Transition from in-kind to vouchers

Operational challenges in Indonesia and Gaza
Overview

1- clicker questions
2- the pros and cons of transition from food to vouchers
3- Indonesia: transition with some challenges
4- Gaza Strip: challenges with no transition
5- Conclusions and questions
Is it always preferable to move from in-kind to vouchers?

A - Yes
B - No
C - It depends
What social transfer modality is reaching the highest number of beneficiaries worldwide?

A - In-kind
B - Food vouchers
C - Unconditional cash transfer
D - Conditional cash transfer
Who are the main target groups of vouchers in your country?

A - All citizens
B - All people below the poverty line
C - The extreme poor
D - Populations affected by emergencies
E - Nobody
Vouchers - why and when it’s better

Pros:

- Diversified diet
- Dignity of beneficiaries
- Systematic targeting
- Promote synergies across sectors
- Administratively efficient, with good M&E
BUT vouchers need appropriate context

Cons:

- Heavy monitoring costs
- Don’t always reach the poorest in remote areas
- Changed accountability relationships, especially at local level
- Systemic sectoral problems remain unresolved, especially supply side
- Have no ‘exit strategy’ -- when should vouchers be scaled down or out?
Case Study - Indonesia
Indonesia - Transition with some challenges

Context:

- 11% poverty rate
- National CCT targeting extreme poor (24 million people)
- 15.5 million HHs receive rice subsidies since 1998 economic crisis
- 2017: ‘social protection card’ launched in 44 cities
  => 4.8 million poor beneficiaries transferred from in-kind to vouchers
Indonesia - Transition with some challenges

Operational challenges:

- All bnf need a bank account => additional outreach/education effort
- Food availability issue => GoI needs to replenish stocks in Warungs
- Price monitoring => hard to maintain the same food prices (17,000 islands)
- Spatial variations => vouchers currently implemented in urban areas – plan to transition also in rural areas (2018)
- Vouchers alone do not lead to nutritional improvements => WFP advocacy to expand voucher content and introduce awareness raising
DISBURSEMENT MECHANISM OF NON-CASH FOOD AID PROGRAM IN 2017 AT 44 CITIES

Social Ministry KPA

- Designation & Delivery DPM for the opening of accounts and transfer of funds
- Coordination, moneva
- Advocacy & service complaints

Bank “ISSUER” Container (HIMBARA)

- Opening an account, card distribution and the distribution of relief aid into account
- Together with the Ministry of Social Affairs and LG form E-Warung

Local Government

- Non-cash transactions with account

Family Food Aid Recipients

E-Warung
Case Study - Gaza Strip

Context:

- 10 years blockade
- 20 years economic de-development
- 40% unemployment rate
- 1.2 million food aid beneficiaries
- Market dependence on imports
- High food prices volatility
Gaza: Challenges with no transition

- Insular market and poor supply chains
- Higher TCTR
- Externalities: resale, double taxation, inflation risks
- Trade-off: food quantity (calorie intake) VS quality (dietary diversity)
- Need to maintain humanitarian food pipeline
- What do beneficiaries really prefer?
- ...last but not least... political and donor constraints
Conclusions (programme aspects)

➢ There are challenges associated with the transition

➢ There is no one size fits all transfer modality

➢ Evidence shows similar impacts of in-kind and CBT

➢ Effectiveness depends heavily on contextual factors:
  ○ market, emergency, coverage, transfer size,...

➢ Market assessment is really the cornerstone for determining the appropriate transfer modality
Conclusions (operational aspects)

- M&E costs
- Reaching remote areas
- Devolving accountability
- Managing beneficiaries backlash
- Supply side issues

- What’s next? Should the government set different price levels for specific areas where markets aren’t well integrated?
Don't throw the baby out with the bathwater!