Background

In February 2016, WFP successfully launched its first voucher-based food assistance in Yemen, targeting food-insecure populations residing in urban and peri-urban areas. Under this modality, beneficiaries redeem commodity vouchers distributed by WFP’s cooperating partners for food entitlements at the closest participating retail outlets linked to WFP’s food service provider in Yemen. WFP identified commodity vouchers as most suitable for the context and cost-effective market-based transfer modality.

WFP introduced the Cash Voucher through the Traders Network (CV-TN) in three governorates (Sana’a, Aden and Taizz), and thereafter progressively introduced in Lahj and Al Dhale’e. In 2016, the number of beneficiaries receiving voucher-based assistance expanded with an average rate of about 30 percent per month. Currently, voucher-based assistance is targeting 868,700 beneficiaries in 23 districts of four governorates: Sana’a City, Sana’a governorate, Taizz and Hodeida.

In terms of beneficiaries supported, the commodity-based voucher assistance implemented in Yemen is the largest programme of its kind within WFP. The strategy is to focus on populated urban areas and to develop retailers’ infrastructure, working with large food importers and distributors. The use of low-tech, readily-available delivery mechanisms (paper vouchers) is one of the main reasons behind achievements at the current scale within a short time span. Interestingly, this is the first time that WFP has used its business-to-business approach at such scale, contracting food suppliers further up the value chain, such as importers and wholesalers who manage a network of retailers and guarantee steady food supply.

This approach ensures economy of scale by purchasing large quantities directly from importers. It also prevents a negative impact on food availability on local markets as food suppliers are informed in advance about the aggregated demand to be generated by vouchers.

Voucher assistance is currently implemented through a paper-based delivery mechanism but WFP plans to shift to e-vouchers in the coming months. Currently WFP is going through the tendering evaluation process to identify service providers for the e-voucher system.

Activities

In 2017, under the new Emergency Operation, WFP Yemen will continue providing general food assistance through general food distribution and commodity vouchers through CV-TN. Beneficiaries of both modalities will receive a food basket of similar rations and nutritional value. Commodity voucher assistance will be implemented in urban and semi-urban areas with established retail infrastructure while general food distribution will be implemented mostly in rural areas. Under CV-TN, WFP will target some 868,000 people.

In May 2017, WFP reached 770,190 people with CV-TN assistance against a target of 870,468 people. People redeemed their vouchers in Al Hudaydah, Amanat AlSima, Sana’a and Taizz (88 percent achieved against the target of 870,468).