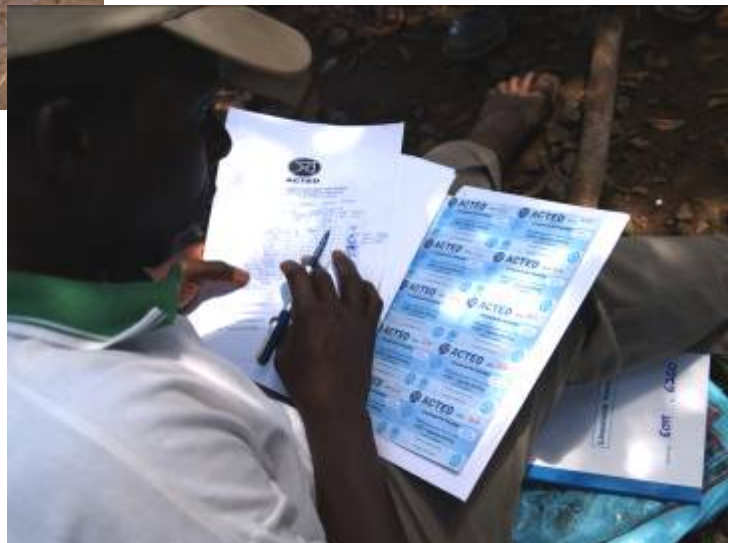




ACTED
Agency for technical cooperation and development.

Voucher-for-Work Concept Paper



A presentation of Lessons Learned in the
implementation of Voucher-for-Work projects based
on ACTED's experience in Northern Uganda

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Acronyms

ACTED	Agence pour la Cooperation Technique et le Developpement - Agency for Technical Cooperation and Development
ASB	Arbeiter Sarmariter Bund (Workers Samaritan Organization)
ATU	Appropriate Technology Uganda Ltd.
CfW	Cash for Work
FAO	Food and Agricultural Organisation of the United Nations
FfW	Food for Work
PMC	Project Management Committees
UNADA	Uganda National Agro-input Dealers Association
VfW	Voucher for Work

Executive Summary and Acknowledgments

This Strategy Paper seeks to be both a policy-making tool, contributing to the ongoing discussion on the evolution of intervention methodologies in Northern Uganda, as well as a practical hand-guide for development partners wishing to develop Voucher-for-Work projects in the region and abroad. As such, the Paper includes practical implementation guidelines and template documents used by ACTED in its VfW operations.

The key VfW Lessons Learned developed in this Strategy Paper include:

- **VfW is compatible with a wide range of labour-intensive works, but is particularly relevant for activities which rely on unskilled labour and have low material construction costs, such as road opening, up-keeping of woodlots, cleaning of public spaces and opening of agricultural plots.**
- **VfW is a very flexible scheme; although it has traditionally been associated with projects supporting agricultural production, it can be adapted to a wider range of livelihood interventions, including support to urban households or facilitating access to primary education.**
- **Development partners should systematically assess the context's suitability to VfW before choosing this payment method (see the VfW Checklist).**
- **Extensive community mobilization is essential to the successful implementation of VfW projects, and should be repeated throughout their duration.**
- **Voucher redemption is crucial. Redemption modalities can be tailored to a project's specific environment; in all cases, however, opportunities should be organized early on in the project, and should be repeated regularly throughout the project duration. It is also essential to assure that items available are diverse and adapted to beneficiaries' needs**
- **Agencies should guarantee that they have the human and financial resources to implement VfW projects, as they entail demanding logistics and finance procedures.**

The Paper is based on ACTED's experience in implementing VfW projects in Northern Uganda, but widely benefited from the conclusions of a stakeholders' conference, which was funded by FAO and organized by ACTED and FAO in January 2009 in Gulu. ACTED would also like to thank Gulu district officials, donors, and development partners who participated in this enriching discussion. The annexes included are templates used by documents, meant to serve as an example, among others, of how ACTED has implemented VfW projects. A number of these templates, however, were drawn from an Operations Manual developed by FAO (April 2008) to support the implementation of a project coordinated by FAO and implemented by the non-governmental organizations ATU (Appropriate Technologies Uganda), UNADA (Uganda National Agro-Input Dealers Association), ACTED and ASB (Arbeiter Samaritans Bund) in Gulu and Pader districts, Northern Uganda.

I. Introduction to the Voucher-for-Work (VfW) methodology

1. A brief background

As intervention contexts shift from emergency to recovery, agencies supporting local communities must find ways to adapt their approaches, tailoring them to this gradual normalization process. In particular, methodologies effective in humanitarian settings, such as free hand-outs of food or household items, lose their relevance in early recovery or development setting, where the resumption of traditional livelihoods is at stake. The emergence of Voucher-for-Work (VfW) projects stems from actors' attempt to grapple with these changing objectives by applying vouchers, initially used for beneficiary registration during free distributions, to work-oriented methodologies.

Defining « Voucher-for-Work »

Voucher-for-Work (VfW) refers to projects in which beneficiaries are paid in vouchers (printed cards designated as having monetary value) in exchange for work performed on labour-intensive projects; the vouchers can then be exchanged for specific items, including agricultural inputs such as seeds, tools or livestock as well as bicycles, household utensils, iron sheets (for private housing) etc.

The changing context in Northern Uganda makes it a relevant case study for the implementation of VfW projects, as an increasing number of development partners have adopted VfW to tackle the changing needs of populations leaving IDP camps to return home.

Northern Uganda: A Case study for VfW implementation

The security situation in Northern Uganda has significantly improved since the signing of the 2006 Cessation of Hostilities between the LRA (Lord's Resistance Army) and the Government, which ended twenty years of fighting and exactions against civilians. Despite agreement on all agenda items, the peace process has been on hold since April 2008, when Joseph Kony failed to appear for a planned signing ceremony. This fragile breakthrough has nonetheless brought about sustained stability to the region; a trend which has, for the moment, not been altered by renewed fighting between Ugandan forces and LRA groups in the Democratic Republic of Congo in December 2008.

The stability has allowed in particular for very significant increases in the number of Internally Displaced Persons (IDPs) returning to their homes. Although up to 90% of the population in Northern Uganda was once living in IDP camps, only 35% of former IDPs remain in camps in the Acholi sub-region (UNHCR, December 2008). The move away from camps calls for marked changes in aid agencies' interventions as people shift away from assistance and attempt to resume normal livelihoods, albeit in a difficult environment.

Indeed, the return process brings about a new range of challenges. Access to drinking water is hazardous; and until their first harvest, returnee households often lack food as markets are not yet established, and cash is not readily available. Years of fighting mean that access roads and social services, such as schools and health centres, are few in numbers and of poor quality. Finally, the area has witnessed a stark increase in the number of armed robbery, petty theft and domestic violence on account of low rule of law and governance capabilities.

It is in this context that an increasing number of agencies have adopted Voucher-for-Work projects, with the double aim of supporting recent returnee households and improving basic infrastructure in return areas.

2. Overview of VfW projects

Road construction is the most common type of public works associated with Voucher-for-Work methodologies, as it is particularly relevant to its livelihood objective. Indeed, the labour-intensive nature of the work allows a high number of unskilled community members to be involved; furthermore, construction material costs in road construction activities are relatively low (compared to other types of activities), thereby maximizing the budget which can be devoted to labour costs through voucher payments.

However, VfW has also been used successfully on different types of construction works, including the construction and/or rehabilitation of communal buildings (classroom blocks, staff houses, public latrines, markets, dip-tanks) or the construction of private infrastructure from vulnerable populations, such as housing, granaries, and latrines.



A wide range of activities can therefore be envisioned under VfW, provided they entail labour-intensive work. They should also strike a balance between the amount of materials necessary to ensure quality works and the vouchers' amount transfer.

Other suggestions therefore include market construction; spring protection; cattle crushes; fish ponds; plot clearing and weeding (linked to crop multiplication or projects to support small-scale agriculture); cleaning of public places (to the right, drainage trench clearing in Mathare-Huruma area, Nairobi, Kenya); or re-planting of woodlots and orchards.



II. Choosing VfW projects: A preliminary assessment

A major **Lesson Learned** regarding the implementation of VfW projects is the need for implementing agencies to systematically assess the suitability of this methodology. Indeed, development partners often fail to be self-conscious about their choice of payment method. Because beneficiaries are less familiar with vouchers than with food or cash, the adoption of VfW in an unsuitable environment is likely to translate into low beneficiary turn-out and a limited impact on beneficiaries, threatening the successful achievement of the project objectives. Alternatively, it may force the agency to change its implementation arrangements mid-way into the project (by changing to Cash-for-Work for example), leading to confusion and mistrust among beneficiaries, as well as delays and additional costs for the implementing partner.

This preliminary assessment includes three major steps. Firstly, an agency should weigh the advantages and disadvantages of VfW in light of the project's objectives. Secondly, a comparison with other payment methodologies, most notably Food-for-Work (FfW) and Cash-for-Work (CfW), is often needed. Finally, this assessment implies evaluating the relevance of VfW to the proposed area of operation.

1. Why use vouchers: Advantages and disadvantages of this payment scheme

Compared to construction projects in which agencies contract the work to local or external companies, VfW projects doubly benefit community members. Not only do they gain new/better infrastructure (roads, schools, health centres) but they also benefit from the project's *process*. The inputs earned through the voucher payments benefit individuals participating in the works, while the labour-intensive works benefit the community as a whole.

However labour-intensive, community-based projects can also be implemented through other payment methodologies, most notably FfW and CfW. Each of these methodologies has specific benefits, more or less relevant depending on the individual projects' objectives. In that regard, VfW has four primary advantages.

1) Re-valorization of work

Compared to free hand-out of inputs, which are common in emergency settings, VfW projects accompanies the transition to recovery by reinstating the value of work. As such, VfW can be an effective means of reducing beneficiaries' dependency on external actors.

2) Beneficiary empowerment

In contrast to FfW, which compensate beneficiaries through given products (beans or maize for example) VfW projects empower beneficiaries to choose the items they'll be able to access through their labour. This freedom of choice is a powerful way to mark the transition from emergency settings and to reinstate a sense of normalcy among beneficiary communities. It can also bring about a sense of dignity and self-respect as beneficiaries are able to shop for their products, either during fairs or at local retailers.

Moreover, unlike FfW projects whose inputs are usually consumed immediately, the empowerment component of VfW projects encourages long-term thinking, planning and intra-community coordination. For example, beneficiaries are encouraged to save and/or pool their vouchers to access larger inputs such as bulls or other livestock.

3) Selectivity of inputs

While ensuring a limited degree of choice, VfW simultaneously ensures that all items purchased by beneficiaries are productive items. In particular, VfW limits anti-social uses associated with Cash-for-Work projects, most notably the purchase of alcohol. As such, VfW has a strong gender empowerment component, since women's wages are less likely to be claimed by the male head of household than when paid in cash.

VfW projects have often been implemented in agricultural areas; as such, inputs have been selected for their potential impact on household crop/animal production.

Inputs therefore tend to include the following:

- Livestock (e.g. *cattle, goats, ducks, chickens, turkeys, pigs*)
- Seeds (e.g. *beans, maize, groundnuts, simsim, vegetables*)
- Tools (e.g. *ox ploughs, handhoes, pangas* etc)
- Secondary inputs to production (e.g. *iron sheets, gumboots, bicycles*)

However, this input selectivity remains flexible; and an agency wishing to focus on other areas could easily tailor VfW to its proposed sector of intervention. This is simply a question of diversifying the inputs available for voucher redemption, preferably on the basis of a community needs assessment establishing beneficiaries' top spending priorities (see Section III below for more details on redemption modalities). A 'Back-to-School' voucher project, for example, could have beneficiaries redeeming vouchers against school uniforms, books, pens, and even school fees. Likewise, a project could focus solely on animal husbandry, with animals and drugs available in fairs for example.

4) Security

Finally, VfW projects mitigate security risks, both for the implementing agency and for beneficiaries. Although vouchers can effectively be used to purchase items, they are less fungible than cash since their redemption is constrained to a specific number of items, at a specific redemption location. As such, a voucher distribution is a lesser target for armed ambushes, and voucher movements are also less prone to thefts and corruption. Finally, the procedures of voucher distribution and redemption (see Section III below) allow for internal checks and balances. For example, it is possible for the agency to verify that the receiver of a voucher is the same as the one redeeming it, as all vouchers are identified by a unique serial number. This is a strong guarantee against fraud.

Despite these advantages, VfW projects also have a number of drawbacks, most of them linked to the scheme's practical implementation. These challenges, as well as possible remedies, will be detailed in Section III below, concerning VfW implementation guidelines. The two major drawbacks are beneficiaries' preference for cash and/or initial reluctance to vouchers, seen as "fake money"; as well as the logistics and financial procedures involved, more demanding than for other methodologies.

Advantages and Disadvantages of VfW

Voucher-for-Work projects benefit both the community (through the public works) and the individual (through the inputs earned). Furthermore, the payment in vouchers empowers beneficiaries while limiting anti-social uses and security risks. However, it necessitates intensive mobilization of beneficiary communities during and throughout the project, as well as closer logistics/finance oversight on the part of the implementing agency.

2. Comparing Voucher-for-Work with Cash-for-Work and Food-for-Work

As alluded to in the previous section, the benefits and drawbacks of VfW are most obvious when comparing it to other payment methodologies, notably Cash-for-Work (CfW) and Food-for-Work (FfW). The table below, developed during a Best Practices conference held in Gulu in January 2009 to compare the three methodologies, sums up the three methodologies' respective advantages.

The most potent advantages of **VfW when compared to FfW lies in its flexibility and long-term livelihood impact**. Where FfW does not allow beneficiaries to choose the items earned through their labour, VfW empowers beneficiaries to select items. It also gives them the opportunity to pool and/or save vouchers and access larger inputs such as oxploughs, cattle, iron sheets etc. Although FfW projects may have an immediate impact in situation of food crises, this access to a greater variety of inputs make VfW a more effective tool to sustainably improve households' livelihood strategies. CfW projects offer, of course, an even greater flexibility for the beneficiaries as they can even choose to save

their earnings, which is impossible with vouchers. However, the drawback of CfW is in particular the use of cash on anti-social/unproductive activities.

In addition to this input selectivity, the most potent advantage of **VfW when compared to CfW concerns the methodology's relative security**. Risks of armed ambushes on distribution points and robberies against beneficiaries are much higher when payments are effected in cash. Under VfW projects, cash movements are minimized by the fact that a small number of vendors are paid in cash (rather than all beneficiaries) and these payments, as much as possible, are done in the agency's office rather than on project sites. Mismanagement and corruption can occur in VfW projects, for example through the sale of vouchers and/or counterfeiting. However, this risk is also considerably smaller than for cash payments; not only are the incentives lower (vouchers are harder to use than cash) but the possibility of checks-and-balances is greater (since all vouchers are issued with a unique serial number).

Precisely because of the more constraining VfW procedures, CfW projects are on the whole easier to manage than VfW projects, especially when the cash distribution is outsourced to a bank. The tracking of vouchers distributed and redeemed can be a time-consuming process, made particularly difficult if the agency has different projects using vouchers and/or large amounts of vouchers disbursed under each project. Conversely, though, the use of a voucher tracking database, for example, gives the implementing agency effective tools to collect beneficiary and voucher figures (see Document 6 in Annex for an example). A **Lesson Learnt** is therefore that the successful implementation of VfW project is enhanced by the presence of staff exclusively devoted to the project Voucher component (mobilization, issuing of vouchers, organization of the voucher redemption, monitoring of voucher disbursements). This can represent a high start-up cost for an agency starting to implement VfW projects and stretches the capacities of organizations with limited field staff.

Parameters	FFW	VFW	CFW
<i>Improve agricultural livelihoods</i>	2	4	3
<i>Limit risk of misuse</i>	4	4	2
<i>Security for staff</i>	4	4	2
<i>Allow choice of items</i>	2	3	4
<i>Adequate where no bank system</i>	4	4	2
<i>Easy logistic requirements</i>	2	3	4
Total	18	22	17

Table 1. Relative ranking of FfW, VfW and CfW (World Vision, Gulu Workshop, January 09)¹

3. When to use vouchers: Appropriate contexts for a VfW intervention

In addition to weighing VfW advantages and disadvantages in light of a project aims and objectives and comparing it to other payment methodologies, an agency should also assess the relevance of VfW to their proposed area of intervention. Indeed, Voucher-for-Work projects are most appropriate under specific conditions:

Negative contextual elements

- **Relatively insecure environments, with high levels of crime and/or corruption**

In these environments, the use of cash represents a security risk, both for the agency and the beneficiaries. Voucher distributions are less likely to be targeted by armed ambushes; and beneficiaries are less likely to be mugged and/or pressurized for bribes when they are paid in vouchers.

- **Areas in which the banking system is weak/underdeveloped and/or where the economy is relatively under-monetarized**

In areas where access to trusted and functioning banks is rare and/or difficult, the relative advantage of cash payments are minimal, since beneficiaries do not have the opportunity to save their earnings. As earnings in transition environments are often exclusively spent on products, vouchers with the same

¹ This table was developed by World Vision as part of the stakeholders' conference organized in Gulu, Northern Uganda in January 2009. The three methodologies are ranked according to different criterion, from 1 (lowest) to 4 (highest). Of course, this table is tailored to the situation of Northern Uganda, and will vary with different contexts.

output as cash (purchase of products) and none of its negative side-effects, represent a viable alternative.

Positive contextual elements

- **Areas in which other actors are not implementing Cash-for-Work projects**

Communities tend to be reluctant to vouchers, which they see as “fake” or “paper money.” It is essential for an agency to avoid implementing VfW and CfW projects in the same geographical areas as beneficiaries will be likely to unfavourably compare voucher payments to the cash payments, leading to low turn-out and/or resistance to VfW. This assessment confirms the need for planning as well as close coordination with various levels of government and with other agencies during the needs assessment, so as to be fully aware of the different initiatives taking place or planned in the proposed area of intervention.

- **Activities requiring unskilled labourers**

First and foremost, unskilled labourers are more likely to be vulnerable, and therefore to have a greater need for livelihood support, than skilled labourers in early recovery contexts. Secondly, skilled labourers have been, by experience, more reluctant to accept vouchers than unskilled labourers. This is mostly due to their focus on gaining a livelihood through their skills, rather than through their agricultural production; they have both a lower need for agricultural inputs and a greater number of income generating opportunities in exchange of their services. Thus, community acceptance of VfW will be easier to secure for activities requiring a majority of unskilled labourers and/or in contexts with relatively under-developed labour markets.

- **Areas where vendors have diversified products and sufficient stocks**

VfW are relevant in areas where there is a need for a given type of input (agricultural inputs for example) and where there is a diversified and plentiful offer of these inputs. As will be detailed below, voucher redemption modalities are varied, spanning from the organization of voucher fairs to the redemption of vouchers at stockists, local retailers and even supermarkets. Independently of the redemption modalities, though, VfW should not be implemented in contexts where items are scarce and where it will be difficult for beneficiaries to have access to a diverse range of products. Indeed, beneficiaries are very likely to become discouraged if they are unable to redeem their vouchers against the products they need or if they deem prices to be unreasonably high.

Check list for the use of Vouchers	
✓	Does the methodology's comparative advantage (empowerment, selectivity of inputs, security) fit the project objectives/target outputs?
✓	Is the environment relatively insecure, with threats of theft/armed robberies?
✓	Is the banking system weak/ non-existent?
✓	Is there a need amongst the community for a given type of inputs?
✓	Do local/external vendors have a diversified stock and enough supply to cater to this demand?
✓	Are other actors implementing projects in the same area under <i>different</i> compensation methodologies?
✓	If so, are these methodologies compatible with VfW?
✓	Does the agency have the logistics and financial capacity to implement this project as a VfW project?

III. Implementing a VFW intervention: Lessons Learned

1. Launching a VFW: The importance of effective beneficiary mobilization

The inception of a VFW project can be broken down in three successive steps.

▪ The selection of labour-intensive VFW activities and target sites

As pointed out above, VFW methodologies are compatible with a wide array of labour-intensive, community-based works. In all cases, the selection of specific activities and target sites entails preliminary discussions with different levels of local authorities and should, whenever possible, be finalized through the signature of a binding agreement (such as Memorandum of Understanding) with all the project stakeholders, including all levels of government, but also authorities (in case of construction authorities) and Project Management Committee members or foremen.

Activities which can be implemented as VFW

A Voucher-for-Work methodology can be applied to a wide range of projects. Previous examples include:

- Construction/rehabilitation of roads.
- Construction/rehabilitation of buildings (school classrooms, latrines, school/health centre staff housing units).
- Construction/rehabilitation of market structures.
- Construction/rehabilitation of cattle crushes, dip tanks, fish ponds.
- Construction/rehabilitation of landing sites for fishermen.
- Clearing and ditching of land (for crop multiplication/demonstration).
- Planting of wood lots and orchards in public sites like schools.
- Cleaning of public places / trash gathering.

▪ Community mobilization

The main **Lesson Learned** in that regard has been the importance of planning and delivering effective community mobilization, *to be sustained throughout the project duration*. This is absolutely crucial to any VFW project's successful implementation.

Mobilization meetings at the onset of the project should cover the project's rationale, its expected benefits, as well as an overview of the Voucher-for-Work methodology (work supervision arrangements as well as timing and modalities of voucher distribution and redemption). Mobilization meetings should also pro-actively address recurrent concerns, most often linked to voucher redemption (how often redemption opportunities will be organized, which items will be available, how to avoid fraud). It's also very important to stress the partnership dimension of the project, the fact that the communities' commitment is essential for the project. One way to enhance ownership of the project is to ask for a community contribution, for example in the form of free construction materials (sand, marram), and to include this provision in the MoUs signed at the onset of the project. The regular involvement of local leaders is essential for the message to be delivered effectively; this implies liaising with them and explaining the project's activities, objectives, target outputs, community contributions and VFW procedures.

Finally, it is vital for community mobilization to be renewed regularly throughout the project. This should not only be in reaction to low or decreasing beneficiary participation, but instead it should be a recurrent element of the project cycle. VFW procedures may be adjusted, item prices can fluctuate, items available for voucher redemption may change and/or new beneficiaries join the project; as such, regular re-mobilization serves as an effective forum for dialogue with community members on these issues, as well as on the project's overall progress and implementation arrangements.

- **Beneficiary registration**

The last step of the project inception is the registration of beneficiaries interested in participating in the VfW scheme. This is usually done at the end of the first mobilization meeting, and is an opportunity for implementing agencies to prioritize certain categories of beneficiaries if this is required by the project objectives. At this stage, for example, Extremely Vulnerable Individuals may be identified and given roles not requiring heavy labour work, such as store keeping, completion of attendance sheets etc.

If there are too many interested beneficiaries willing to work, thus making the work difficult to supervise and inefficient, it is recommended to set up a rotation system, whereby beneficiaries are rotated off the project after having worked a set amount of days (to be decided upon at the beginning of the project). A rotation system can also be used to increase the number of community members having been involved in the project, a way to increase community ownership of the project. It is most relevant for unskilled workers, though, as skilled workers are often in short supply; a rotation system would therefore potentially disrupt the work progress.

2. Work supervision and payment

- **Supervision**

VfW is compatible with different forms of supervision arrangements. **Foremen** are skilled labourers chosen by the implementing agency for their skills and demonstrated experience in the activities at hand. Although not employees of the agency, the foremen monitor and supervise the works on site on a daily basis, take attendance records and note the tasks completed or days worked per beneficiary. Foremen are paid as skilled labourers and are particularly relevant in building construction works (classroom blocks, houses, latrine blocks), which necessitate constant attention and supervision.

An alternative is to have the beneficiary community elect representatives at the onset of the project (usually 1 per 15 beneficiaries). These Project Management Committee (PMC) members are then trained by the implementing agency in works supervision and VfW procedures. This arrangement has the advantage of training local people in work construction and management, but often they lack the skills, knowledge and motivation of foremen. As such, they are most effective on road construction projects, for example, as these are less technical than infrastructure construction/rehabilitation.

Finally, it is important to involve local officials in the regular monitoring of activities and report regularly on the project progress; their regular involvement is especially critical for the resolution of conflicts arising within the community or between beneficiaries and the implementing agency. Of course, both foremen and PMC members are supervised by the agency's staff (Site Supervisors, Extension workers, Civil Engineer), whose daily presence on site is the most effective way to curb ghost workers and inflated payment sheets. Based on ACTED's experience, Site Supervisors should not have more than 2-3 sites to supervise so as to allow for consistent oversight and beneficiary trust towards the project implementers; this is particularly important in building construction, which requires considerable follow-up.

- **Payment**

Payment schemes usually distinguish between skilled and unskilled labourers; their respective wages should be adopted so as to have the least distortion possible on the local labour market. In Northern Uganda, a group of donors and NGOs have tentatively agreed on a set of Guiding Principles for CfW and VfW activities, which sets the daily rate at UGX 3,000 (USD 1.5) per day for an unskilled worker, and double that amount for a skilled worker.

A **Lesson Learned** with regards to beneficiary payment is that it is more effective to pay on the basis of tasks accomplished rather than days worked. A task is an assigned activity which corresponds to a set payment; for example ditching a 20m portion of road. Although task systems require a clear breakdown of activities (sometimes difficult in construction work for example) as well as extensive communication with beneficiaries at the onset of the project, task rates are preferable as they avoid purposeful delays and ensure quicker progress. Furthermore, it is recommended that development partners, UN agencies and local governments agree on a uniform task rate for the area/region in order to avoid competition between projects and differential beneficiary treatments. They are also encouraged to develop regional

common standards on the type of activities constituting to a specific task (i.e. bush clearing, 20 metres of road construction, culvert installation, tree removal etc.).

Vouchers are printed as “paper cash”; they include the ACTED and donor logos, the project name as well as its zone of implementation. Vouchers are usually printed in denominations of UGX 3,000 or UGX 4,000, corresponding to the daily/task rate used in the project (see Document 4 in Annexes for a template). This relatively small denomination allows beneficiaries to break down their market fair purchases in a variety of products, since they can buy from different vendors. In some projects, ACTED has also used smaller denominations (down to UGX100); although this increases payment flexibility (allowing beneficiaries to buy small tins of seeds for example), it also increases the printing costs (since a variety of voucher templates have to be issued).

The vouchers are to be distributed to beneficiaries after a certain number of days worked, usually every three weeks. However, a **Lesson Learned** is that it is important to remain consistent with regards to distribution schedules, ie abide by the agreed schedule. Of course, the rate of work can dictate when payments are made as a sufficient amount of work needs to be completed in order to make a payment worthwhile. Conversely, frequent payments can be a way to re-motivate beneficiaries and increase turn-out on a site where participation has been on the wane.

Another **Lesson Learned** relates to beneficiaries’ use of vouchers after distributions. In certain cases, beneficiaries have been reported to sell their vouchers (at a loss) to stockists/vendors for quick access to cash. It is therefore important for the agency to monitor for these forms of abuse; regular oversight and effective mobilization on the benefits and advantages of Vouchers are the best way to prevent these malpractices. In addition, Letters of Agreement signed with vendors (see Document 9&10 in Annexes) explicitly specify that the agency will prosecute vendors found buying vouchers for cash from beneficiaries and/or knowingly selling inputs



3. Voucher redemption

A voucher payment for work on an access road

The principle of voucher redemption is that beneficiaries are able to “buy” inputs using their vouchers, which are then redeemed by the vendors for cash. As was noted above, the VfW methodology can be applied to very different activities and contexts; similarly, it is possible to implement different modes of voucher redemption. This includes the punctual organization of market fairs by the implementing agency, the use of local stockists, and even the cooperation with bigger retailers such as supermarkets

When organizing market fairs, agencies need to recruit local and external vendors to participate in the fairs; assess their products and register them as certified vendors; bring together vendors and beneficiaries at a given day in a site close to the villages; and, finally, pay vendors the cash equivalent of the vouchers they will have received during the fair. The procedures and documents necessary for the organization of market fairs, most commonly used by ACTED in Northern Uganda, are detailed in the Annexes below. This method has the advantage of being responsive to beneficiary needs, as the kinds of inputs available for redemption are directly controlled by the agency (since it selects the vendors and agrees with them on the type of items they are to bring). It is a strong guarantee for the quality of the products and type of products which will be available at the fair. It is also an advantage in environments where local shops do not have the capacity to handle the requirements linked to the project procurement and VfW procedures (see Annexes for a discussion).

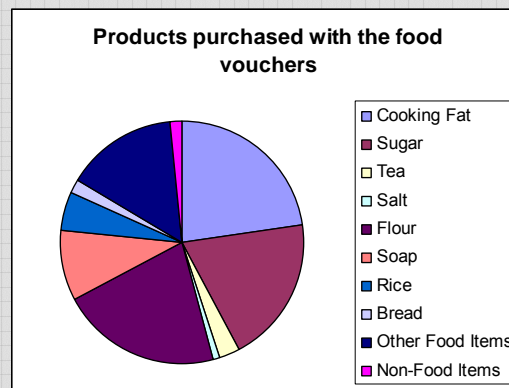
Working with stockists (shops permanently based in towns close to project sites and run as private enterprises) and/or bigger retailers requires less input from the implementing agency. In this case, the agency simply selects partner stores at the onset of the project and communicate their location to beneficiaries, who will then be able to redeem their vouchers whenever they want to (ie without having

to wait for a given market fair day). Stockists should then be able to cash in the vouchers they have collected on a regular basis. Stockists/retailers are therefore more flexible than market fairs, and can represent a more meaningful contribution to the empowerment of beneficiaries, who are able to “shop” normally. Moreover, this method can also have a positive impact on the local economic fabric by building the capacity of local stockists and providing them with a regular demand over the course of the project. In essence, vouchers help in that case to *create* a market, ie producing a demand which will at least kick-start and/or support existing businesses. However, it is harder for agencies to have a say on the inputs available; in fact, unreliable availability, limited inputs at the stockists, or irregular stockist opening hours, for example, can be a cause of beneficiary alienation over the course of the project. Furthermore, the danger of voucher fraud is higher, as stockists are more likely to try to duplicate the vouchers or buy vouchers for cash (at a lower amount than their face value).

Voucher-for-Work in Nairobi slums: Implementing VfW projects in an urban setting

This initiative differed from ACTED’s activities in Northern Uganda as it was implemented as a punctual response to a crisis rather than as a recovery project in a post-conflict setting.

The project promoted the collection of garbage and the cleaning of sewer drains in Kibera, Mathare and Huruma, Nairobi’s biggest slum areas, in the wake of the December 2007 post-election violence. Inter-ethnic teams of 20/25 workers were deployed in the affected areas, earning a daily wage of 200 KES (EUR 2) as well as a meal. A total of 6,162 workers were paid in food vouchers, which could be redeemed in nearby Nakumatt supermarkets, at the beneficiaries’ own convenience. Workers had an unlimited choice of food items; the most popular items were cooking oil, pulses, flour, milk, soap and sometimes sugar. The objectives of the project were therefore both to support families affected by the post-electoral violence, reduce the amount of exposed waste (which leads to epidemics) and promote inter-ethnic cooperation in the wake of the violence.



Although the project was initially meant to support local retailers, the extent of the damage done during the violence meant that it was not possible to work with them. However, the use of Nakumatt (a major brand in Kenya) proved to be a success, as beneficiaries were empowered by the “usual” customer experience. **The project is thus a proof of VfW’s flexibility and successful adaptation to an urban context.**

The overwhelming majority of **Lessons Learned** in previous VfW projects relates to voucher redemption, a source of considerable concern on the part of beneficiaries.

- It is particularly important to plan for regular redemption opportunities (every 2-3 weeks) and to make sure that these are held close to work sites. This is essential to guarantee sustained beneficiary participation throughout the project.

- Implementing agencies should be flexible and innovative in the selection of inputs available, whether in fairs or at stockists/local shops, so as to continually motivate beneficiaries. This includes being aware of heightened/lowered demands for seasonal products and adapting the inputs accordingly. Seed fairs during the dry season, for example, are unlikely to be perceived positively by beneficiaries, who tend to

prefer livestock; secondary agricultural inputs such as gumboots, and bicycles; or household item such as iron sheets or cooking utensils.

- When organizing fairs, it is very important for the agency to control the price and quality of items going to be sold. Quality is particularly relevant for agricultural inputs such as seeds as well as livestock (body weight and condition as well as vaccination certificates). For example, this avoids untimely livestock deaths once they have been purchased by beneficiaries, potentially a major cause of resentment.

- When organizing fairs, it is important for the agency to include between five and ten vendors. A smaller number of vendors (five or less) will create a monopoly or cartel-like position, and vendors are likely to abuse their dominant positions by increasing prices above the market standards.

- It is advantageous for the agency to develop standing relationships with external vendors. It is time-consuming to identify vendors, sensitize vendors to the VfW process, and control the quality of their products; a standing relationship will therefore save considerable time and energy in the preparation of the fairs. One suggestion is therefore to register reliable vendors early on in the project, and encourage them to participate in more than one fair if they so wish.



- When organizing fairs, an agency should also systematically aim to involve local vendors. The cash influx from the voucher redemption represents yet another way for the community around the work sites to benefit from the project. Furthermore, local vendors are not subjected to transport costs, which may translate into lower product prices.

- In general, cash payments to vendors/stockists should be effected at the agency's office to limit cash movements. However, an agency can plan for small cash payments to be effected on the market fair/work site, in order to spare local vendors the need to travel to the agency's office. Indeed, the travel costs render the process financially unviable for local vendors with very few items.

- Both fair vendors and stockists/retailers often increase prices on pretext that they are paid by the beneficiaries in vouchers (although they receive cash equivalents from the agency at the end of the process). It is therefore crucial for the agency to monitor prices, and as a last resort to get staff involved in negotiations with the vendors if prices are found to be unfair. If this becomes a recurrent concern, it might be necessary to increase the task rates paid, so as to restore beneficiaries' purchasing power and maintain their interest in the project.



Different voucher redemption arrangements: negotiating seeds (above) and animals at a market fair, or cashing in vouchers at a supermarket.

IV. Assessing projects

VFW

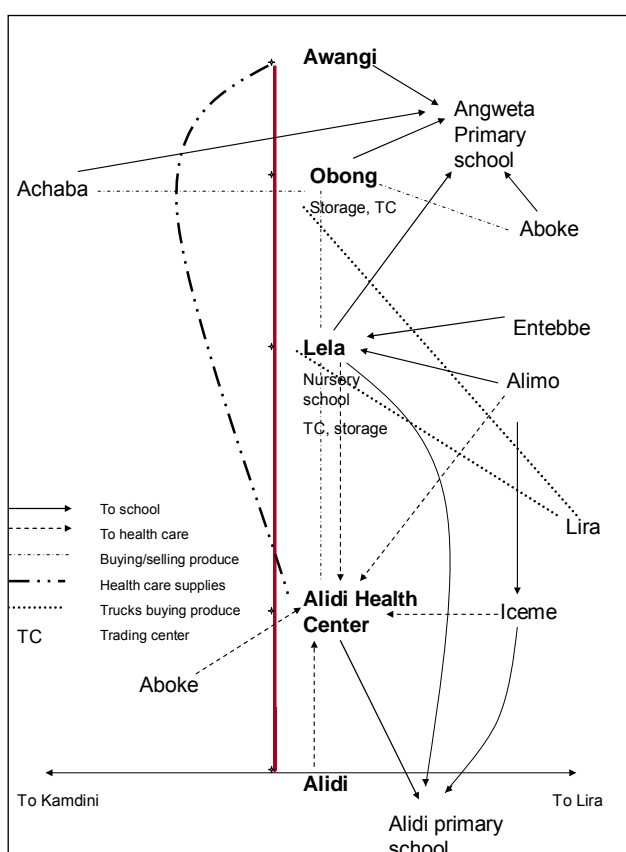
1. Expected impact of Vfw

Vfw projects have one primary output: an amelioration of beneficiaries' livelihoods through the inputs accessed. A secondary output is the improvement of the community infrastructure, which stems from the public works implemented under the voucher project. Both of these should be assessed through baseline, mid-term and end of project evaluations.

2. M&E tools to assess Vfw projects

▪ Impact of public works

The M&E tools will depend on the type of public works envisioned. These can include in particular traffic surveys and/or social mapping (for road construction) as well as user attendance surveys (for construction works for example).



Obong: Increase in market size due to rehabilitation of road. Trucks coming to buy sunflowers, beans and maize from Lira and Kampala

Lela: Trucks have started coming to buy agricultural products. School accessibility has increased.

Alidi Health Center: Increase in number of patients coming from various areas for treatment. Supply of medicines now easier using the Awangi Loro road to Anyeke (instead of Loro Kamdini Anyeke).

Alidi Primary School: Great number of pupils come from Lela, Obong and Awangi, access for pupils now easier.

Figure 2. Social Mapping exercise for a road construction project (Oyam district, Nov. 2008)

Market surveys are also relevant to assess the impact of road construction projects, as prices tend to fluctuate due to improved access between agricultural productive areas and markets.

Product 1 unit	Unit	Cost before project start	Current cost (end of project)	Coming from			Observation
				Local	Area	Exterior	
Salt	Cup	500	500			X Kampala	Improved supply but also higher local demand
Sugar	Kg	1900	1800		X Masindi		Improved supply but also higher local demand
Soap	Bar	1500	1400			X Kampala	Increased supply but also higher local demand
Groundnut	Kg	1600	2000	X			Increased demand from buyers
Millet	Kg	700	750	X			Increased demand from buyers
Tomatoes	Basin	11000	7000		X Lira		Increased supply
Cooking oil	Liter	5000	4500			X Kampala	Increased supply but also higher local demand
Beans	Kg	500	600	X			Increased demand from buyers
Potatoes	Heap	4500	7000	X			Increased demand from buyers
Peas	Kg	650	800		X Gulu		More local demand
Simsim	Kg	2000	2500	X			More local demand

Figure 3. Market survey for a road construction project (Oyam district, November 2008)

▪ **Impact of voucher component on beneficiary livelihoods**

The best way to assess the project impact on beneficiary livelihoods is to conduct individual beneficiary surveys at different stages of the project (see Document 1 in Annexes for an example). This should include at least a baseline survey (at the onset of the project) and an impact-evaluation survey (in the last month), although, depending on the time and resources available, agencies can also implement mid-project review as well as post-project assessments, up to six months after the project completion.

These surveys should include a first section of individual socio-economic indicators. This covers at least the respondent's sex and age; education level and/or literacy status; the household's size; primary education; and vulnerability status. More detailed questions can also include the household's acreage; number of assets; and number/quality of meals per day. These are essential elements to track a project's livelihood impact. A second set of questions should relate to the implementation of the VFW component in particular. Of particular importance are the average number of days worked on the project; a breakdown of the inputs purchased with vouchers during the project; as well as an assessment of the type and quality of the inputs available and of the redemption opportunities (timing, accessibility, etc). This should conclude with beneficiaries' subjective appreciation of the VFW arrangements and suggestions for change.

Whenever possible, these individual surveys can be completed with additional tools, including focus group discussions and meetings with local authorities, in order to triangulate answers and establish a better broader picture of the project's impact on beneficiary livelihoods in the target communities. These

tools are also an essential way to better tailor future interventions, notably by adjusting the voucher redemption modalities or diversifying the type of inputs available.

V. Conclusion

The implementation of VfW projects over the last three years in Northern Uganda has yielded a number of practical Lessons Learned, particularly with regards to voucher redemption. More so than for other payment methodologies, the need for clear VfW procedures and adequate human capacity to enforce them effectively is paramount, as is the design of the intervention (type of works implemented, payment scheme and modalities of voucher payment and type of voucher redemption used).

The main **Lesson Learned** stressed in this Strategy Paper has been the **flexibility and adaptability** of VfW schemes to a wide array of activities and types of livelihood interventions. Although having been predominantly implemented in rural environments in support of agricultural livelihoods so far, VfW projects can be tailored by agencies to their specific mandate and objectives, making it a remarkably polyvalent tool to accompany communities' transition from emergency to early recovery and development settings. Although VfW projects have predominantly been implemented in rural areas with an agricultural focus, one possible development is therefore the broadening of inputs available through vouchers. In the future, projects could target school and/or health center fees, for example. The savings of vouchers and the collective pooling to access larger inputs could also be formalized by agencies implementing these projects over a longer period of time. While emphasizing the flexibility and potential of VfW projects, though, this paper has nonetheless stressed that agencies need to be self-conscious about selecting this specific payment methodology, making sure that it is both adequate to project objectives and relevant to the proposed context of intervention.

An additional perspective for development concerns the need for closer coordination between donors and NGOs in the implementation of VfW projects. As mentioned previously, VfW and CfW are seldom compatible in the same geographical areas. Furthermore, the effectiveness of projects would be increased through further harmonization, for example on what constitutes a task, how much it should be paid, what kind of delivery mechanisms are most relevant etc. In Northern Uganda, a group of donors and NGOs have agreed in early 2009 on a set of Guiding Principles for work-oriented methodologies, including VfW, CfW and FfW. These include the need for agencies to regularly exchange information on planned and ongoing interventions; the identification of specific coordination forums both at district and national level; the setting of a tentative standard work daily rate; the call for a move away from free handouts; and, finally, the need for agencies to communicate in a transparent manner and to plan exit strategies early on in the project cycle. Such efforts, still at an initial stage, should be further expanded upon to increase the relevance and impact of these projects.

VI. Annexes

These documents are used by ACTED Uganda to implement its Vfw projects. Representing only one way to deal with the complex logistics and finance issues posed by Vfw, they are included in this Concept Paper as templates for other agencies wishing to develop their own, and should be used as one example, among others.

1. Assessing the project's relevant method of payment

Baseline Survey – Deciding upon Cash for Work or Voucher for Work

This survey was developed by ACTED Uganda to assess the suitability of a VFW methodology (especially in comparison with CFW) for the construction/ rehabilitation of infrastructure and/or roads in Northern Uganda (Oyam, Gulu, Amuru districts). The survey seeks to establish the security environment, the socio-economic status of possible beneficiaries, and the local economic conditions (such as quality of markets and banking systems). On the basis of these contextual elements, programming staff are better informed to choose either of the two payment methodologies.

Name and Signature of Surveyor: _____

Location (Site, Parish, sub-county): _____

Project: _____

Sample Size: 10% of estimated direct beneficiaries

Respondent S/N: _____

Date: _____

General Information:

1. Sex: Male ☐, Female ☐

2.

Age:

3. Status of household: 1) Returnee ☐ year _____, 2) IDP ☐, 3) Resident (never left) ☐

4. Vulnerability of household: 1) Female headed household ☐, 2) Handicapped ☐, 3) Child headed household ☐, 4) HIV/AIDS positive ☐, 5) Elderly ☐, 6) Orphan ☐

Level of Education and Profession:

5. Education: 1) No education ☐, 2) P7 ☐, 3) S4 ☐, 4) S6 ☐, 5) Tertiary institution ☐

6. Can you read and write? Yes ☐, No ☐

7. Primary occupation: 1) Farmer ☐, 2) Herder ☐, 3) Trader ☐, 4) Civil servant ☐, 5) Student ☐, 6) Laborer ☐, 7) Other ☐

8. Other sources of income: 1) Farming ☐, 2) Herding ☐, 3) Trading ☐, 4) Support from family members ☐, 5) Support from NGO/charity ☐, 6) Crafts/Artisan ☐, 7) Other _____

9. Would you classify yourself as a skilled or unskilled worker? 1) Skilled ☐, 2) Unskilled ☐

Socio-economic information, banking and local markets:

10. What is your average weekly cash income? UGX per week _____

11. How much can you save out of this weekly cash income? UGX per week _____

12. What are your three (3) main areas of spending? (rate 1-3 starting with the most important) 1) Food ____, 2) Seeds ____, 3) Livestock ____, 4) School fees ____, 5) Medicine ____, 6) Agricultural tools ____, 7) Business and trade ____, 8) Clothes ____, 9) Other ____

13. Do you have know if there is a bank/a SACCO/ a post office where you can deposit your money in your area? Yes ☐, No ☐. If so, how far is it?

14. Do have a savings account in one of the above? Yes ☐, No ☐

15. If not why? High entry fees ☐, Not enough personal savings ☐, Institution has a bad reputation ☐, Other:

16. Do you use a local market/ trading center? Yes ☐, No ☐ To buy products? ☐ To sell products? ☐

17. If not, why not? 1) Too far away ☐, 2) Bad road ☐, 3) Insecurity ☐, 4) Other:

18. How would you rate the *quality* of goods at your local market? 1) Bad ☐, 2) Average ☐, 3) Good ☐

19. How would you rate the *quantity* of goods at your local market/ trading centre? 1) Too few goods ☐, 2) Sufficient stock ☐, 3) More than enough ☐

20. How would you rate the *prices* at your local market/ trading centre? 1) Too high ☐, 2) Fair ☐, 3) Quite low ☐

21. How many livestock do you own?

22. Do you own the following assets?

Animal	Number
Goat	
Sheep	
Pig	
Chicken	
Cow	
Rabbit	
Turkey	
Pigeons	

Item	Yes/No
Latrine	
Telephone	
Bicycle	
Farming tools	
Radio	
A brick house	
Iron sheet roof	
Mattress	

22. How many acres of land do you own? _____ acres

22a. Do you cultivate this land? Yes ☐, No ☐

22b. If not, why not? 1) Lack of seeds ☐, 2) Lack of fertile soil ☐, 3) Lack of tools ☐, 4) Lack of labor ☐, 5) Bad health ☐, 6) Insecurity ☐, 7) Lack of training/knowledge ☐, 8) Displacement ☐, 9) Other ☐

23. Which are the three (3) main problems, in order of importance, in regards to your cultivation/ herding?

1) Lack of seeds ____, 2) Lack of tools ____, 3) Lack of cash ____, 4) Not enough land ____, 5) Infertile land ____, 6) Lack of labor ____, 7) Climatic changes ____, 8) Crop diseases ____, 9) Lack of training/knowledge ____, 10) Insecurity ____, 11) Displacement ____, 12) Lack of markets ____, 13) Other ____

Security and Corruption:

24. Do you feel secure walking around at night in your area? Yes ☐, No ☐.

24a. If not, why not?

25. How high would you rate the possibility of LRA rebels returning to you area? Very Low ☐, Average ☐, High ☐

26. Have you been involved in a violent incident over the last 6 months? Yes ☐, No ☐.

26a. If more than one, how many? Less than 3 ☐, 3-5 ☐, More than 5 ☐

27. Have you been robbed over the last 6 months? Yes ☐, No ☐

28. Do you feel people are generally honest in your area? Can you trust each other? Yes ☐, No ☐

29. If you had to rate the level of corruption prevalent in your area, would you classify it as? 1) Very low ☐, 2) Quite low ☐, 3) High ☐, 4) Very high ☐

29a. How often do you have to pay bribes in your area? Every day ☐, Once a week ☐, Once a month ☐, Never ☐

Personal Input:

30. a) Have you or anyone you know participated in a Voucher for Work scheme
b)

According to you, what are the two (2) main benefits of a Voucher for Work scheme in your area?

- 1) _____
2) _____

31. What are the two (2) main benefits of a Cash for Work scheme in your area?

- 1) _____
2) _____


32. If you were working in a Cash for Work Scheme, what would be the three (3) most important things you would spend the money on? (rate 1-3, starting with the most important)

- 1) Food ____, 2) Seeds ____, 3) Livestock ____, 4) School fees ____, 5) Medicine ____, 6) Agricultural tools ____, 7) Business and trade ____, 8) Clothes ____, Fuel ____, 9) Other _____

2. Methodology

a. Supervising the labour-intensive works

Workers are registered at the onset of the project. Weekly attendance registers are checked on a daily basis by the agency's site supervisor to avoid the artificial inflation of beneficiary numbers (ghost workers) by the site foreman. This weekly attendance register (Document 1) must be signed by the beneficiaries at the end of the week in order for it to be valid.

 ACTED <small>Agence d'aide à la coopération technique et au développement.</small>												
Weekly VFW unskilled workers attendance sheet												
Project Code:												
	Name	Age	Sex		Tasks completed						Total	Signature/Thumb print
			M	F	M	Tu	W	Th	F	Sat		
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												

Name of the PW:	Activities:.....
Date:/...../.....	Amount of work done:.....
Location:	Prepared by (PMC):.....

Document 1. Weekly attendance register

b. Issuing vouchers

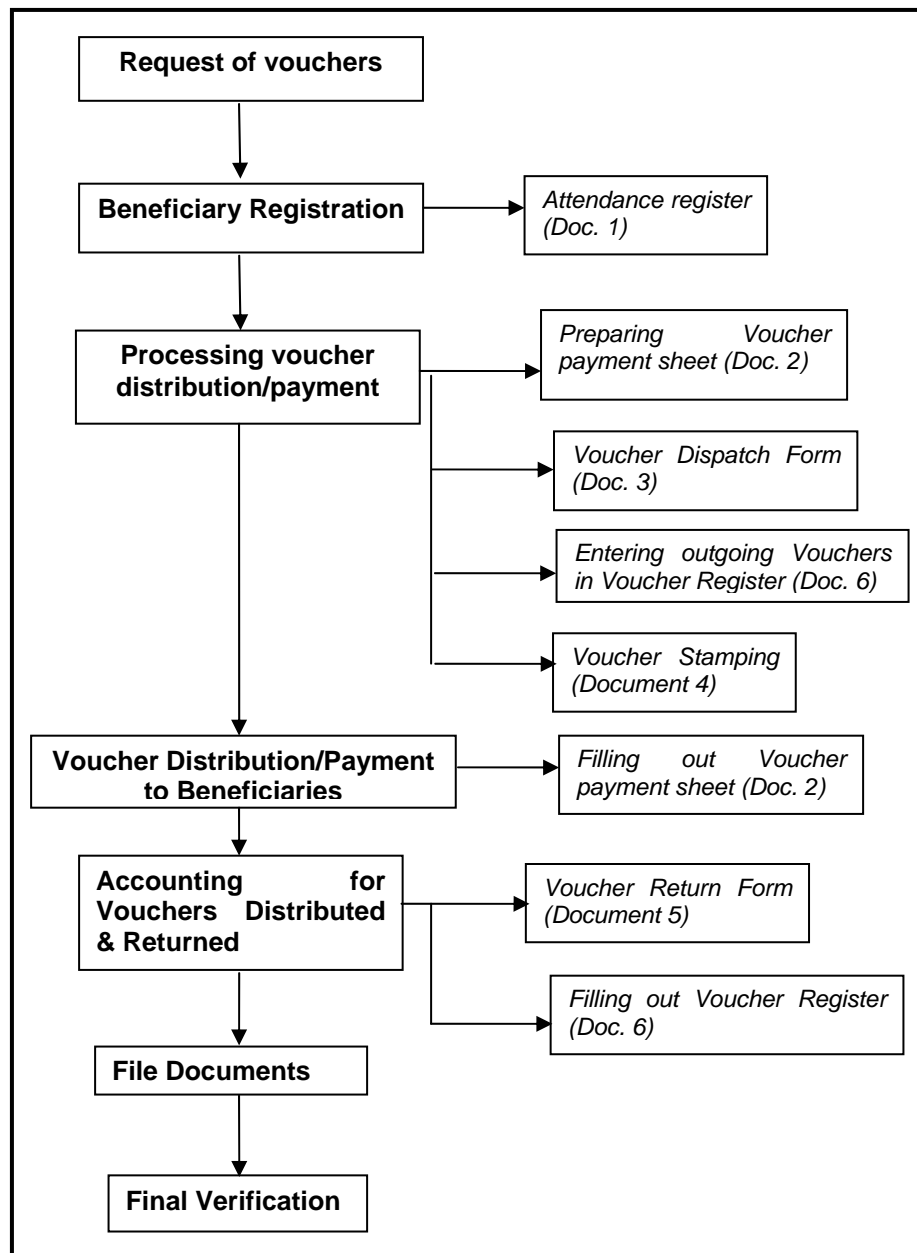


Figure 4. Voucher distribution process and associated documentation (in Italic)

Every two weeks, the Site Supervisor is responsible for turning the *Weekly attendance register* (Document 1) into a *Voucher distribution sheet* (Document 2), which includes the total number of tasks to be paid to each worker and its equivalent in vouchers. After completing the Voucher distribution sheet, the Site Supervisor fills out a *Voucher dispatch form* (Document 3), requesting the number of vouchers necessary for the distribution. After approval by Finance and Programming, the Site Supervisor is issued the exact number of vouchers requested in the *Voucher dispatch form*. Each voucher is then stamped with the agency's logo, date of issue, and a unique serial number (see Document 4) before being taken out of the office for the distribution.

VfW - Voucher Current Distribution Sheet						
Project Code: _____				Location: _____		
#	Name	Total Days/Tasks to be Paid	Total Amount	Serial Number of Vouchers Distributed		Signature/Thumb print
				First S/N	Last S/N	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Prepared by: _____						
Verified by: _____						

Document 2. Voucher Payment sheet

ACTED <small>Agency for Community Technical Education and Development</small>								
VfW - Voucher Dispatch Form								
S/N	Distribution Location	Project Code	Responsible Officer	Total Number of Vouchers Issued	Total Value of Vouchers Issued	Serial Number of Vouchers Dispatched		Signature
						First S/N	Last S/N	
1								
2								
3								
4								
5								

Approved by Voucher Coordinator:		Date:	
Verified by Coordination/Project Management		Date:	
Issued by Finance Officer		Date:	

* This form must be accompanied by a voucher distribution lists in order for Coordination and Finance Approval.
 ** Upon the completion of voucher distribution, this form must be attached to and filed with the distribution list and beneficiary lists.


Document 3. Voucher Dispatch form



Document 4. Example of vouchers ready for distribution (serial number, ACTED stamp and date of distribution).

During the voucher distribution, the Site Supervisor finishes to fill out the *Voucher distribution sheet* (Document 2) by indicating the serial numbers and denominations of the vouchers distributed to each beneficiary. As such, a given voucher can be traced down to one individual. Upon receipt of the vouchers, each beneficiary signs the *Voucher distribution sheet*.

At the end of the distribution, any vouchers remaining (because beneficiaries did not attend the distribution) are given back to Finance, and accounted for in the *Voucher return form* (Document 5). Finally, all of the distributions' documentation is filed, and the Voucher Control sheet (Document 6) is updated. This is essential to keep a regular, up-to-date record of the number of beneficiaries and total number of vouchers distributed under the given project. It is a crucial M&E tool, which gives the Programme Manager a overview of the progress made per site.

 ACTED VW - Voucher Return Form								
SN	Distribution Location	Project Code	Responsible Officer	Total Number of Vouchers Distributed	Total Number of Vouchers Returned	Serial Number of Vouchers Returned		Signature
						First SN	Last SN	
1								
2								
3								
4								
5								

Verified by Voucher Coordinator (or Coordination PM) Issued by Finance Officer	Date Date	*Upon the completion of voucher distribution, this form must be attached to and filed with the distribution list and beneficiary file.

Document 5. Voucher Return form

Date	Received from / Issued to	Season	Serial number of the book	Serial number of released vouchers	Denomination	Number of Voucher received / released	Book in Finance (Y/N/F)	Amount In	Amount Out
02.04.08	ATU		000001-000800		UGX 100	800		UGX 80,000	
	All sites	1 & 2	000001-000800	000001-000800	UGX 100	800	N		UGX 80,000
02.04.08	ATU		000801-001600		UGX 100	800		UGX 80,000	
	All sites	1 & 2	000801-001600	000801-001600	UGX 100	800	N		UGX 80,000
09.04.08	ATU		003201-004000		UGX 100	800		UGX 80,000	
	All sites	1 & 2	003201-004000	003201-004000	UGX 100	800	N		UGX 80,000
09.04.08	ATU		004001-004800		UGX 100	800		UGX 80,000	
	All sites	1 & 2	004001-004800	004001-004800	UGX 100	800	N		UGX 80,000
09.04.08	ATU		004801-005600		UGX 100	800		UGX 80,000	
	All sites	1 & 2	004801-005600	004801-005600	UGX 100	800	N		UGX 80,000
09.04.08	ATU		005601-006400		UGX 100	800		UGX 80,000	
	All sites	1 & 2	005601-006400	005601-006400	UGX 100	800	N		UGX 80,000
22.04.08	ATU		016001-016800		UGX 100	800		UGX 80,000	
Total								UGX 418,720,000	UGX 418,134,300
Total remaining in Finance								UGX 585,700	
Number of book in Finance								14	

Document 6. Voucher Control Document (EXCEL spreadsheet, updated before and after every voucher distribution).

c. Redeeming vouchers

Voucher redemption can be organized through two different approaches: the use of standing, privately-owned businesses or the ad-hoc organization of market fairs by the organization. The work supervision arrangements and voucher distribution procedures described above are compatible with both of these modalities. Their respective advantages were discussed in Section III (p.10); the choice should hinge on the implementing agency's capacities as well as the status of the private sector in the area of operations. Indeed, market fairs are more time and resource consuming for the agency, but they are often the only choice in settings where independent shops are scarce and/or without the capacity to handle the Voucher-for-Work project.

▪ Private Input Dealers: Stockists/ Supermarkets²

There are **two overriding benefits** of choosing to organize voucher redemption through privately-owned and managed input dealers, such as local stockists or larger retailers like supermarkets. The first is that the project **supports local private businesses**. In order to be viable, the project should indeed make it possible for the input dealers to earn a profit and build up capital by selling inputs to the farmers who participate in the vouchers for work programme. They can also be encouraged to diversify to wider sales and/or partners (ie not only voucher sales) if the programme scale is not large enough to allow them to be self-reliant and sustainable. The second advantage is that the **approach offers a greater flexibility for beneficiaries**, since they are free to redeem vouchers at their convenience; this is a strong element compounding VfW's empowerment component. However, it does necessitate close oversight and strict monitoring procedures. Indeed, the agency has inherently less control over the process than when it organizes market fairs; and high prices, persistently unavailable items or irregular opening hours can durably demotivate beneficiaries.

▪ Selecting input dealers

It is necessary select the businesses which will be responsible for selling inputs to the VfW beneficiaries at the very beginning of the project as the location of participating outlets should be communicated to beneficiaries during the initial mobilization meetings.

This implies surveying the capacity of the private sector in the areas where the project is implemented; organizing a communication campaign to encourage existing retailers to apply for participation in the scheme and/or proactively reach out to them to secure their participation, and, finally, establishing a list of minimal requirements for interested dealers to qualify for the project. Minimal requirements can be developed on a project basis (see example below). They include for the shop to be suitable for the sale of desired inputs; and for training courses to be completed in business management and (when relevant) agro-chemical handling.

EXAMPLE OF STOCKIST PARTICIPATION REQUIREMENTS

1. The stockist must have a suitable physical premise, with at least two rooms, (one for sales and one for storage) adequate light and ventilation, and a leak proof roof. The premises must either belong to the stockist, or the stockist must be able to show a signed tenancy agreement with the owner.
2. The shop must be suitably arranged for sale of agricultural inputs. There must be:
 - a. A sales counter
 - b. Shelving of a minimum of 6 feet high and 10 feet in length on which items can be displayed
 - c. A minimum of six pallets on which seeds and fertilizers can be stored
3. The stockists must have completed the agency-provided business management training course and the training required by the Agro-Chemicals Board to qualify for licensing as an agricultural chemical dealer. **The training fee for both of these courses will need to be covered by the stockists.**
4. The stockist must have a bank account.
5. The stockist must deposit a credit downpayment in advance of obtaining project ID card .
6. The stockist must sign a pledge form promising to abide by the agency's code of conduct. NOTE: Any stockist who is ever found to be purchasing vouchers for cash or knowingly selling inputs to people who are engaged in purchasing vouchers for cash will **be immediately disqualified from participation, will have all his/her inventory confiscated, and will forfeit all pending margin payments. THE CASE MAY BE REFERRED TO POLICE FOR PROSECUTION.**

The selection process should include **on-site visits** to assess the conformity of interested retailers to these minimal requirements (see Template Questionnaire below). When an interested input dealer is deemed qualified to join the project, an agreement should be signed between him and the implementing agency (see Template agreement below). Finally, when dealing with small local owners, it is also recommended to **provide capacity-building training** (as referred to in the requirements above) prior to their certification as **project input dealers**.

It is essential that the implementing agency identifies retailers that are close to project sites and easily accessible for beneficiaries; failure to do so is a major factor to explain beneficiary demotivation and lack of adhesion to the project. A lack of qualified retailers in the vicinity of project sites is a strong incentive for the agency to train existing shopkeepers; and, in case this is not possible, to organize market fairs instead (please see p.25 below for an explanation of related procedures and template documents).

Template Questionnaire used to assess stockists

Notes to interviewer: Please review the questionnaire and assist them to answer any questions which have been left out or which need to be explained.

1. Name of Stockist: _____ **2. Name of Business:** _____

Contact Information: **3. Phone:** _____ **4. Fax:** _____

5. Physical Address: _____ **6. Mailing Address:** _____

7. LC1: _____ **8. Parish:** _____

9. Subcounty: _____ **10. District:** _____

11. Year Business Started: _____ **12. Year started selling inputs:** _____

13. Does Business have a signboard of any kind? 1=Yes 2=NO _____

14. What does signboard say? _____

Bank details are required in order to receive payment for inputs sold under the voucher programme. Do you have a bank account? _____ yes _____ no

Bank account information: **Name of Account:** _____

Bank Branch where Account is located: _____

Bank account number: _____

15. Ownership Structure: _____ **16. Name of partner (if any)** _____
 1.= Sole Ownership 2.= Partnership 3.= Limited Company
 4.=Cooperative Society or Association 5.=CBO/NGO

17. Legal Status: _____
 1.= Registered Company 2.= Registered CBO/NGO 3.= Registered Cooperative
 4. Informal Sector 5.= Other: (specify) _____

18. Nature of Business: **Tick**
 _____ 1. Interested party not yet involved in input retailing. (current occupation _____)
 _____ 2. Rural Stockist affiliated to a particular supplier or distributor (Indicate which one _____)
 _____ 3. Rural Stockist affiliated to a particular NGO project (Indicate which one _____)
 _____ 4. Independent Rural Stockist

19. Range of Products that you currently sell (tick all that apply)

- _____ 1. Agro Chemicals or Fertilizers
- _____ 2. Implements
- _____ 3. Seeds
- _____ 4. Livestock drugs
- _____ 5. Livestock feeds
- _____ 6. Other hardware
- _____ 7. Food commodities like sugar etc.
- _____ 8. Other consumer goods

20. Do you have a shop and storage space?

- ___a. Own both shop and store
- ___b. Rent both shop and store
- ___c. Have only shop, no storage space

21. Comments on Storage adequacy

- a. Estimate size of store (eg XX meters by YY meters) _____
b. Adequacy of ventilation _____
c. Does roof leak? =Yes 2=NO _____
d. Are there pallets or shelves to keep seeds off the floor? =Yes 2=NO _____

22. How much capital do you have to invest in your business? (Interviewer– Can you verify?)

- a. Value of inventory currently in stock _____
b. Value of cash in the bank _____
c. Where will you get additional capital for inventory this season? _____
d. What steps have you taken to get inventory for the coming season? _____

23. Source of Credit (Indicate type of lender at the left by number & name of lender in the space.)

- a. Who has stockist borrowed money from in the past?(1.= AT U 2.= NGO _____
2.= Distributor _____ 3.= Seed Company _____ 4.= MFI _____
5.= Commercial Bank _____
b. Total borrowed in the last 3 years? _____
c. What is the current outstanding balance due on this loan? _____
d. Is loan repaid in full? _____
e. Are currently due payments up to date? _____
e. Interviewer comment. Is this stockist a good credit risk? Why? _____

24. Training

- a. Level of Training completed? _____
b. Certificate of 1) Completion or 2) Attendance? _____
c. Previous Training? 1= Yes 2=NO _____
d. (Indicate source of training and duration _____)
e. Do you plan to take an additional course? 1= Yes 2=NO _____

25. Record Keeping (Based on observation please. Ask them to show you.)

- a. Did the stockist use a cash receipt book before the training? 1= Yes 2=NO _____
b. Did the stockist have a cash ledger for 2005? 1= Yes 2=NO _____
c. Did the stockist have a ledger for debtors before the training? 1= Yes 2=NO _____
d. Did the stockist have a ledger for recording money owed to suppliers or creditors in 2005? 1= Yes 2=NO _____

26. Volume of Business

- a. Estimates total value of sales in 2005 _____
b. Estimated volume of seed sold in 2005 (mt) _____
c. Estimated value of seed sold in 2005 (US\$) _____
d. Estimated value of fertilizer sold in 2005 _____
e. Estimated value of chemicals sold in 2005 _____
f. Estimated value of livestock inputs sold in 2005 _____
g. Estimated value of tools and implements sold in 2005 _____
h. Did the stockist make any bulk sales in 2005 1= Yes 2=NO _____
i. Proportion of business made up of bulk sales to groups and organizations (%) _____

27. Marketing Strategy 1= Yes 2=NO

- a. Does the stockist ever take inputs to the market to sell during market days or auctions? _____
b. If yes, how often? _____
c. Has the stockist ever offered price discounts for bulk purchase in the past? _____
d. In 2005 did the stockist organize any promotional meetings in the community? _____
If yes, number held _____
e. Has the stockist ever had a demonstration? If yes, year _____
Crop(s) demonstrated? _____
f. Has the stockist ever printed any brochures or price lists to promote sales? _____
g. Has the stockist ever placed a radio or newspaper announcement? _____
h. List any other marketing approaches the stockist has tried in the past. _____

28. Forward Planning 1= Yes 2=NO

- ____ a. Does the stockist have a plan for the season?
____ b. Does the stockist have a relationship to a particular supplier or distributor where they expect to get their inputs for this season? List _____
____ c. Does the supplier have a financial plan for the coming season?

29. Ability to reach poor farmers. 1= Yes 2=NO _____ Do you own a weigh scale?

Do you repackage any of the following to sell to farmers in smaller quantities?

- ____ a. Seed
____ b. Fertilizer
____ c. Chemicals
____ d. What proportion of your seed sales transactions involve the following volumes per seed variety?

(NOTE TO INTERVIEWER: Total should equal 100%)

____ less than 1 kg. _____ 1-5 kg. _____ 5-10 kg _____ > 10-50 kg _____ >50 kg

30. Employment 1= Yes 2=NO

- _____ a. Does the stockist work full time at his/her business?
b. If engaged in any other income generating activities apart from the business what are they? (tick) _____
Farming _____ produce trading?
_____ formal sector employment/job _____ other informal, non/farm agro-processing

31. Does the stockist employ anyone to help with the business?

- _____ b. Number of unpaid male family members
_____ c. Number of paid male employees
_____ d. Number of unpaid female family members
_____ e. Number of paid female employees
_____ f. Monthly wage bill for all paid employees (Ush)

32. Gender of stockist 1=Male 2=Female _____

AN AGREEMENT TO BECOME INPUT DEALER AFFILIATED TO THE INPUT VOUCHER PROGRAMME

1. BACKGROUND TO THE PROJECT

2. TERMS AND CONDITIONS

Whereas, Mr./Mrs. /Miss./Messers, (**insert name of Input dealer)

of.....village.....parish

.....sub county.....county.....District

With a shop at the following location:

Postal Address:

Telephone Contact:

Agree to be a Inputs Voucher Redemption/Stock Point for agricultural inputs on the understanding that:

- 2.1 That the terms of this agreement are valid from the time of signing until XX.
- 2.2 That the input dealer agrees to abide by Rules and Regulations governing the XX Association and its constitution.
- 2.3 That the input dealer undertakes to fully pay for all goods taken on credit under this arrangement and sold to beneficiaries and that payment will either be deducted from the value of the redeemed vouchers or made in cash and will be completed by the end of the contract.
- 2.4 Any undamaged stock held by the input dealer at 31 October 2009, provided it has been properly maintained, may be returned to ALREP through the Distributor at the end of this agreement.
- 2.5 That it is further agreed that the input dealer has read and understood the procedures for this process as they are laid out in detail in the Operations Manual.
- 2.6 That the input dealer shall pay the designated security deposit of 10% of the credit limit to AT Uganda prior to the onset of the season.
- 2.7 That the security deposit will be with held in the designated bank account until such a time when the input dealer clears his/her debts and /or liabilities.
- 2.8 That for avoidance of doubt, XX shall refund the security deposit referred to in clause 2.6 if the input dealer clears all the debts due and owed to XX under this agreement. That in the event that the input dealer fails to pay the debts owed to XX by November 30th 2009 the said debt shall be automatically deducted from the security so deposited. In the event that the deposited security fails to fully furnish the amount owed, then legal action shall be deployed to recover such outstanding balance.
- 2.9 That it is agreed that the maximum credit limit set by ALREP policy is ten million shillings, but that the actual amount is determined by the value of the security deposit I have paid. Therefore, I shall not at any time exceed my credit limit of _____ USH for which I have already paid a security deposit of USH _____ for this season. I understand that failure to abide by such credit limit will be considered a breach of contract and grounds for termination.
- 2.10 That the input dealer undertakes to take full responsibility for the safe custody of all stocks he/she/ it has purchased on credit and duly sign a Delivery Note for all inputs received.
- 2.11 That the input dealer shall take responsibility to submit all redeemed Input Vouchers (generated by the sale of inputs to project beneficiaries) to XX Office premises on a regular basis. Before bringing in the vouchers the input dealer will sort them by denomination, count and bundle them into piles of 10, and then 10 piles to make a bundle of 100.
- 2.12 That the input dealer shall always issue a voucher sales receipt for any sale to beneficiaries for vouchers. The pink copy of the receipts will be returned to AT Uganda at the same time as the input dealer redeems vouchers. The input dealer understands that without sales receipts the vouchers will not be considered valid for redemption.

- 2.13 That the input dealer undertakes to keep records of daily sales redeemed input vouchers, payment and stocks in the manner designated by AT Uganda.
- 2.14 That the input dealer undertakes to allow XX or its designated person to audit the records, count inventory and carry out quality spot checks at any time that the input dealer is holding stock provided to him/her/it by them on credit. The input dealer further undertakes to reveal the location of all inventories he/she/it has taken on credit.
- 2.15 That it is further agreed that, for any goods missing or sold retail for cash outside the voucher programme, the input dealer shall effect payment of the wholesale value to XX within 10 days of the date of inventory count and furthermore that the value of the inputs which may be sold retail for cash, is limited to 10% of the wholesale value of the goods received. Failure to remit the cash value within ten days shall result in immediate expulsion from the programme, confiscation of both the deposit and any remaining stock obtained from ALREP on credit, and legal prosecution if the deposit does not cover the value of the missing inventory.
- 2.16 That it is further agreed that, when selling to end users/inputs voucher beneficiaries, the input dealer shall not exceed the sales prices indicated on the approved/agreed project price list.
- 2.17 That it is further agreed that the approved retail price markup is 10% and that the approved retail price list must be clearly displayed for customers at all times to ensure transparency.
- 2.18 That the input dealer undertakes to always return any outstanding balance to beneficiaries using small denomination vouchers.
- 2.19 That the input dealer undertakes to store the inputs properly and follow recommended safe use and handling guidelines. The input dealer further undertakes to accept full responsibility for all costs of operation, including any losses from vermin, pests, poor handling.
- 2.20 That the input dealer undertakes to fully compensate the project for any inputs that shall be damaged, or cannot be sold, for not being fit for the purpose, as a result of his/her/its negligence in handling, transportation and storage of such input.
- 2.21 That the input dealer agrees not to engage in any buying of vouchers or other malpractices intended to defraud beneficiaries of their rights under the project. The stockist furthermore agrees to collaborate closely with the subcounty level oversight committee. The stockist understands that failure to abide by this policy will result in dismissal and possible prosecution.
- 2.22 That the input dealer hereby undertakes to abide by all the terms and conditions set forth herein.

3. AT UGANDA OBLIGATIONS:

- 3.1 That XX retains the right to check and verify the inventory and undertake monthly reconciliations with the dealer. Failure to fully account for all inventory taken on credit will result in an immediate demand note for the value of missing/sold inventory that is due for payment in ten days. No margins will be paid until all inventory is accounted for and full payment received for any inventory sold to farmers for either cash or credit.
- 3.2 That XX will, from time to time, visit the Dealers, farmers and other customers in order to promote business and advise/train the Dealer on matters relating to the marketing and safe use of inputs.
- 3.3 That under this project, XX will assist with promotional materials such as booklets, signboards, posters and radio adverts.
- 3.4 That to ensure quality, any unsold seed should be tested for germination at the end of the season and bad seed removed from the shelves.
- 3.5 AT Uganda will conduct inventory counts every month and submit a request for payment of stockist margins by XX every two months. Margin requests will be submitted as per below table at point 3.6.
- 3.6 Inventory count by XX will abide by the following schedule

Inventory count by:
End of March
End of May
End of July
End of Sept
End of Oct

4. TERMINATION

4.1 This agreement may be terminated by either party at any time in the event of any of the following:

- (i) If the parties are in breach of any of the terms and conditions of this agreement.
- (ii) If a party becomes bankrupt.
- (iii) If any of the parties die (applicable to human beings).
- (iv) If any of the parties are incapacitated in any way so as not to be in position to satisfactorily comply with the terms and conditions of this agreement.
- (v) If any of the parties (applicable to corporate bodies) is wound up or is under receivership.

4.2 That the party terminating this agreement shall give the other party four weeks notice in writing.

4.3 That upon termination of this agreement, the Input Dealer shall forthwith redeem all vouchers currently in his/her/its possession and fully pay all outstanding credits before refunding the security deposit.

4.4 That in the event that the agreement is terminated by the death of input dealer, his/her legal representative shall be responsible for the payment of any debts due and owing to XX.

4.5 That in the event that the agreement is terminated by dissolution and/ or winding up of any of the cooperate bodies who are parties to this agreement, any debts due and owing to XX by the said company shall be recovered from the appointed receivers.

4.6 That in case of termination, the input dealer shall not be eligible for further credit from the distributor and shall cease to accept any further vouchers in payment for sale of inputs.

4.7 That where the input dealer opts to terminate the agreement and has fully paid the debts, the security deposit shall be refunded with a 4% per annum interest. If the security deposit has to be used to clear the debt, the interest is forfeit. However, if the input dealer fails to pay the debts due and owing to XX within the prescribed period, and the security deposit is used to furnish his/her/its debts, the input dealer shall forfeit the interest.

5. NO PARTNERSHIP

That for all intents and purposes, nothing in this agreement shall create and /or constitute partnership between the parties

6. LAWS APPLICABLE

That this agreement is governed in all respects by the laws of Uganda.

7. OFFICIAL LANGUAGE

That any notice or other document or other communication under this agreement shall be in English

8. AGREEMENT CONCLUSIVE

This agreement shall be conclusive proof of full and complete understanding between the parties, and shall supersede and/or cancels all prior arrangements or understandings between the parties.

9. ASSIGNMENT/TRANSFER

9.1 No rights or obligations under this agreement shall be assigned or transferred without the prior written consent of both parties.

9.2 A party intending to assign or transfer his/her rights and obligations under this agreement shall give the other party three months notice in writing.

10. ARBITRATION

10.1 That in the event of any dispute or disagreement arising between the parties to which an amicable solution cannot be found, the issue shall be brought to binding adjudication/arbitration, the parties shall mutually agree on the adjudication/arbitration to handle the dispute. If the parties cannot agree on the arbitration, the dispute shall be taken before a competent court in the Republic of Uganda.

10.2 Failure to settle such matter by arbitration, the matter will be forwarded to a court of competent jurisdiction.

11. SIGNATURES

- **Procurement process**

For some projects, the procurement process is overseen by the implementing partner. It is indeed the project's policy to facilitate farmer access to a wide range of inputs by supplying inventory to input dealers (ie with the payment of an initial security deposit); the goal is to gradually shift the responsibility and risk of procurement to the private sector players over the course of the three-year project. This type of support is not necessarily relevant in situations where the agency is confident that the identified retailers will have the capacity to procure a wide range of products effectively.

Whether or not the agency is directly involved in the procurement process, it should establish **binding guidelines on the shops' conditions of access to beneficiaries (including opening days/hours), range of products which will be available, quality, as well as their maximum prices**. One way to establish these guidelines is to ask **participating and/or potential VfW beneficiaries to identify their inputs of interest**. The number of farmers registering interest in each item as well as the requested quantities should be noted, in order for the agency and the retailers to plan accordingly. A market survey should also be conducted to establish the range of prices in use in the area.

These guidelines can then be communicated to beneficiaries through the establishment (and regular revision) of **pricelists**, to be posted in each shop, as well as **radio announcements**. As mentioned above, the price list should be adapted so as to allow for the retailers to make a margin of profit on the products (10% target margin for example) so as to give private businesses incentives to participate in the scheme. This is also a way to support the growth of the retailers, thereby giving a boost to the local economic fabric and making the initiative sustainable.

- **Oversight of sales and voucher reconciliation**

Whenever the input dealer sells inventory to VfW beneficiaries, the transaction should be documented with a Voucher Sales Receipt (printed and provided by the agency, see Document 7) or, whenever possible, with their own cash sales receipt.

The input dealer should then hand over accumulated vouchers to the implementing agency. This can be done during regular monitoring visits and/or by contacting the agency office directly for redemption any time the vouchers accumulate. The input dealer should bring both the physical vouchers and the voucher sales receipts; the total of the sales receipts should match the total of the physical vouchers redeemed.

The successful verification of these documents opens the way to payment of the vendor. Of course, the serial number of vouchers collected back from the input dealers as well as their total amounts, should be checked regularly against the serial numbers and amounts of vouchers distributed to beneficiaries.

VOUCHER SALES RECEIPT

Serial. No. **DATE.....**
Name of Purchaser..... ID No.
District..... Subcounty.....
Parish..... LCI Village

VOUCHER SALE DETAILS

Item	Price	Qty	Amount
Total =			

Voucher Payment:

Vouchers Received	Serial Number	Serial Number	Serial Number	Serial Number	Total Value
4,000/=					
2,000/=					
1,000/=					
500/=					
200/=					
100/=					
Value of all vouchers submitted					
Balance paid in Cash					
Total payment					

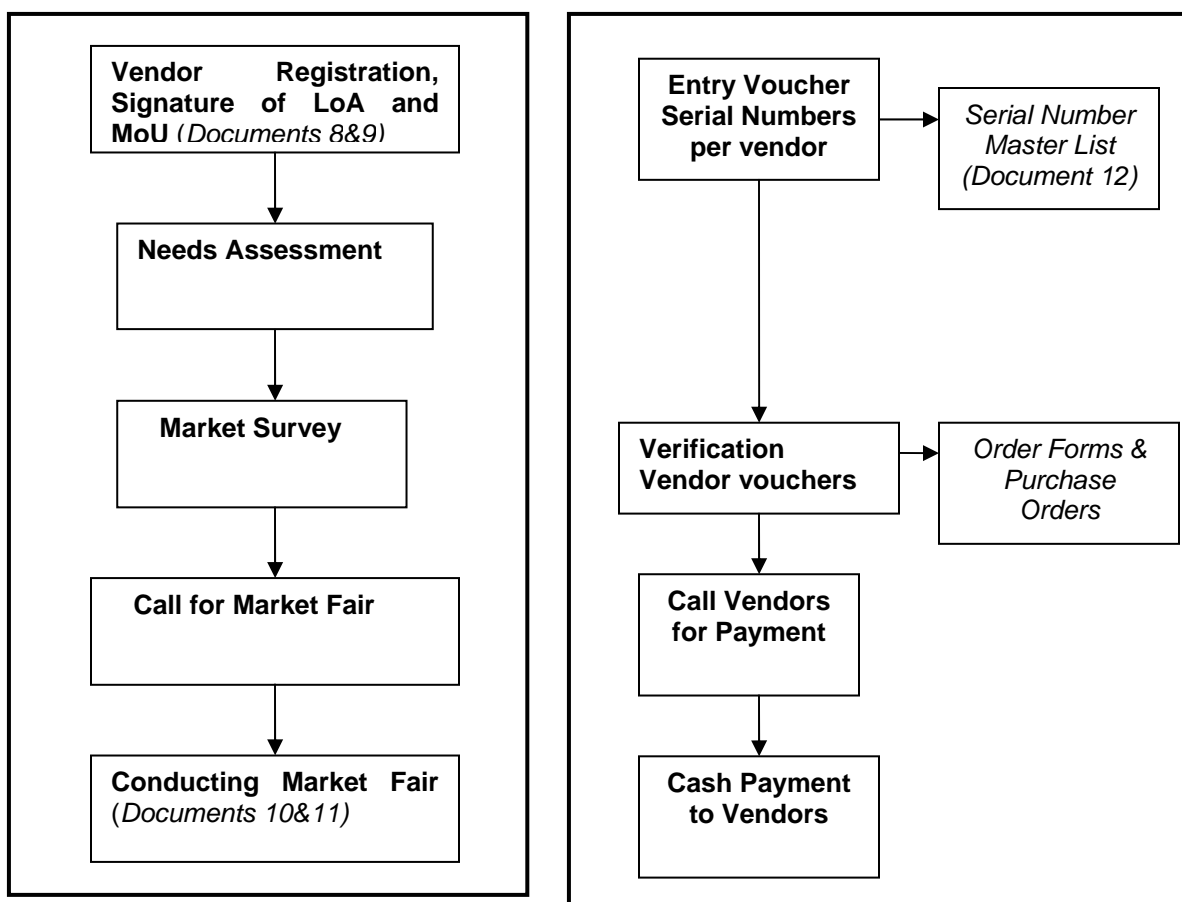
Goods once sold are not returnable for Cash

Signature of Stockist

Stamp

Document 7. Voucher Sales Receipt given to partner stockists

▪ Market Fairs



Figures 5 & 6. Voucher redemption process and associated documents before (Figure 5) and after the market fair (Figure 6).

▪ Organizing market fairs

The organization of market fairs starts with a **newspaper/radio campaign to advertise the fair to external vendors**. External vendors expressing interest in the scheme are then selected (on the basis of their products' quality in particular) and **registered** by the ACTED Voucher department as certified vendors. Voucher department staff members subsequently conduct a **needs assessment** amongst beneficiaries to identify the items that are most in demand, as well as a **market survey**, in order to ascertain the local prices of different items recommended. The survey's results will help the Voucher staff members to monitor prices during the market fair and eventually intervene if vendors are hiking prices significantly.

After scheduling the market fair days for the project's different sites, **radio announcements** are organized, calling upon both beneficiaries and local vendors to attend. The participation of local vendors is not subjected to the same registration process prior to the fair for two reasons: they are known by their peers (who can therefore complain directly in case of post-sale defects), and sell in much smaller quantities.

However, both local and external vendors are expected to sign Letters of Agreements (LoA) and Memorandum of Understandings (MoU) with ACTED (Document 7 and 8). The external vendors sign at the ACTED Office immediately after being selected, while local vendors sign on the market fair day after participating in the fair. It is also in practice that each vendor signs both documents only once a year.

TEMPLATE LETTER OF AGREEMENT FOR VENDORS.

This is an agreement of service made between(Tel no:.....) and ACTED Uganda P.O BOX 37664 on the2009.

This agreement governs the selling of agricultural inputs namely: seeds, tools/equipments and livestock among others.

The terms and conditions stipulated in this agreement include;

- The participation of any vendor in a market fair shall depend on the discretion of the voucher committee.
- This agreement shall serve for a period of 3 months and termination can be done anytime upon dissatisfaction by the organization on the vendors service.
- Vendors shall confirm their ability or inability to participate to ACTED Office 2 days before the market day.
- The vendors shall be responsible for the entire costs of transportation of items met to and from the market
- There shall be a registration and inspection of every item at site brought for sale before the market commences.
- The prices of the inputs to be sold should not vary greatly with the common input market prices.
- The vendors shall display certifications of inputs quality assurance a day before sale of their products.
- The vendors shall be issued invoices immediately after the sale of their respective items on the market day and vouchers surrendered/submitted to ACTED Office.
- Processing and payment to vendors shall take a duration of 2 weeks.

SIGNED BY THE SAID PARTIES.

1. VENDOR:
SIGNATURE:
ADDRESS

2.WITNESS:
SIGNATURE:
ADDRESS:

ACTED OFFICE:
SIGNATURE:
TITLE:

Documents 8&9. Template Letter of Agreement (LoA) and Memorandum of Understanding (MoU), signed by all vendors (both local and external) participating in ACTED market fairs.

TEMPLATE MEMORANDUM OF UNDERSTANDING FOR MARKET FAIR VENDORS

This is a memorandum of understanding made on, between Ms / Mrs / Mr.....Tel..... (referred to as the Vendor) on one part, and ACTED P.O. BOX 37664 Kampala (referred to as the Organizer of the Fair) for the sale of agricultural inputs, livestock and iron sheets to the Public Works beneficiaries during the market fair organized in Gulu, Amuru and Oyam.

The beneficiaries require that goods supplied to them are of good quality and this is the responsibility of the vendor. This agreement is valid from to.....

HERE ARE THE TERMS AND CONDITIONS:-

- The vendors will be required to register with the organization.
- The vendors will be responsible for the transportation of his/her goods to the market.
- The vendors will be required to confirm to ACTED office that he/she will be present in the market in two days before the market starts.
- The vendors are required to have healthy animals, with good supporting document from veterinary department.
- The vendors are required to have good quality seeds and agricultural farm implements.
- The vendors' goods need to be inspected before taking to the market.
- Any vendor found exchanging vouchers with money or collecting vouchers from the beneficiaries before the market will be prosecuted.
- Vendors are required to attend training on voucher administration.
- The vendors are required to bargain with the beneficiaries and agree on the prices of the commodities.

GENERAL SPECIFICATION OF SHOATS

- Breed: local breed
- Age: 6-8 month.
- Smooth shiny clean coat.
- Animal drinks and eats well which must be followed by chewing cud.
- Has good teeth and appetite.
- Strong legs and feet which enable it to walk and run well.
- Animal is alert and inquisitive but not dull. It does not isolate itself from the rest of the goats and active all time.
- The animal must pass out normal faeces.
- Body temperature should be between 38.7 degree centigrade to 39.5 degree centigrade.
- Breathing is about 12-20 breaths per minutes.
- The eye should appear pink, moist and clean.

Specification for male:

- Should have two well developed testicles.
- The two testicles are easily seen from the back.
- The male should not have swollen testicles or with wound or scars on the scrotum skin on the testicle.
- The male should have strong limb with hard hooves especially of the legs which are used for support during mating.
- Has a wide chest, straight body profile and heavy muscles over the lion, hips and upper fore legs.
- Male goats that looks fierce and noisy while mating.

Specification for female goats:

- The female should have good size udder, which is soft to touch with two well separated teats, which are pointing slightly forward.
- Both teats should be functional.
- Good strong hind legs are also important.
- Should not have spilt, worn or missing teeth.

Important:

- The animals should be given prophylactic cover such as control of endo and ecto parasites plus vaccination that are recommended for the area and there should be certificate of proof of vaccination.
- The animal should be able to adapt the local climate, pasture and diseases
- The animal in the fair should not be malnourished or showing sign of sickness.
- The animal should be drenched with brow spectrum anthelmintic (de-warmer).
- Topical application of brow spectrum acaricide with for example decatix should be done.
- Block treatment with brow spectrum with anti biotic like oxyteracycline hydrochloride 20% against most bacterial infection and tylosine against contagious caprine pleuropneumonia.
- The animals should be vaccinated against orf (contagious ecthyma) and goats pox.
- The animals should be transported during cool hours of the day or night to minimize thermal stress and Vehicles used for transportation should be well ventilated and spacious in order to avoid congestion.
- The vendors should produce district veterinary health certificate from the district of origin and destination of the livestock.

- **Conducting market fairs**

Voucher department staff members open the fair by brief discussion with beneficiaries on the rationale of the fair, the type of products available, and the fair procedures (registration of beneficiaries, bargaining, etc). This is essential to avoid confusion and beneficiary disappointments; it is also a good opportunity to discuss beneficiary complaints or concerns with the project.

ACTED staff members then **register beneficiaries present** (noting down their names as well as their voucher serial numbers) and distribute **market fair sales tracking forms** to vendors before opening the fair. During the fairs, beneficiaries are encouraged to survey all vendors present and to bargain so as to secure the best price; however, staff members monitor the negotiations, in order to ensure the minimum discrepancy possible with local prices.

<u>BENEFICIARY REGISTRATION DURING MARKET FAIR</u>					
LOCATION:					
DATE:					
S/N	BENEFICIARY NAME	Sex	Items bought	No. vouchers + total amount	SIGNATURE/THUMB PRINT
Prepared By: Supervised By:					

Documents 10&11. Beneficiary Registration and Vendor Tracking forms.

The confrontation of these documents is yet another way to curb the risk of fraud (particularly forging of vouchers by vendors). The total amounts claimed by vendors at the end of the fair should be equal or slightly inferior to (if some beneficiaries fail to buy any products) to the total number of vouchers owned by beneficiaries registered; furthermore, the serial numbers noted down during the beneficiary registration should correspond to the serial numbers of the vouchers claimed by vendors.

<u>MARKET FAIR SALES VENDOR TRACKING FORM</u>					
LOCATION:					
DATE:					
VENDOR'S NAME:					
S/N	BENEFICIARIES NAMES	SEX	ITEMS SOLD (unit and quantity)	Total value of vouchers	SIGNATURE/THUMB
Prepared By (vendor): Supervised By (ACTED staff):					

Upon completion of the market fairs, all of the vendors' vouchers are collected, counted, sealed in envelopes, stamped and labeled with their names and references.

- **Paying vendors**

Once in office, the serial numbers of the vouchers redeemed (contained in the vendors' individual envelopes) are ticked off in the **Serial Number Master List**. This document compiles the serial numbers of all vouchers having been distributed under the project; as such, it allows staff to check that the serial numbers of vouchers have not been duplicated and/or that vouchers have not been counterfeited (with a serial number not recorded by ACTED).

VfW - Serial Number Master List															
Project: _____								Booklet Series: _____							
#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#
19501	19533	19565	19597	19629	19661	19693	19725	19757	19789	19821	19853	19885	19917	19949	19981
19502	19534	19566	19598	19630	19662	19694	19726	19758	19790	19822	19854	19886	19918	19950	19982
19503	19535	19567	19599	19631	19663	19695	19727	19759	19791	19823	19855	19887	19919	19951	19983
19504	19536	19568	19600	19632	19664	19696	19728	19760	19792	19824	19856	19888	19920	19952	19984

Prepared by:		Date:	
Verified by Country Director:		Date:	

Document 12. Serial Number Master List

Once this verification process is complete, the Voucher Department fills out an **order form** (standard documents used to make orders) for the payment of the individual vendor; and sends the order form to the Logistics Department, accompanied by the physical vouchers as well as the the MoU/LoA signed by the individual vendor. The Logistics Officer then verifies the vouchers (a second level of control), writes a **purchase order** (specifying the amount to be paid) for each vendor and transfers the documentation to the Finance Department. The Finance Department acts as a last oversight by verifying the two order forms and their accompanying documentation; when the latter is deemed in order, the Finance Officer is responsible for informing the vendor to come to the ACTED office for payment.

This process, although time-consuming, is necessary to minimize the risk of fraud; overall, though, the payment of vendors should **not take more than two weeks**, in order to maintain vendors' interest in the scheme.

According to ACTED financial procedures, all vendor payments under 1 million UGX are made in cash; while payments from 1 million and above are paid using cheques. In order to encourage the participation of local vendors in the fairs, ACTED **transports the payment of local vendors to the work/market fair sites**. The security risk is minimized by the relatively small amounts (usually less than UGX100,000) earned by local vendors in fairs. This facilitation is meant to minimize transport costs for the local vendors, which could render the market fair financially unsustainable for them. However, just like external vendors, there is a delay of roughly two weeks in payment, to ensure that the voucher redemption procedures (in particular cross-checking of voucher serial numbers against the serial master list of vouchers distributed) are respected.