

Sahel Food Crisis (An experience of integrating cash vouchers in local markets)

Between end of 2004 and 2005, the food security situation in the Sahel region was seriously affected by a combination of acute factors, including droughts, locust invasion, and regional trades and policies, that worsened that already chronic existing problems associated with extreme poverty, natural resources impoverishment, desertification and uncontrolled demographic growth. It resulted in a regional food crisis that hit several countries, such as Mali, Mauritania, Burkina Faso, and particularly caused in high rates of mortality among children in Niger in the early 2005. Oxfam GB started its response to the Sahel food crisis in December 2004. In Mali, Oxfam decided to avoid importing food, due to the fact that this country was mainly facing a problem of food access, and markets were functioning and traders well organised. In Gao, Oxfam GB ensured access to food to vulnerable population through a voucher for work programme that involved 10,098 households (approx. 65,637 beneficiaries) – 40% women for a three months period. Working with local traders allowed supplying food also in areas where traders had no economic interest to reach, due to people poor purchasing power and remoteness of the areas. The project didn't face problems of food supply and the inflation of cereal was not higher than in other Northern parts of the country.

In Niger a three months voucher for work response started in July 05. The activities were implemented in Dakoro and Tillaberi districts and targeted 15,677 households (approx. 101,901 beneficiaries). The vouchers had a value of CFA 2250 (for 9 hours work), and the programme distributed vouchers for a total value of 657,000,000 CFA in Dakoro and 231,288,750 CFA in Tillaberi. The programme activities included community infrastructure works (e.g. dykes, traditional water wholes, tree plantation, as well as support to destocking) The most vulnerable and destitute households were targeted, and the 20% of the beneficiaries received free vouchers on the base of being elderly or disabled community members without other social support structures. Project recipients were paid with vouchers that were exchanged with local traders. Oxfam paid back the value of the vouchers to traders by cheque once a month. The targeted households were highly satisfied with the voucher system, since it gave them a certain freedom of choice and flexibility.

The administrative work implied in the use of vouchers created a big burden on all parties involved, and the heavy documentation and tracking systems required risked paralysing the project activities. For this reason the voucher system was generally transformed into a simple distribution of locally available food through local traders, that anyway left project recipients with the choice among different items.

Integrating cash vouchers to local markets. In some locations it was possible to continue and integrate the vouchers into local market systems. In these cases agreement with traders and shops were set in advance and project recipients, which received "cash vouchers" every fortnights, were able to exchange vouchers against any items in the shops. A purchased limit of 20% of non-food items was fixed. Beneficiaries were able to access in the local shops what items and quantities they wanted to buy. The main items exchanged for the vouchers were millet/sorghum and rice, beans and oil. Non-food items were mainly soap and hygiene articles, and in later stages of the programme cloths and shoes.

The integration into the local market and trading system enable targeted men and women to timely access items that were locally accepted. In addition the local economy was supported, without creating artificial inflation from traders, since beneficiaries could choose among different shops and negotiate prices. Dealing with cash vouchers, that had no value for outsiders, reduced risks for beneficiaries and implementing team of carrying big amounts of cash to the field, in a context where banks and private money transfer companies were not available.

The programme had the main impact of ensuring people access to food during the hunger period. The evaluation found that the project had positive impact on households' economy, since it reduced the needs for early migration as well as the needs to take debts to access food. The programme was able to actively involve women in project activities and decision-making.

A second phase of cash for work activities is being implemented in Northern Mali (Gao) and Niger, as rehabilitation. These programmes started in December 2005 (Mali) and January 2006 (Niger) and they are targeting 28,000 and 8,000 indirect beneficiaries respectively for a period of one month and half. In Mali the payment is done partially in cash (2/3) and voucher (1/3). Project recipients can obtain food immediately from local traders, while cash is given at the end of the project to encourage saving



for bigger investments. In Niger, payment is entirely in cash, and local traders are transporting cash directly to the target population, and receive a commission (2.5%) on the amount delivered.