



Update April 2015

Bamba Chakula -Vouchers for food assistance in Kenya's refugee camps

Quick Facts about the refugee camps

⇒ General food distributions (GFD) provide food to households to make up for household **food access shortfalls**, i.e. the difference between their food consumption requirements and what they are able to provide for themselves without adopting distress (damaging coping) strategies.

⇒ In both Dadaab and Kakuma, **all refugees receive GFD** rations to cater for their daily nutritional and caloric intake.

⇒ Currently, Refugees spend an average of **60-70 percent of their income to buy** meat, milk, vegetables, sugar, and **other food not provided by WFP**.

⇒ Regular Joint Assessment Missions (JAMs) are conducted by the UN High Commissioner for Refugees (UNHCR) and WFP to assess the food and non-food needs of the refugees.

In last month's issue:

- What we learned from the Fresh Food Voucher pilot in Dadaab, and how we used this in the design of the new voucher programme.
- The objectives of the new voucher programme.
- Expected operational challenges.

In this month's issue:

- Snapshot of *Bamba Chakula*—the new voucher programme.
- A newly discovered operational challenge: Low mobile phone ownership in Kakuma!
- In focus this month: Retailer Selection in Kakuma.
- 30 seconds with a trader selection expert

Snapshot of *Bamba Chakula* - the new voucher programme in the camps

Why introduce vouchers?

Refugees depend on WFP's in-kind food assistance, a ration composed of cereals, pulses, vegetable oil, salt and CSB. This ration varies little from month to month and, over the years, monitoring has shown that refugees sell part of their ration so that they can buy a larger variety of food in the camp markets. The terms of trade for monetized food aid are poor, and undermine food consumption. This is a problem particularly in Kakuma, where refugees have fewer sources of income than in Dadaab.

WFP is introducing vouchers in order to solve this problem—to give refugees access to a larger variety of food types, and to reduce the economic loss they incur when they monetize food aid. Camp markets sell meat, fish, fresh milk, vegetables, fruit, along with an array of processed foods. Using vouchers will also inject resources more directly into the local economies, and should result in more livelihood opportunities for local retailers from both refugee and host communities.

Why not use cash?

Refugees have expressed a strong preference for vouchers over in-kind food assistance, though about half say they would also be satisfied with cash. Vouchers are however a better modality than cash in the highly volatile security context of the camps, where even minor incidents can quickly escalate to fighting and riots. The Government of Kenya is responsible for security in the camps, and has a strong preference for vouchers over cash. Retailers in the camps have expressed the same concern – they don't want to handle physical cash in their shops for fear of being targeted by criminals.

Another important benefit of vouchers over cash in the camps is that although the markets are dynamic and responsive, they are constrained by physical space and supply cuts during rainy seasons when roads wash out. The contractual relationship that WFP has with retailers for the voucher programme is an opportunity to improve the quality of food sold in the shops, as well as the reliability of the supply to the camp markets. WFP is working with Government counterparts to increase

Quick Facts
about the new
voucher
programme

⇒WFP Kenya has dubbed the new voucher programme **BAMBA CHAKULA**, literally translating from Swahili to “Get your food”.

⇒The voucher value will start at 100 KES per person per month. This amount is a **responsible introduction of demand** into the refugee camps.

⇒This means that approximately **\$345,000** and **\$180,000** will be pumped into the Dadaab and Kakuma camps respectively, every month.

⇒At least **250 retailers in Dadaab** and **150 in Kakuma** are expected to participate in the new voucher programme.

⇒The vouchers will be electronic, delivered through mobile phones.

⇒Refugees that are registered by UNHCR but do not hold documentation will also be able to receive mobile food vouchers, with a SIM card that enables them to access WFP's food voucher only.



adherence to food safety standards, and to build the capacity of supply-chain actors—producers, wholesalers, and retailers—to improve market linkages and reduce costs.

Who is eligible for the vouchers?

The vouchers will be a part of General Food Distribution, so everyone who is eligible to receive GFD is eligible to receive a voucher. As of March 2015, the population that collected GFD in Kakuma was 143,000 and 337,000 in Dadaab for a total population of 480,000. The eligibility of each household is confirmed at every bi-monthly food distribution through biometric (fingerprint) checks of 100% of food collectors. If a food collector's fingerprints match those held in UNHCR's database (called proGres), then their household is eligible to receive food, and will receive an electronic voucher transfer as well.

How much will the voucher be worth?

The voucher value will be small to begin with, and increase gradually giving markets time to adjust. For the first few months, WFP will substitute about 10% of the cereal ration with a voucher, equivalent to about 100 Kenyan Shillings per person per month (slightly more than US\$1/person/month). This means that a household of 5 people will receive KES 500 in the first month, and a household of 2 people will receive KES 200 in the first month.

WFP will monitor market prices and supply, and introduce incremental increases to the voucher value to avoid injecting too much

new demand into the markets, which would result in supply shortages and price spikes and negatively affect food security both inside and outside of the camps.

How will the vouchers be transferred?

WFP plans to start the programme first in Kakuma, then expand within a few months to Dadaab. All camps will be receiving vouchers as a regular part of GFD by the end of 2015. WFP has contracted Safaricom, who have developed a closed-loop service for delivering bulk voucher transfers through their new SurePay platform, so the vouchers will be transferred to beneficiaries' mobile phones.

The transfer process is end-to-end electronic, making it inexpensive, convenient, and secure. Physical cash will not be required at any stage in the process. WFP will issue each beneficiary household with a SIM card for receiving and spending the vouchers. When a member of the household passes through biometrics to collect food, WFP will transfer a voucher value to a 'wallet' on that household's SIM card. The voucher 'wallets' are 'locked', which means that they can only be used at WFP-contracted retailers. When the household buys food with the voucher, the value redeemed by the retailer will flow from WFP's account to the retailer's M-Pesa account.

Operational Needs

Key donors have committed to supporting the new programme, and ensuring a healthy “cash pipeline” going forward.

The Latest Bamba Chakula Challenge: What if a household doesn't have a mobile phone?

WFP did a survey of phone ownership in the camps in September 2013 that showed 67% of households in Kakuma and 70% in Dadaab owned mobile phones. There are 27 M-Pesa agents in Kakuma, and more than 80 in Dadaab. All retailers in both locations confirmed that they have phones, and regularly use them for money transfers.

However, when WFP did a census of 100% of households in March 2015, to update information on phone ownership in Kakuma, we found that only 57% of households own phones. Most of the households that

| % of households with phones | |
|-----------------------------|-----|
| Kakuma 1 | 60% |
| Kakuma 2 & 3 | 66% |
| Kakuma 4 | 30% |
| All 4 camps | 57% |

don't have phones are new arrivals, living in the new Kakuma 4 camp, which didn't exist when the previous survey was done. This means that

about 15,000 households in Kakuma don't have phones, posing an important challenge to the design of the programme.

All a household actually needs to receive and use the vouchers is a SIM card. WFP will require all contracted retailers to keep extra phones at their shops, so households without phones can pop their SIM card in to spend their voucher. This back-up system would work fine if only a few households needed to use it, but it won't work well for 15,000 households (the number of households in Kakuma that current data shows do not have phones).

WFP is still weighing the options for how to work around this problem. Providing phones is not a feasible approach: in the camps, if you give a phone to one household, you have to give phones to all households, and this would entangle WFP in a host of on-going "phone management" issues. Other potential options include: providing a once-off phone purchase subsidy to all households, or temporarily using paper vouchers for new arrivals. We'll provide an update on how we plan to meet this challenge in next month's issue!

In March, WFP also did an updated survey of phone ownership in Dadaab, and found quite a different picture: whereas in September 2013, 70% of households owned phones, now more than 80% do.

In-focus this month: Selecting Retailers in Kakuma

WFP is aiming to include as many legitimate food businesses as possible in the voucher programme. Competition is important for beneficiaries to be able to bargain for best value, and have access to a wide variety of food items. Including many retailers will also ensure that the benefits of the programme are spread as far and as fairly as possible.

WFP is taking special measures to ensure that the many small retailers (most of whom are women who sell green vegetables, fish, and milk) are able to participate in the programme alongside the larger retail businesses.

Retailer selection kicked off in Kakuma in March. WFP established a selection committee that includes UNHCR, Norwegian Refugee Council, the Department of Refugee Affairs, the Public Health Office, and the County Commissioner's Office. The committee vets and approves the selection criteria for retailers, the process for selecting them, and ultimately the short-list of retailers selected. The committee is critical to ensuring transparency and buy-in for the process, important for managing dynamics in the volatile camp settings.

To be eligible to participate in the programme, businesses must already be operating as food retailers in the camps, they must be paying county council business licensing fees, they need to pass health and food safety inspections, and they must agree to abide by the terms of WFP's contract, including: to provide good service to beneficiaries, to sell quality food within market prices, and to allow regular inspections and monitoring.

WFP launched the selection process through a series of community meetings and radio announcements, then set up helpdesks in each of the camps and in Kakuma town to assist retailers with the application process. The more than 660 applications submitted are currently being reviewed by the selection committee, and successful retailers will receive contract offers after they have had their shops inspected. Safaricom will deliver training to the contracted retailers, to ensure that they are prepared to use the system to redeem vouchers. The goal is to have the retailers on-board, equipped, and trained by mid-May.



A young Somali refugee waits with her father who is collecting his wife's fresh food voucher at the health post. Dadaab. WFP /Deborah Yohendran

Key Milestones

FEBRUARY 2015

⇒ Learning from the FFV voucher pilot in Dadaab is consolidated

MARCH 2015

⇒ Operational Plan for the voucher scale-up is finalized

APRIL 2015

⇒ Systems and processes are put in place

⇒ Impact study is designed

MAY 2015

⇒ Traders in Kakuma are contracted

⇒ Communication Campaign begins in Kakuma

JUNE 2015

⇒ SIM cards are distributed to households in the Kakuma camps

⇒ First distribution of vouchers in Kakuma

JULY & AUGUST 2015

⇒ Testing, learning, iterating of systems and procedures in Kakuma

⇒ Communication campaign launched in Dadaab

SEPTEMBER 2015

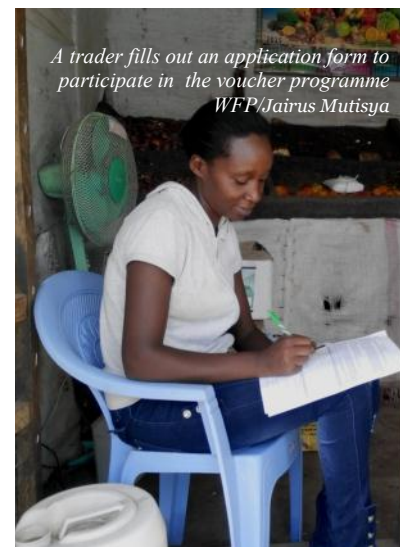
⇒ Traders contracted in Dadaab

OCTOBER 2015

⇒ First distribution of vouchers in Dadaab

Key Documents

- Evaluation of the Fresh Food Voucher Pilot in Dadaab (Peter Haag, June 2014)
 - Strategy for Diversifying Food Assistance Transfer Modalities in the Kakuma and Dadaab Refugee Camps (WFP, July 2014)
 - **NEW:** Analysis for the selection of a delivery mechanism for electronic vouchers in WFP Kenya's Refugee Operation (WFP, February 2015)
- COMING SOON:**
- Operational Plan for *Bamba Chakula* – The New Voucher Programme in Kakuma and Dadaab



30 seconds with ...

Jairus Mutisya, Head of Logistics, Dadaab

You ran the retailer selection process for the Fresh Food Vouchers Pilot in Dadaab in 2013, now you are doing the same for the new voucher programme in Kakuma. How has this challenged your expertise?

The biggest challenge has been to contract so many retailers and get the right balance between big and small retailers. However, because Kakuma is safer in terms of security it is easier to move about and talk to people. Mobilisation has been a key factor to the success of the retailer selection process. It's not a one-man show. The whole team has pulled together to make this happen.

There is a lot of pressure to select the as many retailers as possible but also the ones that will make the programme successful. How are you managing this?

We made sure that we got all the partners that work in the camps on board. For example, NRC are in charge of WASH, so it was really important that we involved them.

We also pulled together a trader selection committee based on people who play a key role in the market sector. We made sure that there wasn't any political interference and the overall goal was to benefit the refugees so that they can get the best value possible for their voucher.

What has been the most memorable event during the retailer selection process?

The most memorable event happened in Kakuma 1 camp. I remember walking right up to an area where the mamas sell fish and vegetables. Most of them are one-woman bands, selling their food on a blanket or out of a wheel-barrow. As I gathered them together I told them that I had come to introduce the voucher programme to them. They burst into clapping and shouts of laughter. "Are you sure?" they asked, "we thought it was only for the big guys, the guys who have proper shops". "Why shouldn't you participate?" I replied. "But we don't have structures" they simply stated.

I remember feeling overwhelmed. "Don't worry about those structures for now, just fill out a form". They all came and collected the forms. I will never forget their shock of being included and their pure joy.



For more information on
bamba chakula write to
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