Voucher feasibility study Report-Feed the Future Ethiopia Growth Through Nutrition Activity
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1. Part I. Background and outline of the study

1.1. Background

*Growth through Nutrition Activity* is USAID’s five-year flagship (Sept 1, 2016 to August 28, 2021) multi-sector nutrition and WASH project. The project aims to improve the nutritional status of women and young children in Ethiopia’s four regions (Amhara, Tigray, Oromia and SNNPR) focusing on the first 1000 days (from conception to age two). The project comprises of five intermediate result areas; among which IR1: **increased access to diverse, safe and quality food** focuses on the promotion of nutrition sensitive agriculture for improved dietary diversity through the agricultural extension system. Different platforms at individual household and government structure level will be used to promote the nutrition sensitive agriculture, such as Farmer Training Centers, School gardens and model farmers to reach the wider community and through supporting selected economically poor and nutritionally most vulnerable households to engage on homestead gardening, fruits and livestock production to improve dietary diversity.

During the previous project-ENGINE; provision of agriculture input was either direct purchase and delivery or committee purchase. Seeds of different vegetable seeds was procured and delivered by the project and channeled to the nutritional most vulnerable households through woreda agricultural development offices while provision of livestock such as goat, sheep and heifer was through committee (comprised of representatives from stakeholder offices and beneficiary) purchase from local markets and poultry from private and public organization. These previous purchasing methods have merits of being participatory and transparent. However, the direct purchases have also some limitations, such as late delivery and work overload on project and partner staffs. In *Growth through Nutrition Activity*, the plan is to implement voucher approach with private traders, whenever possible, to overcome aforementioned shortcomings.

According to literatures reviewed to conduct this voucher feasibility study; different organizations have experiences in voucher systems implementation for agricultural input delivery; majorly on crop seeds, livestock feeds, livestock drugs and farm implements and most of them in Emergency relief support projects. There are no much voucher systems implemented on live livestock support and vegetable seeds delivery in a development project context. Therefore, much can’t be said about the feasibility of voucher system for these two specific agricultural inputs (live animal and vegetable seeds). A team from Land O’Lakes has been conducted field visit in the month of March to see experiences with regard to voucher systems implemented in live animal delivery, at the East and West Harargie zones of Oromia region. This feasibility study conducted to further strengthen the findings from the field visit by assessing the feasibility of the voucher system across different areas implemented by different Government and Non-Government organizations and to be used as an input to pursue voucher system implementation in *Growth through Nutrition Activity*. 
2. Objective of the feasibility study
The general objective of the voucher system feasibility study is to collect relevant information to decide whether to use voucher system to provide livelihood support in Growth through Nutrition Activity or not.

Specific objectives

- To assess the feasibility of introducing a voucher scheme on breeding animal, vegetable seed and farm tools delivery
- To identify quality assurance methodologies in delivering Livelihood support to project beneficiaries if the voucher system is feasible (breeding capability and adaptability of the animals distributed through voucher scheme)
- To assess the attractiveness of the voucher scheme to the private agricultural inputs traders and their willingness to participate in voucher scheme

3. Part II. Methodology of the study

3.1. Data collection and analysis
Multiple methods of data collections adopted to achieve the above described objectives. Both primary and secondary data collected and analyzed; the secondary data was collected through literature review on voucher scheme implementation in Ethiopia and other countries. The initial plan was to collect also any available quantitative data in relation with operations cost of voucher scheme and committee purchase to make a comparison between both delivery mechanisms but actually there is no readily available data and for this purpose one-time data were collected on committee purchase and there is no readily available data about the operation cost in with voucher implementing organizations except few on literatures reviewed, related with seed voucher. Therefore, primary data collected from Growth through Nutrition operation woredas about operation cost on livestock purchase through committee and an estimation of the voucher scheme operation cost made to make a comparison between purchasing methods. The primary data were collected from beneficiary households, project staffs, government sector office experts and private agricultural input traders engaged on voucher scheme through focus group discussion, key informant interview and individual interview, using checklists prepared for this purpose. The primary data collected is qualitative and over all subjective reflections of the KII and FGD participants summarized.

3.2. Study areas and study units
The study was primarily conducted in Oromia and SNNPR regions; with organizations who have previous experience in voucher system implementation on agricultural inputs delivery, are CRS- (Meki Catholic Secretariat, Hossaena Catholic Secretariat, Harargie Catholic Secretariat), and West Harargie Livestock Development office; and additionally private livestock traders and
Agricultural Development office experts from Growth through Nutrition operation areas visited to complement the study. In the study, a total of three zones from Oromia (East Shoa, East Hararghe, and West Hararghe zones); two zones from SNNPR (Sidama and Kembabat zones) of other voucher implementing organizations and from Growth through Nutrition operational areas; two zone from Amhara (East Gojam and Awi zone) and Bale zone from East Oromia were included. Totally five woredas were visited to collect the primary data from government experts, community, project staff and private traders/cooperative unions in Oromia and SNNPR regions and six woredas from Awi, East Gojam and North Gondar zones of Amhara region and Bale zone of Oromia region.

4. Part III. Results from the secondary data source

4.1. Voucher scheme experience in and outside Ethiopia-the literature review

According to the literature review conducted with in and out of Ethiopia voucher system experience, most of the voucher schemes implemented are for relief interventions through emergency projects, to address urgent needs of community members affected by natural and man-made disasters. The major agricultural inputs delivered through voucher scheme are seeds, livestock drugs and farm implements. It is expected that voucher scheme has its own advantages and disadvantages. The below table 1. depicts its advantages and disadvantages. There are different vouchers approaches; are seed fair vouchers (SFV), Commodity voucher and Electronic Cash voucher.

The seed fair voucher approach was originally presented in the literature as one that allowed agencies to get off the ‘seeds-and-tools treadmill’, that is, to move away from the repeated use of seeds and tools interventions, season after season (Remington et al., 2002). It is also said to lie at the ‘nexus between relief and development’ (Remington et al., 2002, p. 326) in that it is a flexible programming approach that can potentially be adapted to suit a range of different situations on the so-called relief–development continuum. To what extent have these advantages been realized in practice? This is the major question, should be answered in any voucher scheme and it requires an appropriate and well defined programming approach What is clear, though, is that there is a desire to move away from emergency objectives towards more developmental objectives.

Table 1. Advantages and disadvantages of voucher system as depicted in literatures

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| ➢ Vouchers linked to a particular commodity, such as food or seeds, may be more effective if there are specific goals (better nutrition or increased agricultural production), rather than being used purely to transfer commodity | ➢ Vouchers entail costs in terms of printing, distribution and redemption.  
➢ Vouchers restrict what people can acquire and may not meet their priority needs. |
- Women may have more control over vouchers in relation to household expenditure.
- Vouchers can make it harder for recipients to use resources antisocially (e.g. for alcohol or drug abuse).
- It may be possible for vouchers to be self-targeting if the receipt of vouchers is seen as stigmatizing.
- Vouchers can facilitate the monitoring of programs.

- If people do not want the goods vouchers buy, or need cash for other items, a parallel market for vouchers or the products purchased with the vouchers may develop.
- The use of vouchers may lead to artificially inflated prices of the inputs exchanged.
- Vouchers may stigmatize recipients.
- Traders may be reluctant to participate and may make it difficult to redeem vouchers.

According to the Humanitarian Policy Group back ground paper entitled seed vouchers in emergency programming, lessons from Ethiopia and Mozambique; a case study conducted on emergency recovery projects implemented in drought affected areas of Ethiopia and Mozambique, the below strengthens and weaknesses were identified.

**Needs assessment:** detailed and appropriate seed vouchers represent a slightly better way of addressing the wrong problem unless they are linked to adequate needs assessment procedures.

**Implementation, Security and Evaluation:** Both the methodologies used in implementing agricultural input voucher approaches and the capacity of staff to organize such programs are constantly being improved and adapted, while engaging on voucher scheme. Literatures reveal that the voucher implementing organization have excessive control over voucher programs. Expressed by

- restricting choices available to farmers
- controlling prices
- A distrust of market processes, together with a lack of confidence in beneficiaries to make sensible choices and the expectation that seed will be unavailable locally, regularly leads agencies to attempt to implement rather than facilitate voucher programs (Bramel and Remington, 2005)
- prescriptions on the types of seed that can be exchanged (thus limiting choice)
- assisting vendors with procuring seed in preparation for the program (instead of trusting them to be able to source seed for themselves);
- setting prices at which seed is to be exchanged (rather than leaving this to be negotiated by farmers and vendors);
- advising farmers on how to spend their vouchers (as opposed to allowing them to decide for themselves).
At the donor level, corruption is much less of a concern in Ethiopia than it is in other countries, yet cases of vouchers being exchanged for cash were reported in 2005. This was limited to a few areas, but there were some instances where the vendors in Ethiopia exchanged vouchers worth USD 9.38 for USD 4.69 (Agridev Consult, 2006). In the five years since the introduction of agricultural input vouchers in Mozambique, there have been no reports of known corruption from those interviewed, who agreed that the limited amount of time for the exchange of vouchers prevents their misuse. Yet simply because corruption has not been reported does not mean that it does not happen. Beneficiaries might use their vouchers to purchase tools or other inputs that can be sold later for cash. Existing monitoring mechanisms are very unlikely to unearth any evidence of corruption or malpractice. Hence strong monitoring and evaluation practices should be in place to effectively implement the voucher program effectively.

**Timeliness:** concerning the timeliness of the voucher fair there is not difference between direct distribution, seed vouchers and fairs, and seed voucher. However, the inputs procured through seed fair vouchers are more appropriate and high quality compared with direct distribution.

**Input prices:** generally, an increase in 10-20 percent of seed price exhibited cause limited number of vendors compete in the fair 83 percent of beneficiaries considered the seed price is very expensive. Implementing agencies justify this price as handling and transportation cost.

**Cost effectiveness and cost efficiency:** the cost of seed fairs and vouchers is higher than direct seed distribution. table 2 Below reveal this reality well.

Table 2. comparison of costs per beneficiary as obtained in literature

<table>
<thead>
<tr>
<th></th>
<th>Local committee-based procurement and distribution (Oromiya)</th>
<th>Seed vouchers and fairs (Amhara)</th>
<th>National tender through FAO in Ethiopia (Oromiya)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of households</td>
<td>68,000</td>
<td>2,000</td>
<td>11,501</td>
</tr>
<tr>
<td>Number of hectares</td>
<td>17,000</td>
<td>2,000</td>
<td>5,047.5</td>
</tr>
<tr>
<td>Total seed value</td>
<td>258,800</td>
<td>25,500</td>
<td>108,809</td>
</tr>
<tr>
<td>Transport costs</td>
<td>10,300</td>
<td>0</td>
<td>350</td>
</tr>
<tr>
<td>Training costs</td>
<td>0</td>
<td>2,000</td>
<td>0</td>
</tr>
<tr>
<td>Staff costs</td>
<td>3,529</td>
<td>2,972</td>
<td>4,840</td>
</tr>
<tr>
<td>Remaining</td>
<td>3,400</td>
<td>19,129</td>
<td>15,001</td>
</tr>
<tr>
<td>Total budget</td>
<td>276,029</td>
<td>49,601</td>
<td>129,000</td>
</tr>
<tr>
<td>Total cost per beneficiary</td>
<td>4.1</td>
<td>24.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Total cost per hectare</td>
<td>16.2</td>
<td>24.8</td>
<td>25.6</td>
</tr>
</tbody>
</table>
The proceeds from the agricultural inputs sales: most of the profit remains with local community and traders and it is largely dependent on the type of vendors involved in the voucher scheme, whether they are traders from other places or are from the local community/local area. Hence it strengthens the local economy and market system.

**Strengthening or weakening farmers seed systems:** Evidence from Burundi suggests that farmer seed systems are 'strengthened' through seed vouchers in three ways: ‘by letting farmers' strategies about which crops and varieties they should use in stress times; by letting farmers continue to access seed through traders they know and whose quality standards they know; and by supporting local seed traders who will continue to serve farmers, with or without seed fairs’ (Walsh et al., 2004, p. 75).

It is also possible that seed vouchers are in fact weakening farmer seed systems by placing a monetary value on seed that would often be provided for free among neighbors and relatives. By putting a price on such transactions, farmers who have excess seed may prefer to wait until they can sell it to a trader who is taking part in a voucher program, or participate themselves as a vendor in a seed fair, rather than giving it to those who might be in need. So theoretically both strengthening and weakening of the system will happen in voucher programming.

**Impact on livelihoods assets:** In terms of human assets, the implementing agencies’ knowledge and appreciation of farmer seed systems are enhanced. Farmers’ knowledge of varieties is also enhanced, usually through informal discussions with other farmers or vendors, although it cannot be assumed that such information will be accurate (particularly if vendors are trying to persuade farmers to buy their seed). Traders’ and seed stockists’ knowledge of local varietal preferences is also increased through voucher programs. Table below depicts a meta-analysis of CRS seed vouchers and fairs in Zimbabwe, Ethiopia and Gambia.

**Table 3. the impact of Seed voucher fair on farm family assets**

<table>
<thead>
<tr>
<th>Asset</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td>- Households obtained seed in time for planting</td>
</tr>
<tr>
<td></td>
<td>- Beneficiaries had a choice of crop, variety, quantity, and quality</td>
</tr>
<tr>
<td></td>
<td>of seed</td>
</tr>
<tr>
<td>Financial</td>
<td>- Financial transfer to those receiving vouchers</td>
</tr>
<tr>
<td></td>
<td>- Increased profit for seed sellers due to the seed fair premium</td>
</tr>
<tr>
<td></td>
<td>- Knock-on effect of cash infusion into community</td>
</tr>
<tr>
<td>Social</td>
<td>- Communities participated in planning and implementation via seed</td>
</tr>
<tr>
<td></td>
<td>fair committees</td>
</tr>
<tr>
<td></td>
<td>- Open, transparent and public process increased confidence</td>
</tr>
<tr>
<td></td>
<td>- Strengthened relationships between seed sellers and farmers</td>
</tr>
</tbody>
</table>
| **Human** | ➢ Enhanced knowledge of different seed systems, their strengths and opportunities for integration  
  ➢ Enhanced knowledge of different crops, varietal preference and seed quality  
  ➢ Seed fair interventions can be exploited in relation to dissemination of information, education and communication on seed, agriculture and other matters like HIV/AIDS |
| **Natural** | ➢ Increased genetic diversity by providing farmers with crop and variety choice |


### 5. Part IV. Findings and results of the primary data

#### 5.1. Experience in other implementing organizations

The primary data were collected from SNNPR and Oromia regions with Catholic Secretariat, SNV and Livestock Development Offices on voucher scheme implemented by CARE Ethiopia; in different selected woredas implemented voucher scheme. The projects and organizations visited implemented voucher schemes on cereal seed provision, livestock feed and milking and transportation cans. In general, the finding from the visits are promising, that voucher scheme is better than the direct distribution, according to all discussants. (both for crop seed and livestock distribution) but which will not be enough evidence to recommend with Growth through Nutrition project as the livestock scheme is a new system with lack of enough experience and evidence supported by studies; and no experience have gotten on the vegetable seeds. Summary of each discussants result described below.

1. **Summary of FGD with community/households:**

The project beneficiaries feel that the voucher scheme has helped them to receive agricultural inputs at their proximity at kebele level so that contributes towards saving their time and extra expenditure unlike the direct distribution, in which they need to travel long distances to receive the agricultural inputs and they received the agricultural inputs with in short hours compared with direct distribution. There is no any complain about the quality of agricultural inputs they received and even confirmed that the quality of seeds received are high quality and very adaptable to their environment than seeds distributed directly by projects, which is also consistent with evidences from the literature review as discussed in the in report. The quality of the agricultural inputs controlled by Agricultural and Livestock Development office experts and they think that the control measures are effective to maintain the quality of the inputs.

Beneficiaries confirmed that the quantity of the inputs received are the right quantity as per the voucher value and no complain heard about receiving under quantity compared with the voucher value, which is common to receive inputs under their entitlement, especially seeds, in direct distribution. In the visited sites the voucher distribution and redemption dates are similar and
was not possible to see the time limit required to redeem voucher. The beneficiaries have no any idea about the price of the seed they received. Finally, the beneficiaries fully agree and prefer the voucher scheme to continue in the future interventions as it have many advantages compared with direct distribution, as described in the table below.

5.1.2. Summary of KII with government experts and project staff

According to the discussion held with the participants the vouchers are distributed by the projects and in the visited areas cooperative unions are the one who participated in the voucher scheme as a sole vendor of the seeds. The experts and staffs believe that the voucher scheme are labor efficient compared with direct distribution of agricultural inputs. The government experts and project staff have not handled any complain about the voucher scheme they implemented, according to them because they have made quality targeting from initial beneficiary selection and rigorous orientation provided to the participants ahead of implementing the scheme.

The price of commodities slightly higher than the price in the market, as it included handling and transportation cost with the vendor but they feel that is not significant compared with the advantages enjoyed by the voucher scheme. The agricultural development offices have actively been involved in the voucher scheme and works with the unions to maintain the quality of inputs/seeds distributed; the unions have their own agronomy experts also. The project staffs and government experts fully agree that the voucher scheme is much advantageous than direct distribution and recommend the voucher implementation in the future implementation, provided that effective voucher program design done and market assessment to verify appropriateness of the voucher scheme conducted ahead of implementation.

5.1.3. Summary of one to one interview with traders/Unions

In the visited projects, the unions transacted ranges from 250,000 birr up to 1.5 million birr through voucher scheme. The trader/unions received list of beneficiaries encompassed with in the voucher scheme and works with the kebele level committee to verify that the right beneficiary is appearing to receive the input. Although the interviewed traders are mostly union, they consider that the voucher scheme as attractive business because their primary objective is to serve their members with satisfaction and the voucher have advantages to farmers. The unions have not raised any complaint about the payment after voucher redemption and on average payment was facilitated within a week from the projects but they fear that if the voucher scheme implemented in very large scale than the current one, unions will face cash shortage unless partial payment effected initially. This is mainly applied on crop seed distribution.

The quality of the seeds distributed monitored by the unions agronomists and agricultural development offices are sourced from regional government seed enterprises, which are certified by government. The traders/unions are willing to participate in the voucher scheme in the future and recommend it for any project, although it creates burden on them and costly but can be tolerable to satisfy their customers. According to the traders/unions visited they believe that the transaction amount shouldn’t be off concern as far as it benefits the farmer. This shouldn’t be interpreted as all other individual traders agree.
The table below summarized some of the major advantages and disadvantages of seed voucher scheme raised by participants on the discussion.

**Table 4. advantages and disadvantages of voucher scheme based on primary data**

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>The voucher scheme controls corruption (according to discussants during direct distribution of seeds, the NGOs usually handover the seed to kebele ARD representatives and these officials provide the seed to whoever they want to give other than targeted beneficiaries and reduce the initial entitlement and force beneficiaries to share the seed to other community members. Regarding the livestock beneficiaries tried to cheat by delivering their own animal by other relatives and receives it as they buy from other farmers)</td>
<td>Disadvantages and challenges:</td>
</tr>
<tr>
<td></td>
<td>Resistant from government experts</td>
</tr>
<tr>
<td></td>
<td>Increases paper works</td>
</tr>
<tr>
<td></td>
<td>Slight increase in price of inputs (2-5 Birr per Kg of seed for service and transportation costs)</td>
</tr>
<tr>
<td></td>
<td>Beneficiaries lose the voucher</td>
</tr>
<tr>
<td></td>
<td>Beneficiaries distruct the voucher and not consider it have monetary value</td>
</tr>
<tr>
<td></td>
<td>Some beneficiaries take their input late, which created difficulty to process payment timely</td>
</tr>
<tr>
<td>Voucher scheme is time and labor saving to the project but costly and labor intensive and time taking to vendors</td>
<td></td>
</tr>
<tr>
<td>The quality of cereal seeds distributed are excellent</td>
<td></td>
</tr>
<tr>
<td>The voucher scheme enables farmers to access inputs at a kebele level, as a result farmers saved from extra costs, such as transportation and lodging cost as well as their time saved; unlike direct distribution in which they usually require to travel long distances to woreda towns to receive inputs</td>
<td></td>
</tr>
<tr>
<td>Farmers able to access the amount of seed they are entitled to; unlike previous direct distribution while beneficiaries forced to share portion of their entitlement</td>
<td></td>
</tr>
<tr>
<td>Created transparency in agricultural inputs provision</td>
<td></td>
</tr>
<tr>
<td>Build trust about the organization providing the agricultural input</td>
<td></td>
</tr>
<tr>
<td>Reduced project staff burden</td>
<td></td>
</tr>
<tr>
<td>Voucher scheme is easily manageable</td>
<td></td>
</tr>
<tr>
<td>Improve communication with the project stakeholders (NGOs, GOs and community)</td>
<td></td>
</tr>
<tr>
<td>Shortens an elongated procurement processes</td>
<td></td>
</tr>
<tr>
<td>Storage cost minimized</td>
<td></td>
</tr>
<tr>
<td>Empower farmers, because farmers know their entitlement properly, therefore claim their full entitlement with confidence</td>
<td></td>
</tr>
<tr>
<td>Strengthens local agricultural input markets</td>
<td></td>
</tr>
<tr>
<td>Shortens the input distribution channel</td>
<td></td>
</tr>
</tbody>
</table>

Generally, all stakeholders participated on the commodity voucher scheme are satisfied with the commodity voucher scheme they implemented. Almost all of them prefer voucher scheme than
direct input distribution as the advantages outweigh its disadvantages; provided that appropriate market assessment conducted in the project implementation woredas.

5.1.4. Summary about breed ability of livestock distributed through voucher scheme

To explore this specific issue, discussion was held with West Hararghe zone, Doba woredas livestock development office experts and community members received breeding animals through voucher. Both the experts and households subjectively confirmed that there is no any reported adaptation problem about the animal procured through the voucher scheme and the animals have no difference in terms of breeding capability with other animals in the area. This is because the animal procured by the traders were from local markets within the woreda and other neighbor woredas within 35 kilometers radius. Also the animals were vaccinated and dewormed upon distribution, which also helped to minimize risk of disease inoculation from other places. This subjective judgement will not be fact as there is no any quantitative data about how many animals conceived and get birth in each household.

5.1.5. Summary on voucher system about Amhara and Oromia region Growth through nutrition operation areas (discussion with livestock traders and Agricultural Development offices)

On the other side, this study also tries to include the Growth through Nutrition operational areas that can help to understand the project area context. The assessment covered Amhara region of East Gojam, Awi and North Gondar Zones (Baso Liben, Ankasha, DebreElias, Guangua and Alefa Woredas). Discussion was held with Agricultural Development and Natural Resource Offices experts, Livestock traders and Agro dealers in the above mentioned woredas. the summary of findings is as described below:

- There are 20-40 livestock traders and groups engaged on fattening in the visited woredas and have a capacity to deliver from 40-400 animals per month and willing to participate in the voucher scheme.
- The livestock traders are fattening and trading animals from nearby Oromia region-Horo Breed and Washera breed, are well known (in Awi and East Gojam Zones)
- From the discussion with the livestock traders; in East Gojam zone there is a known licensed trader, own shade to shelter animals temporarily and do trading from zone to zone in Amhara regions
- From discussion with the woreda ARD office; they prefer the committee purchase due to advantages gained from committee purchase- creating ownership in community, low price animals, availability of adaptable breeds, minimized disease risk, transparency to the community and etc. Generally, the government Agricultural development office prefer the committee purchase but Guangua woreda agreed to pilot the scheme.
- The experts believe that the community will not accept the animals delivered by the trader as their own and will not manage appropriately, which will be failure to the project
- Based on the discussion with private traders on the voucher scheme on vegetable seed and farm implements, it is not possible because the traders are not willing to handle vegetable seeds and farm implements. According to them planned vegetable provision by Growth through Nutrition of an average 7800 Birr per woreda is not attractive to them
Based on the data collected at Bale zone of Oromia region, the average cost incurred by the project to purchase a single sheep is 1096 Birr, including price of the sheep with operation cost; while the cost of sheep is expected to increase in case of purchasing through voucher scheme which is 1200 plus committee perdiem, SCI staff perdiem & lodging, Printing of receipt, vaccination, ear tag, rope and get pass costs. The Average purchase cost of sheep excluding other costs is 913.80 in the committee purchase and the project incur 181 Birr to facilitate the purchasing process per sheep. In the case of voucher system, a price of sheep by trader assessed is 1200, The delivery price of a sheep 1200 plus 181 birr 1381 with out including expenses with related to bid process, orientation and printing of coupon for the voucher system, which is significantly higher than committee purchase. At the minimum there is a difference of 286 (286/1095) which is a 26% increase per sheep between purchase using committee system and using voucher.

6. Part V. Conclusions and recommendations

- According to the literature reviewed and primary data collected, there is no general recommendations that the voucher scheme is effective system to deliver agricultural inputs compared with direct distribution but it is realized that have many advantages over direct distribution specially in seed distribution. The effectiveness of the voucher scheme depends on effective voucher design, programming and market assessment of implementation area of projects. Hence, it is not possible to generally recommend that voucher scheme is good to any project or not but from the assessment it can be realized that voucher scheme have advantages compared with direct distribution provided that effective voucher designing and programming and market assessment is in place.

- According to discussants effective and early planning ahead of implementation and rigorous awareness creation among all stakeholders in the voucher scheme is important to implement voucher scheme effectively. According to the stakeholders assessed, the advantages realized through the voucher scheme is due to active involvement of the voucher scheme among the stakeholders (project beneficiaries, relevant government sector offices, private traders and voucher implementing agency.)

- Cost of implementing voucher scheme is slightly higher compared with direct distribution but according to participants’ view, it is justifiable compared to the advantages beneficiaries gain in the case of seed voucher scheme. However, in the case of livestock voucher scheme there is a significant cost difference between committee purchase and voucher system The purchase cost of sheep in the committee purchase is 1096 Birr and while a voucher system costs 1381 Birr per sheep, excluding costs related to bid process, orientation and printing of coupon for the voucher system, which is significantly higher than committee purchase. At the minimum there is a difference of 286 (286/1095) which is 26% price increase per sheep between purchase using committee system and using voucher. Hence if Growth through Nutrition project implements voucher system the cost of the sheep will be inflated by 26% which is significant and has budget implication to reach
the planned number of households and number of animals. Therefore, it is advantageous to purchase through committee in this regard.

- Based on the discussion with experts and livestock traders in Amhara region availability of legal livestock traders is not a challenge but the committee purchase more preferred than the voucher system to the best advantages of the project beneficiaries except that it is time taking and overburden the committee members; hence if there is no major time constraint the committee purchase is preferred as the beneficiaries actively involved in the purchasing process. Therefore, it is recommended to stick on committee purchase.

- The visited areas transacted seeds costing 250,000.00- 1, 500,000.00 through voucher scheme which is significantly higher than vegetable seed planned by Growth through Nutrition specifically, which is 7964.4 Birr per woredas. Although the unions/traders feel that the amount is not be a problem to transact through voucher scheme, it will not possible to conclude that the vegetable seed can be handled through voucher scheme or it is not that attractive for the private sectors involvement.

- Private agro-dealers in Growth through Nutrition operation area are not interested to handle vegetable seeds and the allocated budget (an average Birr 7800 is not attractive to them), hence is not feasible to transact through voucher.

- In both the literature review and the primary data assessment shows that there is no any major corruption or misuse reported in the voucher scheme, except there were some instances where the vendors in Ethiopia exchanged vouchers worth USD 9.38 for USD 4.69; but it doesn’t mean that there is no a probability corruption to occur in the voucher system, therefore any voucher scheme design and programming should also consider effecting monitoring and controlling mechanisms to manage the occurrence of any misuse and corruption in the system.

- The primary data analysis is consistent with that of the claimed advantages and disadvantages of voucher scheme in previous studies in seed voucher scheme but this will not be always true in all contexts and will not be concrete evidence to recommend voucher scheme for livestock as most of the experiences are related with crop seed. Therefore, working through committee will be effective until evidences about effectiveness of voucher system to livestock distribution is documented.

- Generally, according to the feasibility study conducted there are no much strong quantitative primary and secondary data regarding the voucher system and no enough experience of voucher scheme for livestock distribution; except on the literature discussed in this study on seed vouchers, to some extent and this is worse in live animal; if there is, significantly few organization distributed live animal through voucher scheme (to mention CARE Ethiopia) is still learning and have not released any official document as a lesson or failure about the scheme so far.
References


Mercy Corps, Voucher and fair implementation guide

CRS, Seed vouchers and fairs: A manual for seed based agricultural recovery in Africa