



HUMANITARIAN CRISIS RELIEF FUND CASH VOUCHER PROGRAMME

Impact Report

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BENEFICIARY	AMOUNT ALLOCATED	AMOUNT DISBURSED
National Empowerment Fund (NEF)	R62 100 000	R58 910 478 (excl. VAT)

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INTRODUCTION

The Humanitarian Crisis Relief Fund (HCRF) was established with a clear focus on alleviating the consequences of the July 2021 civil unrest in Gauteng and KwaZulu-Natal Provinces. To maximise its impact on the lives of those affected by these riots, the HCRF implemented a rapid response to coordinate the financial and in-kind contributions from individual donors, governmental and non-governmental organisations, and the international community. Disbursements from the HCRF were used to respond to the food and medical crisis, and support business recovery in the aftermath of the protest action.

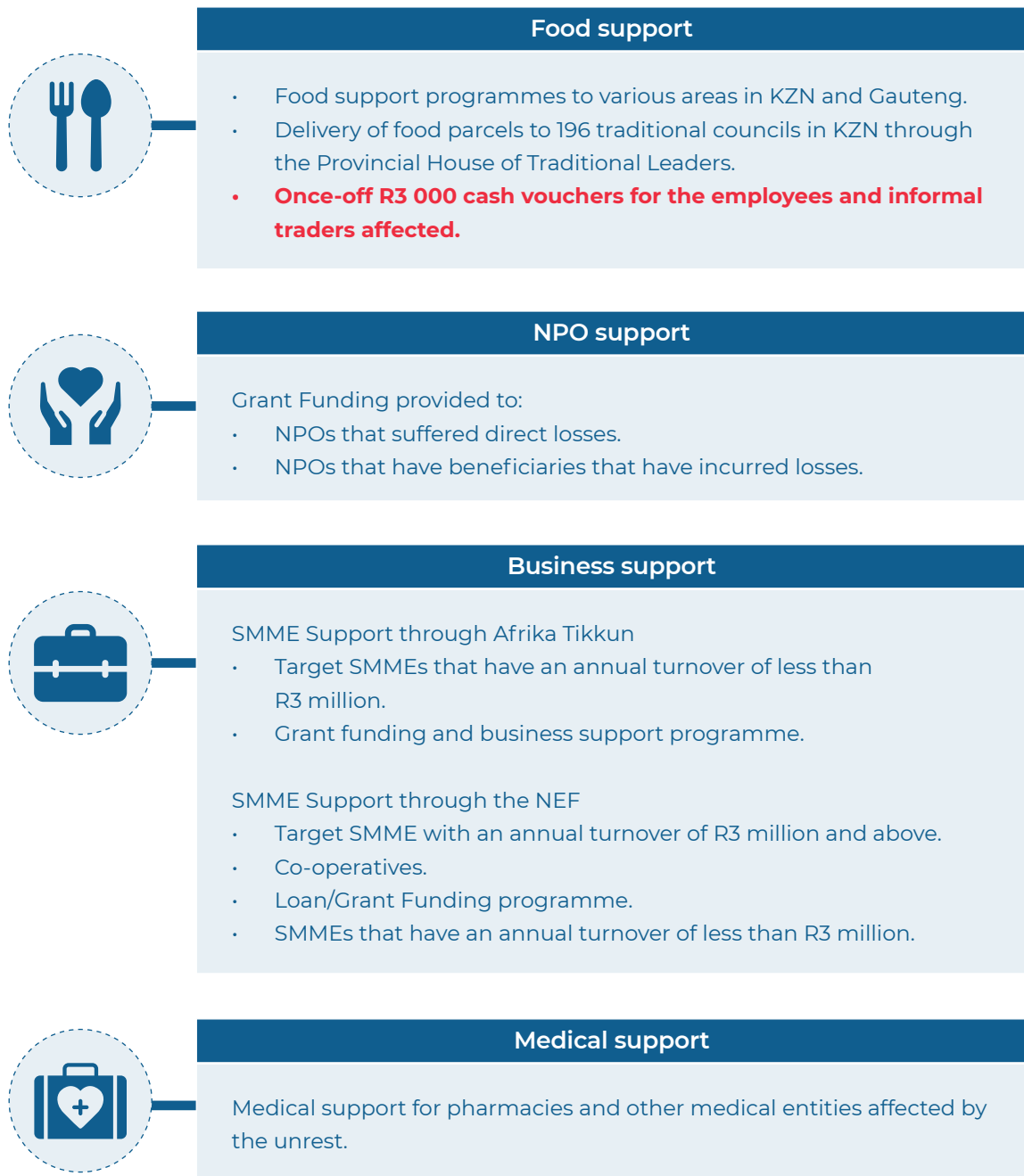
The HCRF Cash Voucher Relief Programme sought to disburse cash vouchers to informal traders and employees who had lost income as a result of businesses being temporarily or permanently closed following the riots. A total of 19 409 (R58 488 000) cash vouchers were redeemed. This was achieved in partnership with Praekelt, Standard Bank, and the National Empowerment Fund (NEF). The vouchers were disbursed between the 3rd of August 2021 and the 15th of March 2022.

Overall, the programme successfully supported those in need with the Funds to survive while waiting for their employers to rebuild or while searching for other employment. The prominent highlight was the high overall redemption rate of 97%, higher than the norm for programmes of this type.

OVERVIEW OF THE HCRF

Figure 1: HCRF programme overview

TOTAL DISBURSEMENTS: R600M



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PRINCIPLES THAT GUIDED THE SOLIDARITY FUND'S SUPPORT



Maximising reach and minimising programme costs

To maximise reach of the Fund's disbursement, costs were kept to a minimum. On average, implementation costs amounted to 1% of the total disbursement.



Geographic reach

Although the research indicated that the greatest demand for emergency relief was predominantly in the urban areas that saw the largest damage caused to businesses, the Fund's mandate required that beneficiaries in both provinces across rural and urban communities were identified.



Transparency and reporting

The Fund has a central mandate to promote transparency in how funds are disbursed. As a result, monitoring and reporting was considered a core tenet and was built into the programme design. The digital transfer of funds for cash vouchers made it possible to track and validate the delivery of the funds to beneficiaries.



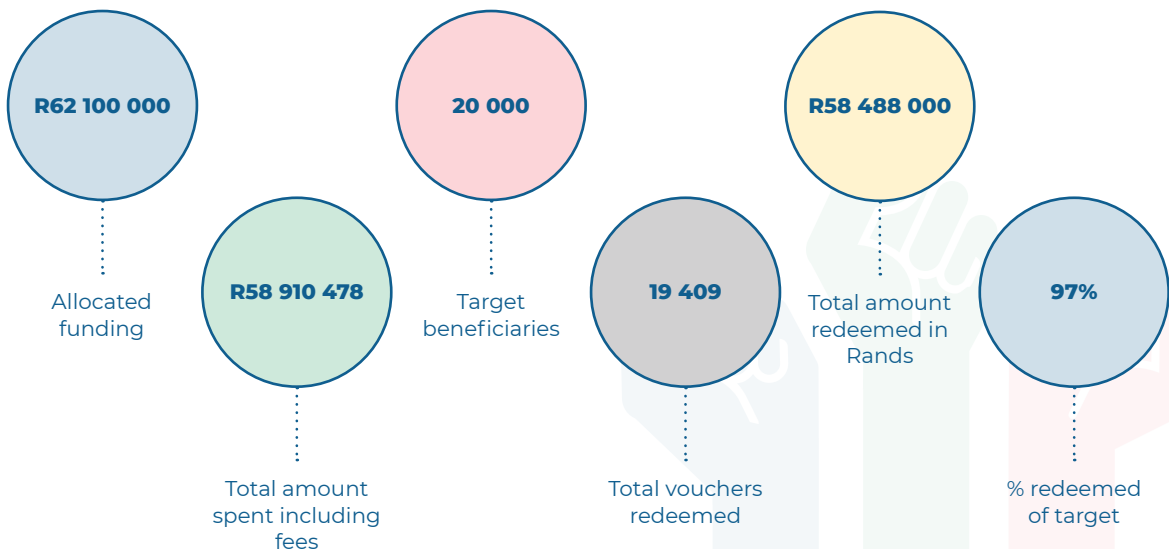
Diverse partners enable a strong learning environment and greater beneficiary reach

The Fund sought to engage partners who were best placed to service the target beneficiaries. The NEF reached vulnerable people through a variety of partners namely: municipal officials, local economic development officers, and shopping mall centre managers. The Fund also appointed technical and voucher remittance partners with expertise in various activities, including fund distribution and beneficiary onboarding.

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IMPACT

The total envelope size for the cash voucher programme was R62.1 million, which included administrative and disbursement fees. The programme aimed to reach 20 000 beneficiaries, who were each to receive a once-off voucher to the value of R3 000.



“On behalf of the staff at Dlodlu and Son’s Pty Ltd we would like to thank you for the vouchers that have been paid to our staff. It has really made a huge difference and helped a lot. May God bless you and the rest of your team” – Eric Ngovene

“I can never fully express the faith and joy your office brought to us on that Thursday. We were truly happy, others were in tears for the spark of hope and relief they felt, mind you this relief came shortly after we experienced a devastating food crisis. Your office responded at the exact time of dismay and confusion. Siyabonga” – Hammarsdale Spar Staff

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OVERVIEW OF THE CASH VOUCHER PROGRAMME

The shift from physical food relief parcels, delivered in partnership with the Department of Social Development and the KwaZulu-Natal Provincial House of Traditional Leaders, to digital vouchers was primarily intended to assist beneficiaries in a way that retained and supported their dignity and humanity, allowing them to use the funds in a way that most supports their immediate needs. Using a digital voucher platform also meant that the disbursements could be done in a more secure and transparent manner. To deliver on this, the Fund collaborated with the NEF to identify beneficiaries using its existing database, and remittance partners to disburse the cash vouchers to beneficiaries.

Targeting process

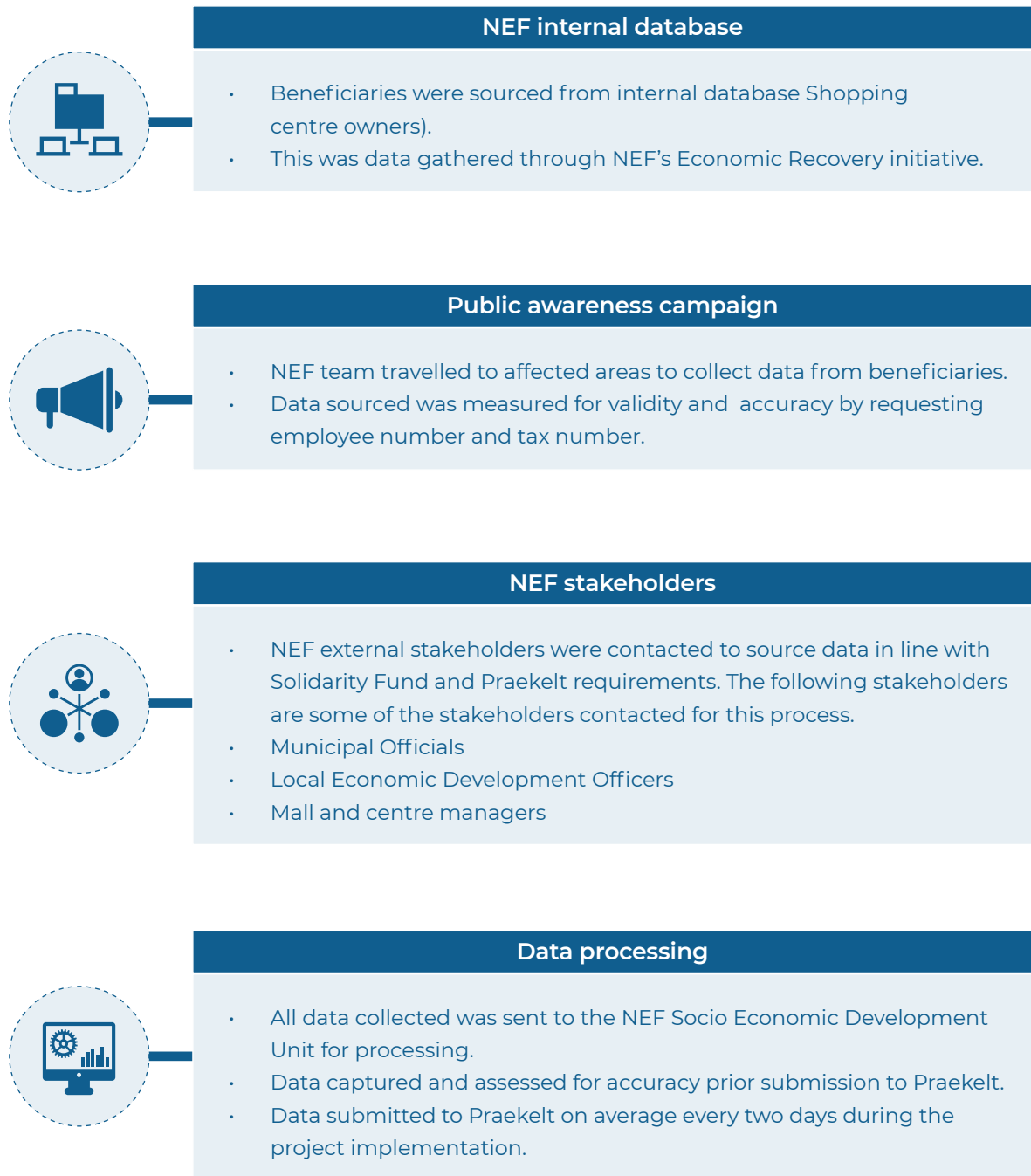
Since the HCRF was established to assist businesses that were affected by the civil unrest, the first principle in identifying beneficiaries for the cash voucher programme was to identify employees who had lost income due to temporary or permanent business closures during, and immediately following, the July 2021 civil unrests. The NEF was tasked with sourcing 20 000 beneficiaries from Gauteng and KwaZulu-Natal. Various NEF stakeholders were able to access employee databases of those companies that were affected by the unrests to provide this list of beneficiaries.

Importantly, since this information constituted personal information in terms of the Protection of Personal Information Act 4 2013 (POPIA), the NEF undertook to comply with the provisions of POPIA in the processing of such information to the extent possible.

The following process was undertaken in collating the database of beneficiaries:



Figure 2: Targeting process



REACH OF THE INTERVENTION

To ensure the broadest possible reach, the cash vouchers were extended to employees from 32 malls and/or shopping centres throughout KwaZulu-Natal and five in Gauteng.

The 37 malls and/or shopping centres were spread over 25 districts in KZN and four districts in Gauteng, largely peri-urban and rural.

Figure 3: Reach across districts [number of tenants]



PARTNER SELECTION AND FEES

The general principle for selecting a database origination partner was their ability to help the Fund identify and serve individuals who had experienced a loss of income, particularly those who were employed in businesses that had temporarily or permanently closed down as a result of the unrest. The process included identifying whether the partner was already working with large segments of the target beneficiary groups described above.

From a technical perspective, data integration and payment partners were selected with consideration given to the efficiency of their technology, cost, and ability to scale. The Fund also leveraged existing partnerships.

NEF

In September 2021, the NEF and the Solidarity Fund agreed to a partnership to assist businesses affected by civil unrest. Under the cash voucher programme, the NEF identified beneficiaries and submitted their beneficiary database to the Fund through an implementing partner to disburse the R3 000 vouchers.

In October 2021, the NEF and the Solidarity Fund conducted site visits to affected shopping malls. The team met with the mall owners, business owners, employees and informal traders operating within the malls. From the discussions, the team also identified a need to assist the employees.

Standard Bank

Standard Bank had successfully implemented the Fund's Covid-19 cash voucher programme in March 2021 where they facilitated remittances to about 60 000 beneficiaries. They were therefore the ideal partner to engage to ensure the support could be disbursed quickly, while still maintaining due diligence. The Standard Bank cost allocation was R144 176 (0.2% of total disbursed), which included the administrative costs of the disbursement and reporting mechanisms to monitor the dispatching of funds to beneficiaries.

Praekelt

Due to the need for rapid implementation of the HCRF programmes, the Solidarity Fund leveraged partners with a proven track record from within its existing pool of suppliers. Praekelt has a track record of being a trusted partner of the Solidarity Fund, and importantly, it also has a relationship with Standard Bank from their collaboration with the Fund's Covid-19 food relief programme. Given this role, Praekelt was selected as the partner to prime and process NEF databases for integration into the Standard Bank payments platform.

Praekelt administrative fees were R278 302 (0.5% of total disbursed), which included administrative and distribution fees. Their platform proved particularly cost effective due to the use of an existing platform for beneficiary vetting and disbursement.

Table 1: Summary of programme partners

Database Origination	Beneficiary Group	Number of Beneficiaries	Disbursement Partner	Implementation Partner
NEF	Employees and informal traders who lost income	20 000	Standard Bank	Praekelt

A complete breakdown of the budget by partner is presented below. All partner costs were on a cost recovery basis only, and no partners made a profit from the cash voucher initiative.

Table 2: Breakdown of the budget by partner (excl. VAT)

Organisation name	Admin fee	Fee as % of total disbursement	Amount to beneficiaries	Total
Praekelt (through NEF)	R278 302	0.5%	0	R278 302
Standard Bank (through NEF)	R144 176	0.2%	R58 488 000	R58 632 176
Total	R422 478	0.7%	R58 488 000	R58 910 478

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CHALLENGES AND MITIGATION

The programme faced some challenges, most notably significant time delays, as well as technical challenges with the database format and quality, although this was managed effectively. Significant lessons have emerged, which can be applied to other programmes.

- **Data Quality** - Data received by NEF was not always in electronic format and in most instances was hand-written. This resulted in delays in processing as accuracy was compromised.
- **Privacy and confidentiality** - Beneficiaries expressed concerns about privacy and confidentiality leading to increased turnaround times and delays in processing. This was resolved by producing various assurance statements by the NEF in line with POPIA.
- **Fraud Risk** - Beneficiaries submitted details through various databases in an attempt to receive multiple vouchers. Praekelt’s system linking identity numbers to cell phone numbers assisted in mitigating this risk.
- **Beneficiary expectations** - Regardless of continued communication, some beneficiaries mistakenly thought this would be a continuing relief mechanism. This put added pressure on the NEF to consistently have to respond to beneficiary questions and re-iterate messaging.
- **Beneficiaries submitting incorrect details** - Some beneficiaries submitted incorrect or amended mobile details after their initial submission. This caused delays and added pressure on partners to verify details, address questions, and verify data to prevent fraud.

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CONCLUSION

With a 97% redemption rate, this intervention helped 19 409 employees and informal traders to survive and have funds to buy food and essentials for themselves and their families in the immediate aftermath of the violence in KwaZulu-Natal and Gauteng, It proved an effective stop gap to support the vulnerable while they waited for their employers to rebuild or while they looked for other employment. By allowing them to choose how to use the available funds, it also enabled them to retain their dignity amidst such devastation.

While the HCRF’s food parcel distribution programmes were successful and a quick solution to providing immediate relief, the Fund understands that the distribution of food parcels comes at a significant cost. Cash vouchers were adopted to mitigate these concerns and also intended to safeguard the dignity of beneficiaries by enabling them to choose items that are essential to their needs.