

COVID-19 FOOD RELIEF PROGRAMME

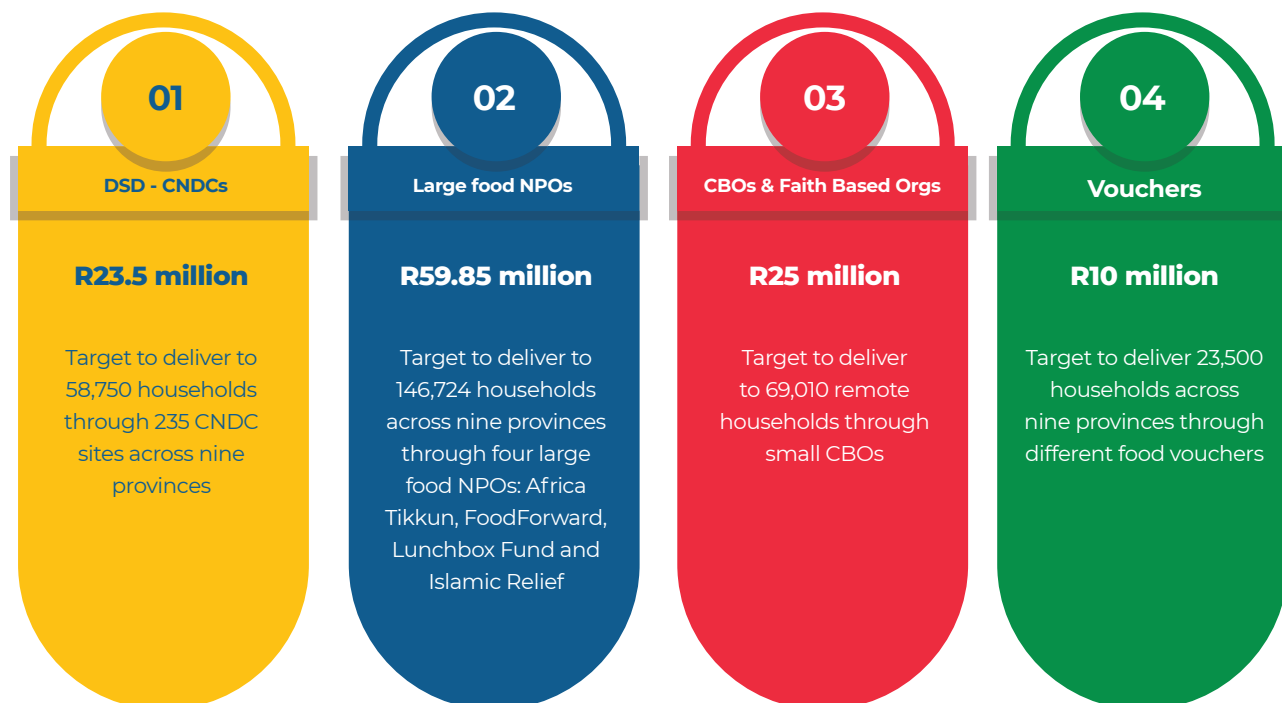
(PARTNERSHIP WITH THE SACC TO PROVIDE FOOD RELIEF TO 23,500 HOUSE HOLDS FOR R10M)

DECEMBER 2020

THE SF SET OUT TO DELIVER FOOD TO OVER 250,000 HOUSEHOLDS THROUGH FOUR APPROACHES.

The report focuses on the fourth approach of vouchers for R10 million.

Description	Amount Allocated	Amount Disbursed*
Food Relief	R120 million	R117 330 286



← **Food parcels delivered over a six week period** →

**The disbursed amount is lower than amount allocated as some of the service providers/NGOs came under budgeted and refunded the remaining funds to the SF.*

OVERVIEW OF THE FOOD RELIEF PROGRAM

- **The challenge:** Four million South African households experience food insecurity in non-Covid times. By limiting people's access to income and employment, the Covid-19 lockdown exacerbated food insecurity across the country.
- **The Fund's response:** When the lockdown was announced, the government did not have clear relief measures in place and was working towards developing a systemic solution to support households via grants. Expecting a large-scale hunger crisis, the Solidarity Fund (SF) disbursed R120 million towards immediate food relief to be rolled out through the lockdown period. This relief was intended to be a once-off disbursement to tide the country over as the government put in systemic relief.
- **The objectives:** The objectives of the food relief effort were three-fold:
 1. to provide immediate food relief to over 250,000 vulnerable households,
 2. to support the government in building systemic solutions for the medium-term,
 3. to support improved coordination of food relief.

KEY PRINCIPLES IN DESIGN OF THE SF'S FOOD RELIEF EFFORTS

The SF outlined key principles to guide the design of the food relief intervention:

1. The SF, as an independent organisation, would be **responsive to both government and civil society** needs and work to augment their efforts.
2. Its efforts would be immediate and **biased towards speed**. This led us to not go through an open tender process, but rather to work with trusted partners and coalitions to identify potential implementing organisations.
3. **Reach and coverage nationally to vulnerable households.** The SF would reach urban and rural communities across all nine provinces and focus on those areas less served by other interventions. The SF allocated parcels across the nine provinces in general proportion to the number of people below the poverty line in each province.
4. The vast majority of SF funds would **directly benefit beneficiaries**, with very limited funding covering intermediary distribution cost and focus on **efficiency** in "basket" selection and procurement.
5. The SF would work with partners that have the ability to **monitor, track and validate delivery to beneficiary** households.
6. Through this short-term relief effort, the SF would begin to **build last-mile distribution platforms** for future humanitarian and public health programmes.

OBJECTIVES, RATIONALE AND PROCESS FOLLOWED

WHY VOUCHERS?

- **Supports the local economy:** Food vouchers / cash can be spent in local communities, including at informal stores such as spazas, bringing the benefit of supporting the local economy
- **Human dignity:** Vouchers/cash recognise that people know what they need the most
- **Relatively quickly and easily administered:** The beneficiary receives an SMS directly to their cell-phone (feature phone), which is then redeemed at a retailer or local shop. Far less complicated than delivering a food parcel.

THE CHALLENGE WITH VOUCHERS

- **No perfect voucher solution exists** – current food voucher solutions are either big-retail-only or spaza-only vouchers. There is very little integration across the two, meaning that these are not scalable solutions for the country.
- **Stock-outs at spazas and supermarket closures during Level 5 lockdown due made voucher redemptions challenging at scale.** Beneficiaries require added support through a call centre or other channels to ensure that they can redeem the vouchers.

SASSA and civil society groups were eager to scale vouchers but no clear nationally scalable solution exists. As a result, the SF felt that rather than picking a single voucher solution, it would be important to partner with an organisation that is testing multiple voucher solutions with a view to building a scalable national approach.



Food voucher programme: Objectives

The SF aimed to meet two objectives through the voucher solution:

1. Provide food relief to households immediately through a voucher solution
2. Help build a scalable model for reaching households digitally, that can be used by the SF and other relief organisations in the future.
 - Support beneficiary identification models that are coordinated with government
 - Support voucher models that are interoperable and give beneficiaries choice (current options are all sub-optimal)

Rationale for partnering with SACC

- **Alignment with SF's short-term goal of providing relief and medium-term objective of building a scalable model:** While there were many organisations deploying voucher solutions, SACC was one of the few organisations that worked to actively develop an interoperable voucher solution. They were open to working with any provider and strived to work to develop an integrated voucher solution that left beneficiaries with choices (Pick 'n' Pay, Boxer, Shoprite, Checkers, Usave and OK Foods to name a few). To our knowledge, there are no other organisations that are doing the above at national scale.
- **Credible networks for beneficiary identification:** SACC has a country-wide network of churches and beneficiaries and set up Local Ecumenical Action Networks (LEAN) to respond to Covid-19. Through LEANs, they built a database of needy beneficiaries through their network of across the country. In addition, they worked with SASSA and towards building a solution to help prevent beneficiary overlaps.

PROPOSED MODEL OF PARTNERSHIP

- **Model:** The SF entered into partnership with SACC to fund R400 food vouchers to 23,500 beneficiaries across all nine provinces. SACC selected range of different context-appropriate voucher solutions to provide immediate relief to beneficiaries. They also had a call-centre to support beneficiaries, should they have trouble redeeming the voucher.

KEY OUTCOMES

- **17,470 vouchers were redeemed.** A total of 23,500 vouchers were disbursed, and 74% of them were redeemed. This redemption rate is in keeping with global best practice figures (based on expert interviews). The vouchers were delivered:
 - In a manner that enhanced dignity and agency for beneficiaries
 - Across all provinces and contexts (rural, peri-urban and urban)
 - Across informal and formal retail sectors
 - At 4% cost to serve for the Fund
- **Through this pilot the SF and the SACC gained an understanding of the challenges and opportunities in voucher disbursement and reimbursement process that can be leveraged for all future humanitarian relief efforts.** The process allowed the SF and the SACC to have clear visibility of beneficiaries that redeem/did not redeem vouchers, which allowed for targeted follow-up and problem-solving. These lessons are outlined in the next section of this report.
- **Flow of funds transparent and fully reconciled** - Digital voucher disbursement process ensured 100% traceability of funds and allowed for full financial reconciliation at beneficiary level across across multiple service providers. The non-redeemed vouchers were refunded to the SF.

FINAL DELIVERY FIGURES

PILLAR	EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total verified parcels to HH
Pillar 1: CNDs	6 565	11 512	3 000	13 950	4 750	2 784	5 513	5 234	5 007	59 433
Pillar 2: NPOs	31 748	701	43 373	31 097	10 221	7 513	5 234	5 816	18 573	154 276
Pillar 3: CBOs	12 500		11 540	15 484	11 485	9 000			8 999	69 008
Pillar 4: Vouchers	1 043	1 290	2 649	2 756	1 767	3 416	1 201	1 115	2 219	17 470 (vouchers redeemed*)
Total households reached 9 October	51 879	13 264	59 965	63 144	28 288	24 951	11 947	13 230	34 886	300 187 *Plus 23 unknown area

Assuming an average of four people per household, the SF was able to reach 1,200,748 people through food parcels/vouchers

LESSONS LEARNED

- **Beneficiary expectation management** – Once beneficiaries were registered, they expected to receive immediate support, often in spite of being briefed regarding the process. In some instances, delays in the process of distributing vouchers (largely due to the flow of funds between the various stakeholders) resulted in beneficiaries becoming frustrated and sceptical about the support. This was improved upon in after the first few weeks.
- **Beneficiary data collection** – Collecting quality beneficiary data to disburse the vouchers required far more effort than budgeted, underscoring the requirement for a mobile data collection app. Initially there was a high degree of scepticism by community members regarding giving personal information but once there had been successful voucher runs, communities were more open to giving personal information.
- **Disbursement and redemption challenges** – Food vouchers were slow to be redeemed by beneficiaries for a variety of reasons. These included:
 - Many beneficiaries assumed that the voucher text messages were spam and deleted them
 - Some beneficiaries did not understand how to use the vouchers
 - In remote locations, beneficiaries had transport challengesOn-the-ground support from SACC had more benefit than a reminder SMS. As such, going forward engagement from the beginning at local level is critical to the use and redemption of vouchers. Areas/communities that had better touch points with sponsoring organisations on the ground had higher redemption rates. Redemption rate increased by 7% when vouchers were re-issued to the same beneficiaries.
- **Redemption timelines** – Initially, vouchers were issued with a 14-day expiry date, however redemption data were only received best weekly. This mean that by the time information was provided to the beneficiary, the voucher had often expired. This meant that costly reissue processes were required to provide sufficient time to the beneficiary to access their digital aid. In future, it is important to add longer timelines for voucher expiry.
- **Voucher preferences** – The informal retail voucher ecosystem is immature in South Africa and adoption reflected this. While there are some informal retail voucher options, the “voucher value” was perceived differently by beneficiaries relative to formal retail vouchers. In some instances beneficiaries expressed a clear preference for formal retail vouchers (reasons include: xenophobic attitudes, perceptions that spaza shops have hiked their prices, questions around the quality of food sold at the spaza shops). Greater ecosystem support is required for beneficiaries to accept and adopt informal retail vouchers.
- **Reporting** – There are various pros and cons of the different voucher disbursement channels include cost to serve, real-time reporting and beneficiary journey and choice. Real-time redemption data is available for vouchers using the WiGroup solutions but store-branded voucher, like those via Yonder, real-time reporting is not available and there were substantial delays (up to 10 days) in getting accurate redemption data.

CONCLUSION

The Solidarity Fund, in partnership with the South African Council of Churches and the Mthunzi Network, rolled out 17,470 vouchers between June and November 2020. The vouchers allowed beneficiaries to purchase the items they needed most. These vouchers were rolled out through a range of formal retailer, informal retailer and cash out options. A number of lessons were learned through this process and the Fund incorporated those learnings into the second round of food relief. These learnings are also relevant for future humanitarian relief efforts in South Africa.