket was I didn't have enough money to buy milk for my children. Now with the vouchers I am able to use them to buy milk, which I feed to my baby.'
– Veronica, a mother living in Juba PoC



Traders submit vouchers for reimbursement.
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Leadership and decision-making in the PoC

The Camp Management Committee (CMC) is composed of community leaders drawn from nine zones within the camp. These leaders oversee camp activities and make decisions in consultation with community members. Humanitarian partners work closely with the board as the entry point in the PoC. The CMC has helped to select the Food Management Committee and the Community Help Desk, which work closely with World Vision staff to manage food distributions. They help to manage crowd control at distributions, collect community feedback and complaints, communicate resolutions and responses to feedback, represent the community in decision making and monitor food distributions with World Vision.



Fluctuating currency value

When the first distribution took place in June 2015, the average price for cereals was 6.8 South Sudanese Pounds (SSP) per kilogram. IDPs were to receive 51 SSP worth of vouchers per person. It was anticipated that, with time, the entire cereal ration would be substituted by vouchers as a variety of cereals was already accessible by the Juba PoC traders.

Due to inflation, the market prices of all commodities, including cereals, started fluctuating. In the first six months of the programme, for example, WFP determined that prices had inflated by 20 per cent and so adjusted the value of vouchers accordingly.

Resolution: Build flexibility into the programme design to address fluctuations and inflation

WFP and World Vision worked with stakeholders to monitor the market prices closely to determine the price range of cereals. As the prices changed, the value of the voucher was adjusted accordingly. In this economic climate the in-kind proportion of the food assistance was valued by beneficiaries, who saw it as an important safety net when the prices of food on the market were changing.



Veronica collecting her vouchers. © Alex Pritz/Will Miller

Women's participation

Findings from the market-mapping exercise that was conducted in 2014 revealed that, within the PoC, men decide how to allocate household resources; they allocate a proportion of household resources to the women for food. Women are then responsible for the food budget, using these resources.

Resolution: Engage the community to educate both men and women on voucher use to address potential tension at the household level

World Vision decided to engage both men and women in the community through a number of meetings to explain the nature of the vouchers. This developed an understanding that vouchers were restricted and could be exchanged only for the eight agreed food items. This helped



ensure that women were not pressured to hand over vouchers or to use them to buy other (non-food) commodities.

Working with traders

As with other cash-based programmes, the success of the project depends on building partnerships with the private sector – in this case, the market traders. The project must make economic sense for traders to be persuaded to participate.

The cost and difficulty of procurement and logistics in South Sudan, even in Juba, are significant. The assessment conducted by World Vision and WFP found that the informal economy within the PoC had the potential to expand with a small cash injection to meet the demand of about 1,000 households. However, to cover the entire population of 5,000 households, the assessment indicated that the market would need support.

At the beginning of the project, traders reported that payment times were delayed by up to four weeks. This caused problems with supply, because by the time traders received payment the cost of replenishing stock had increased.

Resolution: Improve the timeliness of cash payments and upgrade commodity storage facilities



The value vouchers enable mothers to purchase food like vegetables and milk, improving the diversity of food for their children. © Alex Pritz/Will Miller

In order to address this, World Vision and WFP have been working with the traders to ensure that payment is delivered within a week so traders are able to increase their cash flow to stock enough commodities and meet demand.

Another issue identified was the practice of traders giving loans to IDPs until they received their next allocation of vouchers. This can have negative consequences for both traders and IDPs and will be addressed through education and engagement with beneficiaries and traders going forward.

Outcomes and results

Nutrition

Dietary diversity and child nutrition improved through additional commodities made available by the voucher programme. Traders reported that wheat flour and milk were the most popular items, followed by tomatoes and onions. A survey of beneficiaries showed that 53 per cent of households have improved the diversity of their food baskets, and 32 per cent reported they had more food to eat as a result of the vouchers. Milk for children has been of particular benefit in improving their nutritional status in the camp.¹⁹

Beneficiary experience

Vouchers have considerably increased the ability of IDPs to diversify their food basket and have had other positive effects, such as eliminating the need to spend extended time at distribution points and carry heavy loads home. The IDPs are now able to buy food of their choice, using the vouchers at a time that is convenient. They are also more empowered to budget for the household and decide their own food priorities.

¹⁹ World Vision South Sudan, *Voucher Project Evaluation*.



Employment and the local economy

The voucher programme injects about 1,915,000 SSP (US\$102,957) into the local economy each month. World Vision is now partnering with 184 traders in the PoC, with some employing two to four workers, to support the programme. Traders are also boosting staff numbers on days the vouchers are being redeemed.

Price monitoring has shown the market within the PoC to be sufficiently self-regulating. IDPs know the normal prices for goods within the PoC, and with 184 traders participating in the project, IDPs can choose to buy from another trader if one trader's goods are overpriced.

The project has significantly boosted employment opportunities within the PoC, where paid work is scarce. Approximately 400 youth are now engaged in economic activity; previously they had little opportunity to engage in meaningful livelihood activities. Many IDPs particularly value these opportunities because they find themselves confined to the camp by fear of violence, with little opportunity to find employment to support their families.

'The guy who is running the shop has a family. He asks them to go and buy commodities, so these guys support other forms of employment. It's something worthwhile investing in. They are engaged in economic activities. It has a cascading effect. The disposable income increases.'

– Community leader from Juba PoC

Community leaders have seen the positive impacts of the programme within the PoC.



A shop in Juba PoC displays a sign to indicate that it is participating in the voucher programme.

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Conclusions and recommendations

The current context in South Sudan is particularly challenging for the distribution of in-kind aid, where logistics are often complex and supply unreliable, and for voucher or cash programmes, where a lack of financial infrastructure limits programming options, insecurity threatens markets and fluctuating currency poses challenges to sustainability.

Outside PoCs, many IDPs are stranded in remote areas with little access to markets. In these contexts cash-based programming remains unfeasible.

However, this case study demonstrates the benefits of cash-based programming in a PoC environment or other IDP or refugee settlements where local traders have links with outside markets. In these contexts cash-based programming can be a valuable tool to diversify diet and improve child nutrition while also boosting the local economy and providing valuable employment opportunities.

Inflation and the fluctuating value of the SSP continue to pose obstacles to replacing the remaining in-kind assistance with vouchers. Implementing the programme in a relatively stable economic environment would allow the full efficiencies of cash-based programming to be realised more quickly. In lieu of this stability, the flexibility to combine value vouchers with in-kind food assistance has been key to the programme's success.

The lessons from this experience should be applied to the implementation of voucher projects in other PoCs by ensuring quality community consultation, market assessment and the flexibility to switch between modalities to adapt to fluctuations in currency.

World Vision is continuing to learn from its experiences in cash-based programming in fragile contexts and to share the growing evidence that cash-based programmes can play an important role in supporting children and affected communities in meeting their needs – even in the most challenging operational environments.



A trader returns vouchers to World Vision for reimbursement.

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Acknowledgements

This case study would not have been possible without the input and feedback of the World Vision South Sudan Leadership Team: Lillian Mumbi, Response Manager; Jacobus Koen, Programme Development and Quality Assurance Director; Perry Mansfield, National Director; and our WFP partners: Tiwonge Machiwenyika, Programme and Policy Officer (Cash and Vouchers); and Sheri Arnott, Director of Research, Policy & Strategy for Food Assistance at World Vision International, who provided technical guidance.

Editing and project management by Joy Toose and the World Vision Global Publishing Team.

Photos by Melany Markham, World Vision, and Alex Pritz and Will Miller, Documist.



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A trader returns vouchers to World Vision for reimbursement.
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