



e-Vouchers for the Most Deprived

A study complementing the ESF+ Impact Assessment

Annex 1: Case study report

EUROPEAN COMMISSION

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Meal voucher scheme and Ticket S – Belgium

1. Introduction

Meal vouchers have been in place in Belgium in paper format since 1969. Since 2016, they've been offered to employees by employers in electronic format. Electronic meal vouchers are an extra-legal social benefit¹, meaning that employers are exempt from paying social contributions and employees are exempt from paying income tax and social contributions on them. The vouchers can, in theory, only be used for the purchase of food in restaurants, bars, cafés, supermarkets, local shops and other retailers across the country. The Belgian Federal Government is responsible for setting and monitoring the legal framework of the meal voucher scheme. Individual employers are the contracting authorities, and work with Sodexo, Edenred and Monizze – the three operators allowed to develop meal vouchers in Belgium. In 2019, around 75 000 companies offered meal vouchers to their employees, recognised by 25 000 retailers. This is equivalent to approximately 2 million end recipients, or about 40% of the total Belgian labour force, and is worth EUR 2.65 billion in market spending.

The Ticket S², which has been available in paper format since 1996, is a specific type of citizen voucher³. It has been available in electronic format since 2018. The voucher system is implemented by Edenred in collaboration with public or non-governmental organisations that provide social aid in various forms (assistance, integration support etc.). Ticket S and targets the most deprived in society (i.e. homeless people and people in precarious financial situations). Most organisations that use the Ticket S solution are cities and municipalities' Public Social Centres. Each Public Social Centre in Belgium can decide on the type of support offered. There are no exact figures on the total number of end recipients⁴. Around 100 social aid organisations are currently implementing the Ticket S solution, but only one, Public Social Centres (OCMW) Antwerp, is using an electronic format.

Figure 1 Ticket S voucher card



© <https://www.edenred.be/fr>

2. Context

2.1. The voucher system in Belgium

Meal vouchers are one of many different types of vouchers available to Belgian citizens. Other voucher types include 'eco vouchers'⁵ for the consumption of environmentally friendly

¹ 'Extra-legal' is an official term that means additional benefits for which employees are eligible.

² See: <https://api.edenred.be/wp/wp-content/uploads/2019/08/description-ticket-s.pdf>.

³ See: <http://www.viabelgium.be/nl/les-principaux-produits-nl/cheque-citoyen-nl/index.html>.

⁴ The scheme is very decentralised and the information on end recipients is not centrally collected.

⁵ The eco-vouchers were recently recognised as a European good practice by the European Commission: <https://circulareconomy.europa.eu/platform/en/good-practices/eco-vouchers-encourage-sustainable-consumption-including-second-hand-and-refurbished-goods>.

products, ‘gift vouchers’⁶, and different types of ‘citizen vouchers’⁷. Each of these voucher schemes falls under different government regulation.

The meal voucher scheme in Belgium has a long history, which can be described in three phases.

Phase 1: Paper-based meal vouchers (1969–2010). The first legal basis for meal vouchers was adopted at federal level through a Royal Decree in 1969⁸. This allowed a select number of government-approved voucher companies to develop meal vouchers (in paper format) for other companies to offer to their employees. Meal vouchers were introduced with the aim of reducing the disadvantages experienced by employees who did not have access to a company cafeteria⁹.

Phase 2: Co-existence of paper-based and electronic meal vouchers (2010–2016). On 23 November 2010, the Royal Decree of 1969 was amended to allow employers to also offer meal vouchers in electronic format¹⁰. Both the paper and electronic format existed at the same time and were subject to different evaluations in 2014, as enshrined in the legal basis. Four independent evaluations took place¹¹. All four, which were published between February and March 2014¹², concluded that the co-existence of both formats was impractical for both employers and employees, and that the electronic format was more cost-efficient, reduced administrative burden, and significantly reduced the risk of theft or fraud. All four evaluations recommended abolishing paper-based meal vouchers.

Phase 3: Electronic meal vouchers (2016 onwards). As a result of the positive evaluations of electronic meal vouchers in 2014, the Ministry for Social Affairs amended the Royal Decree of 1969 on 24 July 2014¹³. The amendments specified that as of 1 January 2016, meal vouchers in Belgium can only be issued in electronic format by employers.

2.2. Evolution of Ticket S

The **Ticket S** is a different scheme which does not fall under the aforementioned regulation governing the Belgian meal voucher scheme. Ticket S is a ‘**food support voucher**’ offered by Edenred under its Public Social Programme (PSP)¹⁴. Edenred calls it the ‘top product of [its] PSP assortment’¹⁵. Through its PSP, Edenred offers a variety of different social vouchers to support public sector organisations to more efficiently deliver social assistance to end recipients, and to manage public funds in a transparent way, i.e. making sure the allocated

⁶ See: <http://www.viabelgium.be/nl/les-principaux-produits-nl/cadeauchequeres/index.html>.

⁷ See: <http://www.viabelgium.be/nl/les-principaux-produits-nl/cheque-citoyen-nl/index.html>.

⁸ Belgisch Staatsblad, ‘28 NOVEMBER 1969. - Koninklijk besluit tot uitvoering van de wet van 27 juni 1969 tot herziening van de besluitwet van 28 december 1944 betreffende de maatschappelijke zekerheid der arbeiders.’ (1969-11-28/01), Art. 19bis. Available at: http://www.ejustice.just.fgov.be/img_l/pdf/1969/11/28/1969112813_N.pdf.

⁹ Mentioned by interviewee from the Belgian Federal Ministry for Social Affairs (interview conducted 3 April 2020).

¹⁰ See: http://www.viabelgium.be/pdf/AR-KB_23-11-2010.pdf.

¹¹ By the social and economic inspections (*sociale/economische inspectie*), the National Labour Council (NAR – *Nationale Arbeidsraad*), the High Council for Self-Employed and SMEs (*Hoge Raad voor de Zelfstandigen en de KMO*), and the Council for Consumption (*Raad voor het Verbruik*).

¹² See: http://www.viabelgium.be/wp-content/uploads/2015/01/150127_persbericht_VIA_MC.pdf.

¹³ See pp. 55539–55540: http://www.viabelgium.be/wp-content/uploads/2017/03/AR-KB_24-07-2014.pdf.

¹⁴ Edenred seeks to help tackle key societal issues through several PSP products. These include, for example, ‘Taxi Vouchers’ for people with mobility issues due to disability and/or old age. These vouchers can be used to pay for taxis in the Brussels Capital Region and are paid for and distributed to end recipients by the Brussels Government. ‘Local Employment Agency Vouchers’ (or so-called PWA/ALE vouchers), which are available in Wallonia, Brussels and the German-speaking region, aim to help tackle unemployment. These vouchers are a way for municipalities to pay unemployed people for ad hoc local community work, such as gardening, or taking care of someone’s pet while they are on holiday.

See: <http://www.ale-wallonie.be>, <http://www.ale-bruxelles.be> and https://www.adg.be/fr/desktopdefault.aspx/tabid-5318/9241_read-50298. A standalone equivalent was created for Flanders on 1 January 2018 (previously, Flanders also used the PWA/ALE vouchers). These are called ‘Neighbourhood Work Vouchers’ (*Wijkwerkcheques*). See: <https://wijkwerkcheques.edenred.be/hc/nl>.

¹⁵ See: <https://www.edenred.be/nl/overheidsproducten>.

funds reach people in the most efficient way and are used by these people for the intended purposes.¹⁶

In the case of the Ticket S, the idea is to offer social support organisations an **alternative to both cash and in kind contributions**. The reason is that cash can be used for inappropriate purposes (e.g. purchase of drugs, alcohol or cigarettes), and that in kind support takes away the freedom of recipients and further excludes them from society (as they are not able to go to the shop themselves, to go and buy the food they need to live, like other members of society). By creating a 'closed loop' of food shops in which the Ticket S can be used by end recipients, the system tries to ensure that there is a sufficient level of transparency and control to ensure that 'money is spent for the right purposes', while at the same time giving end recipients sufficient individual freedom to support social inclusion.

The Ticket S scheme was first introduced by Edenred in 1996, and primarily targets the local Public Social Centres (OCMW – *Openbaar Centrum voor Maatschappelijk Welzijn*/CPAS – *Centre Public d'Action Sociale*). The Ticket S is available to any public authority offering support to the most deprived¹⁷. Other clients using the Ticket S, for example, include the Red Cross and Fedasil (the Federal Agency for the reception of asylum seekers). With the exception of the OCMW of the City of Antwerp, all Public Social Centres still use the Ticket S in paper format. In Antwerp in 2017, however, the OCMW asked Edenred to develop an **e-voucher system for the Ticket S**. The reason for this was that, until 2010/2011 (when the regular meal vouchers were also still only available on paper), it was almost impossible for retailers to know whether someone was paying with a 'regular' meal voucher or Ticket S voucher. This meant that everyone was treated equally, and there was no stigma. After the introduction of the e-voucher, the OCMW in Antwerp received an increasing number of complaints from end recipients that certain retailers were no longer willing to accept the paper-based Ticket S vouchers (because they were not aware of the difference from the 'regular' meal vouchers and the regulations governing it). In close collaboration with the OCMW of Antwerp, Edenred set up a pilot project in 2017 to develop an e-voucher scheme for the Ticket S, which was fully rolled out in 2018¹⁸.

2.3. Geographical coverage

Since the **meal voucher scheme's inception** in 1969, its implementation has been evenly spread across the entire country. The scheme is available to all employers and employees (from the public and private sectors), as well as all appropriate retailers (from big supermarkets to local shops, restaurants and bars). In 2019, around 75 000 companies offered meal vouchers to their employees, which were accepted by around 25 000 retailers across the whole country¹⁹.

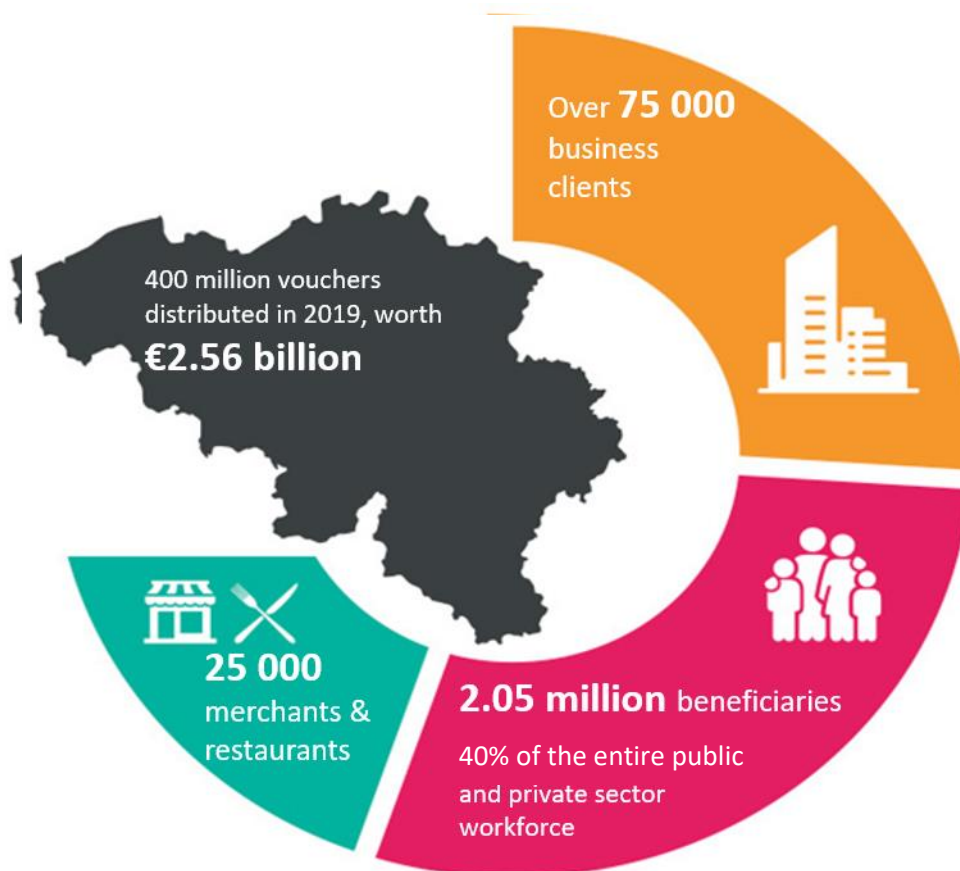
¹⁶ Interview with an Edenred representative responsible for Ticket S (conducted 9 April 2020).

¹⁷ The fight against poverty in Belgium happens through an elaborate collaborative network of local, regional and national level actors from the public sector, as well as NGOs. In essence, the Ticket S targets all organisations from this list who provide (some form of) food assistance to the most deprived. So far, however, Edenred has been working primarily with the Public Social Centres (i.e. OCMW/CPAS). The full list of organisations can be found here: <https://www.armoedebestrijding.be/link/>.

¹⁸ Interview with an Edenred representative responsible for Ticket S and a representative from the Public Social Centre in Antwerp (conducted 9 April 2020).

¹⁹ See: <http://www.viabelgium.be/titre-repas/index.html>.

Figure 2: Key figures on the Belgian meal voucher scheme



© VIA Belgium (<http://www.viabelgium.be/index.html>)

The **Ticket S** in paper format is used by around 100 social aid organisations across the country. The e-voucher scheme is implemented locally (the City of Antwerp). The Ticket S builds on the network of retailers used for Edenred's Ticket Restaurant, its regular meal voucher scheme (i.e. around 25 000 retailers across the country).

2.4. Specific policy objectives supported by the scheme

The original policy objective of the **meal voucher scheme** was to help tackle the disadvantages experienced by employees who work in companies without a cafeteria. This is why, as mentioned by an interviewee from the Federal Ministry of Social Affairs²⁰, the vouchers still have an expiration date of 12 months and can only be used for the purchase of food or beverages. This is to try and avoid people 'saving up' their vouchers and using them as an actual salary (e.g. to do large-scale grocery shopping). From 2010 onwards, the need for administrative simplification and greater cost-effectiveness is what drove the move towards e-vouchers.

Another policy objective relates to boosting the economy (through greater purchasing power of individuals), **fighting undeclared work**, and increasing traceability in the food sector²¹. The idea behind the meal vouchers is to **encourage consumer spending**, since the meal vouchers have an expiry date and cannot be used for means other than the purchase of food or beverages. As such, even during times of crisis (as is the case right now with COVID-19,

²⁰ Mentioned by an interviewee from the Belgian Federal Ministry for Social Affairs (interview conducted 3 April 2020).

²¹ Mentioned by VIA Belgium (written response to interview questionnaire, received on 18 April 2020).

for example), people will (to a certain extent) continue to ‘spend their money as usual’, since – as mentioned by an interviewee from Edenred – when they use their meal vouchers ‘it does not feel as if they are spending their salary’²². Another policy objective relates to **increasing company productivity** and competitiveness through enhanced employee wellbeing and motivation. Monizze, Edenred and Sodexo try to encourage employers to sign up to the meal voucher scheme by highlighting that the vouchers can help improve employees’ overall wellbeing and motivation²³, reduce absenteeism (because employees receive one meal voucher per day worked), and attract new talent (because meal vouchers are an interesting additional benefit for companies to offer to employees on top of their salary). All of this can contribute to improving the company’s overall productivity and competitiveness²⁴.

Ticket S has policy objectives more closely linked to **eliminating poverty and social exclusion**. For end recipients, the Ticket S aims to provide instant help in the form of food assistance, promote financial autonomy, enhance their dignity, avoid stigmatisation and promote social inclusion. The Ticket S, however, is very flexible, as each organisation which decides to use the scheme is free to decide which retailers it would like to see added to its network. It is also possible for the Ticket S to be used for a variety of other services – clothing, for example²⁵. In the case of the Ticket S in Antwerp, this is limited to retailers that sell food products.

2.5. Period and duration of implementation

The **meal voucher scheme** has been in place in Belgium in paper format since 1969. From 2010–2016, the electronic and paper vouchers existed at the same time, and since 1 January 2016, meal vouchers can only be issued in electronic format.

The **Ticket S** was first made available in Belgium by Edenred in 1996, in paper format. The voucher has also been available in electronic format (currently only used by the Public Social Centre in the City of Antwerp) since 2018.

3. Targeted population

The meal voucher scheme targets all employers and employees (from the public and private sectors), irrespective of sector, position or type of employment (e.g. self-employed people are also eligible to meal vouchers²⁶). It also targets all possible retailers who sell some form of food or ‘ready to consume’ meals (from big supermarkets to local shops, restaurants and bars).

For Ticket S, the target population is narrower and is broadly defined as ‘**anyone in need of food assistance**’. As mentioned by an interviewee from the OCMW in Antwerp, the Public Social Centres do not use strict criteria for the distribution of the e-vouchers, and evaluate each request on a case-by-case basis. The most common end recipients are people who need direct help, people who are deprived, asylum seekers and refugees²⁷.

²² Prof. Dr. J. Konings (2013), ‘Maaltijdcheques als buffer tegen de crisis?’. Available at: <http://www.viabelgium.be/wp-content/uploads/2014/05/Studie-Konings-NL.pdf>.

See also this article from 2014 in the *De Standaard* newspaper, for example, which says that ‘meal vouchers stop the crisis’: https://www.standaard.be/cnt/dmf20140121_00941231.

²³ See the advantages for employers listed by Monizze on their website: <https://www.monizze.be/nl/maaltijdcheques/werkgever>.

²⁴ See also the advantages listed on VIA Belgium’s website: <http://www.viabelgium.be/nl/2013/10/03/de/index.html>.

²⁵ See: <http://www.viabelgium.be/les-principaux-produits/cheque-citoyens/index.html>.

²⁶ B&A ADVIES, ‘Kan een bedrijfsleider ook een maaltijdcheque krijgen?’

Available at: <https://www.boekhouder.be/faq/567-maaltijdcheques-nu-ook-voor-bedrijfsleiders.html>.

²⁷ Agentschap Integratie en Inburgering (2015), ‘Maaltijdcheques om asielopvang snel na beschermingsstatuut te verlaten’.

Available at: <https://www.agii.be/nieuws/maaltijdcheques-om-asielopvang-snel-na-beschermingsstatuut-te-verlaten>.

As part of the eligibility criteria used for the **Ticket S**, social aid workers consider the number of children recipients must care for. An interviewee from the OCMW in Antwerp said that, as a general rule, an adult who has been identified as in need of food support can get one meal voucher per day (maximum EUR 8), and an additional EUR 5 for each child they need to take care of.

3.1. Number of users

In 2019, around **75 000 companies** in Belgium offered **meal vouchers** to their employees, recognised by around 25 000 retailers across the country. This is equivalent to approximately **2 million end recipients**²⁸, or about 40% of the total Belgian labour force.

There are **no precise figures** for the total number of end recipients across the country, as these figures are kept by the individual implementing social aid organisations. Around **100 social aid organisations** across the country are using the **Ticket S** solution. This primarily includes the municipal Public Social Centres, as well as the Red Cross and Fedasil. An interviewee from Edenred did mention that, in recent years, Edenred has been receiving an increasing number of requests from NGOs to also start using the Ticket S solution. These requests are currently being analysed by Edenred.

3.2. Other stakeholders

It is clear that the **meal voucher scheme**, although in theory it is intended to cover employees' costs for buying food during their lunch break, in reality is used by many Belgian citizens to do their weekly grocery shopping, which benefits employees' entire families. Figures from VIA Belgium, for example, show that one in every two Belgian citizens waits until after they have received their meal vouchers each month to do their grocery shopping²⁹.

3.3. Targeting mechanisms

As stipulated in the 2014 legislation, employers and retailers are free to decide whether to use the meal voucher scheme set up by Edenred, Monizze or Sodexo. Therefore, the three implementing organisations each have their own targeting mechanisms set up to get these target groups (employers and retailers) on board with their system (e.g. providing extensive detail on their websites on the costs and benefits of joining their system).

The Public Social Centres (OCMW/CPAS) who distribute the Ticket S to the most deprived are the ones responsible for selecting who is eligible. Homeless people are a target group which is very hard to reach. There is also stigma around poverty and seeking help, which makes it even more difficult to convince individuals in need of support to go to centres. These individuals are reached through a tightly knit network of social aid organisations in Belgium, which all collaborate closely at local level to ensure that people are referred to the right services. An interviewee from the OCMW in Antwerp mentioned that the Public Social Centres in Belgium typically have a very strong local network of NGOs and other organisations, which they actively work with to identify and reach out to end recipients. There are strong links with the 'Centre for General Welfare Work' (*Centra voor algemeen welzijn – CAW*) and 'social work services of the health insurance fund' (*Diensten maatschappelijk werk van de ziekenfondsen – DMW*). The links between these different organisations are being reinforced as part of a government-led initiative called 'Integrated Broad Reception' (*Geïntegreerd breed onthaal*)³⁰.

²⁸ See: <http://www.viabelgium.be/titre-repas/index.html>.

²⁹ Ibid.

³⁰ Departement Welzijn, Volksgezondheid en Gezin, 'Geïntegreerd Breed Onthaal'. Available at: <https://www.departementwvg.be/welzijn-en-samenleving/gbo>.

Edenred does not run specific targeting mechanisms or campaigns to promote the Ticket S solution to social aid organisations. They simply wait for the requests from these organisations to reach them.

4. Main Actors

The organisation that established the **legal framework** for the **meal voucher scheme** is the **Federal Ministry for Social Affairs**. The Ministry is responsible for setting and monitoring the legislative framework in which employers, retailers and implementing organisations are to operate (this monitoring takes place in cooperation with the Ministry for Economy), and for selecting the implementing organisations. To be selected, voucher companies must go through a **tendering process** in which they demonstrate to the Ministry how they would technically ensure that the different rules embedded in the legislative framework would be respected (all rules are listed in § 2 of Art. 19 *bis*³¹). The voucher companies must demonstrate, for example, that the transaction costs would be minimal for retailers, and that it would not be too burdensome for them from an administrative point of view. These requirements are in place to ensure that the system does not disadvantage smaller retailers (the implementation of this rule is monitored closely by the Ministry of Economy).

There are three recognised **implementing operators**, Edenred³², Monizze³³ and Sodexo³⁴. These three organisations are big multinationals which offer similar meal voucher services to a range of other countries worldwide, either in electronic or paper format. In France, for example, Edenred implements the Ticket CESU³⁵, and in Romania this is done by Sodexo³⁶. The implementing operators (i.e. voucher companies) are responsible for **setting up the network of retailers** in which the meal vouchers can be used, **developing the cards**, sending them to employees, and replacing them in case of theft or loss. They also **manage the digital platform** (website, mobile application, etc.) through which employers, employees and retailers can check their balance, report when their card has been lost or stolen, as well as access a number of other client services. These online spaces are called 'MyEdenred' for Edenred³⁷, 'MyMonizze' for Monizze³⁸, and 'MySodexo' for Sodexo³⁹.

The **contracting authority** are the employers. Retailers can sign up with one, two or all three implementing organisations to ensure their pay terminals accept the e-vouchers. Employers can choose to contract one of the three organisations. The contracting authority (i.e. the employer) is responsible for **identifying and selecting the end recipients** (in this case, the employees) who can receive meal vouchers, as part of the terms and conditions agreed in individual employment contracts. Each month, they also pay the selected voucher company the sum to be transferred onto the employee's e-voucher card.

³¹ See pp. 55539–55540: http://www.viabelgium.be/wp-content/uploads/2017/03/AR-KB_24-07-2014.pdf.

³² See: <https://www.edenred.be/nl>.

³³ See: <https://www.monizze.be/en/>.

³⁴ See: <https://www.sodexo.be/nl/>.

³⁵ See: <https://www.edenred.fr/ticket-cesu>.

³⁶ See: <https://www.sodexo.ro/en/>.

³⁷ <https://myedenred.be/>

³⁸ <https://my.monizze.be/en/login>

³⁹ <https://www.mysodexo.be/phoenix-extranet/secure/login.faces>

Figure 3 : Role of different actors in the implementation of the Belgian meal voucher scheme



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The **Ticket S contracting authority** are the Public Social Centres active in each municipality of Belgium. Their role is to set the objectives of the social programme and to run the implementation of the Ticket S itself, in close collaboration with Edenred. The Public Social Centres decide who is eligible to receive the e-vouchers, distribute the paper vouchers or e-voucher cards, and (if they wish to) can monitor how the vouchers are spent by end recipients on the MyEdenred platform.

Edenred is the **implementing organisation** that develops and loads credit onto the recipients' voucher accounts, manages the MyEdenred platform, and replaces the cards if they are lost or stolen.

In terms of its **network of retailers**, the Ticket S builds on that of the regular meal voucher scheme (which is available to all employers). The network is complemented with local shops that are often frequented by the target group, based upon information passed to Edenred by the social aid organisations. These are often shops in close proximity to the social aid organisations themselves, and as a result they are well-known to them and easily contracted.

5. Implementation of the scheme

5.1. Enrolment on the scheme

Employers and retailers can sign up to the meal voucher scheme directly through Sodexo, Edenred and/or Monizze's websites (free of charge). In accordance with the legislation, the allocation of the vouchers should be regulated either by a collective labour agreement at sectoral or company level, or by an individual written contract between the employer and individual employee (this is the case for companies in which it is not common to have a – or there simply is no – collective labour agreement at sectoral or company level). **Employees** either receive meal vouchers automatically when they start working for a certain company, or they can ask their employer to receive meal vouchers as part of negotiations on their individual contract.

Ticket S end recipients can receive meal vouchers from their local Public Social Service Centre (OCMW/CPAS). Each centre decides on the exact way in which vouchers are delivered. In the case of the OCMW in Antwerp, if an end recipient has been found eligible for the Ticket S by one of the 20 different OCWM centres spread across the city, they are given a reference document to take to the OCWM centre to collect their Ticket S card.

5.2. Delivery process

The delivery process of the **meal voucher scheme** takes place as follows⁴⁰:

- 1) Edenred, Monizze or Sodexo set up a meal voucher account for the employer and send the physical meal voucher card directly to the employee's home address (as specified by the employee to their employer).
- 2) Depending on the contractual arrangements between the employer and the voucher company, the voucher company loads credit onto the employee's voucher account through several instalments per month, or one lump sum at the end of the month (the contracting authority pays the voucher company the money to be transferred).
- 3) The number of e-vouchers paid to the employee equals the number of days worked by the employee that month.
- 4) The value of each meal voucher can be a maximum of EUR 8 per day worked (with EUR 6.91 contributed by the employer, and EUR 1.09 contributed by the employee).
- 5) The employee can activate their card by entering a code on the Edenred, Monizze or Sodexo websites.
- 6) All three parties (employer, retailer and employee) can check their individual/company balance, request meal vouchers, report when a card has been stolen or lost and ask for support from the implementing organisations' customer support service, all through one dedicated online platform.

The delivery process of the **Ticket S** (for the OCMW in Antwerp) takes place as follows:

- 1) Once deemed eligible, the recipient receives a document from the local OCWM to take to the OCMW bank and collect their Ticket S card.
- 2) The OCMW bank gives the end recipient an empty card and 'orders' credit to be loaded onto it by Edenred through a dedicated webspace within 24 hours. For urgent cases, which are assessed on a case-by-case basis, the card can be loaded within four hours, and some pre-loaded cards are even available at the centre. An interviewee from Edenred said that this short timeframe to load the credit on the card was technically difficult for Edenred to implement at the start, but was a requirement from OCWM of Antwerp, so a technical solution was found.
- 3) The exact amount to be received by end recipients is calculated by the Public Social Centres, based on an assessment of the end recipients' individual situations.
- 4) The card is activated by the OCMW.
- 5) Finally – although this does not happen often, in reality, due to limited opportunity for end recipients to access the internet and limited technical skills amongst the target groups – the end recipients can also create an account on Edenred, Sodexo or Monizze's dedicated online webspace, through which they (and the Public Social Service) can check their balance, find out which shops they can use their vouchers

⁴⁰ See the description on Monizze's website for example: https://www.monizze.be/content/uploads/2016/05/CGU_NL.pdf.

in, report if their card is lost or stolen, as well as access other relevant customer support services.

5.3. Restrictions

The Royal Decree of 24 July 2014 includes a number of restrictions on the **meal voucher scheme** in order for them ‘not to be considered as earnings’ (§ 2 of Art. 19 *bis*⁴¹).

In theory, the vouchers can **only be used for the purchase of food** in restaurants, bars, cafés, supermarkets, local shops and other retailers across the country. In reality, retailers also accept the vouchers for the purchase of non-food products, such as sanitary products. Carrefour seems to be the only supermarket with a system in place at the till which indicates what can and cannot be purchased with the meal vouchers⁴². An interviewee from the Ministry of Social Affairs also confirmed that there is a ‘toleration policy’ with regards to the use of meal vouchers for the purchase of items other than food. It is up to the retailers themselves to decide which products they wish to accept the meal vouchers for, and which items they do not want to accept the meal vouchers for⁴³.

The vouchers are **valid for a maximum duration of 12 months**, after which they expire. The reason for this, as mentioned by an interviewee from the Ministry of Social Affairs⁴⁴, is to avoid people ‘saving up’ their vouchers and treating them as an actual salary. The employee should be notified, at the latest, 10 days before a voucher expires. In light of the COVID-19 crisis, the validity of meal vouchers which were meant to expire in March, April, May or June 2020 has been extended for an additional period of six months⁴⁵.

The **Ticket S** does not fall under this legislation, and any specific restrictions/rules relating to the use, distribution, etc. of the cards is decided by the contracting social aid organisations themselves. In the case of the City of Antwerp, for example, the Ticket S can be used for the **purchase of food or beverages only, excluding alcohol, cigarettes, or tobacco**. This is also specified in writing on the payment card itself. The Ticket S card is valid for a period of five years, and the vouchers are valid for 12 months. There is no technical solution on the card to ensure that a payment is automatically rejected when it is being used for the purchase of alcohol, tobacco, or cigarettes. Instead, it is up to the retailers themselves to check the writing on the card and then to accept or decline payment. The Public Social Centres do have the authority to take money off/deactivate a card if they notice an end recipient is using it for the wrong purposes⁴⁶.

5.4. Accompanying social inclusion measures

There are no accompanying/social inclusion measures for the Belgian **meal voucher scheme**. Different types of so-called ‘citizen vouchers⁴⁷’ are offered in Belgium, however, and many of these have a social inclusion dimension⁴⁸.

⁴¹ See pp. 55539–55540: http://www.viabelgium.be/wp-content/uploads/2017/03/AR-KB_24-07-2014.pdf.

⁴² HLN (2019), ‘Met maaltijdcheques mag je geen non-food kopen, maar dat wordt niet overal nageleefd: “Ontoelaatbaar”’. Available at: <https://www.hln.be/nieuws/binnenland/met-maaltijdcheques-mag-je-geen-non-food-kopen-maar-dat-wordt-niet-overal-nageleefd-ontoelaatbaar-a19a0f98/?referer=https%3A%2F%2Fwww.google.com%2F>.

⁴³ Mentioned by interviewee from the Belgian Federal Ministry for Social Affairs (interview conducted 3 April 2020).

⁴⁴ Ibid.

⁴⁵ VRT NWS (2020), ‘Maaltijdcheques en ecocheques 6 maanden langer geldig’. Available at: <https://www.vrt.be/vrtnws/nl/2020/05/08/maaltijdcheques-en-ecocheques-6-maanden-langer-geldig/>.

⁴⁶ This was mentioned by an interviewee from the Public Social Service.

⁴⁷ An overview of different types of ‘citizen vouchers’ is provided on VIA Belgium’s website: <http://www.viabelgium.be/nl/les-principaux-produits-nl/cheque-citoyen-nl/index.html>.

⁴⁸ For example, the ‘Local Employment Agency Vouchers’ (or so-called PWA/ALE vouchers), available in Wallonia, Brussels and the German-speaking region, aim to help tackle unemployment. These vouchers are a way for municipalities to pay unemployed people for ad hoc local community work, such as gardening or taking care of someone’s pet while they are on

The **Ticket S** is only one of many different types of support offered by the centres. In accordance with the Royal Decree of 7 August 1974 on the 'rights of minimum existence' (*bestaansminimum*)⁴⁹, and implemented through the Decree of 8 July of 1976 on the regulation of the OCMW/CPAS⁵⁰, the Public Social Centres have a great degree of liberty to decide on which **support measures** to offer and how exactly to offer them. Examples of support measures could include providing (temporary) accommodation, medical support, home care, aid in finding (local) employment, mediation/support to pay off certain debts, psychosocial support, legal support or collaboration with/referral to mental health or other types of medical institutions⁵¹.

5.5. Security

As part of the tendering process, **meal voucher** companies must demonstrate a high level of technical detail on how they would ensure the security and data protection of end recipients.

The different security arrangements can be summarised as follows:

- **Payment card:** The payment card makes use of well-established and trusted existing technologies used by banks, and is recognised/accepted by most terminals already used by retailers (i.e. chip and pin, contactless payment technology, etc.). The card is also issued in the name and linked to the national ID number of a specified individual, and has a personal PIN code. In the case of theft/loss of the card, the end recipient can either call a dedicated voucher company customer support line, or call the 'Card Stop' service, which is used to block regular bank accounts.
- **Contactless payments:** A limit of EUR 25, as is common on the Belgian market.
- **Online account:** The end recipient's online account is password-protected, has specific login details and is linked to an e-mail address and phone number (which can be used if the password/login is forgotten).
- **Privacy of transactions:** The Ministry of Social Affairs found it very important to ensure that neither banks nor employers have access to balance or transaction details. Tracking of expenditure is thus not undertaken by the contracting authority. If vouchers have not been used within the validity period of 12 months, the credit is debited back into the account of the implementing operator.
- **Privacy regulation:** On their general terms and conditions, all three implementing organisations state that they respect EU Regulation 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on

holiday. A standalone equivalent has also been available in Flanders since 1 January 2018 (previously, Flanders also used the PWA/ALE vouchers). These are called 'Neighbourhood Work Vouchers' (*Wijkwerkcheques*).

⁴⁹ Belgisch Staatsblad, '3 SEPTEMBER (2004), - Koninklijk besluit tot wijziging van het koninklijk besluit van 9 mei 1984 tot uitvoering van artikel 13, tweede lid, 1°, van de wet van 7 augustus 1974 tot instelling van het recht op een bestaansminimum en artikel 100bis, § 1, van de organieke wet van 8 juli 1976 betreffende de openbare centra voor maatschappelijk welzijn.' Available at: http://www.ejustice.just.fgov.be/mopdf/2004/09/27_1.pdf#Page7.

⁵⁰ Belgisch Staatsblad, (1976), '8 JULI 1976. - Organieke wet betreffende de openbare centra voor maatschappelijk welzijn. - Versie geldig voor het Brussels Hoofdstedelijk Gewest.' Available at: http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=nl&la=N&cn=1976070837&table_name=wethhttp://www.ejustice.just.fgov.be/img_l/pdf/1976/07/08/1976D70810_N.pdf.

⁵¹ A more extensive list of the different types of support OCMW/CPAS centres typically offer can be found here: https://www.belgium.be/nl/familie/sociale_steun/ocmw.

the free movement of such data (e.g. time limitation, option to correct and access personal data at any time, not sharing personal data with third parties, etc.)⁵².

- **Safety of payments:** Before any transaction at the payment terminal is finalised, a number of technical checks are carried out on the side of the voucher companies, i.e. ensuring that the 'payment instruction' itself is correct (e.g. the PIN code submitted, whether or not the card has actually been used for contactless payment, etc.) and whether there is sufficient electronic money on the card to make a payment.
- **Replacement of cards:** If employees lose their card or it gets stolen, the voucher company should replace it automatically. The replacement costs for the employee cannot be higher than the value of one meal voucher (i.e. 1.09 EUR, which is the maximum contribution employees can make per meal voucher).

In addition to this, certain regulations govern the meal voucher scheme as stipulated in the legislation:

- The **maximum contribution** is of a total of EUR 8 per day worked by the employee, with a maximum contribution of EUR 6.91 on the part of the employer, and of EUR 1.09 on the part of the employee. Vouchers should be indicated on an employee's payslip. Employees should receive meal vouchers at the end of each respective month on an account attached to their name, and should be able to check their balance.
- A **collective labour agreement** at sectoral or company level, or an individual written contract between the employer and the employee, needs to stipulate the details of the implementation of the meal voucher scheme.
- The voucher scheme **cannot entail extra costs for retailers** and can only be issued by Ministry-recognised voucher companies (see above).

For the **Ticket S** (the e-voucher offered by the OCMW in Antwerp), there are some additional security measures in place on top of those listed above.

- **Placing orders:** Uploading the card can be carried out only by people working for social aid organisations.
- **Web portal:** Secured with login and password.
- **Suspending the cards:** A card can be suspended at any time by the social aid organisation if they notice it is being used in the wrong way by the end recipient.
- **Contactless payments:** In the City of Antwerp they decided not to add a PIN code to the card, as the target group often forget them.
- **KYC checks⁵³:** All retailers who join the network are subject to automated KYC checks when payments are being made.

5.6. Financial accountabilities

For the **meal voucher scheme**, in terms of payments, the **voucher companies'** financial accountability is limited to checking the payment instruction and balance on the end

⁵² Official Journal of the European Union (2016), 'Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC'. Available at: <https://eur-lex.europa.eu/eli/reg/2016/679/oj>.

⁵³ KYC or 'Know Your Person' checks are part of the EU's fourth and fifth anti-money laundering directives. Through checks like these, banks, financial operators and companies can screen their clients against EU/UN sanctions lists and keep track of them if they are Politically Exposed Persons (PEP).

recipients' voucher cards. They do not interfere in the exact nature of transactions between end recipients and retailers (e.g. if the payment is considered as a loan, which product exactly the payment is for, etc.). The **retailers** themselves have the authority to decide on which products they want to accept e-vouchers for. The **end recipient** is responsible for making sure they use up their meal vouchers within the maximum period of 12 months, otherwise the vouchers expire and the money is debited straight back into the account of the implementing operator (i.e. Sodexo, Edenred or Monizze). Figures from VIA Belgium show that 84% of recipients in Belgium use up their meal vouchers within one month⁵⁴. The implementing organisations' regulations also stipulate that they cannot be held accountable for delayed/faulty payments due to inaccessibility of their or the retailers' payment services as a result of European or Belgian policy interventions or *force majeure* (e.g. fire, power cuts, etc.).

For the **Ticket S**, the financial accountability is the same. The ultimate end responsibility lies with the retailers and the end recipients using the cards.

5.7. System maintenance

Each issuer has established Service Level Agreements with its primary suppliers. These agreements allow the service to be maintained in an optimal manner⁵⁵. For the **meal voucher scheme**, each of the three implementing organisations maintain their own online platform (accessible via laptop, mobile or tablet) through which employers, employees and retailers can check the status of their meal vouchers. They also maintain the payment system, which is integrated for all the different voucher services they offer.

For the **Ticket S**, Edenred also maintains a dedicated online platform (for the City of Antwerp, which uses the e-card).

5.8. Customer services

For both the regular **meal voucher scheme** and **Ticket S**, in case of theft/loss of the e-card, to access or modify personal data, or for any other queries, the implementing organisations have a 24/7 helpdesk which can be contacted via e-mail, phone, or through the online/mobile application. Each voucher company also has a long list of Frequently Asked Questions on their website, tailored by target group (employer – retailer – employee), as is the case with Edenred⁵⁶, or by theme, as is the case with Sodexo⁵⁷.

5.9. User friendliness

All interviewees confirm that the electronic **meal voucher scheme** in Belgium is very user-friendly and **significantly reduces administrative burden** for all the parties involved (i.e. the employer, the employee, the retailers and the implementing organisations). Figures from 2019 show that 80% of retailers are satisfied with the meal voucher scheme. The user-friendliness and overall satisfaction is further confirmed by the ever-growing number of companies and retailers signing up to the system⁵⁸. All four evaluations conducted on the system also concluded that the electronic meal voucher scheme is more user-friendly, safer, more cost-effective, and significantly reduces administrative burden compared with its paper-based equivalent⁵⁹.

⁵⁴ See: <http://www.viabelgium.be/nl/maaltijdtitel/index.html>.

⁵⁵ Mentioned by VIA Belgium (written response to interview questionnaire received on 18 April 2020).

⁵⁶ See: <https://www.edenred.be/nl>.

⁵⁷ See: <https://sodexo4you.be/nl/faq>.

⁵⁸ For more details on figures, please visit: <http://www.viabelgium.be/titre-repas/index.html>.

⁵⁹ See: http://www.viabelgium.be/wp-content/uploads/2015/01/150127_persbericht_VIA_MC.pdf.

6. Payment system

6.1. Payment instrument

The payment instrument for the **meal voucher scheme** is a contactless, pre-paid debit card which can be used in-store (either contactless or using a PIN code). It is not possible to pay in-store using the mobile application on a phone, however, as can be done with many regular cards. The e-vouchers can be used for online payments, as well – directly on retailers' websites, for example. To do so, recipients need to create and use their Edenred/Monizze/Sodexo online profile. Under no circumstances can the vouchers be redeemed in cash.

In EU countries, the revised/second Payment Services Directive (PSD2) explicitly exempts social vouchers from its scope, based on Article 3(k) (iii), which defined social vouchers as 'instruments valid only in a single State, provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer'⁶⁰.

The e-voucher for the **Ticket S** can be used in the same way as the regular meal voucher card described above. Due to the limited technical skills and internet access facilities of the target group, in reality, the Ticket S card is very rarely used by the end recipients for online shopping (interviewees from Edenred and the OCMW in Antwerp also mentioned that this option is not promoted to them). The Ticket S card has been designed to look exactly the same as the regular meal voucher card. In Antwerp, however, it was decided to add the caption 'not valid for alcohol, tobacco and cigarettes' on the card itself so that people at the till can check. Public Social Centres are free to choose whether or not they want such a caption to be added to the Ticket S paper voucher or card, however⁶¹.

6.2. Payment device and process

Both schemes work in the same way in terms of the payment device and process. As soon as the implementing organisation has 'validated' the transaction (i.e. checked the recipient's balance and approved their payment instruction), the voucher company processes the transaction and pays the retailer to their bank account within 48 hours, charging a small transaction fee on the amount transferred. The amount withheld by the voucher company depends on the individual contract between the voucher company and retailer, how much the retailer sells, etc.

6.3. Infrastructure and connectivity requirements

Under both schemes, retailers who already have an electronic payment terminal do not need to make any changes to their payment infrastructure to accept the Monizze, Edenred or

⁶⁰ European Commission (2015), 'Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (EU) 2015/2366', Article 3(k) (iii). Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015L2366&from=EN>.

⁶¹ The interviewee from the Public Social Centre in Antwerp said that they were initially considering whether something technical should be introduced on the side of participating retailers (i.e. making sure the payment terminal rejects the card payment if the items purchased include alcohol, tobacco or cigarettes). In the end, it was decided not to do this and limit it to adding the written text on the card itself. The interviewee said that 'if people want to cheat the system, they will cheat the system'. The interviewee from Edenred, responsible for the Ticket S, added that by creating a 'closed loop' of retailers who primarily or almost exclusively sell food, they try to make sure that the vouchers are used for the right purpose (interview conducted on 9 April 2020).

Sodexo meal vouchers. The only thing they need to do is – as explained on Edenred’s website⁶² – provide the voucher company with their VAT number, payment terminal (supplier, type and terminal ID) and bank details (in order to be refunded). The cards issued by the voucher companies are compatible with existing technologies used for regular card payments.

6.4. Authentication process

For in-store payments with the **meal voucher scheme**, all end recipients need to do is either tap their card at the payment terminal (for contactless payments) or insert their card and enter a PIN code. For online payments, the end recipients need to create an online profile on MyEdenred, MyMonizze or MySodexo, and pay using their online account and physical card details.

In the case of the OCMW in Antwerp, which specifies in writing on the **Ticket S** card that it cannot be used for the purchase of alcohol, cigarettes or tobacco, staff at the till need to physically check the card, which does not have a PIN code.

7. Compatibility with ESF+ and the CPR⁶³

7.1. Monitoring and reporting

The Ministry of Social Affairs and the Ministry of Economy have a joint **‘light touch’ monitoring role** when it comes to the implementation of the Royal Decree of 2014 on electronic meal vouchers. Monitoring is carried out by the implementing organisations themselves. They have data on the amount attributed to each user, for example, as well as merchant reimbursement statements and an overview of the amounts issued and reimbursed. The voucher companies can keep a full record of all transactions that have been performed, but these are not shared with employers (the card users themselves can consult them)⁶⁴.

7.2. Audit

The implementing operators themselves conduct internal audits of their operations. An interviewee from Edenred, for example, mentioned that there are regular checks to see whether retailers follow the rules in terms of only accepting the meal vouchers for the purchase of food or ‘ready to consume’ products. If retailers do not comply, they are removed from the network and given a couple of months to rectify any issues.

7.3. Data Protection

All three implementing organisations state that they respect EU Regulation 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data⁶⁵.

⁶² See: <https://www.edenred.be/nl/handelaars/ticket-restaurant>.

⁶³ Based on COM regulatory proposals for ESF+ and CPR.

⁶⁴ Interview with Edenred representative (conducted on 7 April 2020).

⁶⁵ Full details on how voucher issuing companies comply with data protection rules can be found here: http://viabelgium.be/pdf/AR-KB_23-11-2010.pdf.

7.4. VAT

The voucher companies charge VAT on the provision of their services, but not on the face value of the vouchers, where it is not applicable. VAT is only applicable on issuers' service fees. When a purchase is made with a meal voucher (payment for a service or purchase of food products), the VAT is already included in the transaction. Merchants then have to declare the VAT to tax authorities (as they would with any other type of payment means (e.g. cash, credit/debit card)).

8. Budget and cost effectiveness

8.1. Overall budget of the scheme

In both schemes, the budget and costs are agreed through individual contracts between the voucher companies and the contracting authorities.

8.2. Costs of the scheme

The costs of the **meal voucher scheme** are minimal for the different actors involved:

- **No costs for the government:** An interviewee from the Ministry of Social Affairs mentioned that, apart from a relatively limited number of rules to be followed (see above for more details), employers, retailers and voucher companies are entirely free to decide on how exactly they wish to implement the voucher scheme. There is no government interference in the implementation of the scheme whatsoever.
- **Tax benefits for the employer and employee:** The meal vouchers are an extra-legal social benefit⁶⁶. Employers are exempt from paying social contributions in respect of them and can deduct EUR 2 from their taxes per voucher (the employer's contribution to meal vouchers can be a maximum EUR 6.91 per day worked by the employee). Employees are exempt from paying income tax and social contributions in respect of the vouchers (the employee's contribution to meal vouchers can be a maximum 1.09 EUR).
- **Costs for the employer:** Depending on the contractual arrangements between the employer and voucher company, it is the employer who pays for the implementing organisation's services.
- **Minimal transaction fees for the retailer:** As mentioned above, signing up to the meal voucher scheme is free of charge for retailers. They also do not need to make any changes to their existing electronic payment infrastructure in order to be able to sign up to the scheme. The only cost for retailers is a small percentage of the transaction fee withheld by the implementing organisation (e.g. in the case of Monizze, retailers pay a 1% transaction fee at a minimum of 0.045 EUR).
- **Very low costs for end recipients:** The only possible cost which could be incurred to end recipients in the meal voucher scheme is a minimal fee for the replacement of the e-card if it has to be replaced because it was lost/stolen. As mentioned before, however, the cost for the replacement of the card cannot be higher than the maximum contribution an employee can make to one voucher (i.e. 1.09 EUR). This is stipulated in the Royal Decree on electronic meal vouchers⁶⁷.

⁶⁶ 'Extra-legal' here means additional benefits which employees are eligible for.

⁶⁷ See: <https://www.monizze.be/en/document-center/>.

For the **Ticket S**, the social aid organisations who are responsible for implementing the scheme have their own budgets (for the Public Social Centres, this budget is given to them by the government). The organisations themselves decide how much of this money they would like to use for the distribution of meal vouchers. As such, all the costs are carried by the social aid organisations, and information on these was not made available for the study. The end recipients have no costs to pay.

9. Results

For the **meal voucher scheme**, the main results are⁶⁸:

- **Contracting authority:** For employers, increased employee productivity, due to reduced absenteeism and increased motivation.
- **Retailers and overall economy:** For retailers and the overall economy, the meal voucher scheme has had a significant impact on boosting sales.
- **End recipients:** Meal vouchers are an important contribution to many people's food budgets. Figures from VIA Belgium, for example, show that people who receive meal vouchers on average have a 10% higher food budget than people who do not⁶⁹.

For the **Ticket S** (i.e. the electronic version as implemented in the City of Antwerp), the main results of the scheme are:

- **Contracting authority:** Reduction of costs and administrative burden for the public authority, as well as elimination of food waste and fraud, since end recipients themselves are responsible for buying the food as and when they need it.
- **End recipients:** Increased autonomy, dignity, and thereby social inclusion.

9.1. Unintended consequences

For the **meal voucher scheme**, two interviewees from the Ministry of Social Affairs and the Ministry for Social Integration (Head of European Funds) highlighted one potential issue where the government is considering intervening actively. As mentioned above, each voucher is valid for a period of 12 months only. If the end recipient does not use the voucher within this timeframe, then the money stays with the implementing organisation. The question is whether this is good practice, or if instead the money should be debited back to the employer, where it came from in the first place. This does not seem to be a major issue, however, as figures show that 84% of Belgians use up their meal vouchers within one month⁷⁰. Likewise, eco-vouchers – an employee benefit for the consumption of environmentally friendly products – are often spent within their validity period, although the system is slightly different. Eco-vouchers are paid once per year and have a validity of 24 months. As such, eco-vouchers are meant to be a direct stimulus for the economy and are often used for more significant/larger purchases⁷¹.

The IDEA Consult study⁷² also lists the loss of people's overall disposable income and savings as a possible negative consequence of the **meal voucher scheme**, due to the expiry date and limited number of purposes for which the vouchers can be used.

⁶⁸ See: <http://www.viabelgium.be/wp-content/uploads/2014/05/Studie-Ideaconsult-NL.pdf>.

⁶⁹ See: <http://www.viabelgium.be/nl/maaltijdtitel/index.html>.

⁷⁰ See: <http://www.viabelgium.be/nl/maaltijdtitel/index.html>.

⁷¹ See: <http://www.viabelgium.be/wp-content/uploads/2017/03/ecocheque-netto-equivalent-2017-nl.pdf>.

⁷² See: <http://www.viabelgium.be/wp-content/uploads/2014/05/Studie-Ideaconsult-NL.pdf>.

Further to a study from SDWorx⁷³, gender seems to have a major impact on the allocation of alternative forms of remuneration. For 8 out of 11 remuneration benefits, women seem to be substantially less eligible for a certain alternative form of remuneration. This is not the case for meal vouchers, which are distributed fairly equally between men and women (61.87% and 68.36%).

10. Lessons learnt

10.1. Critical impacts

For end recipients of the **meal voucher scheme**, the impacts can be summarised as follows:

- **Improved health of citizens:** When they have a dedicated budget to spend on food, citizens are more likely to be more selective in terms of the products they buy, and may be more inclined to buy high-quality and healthy products.
- **Increased productivity:** Increased productivity of employees as a result.

For end recipients of the **Ticket S**, the impacts can be summarised as follows:

- **Increased autonomy:** An interviewee from the OCMW in Antwerp highlighted increased autonomy as being the most important impact of the Ticket S scheme on end recipients, as they are now in control of their own spending, which is often the first step towards financial autonomy in this target group.
- **Social inclusion:** By giving people more autonomy on how and where they spend their money, social inclusion will be promoted, which in the long term may also speed up the reintegration process of recipients into society, ultimately contributing to them being able to move out of poverty.

10.2. Benefits and limitations

A study by Idea Consult (2014) lists the following as the main benefits of the **meal voucher scheme**⁷⁴:

- **Benefits for the State:** Due to increased consumption on the Belgian market, the government is able to collect extra taxes, and there is a reduction in tax fraud, as well as in government spending on unemployment benefits and support for jobseekers.
- **Boosting the (local) economy:** Retailers benefit from the increased purchasing power of citizens and the expiration date of the meal vouchers, which means that they are incentivised to spend money.
- **Reduced costs and administrative burden:** The switch to e-vouchers in 2011 significantly reduced the costs and administrative burden for all parties involved.

For the **Ticket S scheme** (the e-card used by the OCMW in Antwerp), the main benefits are the following:

- **Reduction of costs and increased convenience and speed:** Instead of distributing 'actual' food', which requires a lot of people to be involved (including volunteers, of which there are ever fewer).

⁷³ ONSS (2019), 'Étude sur les rémunérations alternatives : de grandes différences selon le sexe, l'âge, la taille d'entreprise et le secteur d'activité 2019-07-16'. Available at: <https://www.rsz.fgov.be/fr/news/974/etude-sur-les-remunerations-alternatives-de-grandes-differences-selon-le-sexe-lage-la-taill>.

⁷⁴ See: <http://www.viabelgium.be/wp-content/uploads/2014/05/Studie-Ideaconsult-NL.pdf>.

- **Greater choice of retailers:** Due to a large network of retailers, the end recipients can choose the food they want in line with their own needs.
- **Increased safety:** The cards can be topped up remotely by the social aid organisations, and it is also safer than distributing paper vouchers, which are easily lost.

In terms of **limitations**, one could argue that the electronic version of the Ticket S, even though it is possible from a technical point of view, is not automatically rejected at the till when it is used by end recipients to buy alcohol, cigarettes or tobacco. This means that enforcement of the restrictions on the vouchers, to a certain extent, is dependent on the ‘good will’ and attentiveness of the cashier. The same applies for the meal voucher scheme.

An interviewee from the Ministry of Social Integration highlighted a number of issues related to using vouchers to provide food assistance as opposed to providing food in kind⁷⁵:

- **Healthy and diverse food:** The advantage of distributing food in kind (as is done through FEAD, for example) is that the government can ensure a healthy and diverse range of products. There is no guarantee that deprived groups know which products are best for their health, nor that they will buy these products.
- **Sustainable products:** The food products purchased by the Belgian Ministry with EU funds (under FEAD) are sustainably produced, and as such this food sector is supported through the FEAD programme. If people can buy their own food with meal vouchers, there is again no control over which products people will buy, and whether or not these have been sustainably produced.
- **Costs:** The advantage of distributing food in kind is that the Ministry can buy products in bulk, which significantly reduces the unit costs. When people receive meal vouchers which they can use in a supermarket, they will be paying the same price as other people. An exception is the ‘*Aan tafel in 1-2-3 euro*’ project (‘To the table in 1-2-3 euro’) in the City of Kortrijk, a collaboration between the Public Social Centre (OCMW) and the supermarket Colruyt, targeting clients of the OCMW. Every two weeks, Colruyt releases a booklet with six dishes that can be prepared at a cost of EUR 2-3 per person, using products people can buy in Colruyt supermarkets. Accompanying measures like this (or offering a reduction on supermarket products for people who use ‘food assistance vouchers’) may be necessary in order to guarantee the success of distributing food in kind.
- **Digital skills gap:** The use of a digital payment system may be challenging for certain groups of people (e.g. older people).
- **Fraud risk:** In kind food assistance is often implemented using volunteers. If a volunteer accidentally hands out one or two food items too many to a person (based on their judgement of the situation, or by mistake), the problem is minimal. If one or two vouchers too many are distributed, it becomes a fraud risk because it concerns money.
- **Loss of accompanying measures:** If food assistance is provided by distributing meal vouchers instead of food in kind, then there is a risk that the accompanying measures which are often offered alongside food assistance will fade into the background.

⁷⁵ Interview conducted on 9 April 2020.

10.3. Success factors

The key success factors of the **meal voucher scheme** are limited government intervention, wide acceptance of the vouchers and the simplicity of the scheme. All have been important in its growth year by year since it was first introduced in paper format⁷⁶.

The key success factors of the **electronic Ticket S**, as mentioned by an interviewee from the OCMW in Antwerp, is that it has been designed to look the same as the regular meal vouchers. This is crucial to ensuring the end recipients can use the card without feeling stigmatised. This helps them to take the first step towards financial autonomy and social inclusion.

10.4. ESF+ transferability potential

The European Commission's ESF+ proposal states that 'food and/or basic material assistance may be provided directly to the most deprived persons or indirectly through electronic vouchers or cards, provided that they **can only be redeemed against food and/or basic material assistance** as set out in Article 2(3). [...] 'basic material assistance' means goods which fulfil the basic needs of a person for a life with dignity, such as clothing, hygiene goods and school materials'⁷⁷.

Both the meal voucher and Ticket S schemes have the potential to act as inspiring examples for a larger scheme (at EU level) through which food and/or basic material assistance could be offered to the most deprived. A couple of considerations, however, should be taken into account.

From a technical point of view, an interviewee from Edenred confirmed that – if shops make some technical changes to their payment systems – it should be possible for **payment terminals to automatically reject payment** for products which are deemed 'not eligible for the purposes of the vouchers'. However, instead of implementing such a technical solution, the implementing organisations try to ensure that the vouchers can only be redeemed against food by setting up a network of retailers whose primary product offerings are food. For the electronic Ticket S in Antwerp, the payment card has the text 'not valid for alcohol, cigarettes and tobacco' written on it, which has to be checked by the person taking the payment at the till.

Offering food and/or basic material assistance through food vouchers could save a lot of staffing and logistical costs, and **significantly reduce administrative burden**. However, this must be considered in comparison with the (likely) increased cost of products purchased at supermarket prices.

Regarding administrative burden, an interviewee from the Ministry of Social Integration expressed concerns about offering food and/or material assistance under the ESF+ with e-vouchers due to its very **stringent reporting and evaluation requirements**. The interviewee mentioned that a lot of volunteers are involved in the delivery of assistance to the most deprived. It is challenging (and unrealistic) to increase the administrative and reporting requirements on these individuals, as human mistakes are often made. 'It is not that bad if an extra can of milk or pot of jam is handed out, but when one meal voucher more or less has been distributed, the consequences may be much more severe', he said. He stressed the need for enough flexibility in ESF+ reporting requirements if e-vouchers are to be used as a delivery mode for food assistance.

⁷⁶ Mentioned by VIA Belgium (written response to interview questionnaire received on 18 April 2020).

⁷⁷ European Commission (2018), 'Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)', COM(2018) 382 final. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0382&rid=8>.

The evaluations conducted on the meal voucher schemes showed the significantly reduced **risk of fraud** when using electronic vouchers over paper ones⁷⁸. However, as mentioned by an interviewee from the OCMW in Antwerp, if people want to cheat the system, they will. Cases of theft/fraud will occur when paper-based or electronic meal vouchers are used or distributed. As pointed out by an interviewed stakeholder, although it is important to have sufficient monitoring and stringent eligibility criteria in place to avoid theft or fraud, it is equally important to ensure that any e-voucher system put in place under the ESF+ has sufficient flexibility to tailor support to individual needs and circumstances

⁷⁸ See: http://www.viabelgium.be/wp-content/uploads/2015/01/150127_persbericht_VIA_MC.pdf.

Bons/Tickets alimentaires – France

1. Introduction

Food vouchers are one of many food aid distribution channels used in France. They are usually allocated in response to urgent situations (financial difficulties, even if temporary) to allow recipients to meet their food needs more swiftly. Food vouchers are distributed by **Municipal Centres for Social Action (CCAS)** and **Inter-Municipal Centres for Social Action (CIAS)**. CCAS and CIAS are public institutions attached to municipalities (*communes*), the main mission of which is to intervene in the field of social assistance. These organisations traditionally provide food aid in France.

One of the benefits of this scheme is its implementation by local authorities. CCAS are often the first point of contact for households in precarious situations. These households may not necessarily know the scope of their rights and may feel distant from social institutions and services. The proximity of local authorities means that support is more likely to be able to reach people who tend to be left out by mainstream social services⁷⁹. The criteria used to select recipients includes family situation, income and social situation. Recipients receive vouchers that may be used in any local shop with which the CCAS has a partnership. In addition to public authorities, non-governmental organisations (NGOs) can also administer *Bon/Ticket alimentaire* in some instances.

As the COVID-19 crisis unfolded, new food aid forms emerged, bringing further complexity to the food voucher landscape in France. At the time of writing this case study, the NGOs consulted have been implementing new forms of food vouchers, some for the first time. Although similar to the *Bons/Tickets alimentaires*, the delivery mechanism of the crisis food vouchers is more flexible in that it may be delivered to end recipients on a discretionary basis, rather than on a needs-assessment basis. However, whilst acknowledging these new developments, the focus of this case study remains on the *Bons/Tickets alimentaires*.

2. Context

2.1. Food aid in France

Although food aid dates to the early twentieth century in France, it was only in 2010 that French legislation institutionalised the concept of food aid. The French Law on Modernisation of Agriculture and Fisheries⁸⁰ defines food aid as having the objective of assisting the most deprived. It can be provided both by the European Union and the State, as well as by other legal entities. This legal concept of food aid was further expanded and developed in the Code of social action and families, which acknowledges **food aid as a tool to combat poverty** by targeting economically or socially vulnerable individuals and households⁸¹. By including this social component, food aid became a first step towards social inclusion, aiming to go beyond the supply of food assistance alone.

⁷⁹ UNCCASS (2011), 'L'aide alimentaire des CCAS/CIAS en pratique'. Available at:

https://www.unccas.org/IMG/pdf/publication_unccas_l_aide_alimentaire.pdf.

⁸⁰ Légifrance, 'Code rural et de la pêche maritime: Chapitre préliminaire: La politique publique de l'alimentation (Articles L230-1 à L230-6)'. Available at: <https://www.legifrance.gouv.fr/codes/id/LEGIARTI000022657343/2010-07-29/#:~:text=La%20politique%20publique%20de%20l'alimentation%20vise%20%C3%A0%20assurer%20%C3%A0,produite%20dans%20des%20conditions%20durables>.

⁸¹ Légifrance, 'Code de l'action sociale et des familles', Article L. 266-1. Available at:

<https://www.legifrance.gouv.fr/codes/id/LEGIARTI000037550332/2018-11-02/#:~:text=Article%20L266%2D1,-Cr%C3%A9ation%20LOI%20n&text=La%20lutte%20contre%20la%20pr%C3%A9carit%C3%A9,de%20vuln%C3%A9rabilit%C3%A9%20%C3%A9conomique%20ou%20sociale.&text=L'aide%20alimentaire%20contribue%20%C3%A0%20la%20lutte%20contre%20la%20pr%C3%A9carit%C3%A9%20alimentaire>.

The Ministry of Social Affairs and the Ministry of Agriculture supervise the organisation of food aid, while the agency FranceAgrimer⁸² acts as contracting authority and audits organisations managing and implementing European and national programmes. Food aid in France has a high level of **flexibility and adaptability**. It is a 'tool', or a 'constellation', made up of a variety of delivery methods and stakeholders, rather than the result of a designed and structured programme at national level, which would then be applied locally according to standardised methods and consistent allocation conditions⁸³. Among these methods, food vouchers, access to social grocery stores⁸⁴, supported school meals⁸⁵, and direct financial help are the most common components. Food aid is usually financed through the following sources:

- 31% public funding (European aid, State, local, regional budget and tax expenditure);
- 36% private funding (in kind and cash donations from individuals and businesses);
- 33% corresponding to the promotion of volunteering within associations working in the field of food aid.

Food aid is mostly implemented at local level by **Municipal Centres for Social Action (CCAS)**⁸⁶ and **Inter-Municipal Centres for Social Action (CIAS)** across the whole of France. CCAS and CIAS have played a historical role in providing food aid, implemented as both direct (food parcels) and indirect (financial) assistance, or through the management of local social grocery shops or social restaurants. According to some estimations, the value of food aid provided by CCAS is around 125 million EUR, although these figures date from 2014⁸⁷.

2.2. Vouchers in the delivery of food aid

Vouchers are one of the avenues of food aid delivery in France. Accordingly, vouchers are not designed as a programme or scheme, but rather represent just one channel through which those in need are able to receive food support. Vouchers can be used by many public entities and other organisations involved in social services and social assistance, such as local social services and charities.

The food aid channels that are most frequently used are provided in Table 1, below. Around 30% of CCAS distribute vouchers, making them the most frequently used food aid channel. One reason behind this might be that vouchers do not require complex internal management and are implemented through a simple partnership with local shops.

⁸² FranceAgrimer is a contracting agency in the field of management of European and national aid recognised by public and local authorities and professionals from the agricultural, food and fishing sectors. The Intervention Department is responsible for implementing all financial support systems. See: <https://www.franceagrimer.fr/FranceAgrimer2/Qui-sommes-nous2>.

⁸³ FORS (2014), 'Inégalités Sociales et Alimentation'. Available at: https://draaf.nouvelle-aquitaine.agriculture.gouv.fr/IMG/pdf/Etude-Inegalites-sociales-et-alimentation-Rapport-final-2_cle026811.pdf.

⁸⁴ Social grocery shops are small shops, allowing those in economic difficulties to carry out their shopping and choose freely the products they wish to consume, by offering quality food between 10% to 30% of their market value. See: <https://andes-france.com/nos-actions/les-epiceries-solidaires/qu-est-ce-qu-une-epicerie-solidaire/>.

⁸⁵ Parents with children attending primary or secondary school can benefit from financial assistance from the municipality, department or region to get subsidised meals in school canteens. Available at: <https://www.aide-sociale.fr/aide-cantine-scolaire/>.

⁸⁶ *Centre Communal d'Action Sociale*: The CCAS is a local public entity which intervenes in the fields of legal aid and social activities. Its jurisdiction is exercised on the territory of the municipality to which it belongs. It is also attached to the local authority, but still retains a certain autonomy of management. Several municipalities can establish an inter-municipal cooperation called *Centre Intercommunal d'Action Sociale (CIAS)*.

⁸⁷ SÉNAT (2018–2019), 'Rapport d'information fait au nom de la commission des finances (1) sur le financement de l'aide alimentaire'. Available at: <http://www.senat.fr/rap/r18-034/r18-0341.pdf>.

Table 1: Food aid channels used by CCAS/CCIAS and municipalities, in terms of the % of municipalities putting the channel in place (2014)

Food aid channel	Overall	For municipalities with more than 10,000 inhabitants
Vouchers (CCAS)	22.9%	74.4%
Personalised support checks (CAP) (CCAS and municipalities)	5.4%	45.9%
Financial food aid	16.5%	53.0%
Subsidised canteen prices (CCAS and municipalities)	9.6%	54.1%
Food distribution (CCAS)	7%	21.6%

Source: SÉNAT (2014)

In 2019, a study undertaken by the National Union of Communal and Intercommunal Centres for Social Action (UNCCAS) provided an overview of food aid distribution by 1,050 CCAS/CIAS. 65% of food aid issued was in the form of food vouchers⁸⁸.

The practices developed by municipalities in the delivery of food vouchers are very diverse, and implemented through a range of different initiatives corresponding to local contexts. The approach implemented by **CCAS Beuvry**, a municipality located in the north of France, is presented below⁸⁹.

NGOs may also administer the *Bons/Tickets alimentaires*. However, consultations with NGOs undertaken as part of this case study research indicate that food vouchers tend to be used marginally and in addition to other forms of food aid, rather than per se⁹⁰. French NGOs' positions towards food vouchers are twofold. Some NGOs consulted are opposed to this tool altogether, as it limits human interaction with end recipients, which is crucial in terms of offering them the comprehensive support they need (*Restaurants du Coeur* and the French Federation of Food Banks). Conversely, some NGOs see value in this tool, as long as it is used in addition to more traditional forms of food aid (Red Cross, *Secours Populaire*, *Secours Catholique*).

Against this background, the *Restaurants du Coeur* and the French Federation of Food Banks do not deliver the *Bons/Tickets alimentaires* at all. The French Red Cross used to deliver *Bons/Tickets alimentaires* through their local accountants, who delivered a plain paper voucher with the Red Cross stamp and a discretionary sum, which end recipients were then able to use in partner local shops. However, because this system was hard to monitor, the Red Cross is now focused on another scheme, **Personalised support cheques (CAP)**⁹¹. It is, however, important to note that many consulted stakeholders use the terminology of *Bons/Tickets alimentaires* and CAP interchangeably, often mixing up the two food channels. This hinders the possibility of developing a full and comprehensive understanding of the distinction between these two.

⁸⁸ UNCASS (2019), 'Enquêtes et observation sociale'.

⁸⁹ Beuvry is a commune in the *Pas-de-Calais* department in the *Hauts-de-France* region in northern France and has a population of 9,553. The website: <https://www.villedebeuvry.fr/> In 2016, the unemployment rate was around 18% with 18.7% being inactive: <http://www.journaldunet.com/management/ville/beuvry/ville-62126/emploi>. This municipality has been chosen for the following reasons: (i) it has opted for the system of food vouchers (ii) it is located in one of the poorest French regions (*Hauts-de-France*), (iii) its proximity to Ecorys' office in Brussels would have facilitated potential fieldwork if the opportunity had arisen.

⁹⁰ NGOs consulted: The French Red Cross, the *Restaurants du Coeur*, *Secours Populaire*.

⁹¹ *Chèques d'accompagnement personnalisés (CAP)*.

Unlike other financial food aid, **CAP is regulated by legislation**⁹². This scheme is used in addition to traditional food aid delivery. Each NGO branch is free to decide whether to use CAP, depending on its financial capacity. The general amount of CAP is between EUR 6 to EUR 7, but can also go up to EUR 10. CAP is used in shops affiliated with the Red Cross's partner, namely Edenred⁹³.

Some CCAS have been following this tendency to replace *Bons/Tickets alimentaires* with CAP. For instance, *CCAS Illkirch-Graffenstader*⁹⁴ set up CAP in 2000. The scheme was a substitute for *Bons/Tickets Alimentaires*, which were deemed too stigmatising. CAP allows recipients to buy food in 22 approved shops. CCAS has a special partnership with local shops which have developed an awareness of this payment instrument, allowing discrete acceptance and preventing the cheques from being confused with restaurant tickets, which are limited to two vouchers per purchase.

CAPs are granted at the request of a social worker, after an assessment of the applicant's socio-economic situation. They are primarily intended for people awaiting welfare benefits (i.e. unemployment benefits, RSA, daily allowances, etc.), but are also delivered on an ad hoc basis to people facing exceptional expenses. The recipient can collect the CAP one day (up to 48 hours) after the request. CAPs can be renewed twice, with 15 days apart of each reception. However, a limit is set on a maximum of three CAPs being issued across a 12-month period. Each CAP has a value of EUR 12. The number of CAPs granted to the household depends on the number of people in that household – 6 CAPs for one person, 7 CAPs for a 2 person household, 9 CAPs for a 3 person household and 11 CAPs for a 5 person household.

It is possible to grant an emergency CAP on a Friday afternoon, when it is impossible to make a thorough assessment due to the lack of supporting documents. An appointment is then made with a social worker the following week to reassess the applicant's situation.

The **flexibility of CAP** therefore allows real responsiveness. All CCAS employees are able to assess the request once it has passed the basic eligibility criteria. For more complex situations, the agreement of the CCAS manager is required.

As a response to the **COVID-19** crisis, the French government has launched a new exceptional service voucher (*chèques services*) to enable homeless people to buy food and hygiene products. This scheme complements the activities implemented by local communities, associations and food banks, which have remained essential. The scheme targets 60 000 homeless people and has been allocated a budget of EUR 15 million. Local government (prefectures) provides the service vouchers to charitable organisations⁹⁵.

Schemes like CAP and service vouchers illustrate the existence of a variety of food voucher delivery channels in France, and their flexibility and high responsiveness to be set up in the times of need.

3. Target population

In general, vouchers are open to **anyone experiencing economic difficulties**, including refugees, unemployed people, undocumented people, people struggling with debt, and lone parents. Each CCAS/CIAS can define its own eligibility criteria for the receipt of vouchers.

⁹² Légifrance, 'Loi n° 98-657 du 29 juillet 1998 d'orientation relative à la lutte contre les exclusions', Art. 138. Available at: <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000000206894/2020-12-18/>.

⁹³ Interview with a Red Cross representative.

⁹⁴ It is a municipality of 23 673 inhabitants.

⁹⁵ The French Ministry of Housing is launching a voucher distribution system to enable homeless people to buy food and hygiene products during the COVID-19 crisis. This device complements the actions and food distributions of local communities and associations, which remain essential. It will benefit 60 000 homeless people, for a budget of 15 million EUR. See: <https://www.gouvernement.fr/des-cheques-services-finances-par-l-etat-pour-permettre-l-acces-aux-produits-d-alimentation-et-d>

In general, the most common criterion is residency – the individual seeking vouchers needs to contact and submit a request to the CCAS which has the jurisdiction over their residency. CCAS/CIAS are only authorised to support the inhabitants (with a permanent or temporary address) of their municipality. Besides residency, most CCAS target recipients of the minimum income and lone parent households⁹⁶.

CCAS Beuvry has two key criteria to determine **eligibility**. The first criterion is the duration of residency, which is also a common criterion, as mentioned above. The applicant should have been living in the municipality at least two months before applying for benefits. The second criterion is linked to the calculation of the applicant's disposable income (*reste à vivre*⁹⁷). By calculating this income, CCAS evaluates whether the applicant falls below a certain threshold and whether they are therefore eligible for the support. The table below presents the level of income corresponding to an amount of the issued food voucher.

Table 2: Voucher allocated amount according to disposable income

Reste à vivre (disposable income in EUR)	Allocated amount (in EUR)
Between 0 and 100	52
Between 101 and 200	47
Between 201 and 300	42
Between 301 and 400	37
More than 401	Support declined

Source: Interviews with implementing authority.

As CCAS operate exclusively at municipality level, they usually have local knowledge, and can formally and informally establish contacts with other relevant authorities and NGOs which facilitate the targeting of potential users. CCAS publish the available social support online and potential users can schedule an appointment with them to gather more information. CCAS can also directly reach out to potential users or households if a local NGO or other social service suggests they may be in need.

3.1. Number of users

In Beuvry, more than 300 people were supported by food vouchers between 2018 and 2019.

4. Main actors

CCAS is the main **contracting and implementing** organisation of the scheme. It designs the scheme, sets the eligibility criteria and determines the eligibility of recipients. Each CCAS is free to decide on the procedure for granting the vouchers and the criteria that need to be fulfilled in order to be eligible.

Local shops or supermarkets are the **main merchants** where users spend the granted vouchers. In order to do so, CCAS must negotiate and then enter into an agreement/partnership with local shops that agree to accept the vouchers. These shops are usually standard commercial retailers.

CCAS might collaborate or enter into additional partnerships with local **NGOs**, food banks or social grocery shops, to extend the range of food aid support they provide and better

⁹⁶ *Minima sociaux* is usually for the very long-term unemployed, with the specific solidarity allowance (ASS) for those who have exhausted their rights to unemployment insurance, disabled people (allowance for disabled adults – AAH) and the elderly (minimum old age). See: <https://www.insee.fr/fr/metadonnees/definition/c1247>.

⁹⁷ *Reste à vivre*. See: <https://ekonomia.fr/investir/avis-credit/dossier-de-credit>.

meet the various needs of end recipients. The aim of this type of partnership is to support food aid delivery, for example through subsidising or managing social grocery shops. CCAS Beuvry would typically invite those recipients experiencing an urgent crisis and who cannot wait for their food aid request to be processed to turn to the local social grocery shop. CCAS Beuvry also encourages the use of the grocery shop to reduce the recipient's dependence on food vouchers and facilitate their financial autonomy.

CCAS Beuvry works with a **service provider**, the company Natixis, that is responsible for issuing the vouchers. The reason behind this choice was that their local market accepted this provider.

5. Implementation of the scheme

5.1. Enrolment process

In Beuvry, information about available social support is published on the CCAS premises, so that individuals seeking help can easily see it. The applicant either requests an appointment with CCAS Beuvry, or is referred to CCAS by other social services. The applicant composes a file presenting their financial situation (all sources of income, including welfare benefits, health care coverage (*mutuelle*) and MSA⁹⁸), family situation (number of household members and any type of family social benefits - CAF⁹⁹) and details of their accommodation (tenant, owner, without permanent residence). CCAS also inspects the conditions of the applicant's accommodation, and checks their living conditions, safety standards and whether the applicant is at risk of eviction or is behind on paying their rent. The other requested documents are evidence of the applicant's expenses, including loans and utility bills (water, heating, electricity, Internet and mobile data). The aim of this approach is to draw a **complete picture of the applicant's situation** and suggest other sources of support, where necessary. This approach is, however, a novelty, and was only introduced in 2019.

5.2. Delivery process

After these documents are processed by CCAS and the applicant's data is entered into an Excel sheet, the applicant receives an estimation of the level of support that they will receive, based on calculations that take into account the information they have provided against social benchmarks (*barèmes*) adapted to the local context¹⁰⁰. Food vouchers are issued as a single voucher with a value between EUR 35 and EUR 52, depending on the end recipient's situation – single individuals would usually receive EUR 35, for example. The **voucher has to be used in one go**. If this is not the case, the unused amount becomes invalid/lost. Vouchers can be granted up to three times per year based on demand, with a minimum interval of two months. In exceptional situations, which means severe material deprivation, the applicant can be granted vouchers up to four to five times per year. In addition to budget constraints, the rationale of these limitations is to limit the distribution of vouchers to strict ad hoc emergencies, and prevent dependency from end recipients.

⁹⁸ *Mutualité sociale agricole* is the compulsory social protection scheme for employees and self-employed in agricultural professions.

⁹⁹ *Caisse d'allocations familiales* supports families through different services and benefits from early childhood to crèche, halte-garderie, education, holidays, family allowances, pregnancy benefits and housing benefits.

¹⁰⁰ There are national annual benchmarks (*barèmes*) that set out the amounts and scope of social benefits for which citizens might be eligible. This is calculated based on the citizens' socio-economic situation, which places them into certain social categories.

5.3. Restrictions

Vouchers are **only valid for the purchase of food products** (excluding alcohol) in authorised shops. For example, in Beuvry, vouchers can be used in the one Carrefour supermarket that has partnered with the CCAS. Anyone who does not respect the rule of purchasing only essential food and hygiene products will not be granted any new vouchers for a period of one year from the issue date of the misused voucher.

After the purchase, the local shop invoices the CCAS for the amount used. This procedure involves the shop sending the CCAS finance department the invoice, together with the necessary supporting documents. These are defined by the CCAS accountant and consist of the used voucher, a bank account statement (RIB) and a duplicate receipt¹⁰¹. As the CCAS accountant processes the invoice they can easily track what the vouchers are being used for, and can refuse reimbursement to the shop if non-eligible goods have been bought. Therefore, **shops have a significant incentive to decline purchases of alcohol** or other non-eligible goods. If the applicants are violent towards the CCAS employees, they are not allowed to access the vouchers for at least three months.

5.4. Accompanying social inclusion measures

In addition to issuing a food voucher, which is a response to an urgent situation, CCAS Beuvry also analyses the users' monthly expenditure and gives them advice on where spending could be reduced, as well as how they could optimise their available household budgets. CCAS also directs them to **other benefits or measures** to support them in the longer term. These include employment benefits¹⁰², disability benefits, support with utility bills, and providing information on other regional or national support available. CCAS Beuvry has partnerships with other social services, and may ask them to prioritise their recipients in certain cases, for example when requesting CPU (complementary health care)¹⁰³.

6. Payment system

6.1. Payment instrument

Payment is carried out through paper vouchers, which do not have personal names written on them. It is a simple transactional system in which a cashier of an authorised shop accepts a voucher at point of purchase. The authorised shop then invoices the CCAS which issued the voucher. In Beuvry, the vouchers look like other regular meal vouchers (*Ticket Restaurant*) used by employees as part of their employee benefits.

6.2. Authentication process

There are no specific authentication requirements for using the vouchers. Being in possession of the physical voucher itself is enough to authorise payment at the store.

¹⁰¹ UNCCASS (2011), 'L'aide alimentaire des CCAS/CIAS en pratique'. Available at: https://www.unccas.org/IMG/pdf/publication_unccas_l_aide_alimentaire.pdf.

¹⁰² *Revenu de solidarité active* (RSA) aims to reduce the barrier to work.

¹⁰³ Complementary health insurance (*Complémentaire santé solidaire*) covers some parts of health expenses. See: <https://www.complementaire-sante-solidaire.gouv.fr/>.

7. Compatibility with ESF+ and the CPR

7.1. Monitoring and reporting

There are no standardised monitoring and reporting obligations, as CCAS have discretionary rights to design the voucher implementation. In CCAS Beuvry, an Excel file is used to track how many vouchers have been issued, as well as a written document consisting of the voucher serial numbers.

7.2. Audit

The vouchers are not nominative, which increases the risk of fraud. The recipients can sell their vouchers for money, exchange them for something, or simply give them to another individual. The vouchers can also be stolen, in which case, their use cannot be blocked or nullified. CCAS Beuvry used to issue their own paper vouchers, making them even more vulnerable to fraud, but now the vouchers are issued by the provider Natixis, which makes them more difficult to counterfeit as they have watermarks. Upon issuing of each voucher, CCAS end recipients have to sign a list which includes the voucher number and the name and surname of the recipients¹⁰⁴.

Fraud risks were also highlighted by consulted NGOs, which confirmed that there is a tendency to replace food vouchers with CAPs given the higher risk of fraud associated with simple paper food vouchers and difficulties in monitoring and evaluating their distribution¹⁰⁵.

7.3. Data security and data protection

Only three people working on food vouchers in CCAS Beuvry have access to submitted applicants' files (mentioned in the section above on the enrolment process). This measure aims to ensure data security and protection. In addition, the physical files are destroyed annually.

8. Budget and cost effectiveness

8.1. Overall budget of the scheme

It is not possible to determine the overall budget and cost of food vouchers, as each CCAS implements voucher schemes under their own budget.

8.2. Costs of the scheme in Beuvry

The scheme incurs the following types of costs:

- **A percentage of the salaries for employees working on related tasks:** The number of employees depends on the size of the organisation granting vouchers and the scope it covers (municipality, town, region etc.). In CCAS Beuvry, three people work full-time on social assistance, including food vouchers. The population of Beuvry is around 9,500 people, and there were 142 recipients in 2019.

¹⁰⁴ Interview with a Beuvry representative.

¹⁰⁵ Interview with a Red Cross representative.

- **Value of the vouchers:** In 2019, CCAS Beuvry spent around EUR 11 100 on food aid. We estimate that around half of this was spent on food vouchers¹⁰⁶.
- **Costs related to managing the partnership with the voucher provider.**

9. Results

In Beuvry in 2019, around **140 residents** benefited from food vouchers, while in 2018 the number was slightly higher, at 190. One of the reasons behind this slight decrease might be the establishment of a social grocery shop in the municipality, in which food is sold at below its market price.

The system is seen as being relatively simple from an organisational point of view and **does not incur a heavy administrative burden**¹⁰⁷. In Beuvry, the rapid process between requesting and granting the voucher is singled out as the most successful element of the approach. This rapidity allows users to mitigate and fulfil their immediate needs very quickly.

Food vouchers are provided along with other comprehensive support measures with more of an immediate role in the social integration of recipients. CCAS Beuvry plans to work further on the food voucher scheme, especially on adjusting the quantitative eligibility criteria to better reflect new costs of living and the local context¹⁰⁸.

Despite the limited nature of food vouchers (i.e. being issued three times per year) in Beuvry, it was highlighted during one interview that their most positive result is that **end recipients receive valuable advice** on their household budget management, which can help them to develop more self-sufficiency and a sense of ownership of their situation. CCAS can make suggestions on how to become more energy efficient, for instance, or give advice on which services they are currently paying for but might not need (e.g. three different mobile data plans).

10. Lessons learnt

10.1. Benefits and limitations

Overall, as one of several food aid channels in France, vouchers are seen as having more benefits than disadvantages¹⁰⁹.

The main **benefits** of the voucher scheme include the following:

- **Adaptability** to end recipients' needs through implementation by local authorities.
- **Quick turnaround** time between assessment of need and issuing of vouchers.
- Suitability for **homeless people** or people without permanent housing (as they can buy ready-to-eat products).
- Provision of **advice** on household budget management.
- A low administrative burden for CCAS.

¹⁰⁶ This is an estimation calculated by multiplying the number of recipients in 2019 with an average value of the voucher (EUR 40) and dividing by the total amount spent on the food aid.

¹⁰⁷ UNCCASS (2011), 'L'aide alimentaire des CCAS/CIAS en pratique'.

Available at: https://www.unccas.org/IMG/pdf/publication_unccas_l_aide_alimentaire.pdf.

¹⁰⁸ Interview with a Beuvry representative.

¹⁰⁹ UNCCASS (2011), 'L'aide alimentaire des CCAS/CIAS en pratique'.

Available at: https://www.unccas.org/IMG/pdf/publication_unccas_l_aide_alimentaire.pdf.

Potential **limitations** include the fact that paper-based vouchers are **visually distinctive** and people using them can feel exposed and stigmatised by others.

Vouchers without personal contact details **increase the risk of fraud**. The recipients can sell their vouchers for money, exchange them for something, or simply give them to another individual. The vouchers can also be stolen, and in that case, their use cannot be blocked or nullified. According to consulted NGOs, paper-based food vouchers are at higher risk of fraud and, as demonstrated in this case study, difficult to monitor and evaluate.

It is also important to use food vouchers along with other accompanying measures, otherwise they do not result in long-term impacts, and act just as a first relief.

Food vouchers might not be highly effective for **people living in rural areas**, who live far from shops or who have reduced mobility. Social accommodation is often located in very isolated geographical areas, for example, and the mobility of people living in those places is limited (which is also an aggravating factor of poverty)¹¹⁰.

In addition, according to some studies¹¹¹, the flexibility of vouchers (or food aid in France in general) can create certain paradoxes – food aid can respond to local needs more closely, but it can also be hijacked by **local political will**, the actors involved and the funding at their disposal. Similarly, the provision of food aid at local level is a political choice decided by the local authority, and is not guaranteed across all French municipalities¹¹².

Furthermore, CCAS vouchers can only be used in authorised retailers, meaning that the **user cannot choose freely** and sometimes is obliged to go to more expensive shops. Local shops also do not allow the purchase of 'luxury products', for example prawns or wine, and this conditioning of available products can make users feel downgraded and infantilised.

In Beuvry, the vouchers are **only issued three times per year**, which might not be sufficient, but it is difficult to increase the number due to budget restrictions¹¹³.

10.2. Success factors

One of the success factors of this scheme is its **implementation by local authorities**. CCAS are often the first point of contact for households in precarious situations, who do not necessarily know the scope of their rights and may feel distant from social institutions and services. The proximity of local authorities means that the measures are more likely to reach people who tend to be omitted by mainstream social services¹¹⁴.

In Beuvry, the **rapid process** of requesting and granting vouchers is singled out as the most successful element of the approach, as it allows recipients to swiftly fulfil their food needs.

Food vouchers are delivered alongside other **social measures** in Beuvry, with the most successful being CCAS advice on how to manage household budgets, and their overall support. This advice allows recipients to critically examine their spending and learn how to use their available resources more efficiently in the future. This represents one step closer to the end recipients' financial autonomy and proficiency.

¹¹⁰ Consultation with a *Secours Populaire* representative.

¹¹¹ FORS (2014), 'Inegalites Sociales et Alimentation'. Available at: https://draaf.nouvelle-aquitaine.agriculture.gouv.fr/IMG/pdf/Etude-Inegalites-sociales-et-alimentation-Rapport-final-2_cle026811.pdf.

¹¹² Ibid.

¹¹³ Interview with a Beuvry representative.

¹¹⁴ UNCCASS (2011), 'L'aide alimentaire des CCAS/CIAS en pratique'. Available at: https://www.unccas.org/IMG/pdf/publication_unccas_l_aide_alimentaire.pdf.

10.3. ESF+ transferability potential

Lessons can be learnt from this scheme, as the target group is broadly the same as that of ESF+ support for addressing material deprivation, namely 'most deprived persons', as defined in Article 2(13) of the proposed Regulation¹¹⁵. Food vouchers are also provided alongside other measures aiming to ensure that end recipients can access a full range of support, thereby also aligning with the principles of the ESF+ support for addressing material deprivation. The scheme can be easily replicated in other countries, as it does not require heavy administrative burden and is relatively simple to put into place¹¹⁶.

The limited information available on monitoring and reporting structures in place for this measure makes it challenging to comment on its compatibility with the ESF+, in terms of reporting requirements. However, this type of voucher scheme entails higher fraud risks that were highlighted by several NGOs. There are no specific authentication requirements for using the vouchers, and being in possession of the physical voucher itself is enough to authorise payment at the store. The vouchers can be stolen, in which case, their use cannot be blocked or nullified, as they are not nominative.

¹¹⁵ European Commission (2018), 'Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)', COM(2018) 382 final. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0382&rid=8>.

¹¹⁶ Interview with a Beuvry representative.

Carta acquisti – Italy

1. Introduction

The *Carta acquisti*, also known as the ‘social card’, is an electronic payment card scheme initiated in Italy in 2008 to address poverty and material deprivation¹¹⁷. The card is available to Italian residents aged either 3 years of age and under, or over 65 years of age, who are experiencing severe economic hardship. This is measured through the ISEE – Equivalent Economic Situation Indicator – which evaluates and compares the income of families¹¹⁸. The card allows recipients to buy food and medicine, and to pay for gas and electricity bills, in all supermarkets, food stores, and pharmacies that are a part of the scheme. The card was born in the context of the financial crisis, and was the first ‘social card’ to be circulated in Italy¹¹⁹. It is implemented by the Istituto Nazionale Previdenza Sociale (INPS), the Italian social security institution, in partnership with the Italian Post.

Figure 4 : The Carta acquisti card



© Carte di credito Prepagate (<https://www.cartedicreditoprepagate.it/carta-acquisti-o-social-card/>)

2. Context

2.1. Poverty and social exclusion in Italy

Poverty and food insecurity continue to be challenges for Italian society. According to the Italian National Institute of Statistics (ISTAT), **almost 1.7 million households in Italy lived in absolute poverty in 2019**, out of a total of 4.6 million individuals¹²⁰. There are significant regional variations in poverty across the Italian peninsula, with individuals in absolute poverty at 8.6% in the southern regions, in comparison to lower levels in the north and centre, at 5.8% and 5.3%, respectively¹²¹. The number of people living in poverty has steadily increased since 2006¹²², and, according to UNICEF, the incidence of **poverty among children and underage, young people is also steadily increasing**¹²³. Food

¹¹⁷ Normattiva (2008), 'Decreto-Legge convertito con modificazioni dalla L. 6 agosto 2008, n. 133 (in SO n.196, relativo alla G.U. 21/08/2008, n.195)'. Available at: <https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legge:2008-06-25:112>.

¹¹⁸ The ISEE is calculated as the ratio between the Economic Situation Indicator (ISE) and the parameter taken from the equivalence scale with the expected increases. See: <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50088>.

¹¹⁹ affaritaliani.it (2019), 'La Social card sopravvive al Reddito di cittadinanza. Mef: "È cumulabile"'. Available at: http://www.affaritaliani.it/politica/social-card-sopravvive-al-reddito-di-cittadinanza-mef-e-cumulabile-602739.html?refresh_ce.

¹²⁰ See: <https://www.istat.it/en/archivio/246098>

¹²¹ See: <https://www.istat.it/en/archivio/246098>

¹²² See: https://www.istat.it/it/files/2016/04/Cap_5_Ra2016.pdf

¹²³ UNICEF Office of Research (2016), 'Fairness for Children. A league table of inequality in child well-being in rich countries', Innocenti Report Card no. 13. Available at: <https://www.unicef-irc.org/publications/830-fairness-for-children-a-league-table-of-inequality-in-child-well-being-in-rich-countries.html> and Fanjul, Gonzalo (2014), 'Children of the Recession: The impact of the economic crisis on child well-being in rich countries', Innocenti Report Card no. 12.

insecurity is high. 1 in 10 Italians cannot access healthy food, and have to get their meals from food banks. 11% of the Italian population cannot afford an adequate meal at least every two days which includes meat, fish or a vegetarian nutritional equivalent. According to recent literature, the situation regarding food insecurity in Italy is among the worst in the EU¹²⁴.

The *Carta acquisti* was introduced in the context of the global economic and financial crisis in Italy through the Legislative Decree 112 of 2008¹²⁵. During this period, the Italian government reduced funding of social assistance policies from EUR 1.6 billion in 2008 to 134 million in 2012.¹²⁶ In 2008, 2.89 million individuals were living in absolute poverty – 4.9% of the entire population¹²⁷. By 2012, this share had risen to 8% of the population¹²⁸. The e-voucher scheme was put in place **to support the increasing number of people at risk of poverty and social exclusion** during this time. It was inspired by the American food stamps scheme¹²⁹, and was the first attempt by the Italian state to tackle the rising issue of extreme poverty throughout the country¹³⁰.

The state's fight against poverty is decentralised in Italy, and the responsibility for the provision of social assistance to Italy's most deprived lies with regional authorities¹³¹. According to some scholars, such decentralisation, which occurred in 1977, did not provide local authorities with the required framework to tackle poverty, thereby creating a multitude of different measures fighting poverty across regions, not coordinated with each other¹³². The *Carta acquisti*, however, is nationally implemented, and is a centralised national social policy.

2.2. Geographical coverage of the scheme

The *Carta acquisti* scheme covers the whole national territory. There are about **16 000 participating merchants** where the cards can be used located across the whole country, and the beneficiaries can receive a discount on the products purchased of up to 5%. A full list of participating merchants is available online¹³³. The social card can be used in all food and pharmaceutical businesses, as well as drugstores, that are part of the Mastercard circuit.

2.3. Duration of implementation of the scheme

The scheme has been in place since 2008.

Available at: <https://www.unicef-irc.org/publications/733-children-of-the-recession-the-impact-of-the-economic-crisis-on-child-well-being-in.html>.

¹²⁴ La Coldiretti (2019), 'Povertà, 1 italiano su 10 non può mangiare a sufficienza'. See: <https://www.coldiretti.it/economia/poverta>.

¹²⁵ normattiva.it, 'ECRETO-LEGGE 25 giugno 2008, n. 112, 'Disposizioni urgenti per lo sviluppo economico, la semplificazione, la competitività', la stabilizzazione della finanza pubblica e la perequazione Tributaria'. Available at: <https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legge:2008-06-25:112>.

¹²⁶ Angela Marano, 'Social policies and workfare in the new Italian basic income scheme', 25th Workshop on Alternative Economic Policy in Europe. Available at: http://www2.euromemorandum.eu/uploads/marano_income_support.pdf.

¹²⁷ Istituto Nazionale di Statistica (Istat) (2009), Comunicato Stampa 13937, 'La Povertà in Italia'. Available at: <https://www.istat.it/it/archivio/13937>.

¹²⁸ Istituto Nazionale di Statistica (Istat) (2013), Comunicato Stampa 95778, 'La Povertà in Italia'. Available at: <https://www.istat.it/it/archivio/95778>.

¹²⁹ See: <http://www.grusol.it/informazioni/27-01-09.PDF>.

¹³⁰ Istituto Nazionale Previdenza Sociale (INPS) (2012), 'RAPPORTO ANNUALE 2011 (sommario)'. Available at: https://www.inps.it/docallegatiNP/Mig/Allegati/2091Rapporto_annuale_2011.pdf.

¹³¹ Decreto Presidente Repubblica (DPR) 24 luglio 1977, n. 616, 'Attuazione della delega di cui all'art. 1 della L. 22 luglio 1975, n. 382', Art. 17. Available at: https://www.edscuola.it/archivio/norme/decreti/dpr616_77.html

¹³² Riforma sanitaria (1977), no. 59, 'VERSO LA RIFORMA SANITARIA'. Available at: <http://clmr.infoteca.it/bw5net/ShowFileAS.ashx?Filename=IwNDLXrLT%20d86fddiq1guwiYICFZZAqw9/8JIPuB8lhI8GbrvYP7JncVmXmVPtpP>.

¹³³ insindacabili.it (2020), 'Lista elenco negozi convenzionati carta acquisti – Chi accetta la Social Card?'. Available at: <https://insindacabili.it/lista-elenco-negozi-convenzionati-carta-acquisti-chi-accetta-la-social-card/>.

3. Target population

The *Carta acquisti* is available to Italian residents aged **either 3 years of age and under, or over 65 years of age** who are experiencing a period of economic instability as demonstrated by ISEE, which is an indicator of the economic condition of the household¹³⁴. Maximum values of income per age group are determined by the Ministry¹³⁵ and are set relatively low, so that the card targets the very poor¹³⁶.

Any of the following recipients that fall into the income criteria are eligible for the card:

- Italian nationals;
- Citizens of a Member State of the European Union;
- Individuals who are residents in Italy;
- Family members of Italian or EU citizens who do not have the citizenship of a Member State, who are holders of the right of residence, or of the right of permanent residence;
- Foreigners in possession of an EC residence permit;
- Political refugees or subsidiary position holders.

The social card's reach was extended to EU citizens, long-term foreigners residing in Italy and political refugees¹³⁷ in 2014, six years after its implementation¹³⁸.

Younger recipients are eligible for the *Carta acquisti* until they turn three. Older people continue to be eligible, should they continue to meet the requirements.

3.1. Number of users of the scheme

When the scheme was launched in 2008, the number of potential recipients amounted to 780 000. The number of requests received in the first twelve months from the start of the program equated to 627 000 and the number of recipients who actually received the social card at the end of 2009 amounted to about 450 000¹³⁹. 180 000 potential recipients were therefore not able to receive the social card because they did not adhere to the cards stringent requirements, noted above.

In 2019, **556 556 people** benefited from the scheme.

4. Main actors

The organisational architecture of the scheme, as defined by the Interdepartmental Decree of 16 September 2008, consists of the following actors:

¹³⁴ ISEE, or the Indicator of the Equivalent Economic Situation, is the main tool for accessing certain bonuses or facilitated social benefits: <https://www.cafacil.it/it/servizi-fiscali/modello-isee/>.

¹³⁵ mef.gov.it (2020), 'Dal 1 gennaio 2020 in vigore gli aggiornamenti ISTAT per gli importi di reddito e l'indicatore ISEE'. Available at: http://www.mef.gov.it/focus/carta_acquisti/eventi/2020/evento_0001.html.

¹³⁶ Agostini, Chiara and Natali, David and Sacchi, Stefano. (2015). 'The Europeanisation of the Italian welfare state: A comparative analysis.'

¹³⁷ This was instituted through the enactment of the legislative provision, with the Legislative Decree of June 25, 2008, n. 11, establishing the social card and converted with amendments into the law of 6 August 2008 n. 133: Art. 1, co. 216, L. 147/2013.

¹³⁸ Governo Italiano, Ministero del Lavoro e delle Politiche Sociali, 'Carta Acquisti'. Available at: <https://www.lavoro.gov.it/temi-e-priorita/poverta-ed-esclusione-sociale/focus-on/Carta-Acquisti/Pagine/default.aspx>.

¹³⁹ Donato Berardi and Fulvio Bersanetti (2013), 'Politiche di sostegno ai consumi alimentari delle fasce sociali meno abbienti'. Available at: https://www.refricerche.it/fileadmin/Materiale_sito/contenuti/QR_06.pdf.

The **Ministry of Economy and Finance** is the **contracting authority** of the scheme. In agreement with the Ministry of Labour, Health and Social Policies, it designs the framework of rules for the recipients to have access to the scheme and monitors its implementation.

INPS is the **implementing partner** of the scheme. It verifies the eligibility of applicants as defined in the legislation, and where eligible, grants the benefit. In the next phase, it verifies that recipients continue to fall into the eligibility requirements and if not, withdraws the benefit.

The **Italian Post** (Poste Italiane S.p.A.) is the **service provider**. The Italian Post was awarded this role following a public bid, which it won. It is in charge of the card's management service, and also receives applications from potential recipients and verifies their compliance. In addition, the Italian Post issues the cards, performs periodic insertion of money onto the cards, and/or deactivates them on the basis of the provisions of the contracting authority. It also provides key information to the public, such as how to get access to the card, or what to do should the card get lost.

Merchants who have access to the Mastercard system can sell food, basic material necessities and medicine to the *Carta acquisti* beneficiaries. Merchants can also join the *Carta acquisti* scheme and provide a 5% discount to clients through trade associations that sign a special agreement with the ministries. The associations that have signed the agreement with the ministries are:

- Confcommercio
- Confcooperative-Federconsumo
- Free Confederation of Italian Artisan Associations
- National Confederation of Crafts and Small and Medium Enterprises
- Confesercenti
- Federdistribuzione
- LegaCoop
- Confartigianato Imprese
- Federfarma
- Assofarm

Merchants include supermarkets, pharmacies, and other types of shops that offer material supplies. **Merchants are incentivised to take part in the scheme** through a series of advantages. The scheme is financially convenient in that it provides access to the MasterCard circuit at less than 0.10 cents per day, which is reportedly much lower than normal access costs. Additionally, taking part in the scheme gives the shop or store visibility, as it is featured on the *Carta acquisti* website. Finally, the scheme is also flexible, as merchants can choose to stop taking part in it at any point¹⁴⁰. To enrol on the scheme, merchants need to fill in a form detailing what their shop or store sells, and other basic information¹⁴¹.

¹⁴⁰ See: http://www.cartaacquisti.it/benvenuto_negozio.php.

¹⁴¹ See: http://www.cartaacquisti.it/aderisci_al_circuito_modulo.php?fm_adesione_pacchetto=silver.

5. Implementation of the scheme

5.1. Enrolment process

The card can be requested at the Italian Post Offices that offer the service. In order to take part in the scheme, applicants must fill in an application form, which can be found online. The forms that must be completed are different depending on the age of the potential recipient¹⁴².

Forms must be handed in to the Post Office with the following documentation:

- The original version and a photocopy of the applicant's identity card document.
- A valid ISEE certificate, the original and a photocopy, or the provisional certificate issued by the CAF (Tax Assistance Centre)¹⁴³. The ISEE certificate is a document that contains the personal data (such as date of birth), income data and patrimonial data of a family unit and is valid from the moment of presentation and until the following 31st December¹⁴⁴.

The post office verifies that the application is complete and passes it to the INPS for approval. The eligibility of the recipient is checked by the INPS.

5.2. Delivery process

Once eligibility is determined by the INPS, the Italian Post sends the card to the recipient's house by mail, or notifies them that the card can be picked up at the post office. In the case of children under 3, the cardholder is the parental authority of the child. Following receipt of the card, the recipient will also receive the unique PIN, also sent by the Italian Post by mail.

The card is loaded with EUR 80 in credit every two months (EUR 40 per month) by the Italian Post¹⁴⁵. The sum not spent in the two months of accreditation can only be used for the following period of one year, and therefore beneficiaries cannot have over EUR 480 on their card at once¹⁴⁶. As mentioned above, certain stores offer discounts on purchases made with the card (usually 5%).

5.3. Restrictions

Recipients can use the card in shops and stores that are part of the *Carta acquisti* or Mastercard circuit to buy **material necessities**, such as food, nappies and medicines. There are no sanctions imposed by the government should the card be used to buy other material goods from the supermarkets where the social card can be used. It is not possible to withdraw cash from the card at an ATM.

¹⁴² Form for over 65-year-olds: https://www.lavoro.gov.it/temi-e-priorita/poverta-ed-esclusione-sociale/focus-on/Carta-Acquisti/Documents/0048_Modulo-carta-acquisti-anziani%202020.pdf

Form for up to 3-year-olds: <https://www.lavoro.gov.it/temi-e-priorita/poverta-ed-esclusione-sociale/focus-on/Carta-Acquisti/Documents/Modulo-carta-acquisti-bambini%202020.pdf>

¹⁴³ See: <https://www.lavoro.gov.it/temi-e-priorita/poverta-ed-esclusione-sociale/focus-on/Carta-Acquisti/Pagine/Maggiori-di-65-anni.aspx>.

¹⁴⁴ See: <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50088>.

¹⁴⁵ See: http://www.mef.gov.it/focus/carta_acquisti/Carta-Acquisti-Informazioni-sul-Programma/.

¹⁴⁶ Franco Pesaresi (2009), 'La Carta acquisti: Dossier sulla social card', Piacenza: Associazione Nazionale Operatori Sociali e Sociosanitari (ANOSS). Available at: <http://www.grusol.it/informazioni/27-01-09.PDF>.

5.4. Accompanying social inclusion measures

The scheme does not provide any accompanying social inclusion measures.

5.5. Customer services

Should the card become lost or stolen, the recipient must call the toll-free number 800.902.122 for the card to be immediately blocked. The operator will provide a 'block' number to the recipient, which renders the card no longer usable. The recipient can then fill out a form to receive a new card¹⁴⁷. This process is managed by the Italian Post.

5.6. User friendliness

Whilst the card is relatively easy to use, a series of media articles have demonstrated that the social card is considered **stigmatising and humiliating** to recipients. Further information on this is in the lessons learnt section below¹⁴⁸.

Efforts have been made to reduce stigmatisation, however. Firstly, the card is anonymous. Secondly, the Ministry of Economy and Finance contacts potential beneficiaries by post, making sure that the envelope is anonymous and does not specify the sender. Thirdly, the scheme has put in place an SMS system whereby beneficiaries receive a text message every time they spend money on the card, which specifies how much money is left. Finally, as mentioned above, should the recipient decide not to buy food, but rather buy clothes or books, he or she will not be sanctioned, thus reducing stigmatisation by increasing recipient's agency over their purchasing choices.

6. Payment system

6.1. Payment instrument

The card is a Mastercard payment card. The card does not have the name of the recipient on it, in order to keep the recipient anonymous. VAT is paid on the goods purchased with the card, i.e. there is no exclusion of VAT.

6.2. Infrastructure and connectivity requirements

The card can be used in food stores and pharmacies that accept Mastercard payments, and in Post Offices, to pay electricity and gas bills. It thus requires a banking system with an extensive electronic payment system in place, of the kind seen in all EU countries to a sufficient degree.

6.3. Authentication requirements

Recipients of the card are provided with a PIN code, which is required to authenticate payments.

¹⁴⁷ See: <http://www.mondoposte.it/smf/index.php?topic=7340.0>.

¹⁴⁸ Cinzia Rosati (2009), 'Social Card vuote: l'umiliazione di lasciare la spesa alla cassa'. Available at: <https://www.rivieraoggi.it/2009/01/15/66698/social-card-vuote-l%E2%80%99umiliazione-di-lasciare-la-spesa-alla-cassa/>.

7. Compatibility with ESF+ and the CPR

7.1. Monitoring and reporting

Monitoring and reporting of the scheme fall to the responsibility of the implementing partner, INPS. INPS prepares an annual report on the activities carried out for the *Carta acquisti*, according to indications provided by the Ministry of Economy and Finance, in agreement with the Ministry of Labour, Health and Social Policies¹⁴⁹. Through its annual reports, the INPS monitors the amount of money distributed and the number of recipients¹⁵⁰.

Statistical data regarding the Social Card can be found on the [ISTAT website](#). The information found on this website provides a breakdown of demographic and geographic information regarding the recipients on the *Carta acquisti*. The statistical information on the *Carta acquisti* was produced using the administrative archive, SICA (the *Carta acquisti* Information System), established in 2008, the year in which the Social Card was introduced (Legislative Decree 25th June 2008, n.112, Art. 81¹⁵¹). The data available on the ISTAT website is only available up to 2013. However, the INPS communicates the data it gathers to the Ministry of Economy and Finance every month.

Contracting authorities are able to trace how the funds available to the recipients are spent.

7.2. Audit

There is no general audit of the *Carta acquisti* programme. There are various auditing measures put in place by the individual implementing partner and contracting authorities. In terms of public expenditure dedicated to the social card, this sum is decided at the beginning of the financial year. The Ministry of Economy and Finance then has control over the performance of the financial flows of the social card.

7.3. Data security and data protection

The Ministry of Economy and Finance (Department of the Treasury) is the data controller, and protects and guarantees the confidentiality of the personal data of the interested party, ensuring the necessary protection from any event that could put them at risk of violation¹⁵².

8. Budget and cost effectiveness

8.1. Overall budget of the scheme

In 2013, the scheme offered financial support to around 530 000 recipients (0.9% of the resident population), with a cost for the public budget of about EUR 200 million per year¹⁵³,

¹⁴⁹ DECRETO 16 settembre 2008. 'Criteri e modalita' di individuazione dei titolari della Carta Acquisti, dell'ammontare del beneficio unitario e modalita' di utilizzo del Fondo di cui all'articolo 81, comma 29 del decreto-legge 25 giugno 2008, n. 112, convertito, con modificazioni, dalla legge 6 agosto 2008, n. 113.' (GU n. 281 del 1-12-2008). See: <https://www.lavoro.gov.it/documenti-e-norme/normative/Documents/2008/DEcreto-Interdipartimentale-16SETTEMBRE2008.pdf>.

¹⁵⁰ See: <https://www.inps.it/nuovoportaleinps/default.aspx?iDLINK=105>.

¹⁵¹ See: http://dati.istat.it/Index.aspx?DataSetCode=I_SOCCARD#.

¹⁵² The information regarding data protection is described in the document '[Information on the processing of personal data pursuant to articles 13 and 14 of EU Regulation no.679/2016](#)' circulated by the Ministry of Economy and Finance.

¹⁵³ Donato Berardi and Fulvio Bersanetti (2013), Quaderni REF Ricerche n.6, 'Politiche di sostegno ai consumi alimentari delle fasce sociali meno abbienti', Milan: ref.ricerche. Available at: https://www.refricerche.it/fileadmin/Materiale_sito/contenuti/QR_06.pdf.

equating to an average cost per recipient of EUR 377. In 2019, EUR 163 million was allocated to the card system¹⁵⁴ and 556 516 recipients were reached, equating to a **cost per recipient of EUR 292**¹⁵⁵.

8.2. Costs of the scheme

The administrative and infrastructural costs of the scheme include the production, distribution and periodic top-up of the cards, information campaigns, and the development and maintenance of IT infrastructure and call centre services provided to cardholders. These costs must be less than 1.5% of the overall amount of funds distributed, as established by the implementing decrees¹⁵⁶.

Whilst there is limited recent and detailed data available, a paper from 2009 states that each card costs around EUR 20 to produce. A breakdown of the administrative costs can be found in the table below.

Table 3: Breakdown of the Carta acquisti administrative costs¹⁵⁷

Type of public cost	Maximum cost (EUR)
Letter sending	520 000
Production of the physical card	650 000
ISEE certification	17 million
Recharging of the card by the Italian Post	7.8 million
Total	25.97 million
Cost per card	20

Source: Data in <http://www.grusol.it/informazioni/27-01-09.PDF>.

9. Results

9.1. Main results of the scheme for end recipients

In terms of the results of the scheme for end recipients, they are able to gain access to additional financial support (albeit small) in order to pay for food, basic material goods and/or their bills. The total number of recipients of the program (those who received at least one credit of funds on the *Carta acquisti* between 2009 and 2019) is 5 172 077 people¹⁵⁸. The breakdown of the amount of people that benefited per year and the amount that they were paid is illustrated in the table below.

¹⁵⁴ affaritaliani.it (2019), 'La Social card sopravvive al Reddito di cittadinanza. Mef: "È cumulabile". Available at: http://www.affaritaliani.it/politica/social-card-sopravvive-al-reddito-di-cittadinanza-mef-e-cumulabile-602739.html?refresh_ce.

¹⁵⁵ INPS (2019), 'XVIII RAPPORTO ANNUALE: Luglio 2019'. Available at: https://www.inps.it/docallegatiNP/Mig/Dati_analisi_bilanci/Rapporti_annuali/INPS_RA_XVIII_2019.PDF, p. 297.

¹⁵⁶ Donato Berardi and Fulvio Bersanetti (2013), Quaderni REF Ricerche n.6, 'Politiche di sostegno ai consumi alimentari delle fasce sociali meno abbienti', Milan: ref.ricerche. Available at: https://www.refricerche.it/fileadmin/Materiale_sito/contenuti/QR_06.pdf.

¹⁵⁷ See: <http://www.grusol.it/informazioni/27-01-09.PDF>.

¹⁵⁸ This total does not include data from 2010, as the data from this year was not accessible.

Table 4: Breakdown of people that benefited from the scheme in 2019¹⁵⁹

Year	Amount paid (EUR)	Number of recipients
2009 ¹⁶⁰	235 922 480	636 962
2010 ¹⁶¹	No data	No data
2011 ¹⁶²	207 100 450	535 412
2012 ¹⁶³	208 406 755	533 869
2013 ¹⁶⁴	208 875 683	535 504
2014 ¹⁶⁵	229 713 808	615 395
2015 ¹⁶⁶	208 164 203	625 936
2016 ¹⁶⁷	190 240 785	560 844
2017 ¹⁶⁸	197 566 223	571 639
2018 ¹⁶⁹	191 544 388	556 516

Source: Compiled by researcher from data in <https://www.inps.it/nuovoportaleinps/default.aspx?ilDLink=105>.

10. Lessons learnt

10.1. Benefits and limitations

The implementation of the scheme and its large uptake is evidence of the ever-growing portion of the Italian population affected by economic hardship, and the need for an adequate social policy response to this. The *Carta acquisti* has a range of benefits.

¹⁵⁹ This data is sourced from the annual INPS reports, which are available at:

<https://www.inps.it/nuovoportaleinps/default.aspx?ilDLink=105>.

¹⁶⁰ INPS (2010), 'RAPPORTO ANNUALE 2009'. Available at:

https://www.inps.it/docallegatiNP/Mig/Allegati/2109inps_rapporto_annuale_2009.pdf.

¹⁶¹ INPS (2011), 'RAPPORTO ANNUALE 2010'. Available at:

https://www.inps.it/docallegatiNP/Mig/Allegati/2090Rapporto_annuale_2010.pdf.

¹⁶² INPS (2012), 'RAPPORTO ANNUALE 2011 (sommario)'. Available at:

https://www.inps.it/docallegatiNP/Mig/Allegati/2091Rapporto_annuale_2011.pdf.

¹⁶³ INPS (2013), 'RAPPORTO ANNUALE 2012'. Available at:

https://www.inps.it/docallegatiNP/Mig/Allegati/2093Rapporto_annuale_2012.pdf.

¹⁶⁴ INPS (2014), 'RAPPORTO ANNUALE 2013'. Available at:

https://www.inps.it/docallegatiNP/Mig/Allegati/2088RA_2013_integrale.pdf.

¹⁶⁵ INPS (2015), 'RAPPORTO ANNUALE 2014'. Available at:

https://www.inps.it/docallegatiNP/Mig/Allegati/2101Inps_Rapporto_annuale_2014.pdf.

¹⁶⁶ INPS (2016), 'XV RAPPORTO ANNUALE: Luglio 2016'. Available at:

https://www.inps.it/docallegatiNP/Mig/Allegati/2103INPS_rapporto_annuale_7_luglio_2016.pdf.

¹⁶⁷ INPS (2017), 'XVI RAPPORTO ANNUALE: Luglio 2017'. Available at:

https://www.inps.it/docallegatiNP/Mig/Dati_analisi_bilanci/Rapporti_annuali/INPS_XVI_Rapporto_annuale_intero_030717_%20.pdf.

¹⁶⁸ INPS (2018), 'XVII RAPPORTO ANNUALE: Luglio 2018'. Available at:

https://www.inps.it/docallegatiNP/Mig/Dati_analisi_bilanci/Rapporti_annuali/Inps_R.A._XVII_bassa.pdf.

¹⁶⁹ INPS (2019), 'XVIII RAPPORTO ANNUALE: Luglio 2019'. Available at:

https://www.inps.it/docallegatiNP/Mig/Dati_analisi_bilanci/Rapporti_annuali/INPS_RA_XVIII_2019.PDF, p. 297.

- The *Carta acquisti* scheme is **not very costly**. In fact, the administrative and infrastructure costs of the payment system fall within 1.5% of the funds distributed, as established by the implementing decrees.
- INPS, in the role of implementing partner, and the Italian Post, in the role of service provider, have made it possible to have an infrastructure and payment technology **capable of reaching vast audiences in a short amount of time**.
- The *Carta acquisti* also **increases the transparency and traceability** of the material assistance given to end recipients thanks to its digital nature, thereby increasing accountability towards the taxpayer¹⁷⁰.

There are several **limitations** to the scheme:

- It only offers a **limited and partial response** to the growing dimension of hardship and material deprivation that is present in Italy today. The lack of social inclusion measures accompanying the support has been criticised¹⁷¹.
- The card covers EUR 40 of expenses and bills monthly. It therefore **supports recipients in a very limited financial way**, that equates to just EUR 1.31 per day on average.
- The social card's **requirements are extremely stringent**. They exclude any person that lives in extreme poverty but that does not fall into the age brackets required¹⁷².
- The social card has been accused of **stigmatising end recipients**, with coverage in national press on this topic. This is demonstrated in the quote below, sourced from the Italian newspaper *La Stampa*¹⁷³:

'Unfortunately, I am entitled to the social card, but if the card does not reach me, I will not look for it, and if it arrives, I will not use it. I don't want to show the patches on my trousers or embarrass my grandchildren: "You know? Your grandmother uses the poor card." Wonderful! I can already see the chuckles of the creators of this magnificent invention. Don't you use it? Then you are not poor enough! I am poor, but I am not without dignity. I worked all my life and produced my share of GDP. I should be entitled to a little respect¹⁷⁴.'

10.2. Success factors

Despite aforementioned limitations, the *Carta acquisti* is the only welfare benefit of its kind that has survived in Italy nation-wide since its conception. The social card's longevity could be due to a number reasons. For one, the provision is relatively cheap, and its administrative costs are low. The scheme is also based on an existing structure that has a vast reach – the Italian Post – which has perhaps supported its efficient roll-out across the whole country. Finally, the social card itself (the card not the policy) is highly effective, user friendly, and transparent.

¹⁷⁰ Donato Berardi and Fulvio Bersanetti (2013), 'Politiche di sostegno ai consumi alimentari delle fasce sociali meno abbienti'. Available at: https://www.refricerche.it/fileadmin/Materiale_sito/contenuti/QR_06.pdf.

¹⁷¹ See: https://www.refricerche.it/fileadmin/Materiale_sito/contenuti/QR_06.pdf.

¹⁷² *La Stampa*: (2008), 'La social card: una grave offesa alla dignità delle persone e dei nuclei familiari in condizione di disagio socio-economico, 29 November 2008'. Available at: http://www.fondazionepromozionesociale.it/PA_Indice/164/La%20Social%20Card%20una%20grave%20offesa%20alla%20dignit%C3%A0.pdf.

¹⁷³ Ibid.

¹⁷⁴ Translated from Italian: 'Sono, purtroppo, un'avente diritto, ma se la Card non mi arriverà, non la solleciterò, e se mi arriverà non la userò. Non voglio mostrare le pezze nel sedere né mettere in imbarazzo le mie nipoti: "Sai? Tua nonna usa la tessera dei poveri". Che meraviglia! Vedo già i risolini degli ideatori di questa magnifica invenzione. Non la usi? Allora non sei abbastanza povera! Io sono povera, ma non per questo priva di dignità. Ho lavorato tutta la vita e prodotto la mia parte di Pil, avrei diritto a un po' di rispetto'.

Over the last 10 years, there have been numerous attempts to implement welfare and e-voucher schemes more far-reaching and more well-rounded than the *Carta acquisti*, with varying degrees of success. These include:

- The **experimental *Carta acquisti*** (*Carta acquisti sperimentale*, or CAS), which was put in place in 12 major Italian cities with over 250 000 inhabitants (Bari, Bologna, Catania, Firenze, Genova, Milano, Napoli, Palermo, Roma, Torino, Venezia, Verona). This card aimed to extend the reach of the *Carta acquisti* by increasing the number of recipients, and by implementing less stringent requirements to access it. Additionally, the card increased the amount that a recipient could receive. Recipients could receive between EUR 231 and EUR 404 per month, depending on the number of people in the household.¹⁷⁵ The experiment for this new card started in 2013 and finished in 2015.
- The **social card for the unemployed** (*Social card disoccupati*) was a debit card handed out to people who were unemployed, aged between 15 and 66 years old, and who were in a situation of hardship¹⁷⁶.
- The **inclusion income** (*Reddito di inclusione*, or REI) was a universal measure of poverty alleviation for people facing economic hardship. The REI provided an economic benefit, paid monthly through an electronic payment card (REI card); and a personalised project of accompaniment aimed at overcoming the conditions of poverty, prepared under the direction of the social services of the municipality where the recipient resided¹⁷⁷.
- The **support for active inclusion** (SIA) was a measure to combat poverty which provided an economic benefit (SIA card) to families in poverty. To benefit from this support, families had to include at least one minor, a disabled child/adult, or a pregnant woman. To be eligible for the economic benefit, the applicant's family had to join a personalised social and work activation project in order to lead them to financial independence¹⁷⁸.
- Since 2019, the ***Reddito di cittadinanza*** (citizenship income) has been implemented in Italy¹⁷⁹. It is aimed at families that are in economic hardship, and consists of personalised accompaniment for unemployed family members, as well as a debit card similar to the *Carta acquisti* card¹⁸⁰, in order to help them gain independence. The *Reddito di cittadinanza* card is based on the *Carta acquisti* card payment system. The main differences between the *Reddito di cittadinanza* and the *Carta acquisti* schemes is that the ***Reddito di cittadinanza* is more well-rounded** in providing support to the unemployed, as well as financial support, which is much higher than that provided by the *Carta acquisti*. This can range from EUR 780 to EUR 1 330, depending on the members of the household, as well as their age. Should a household have numerous underage members, then the family will receive a larger benefit. This may be a relevant scheme to further explore in the context of the ESF+ and its potential for transferability.

¹⁷⁵ See: <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=46052>.

¹⁷⁶ See: <https://www.torinocommercialista.it/disoccupati-social-card-fino-a-400e/>.

¹⁷⁷ See: <https://www.lavoro.gov.it/temi-e-priorita/poverta-ed-esclusione-sociale/focus-on/Reddito-di-Inclusione-Rel/Pagine/default.aspx>.

¹⁷⁸ See: <https://www.lavoro.gov.it/temi-e-priorita/poverta-ed-esclusione-sociale/focus-on/Sostegno-per-inclusione-attiva-SIA/Pagine/default.aspx>.

¹⁷⁹ See: <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=53209>.

¹⁸⁰ See: <https://www.redditicittadinanza.gov.it/schede/dettaglio>.

10.3. ESF+ transferability potential

Overall, the scheme is broadly relevant to the ESF+ and the CPR. The target group, though narrower, still falls within the scope of the target group as defined in Article 2(13) the ESF+ Regulation, namely ‘most deprived persons’¹⁸¹. The type of support provided is, however, broader than that provided for in the ESF+ Regulation, as the card can also cover the payment of electricity and gas bills. It is also unclear from the evidence available to what extent restrictions on certain products are enforced. A lack of a robust system for avoiding the purchase of certain products would be needed in order to ensure eligibility under ESF+ rules. It is also important to consider the limitations of the scheme, as detailed above – in particular, the reports from end recipients of the increased stigmatisation of the card, which would hamper its effectiveness and go against the principles of ESF+ support to the most deprived.

Furthermore, the e-voucher scheme is not embedded in a broader framework of social inclusion support measures, which may hamper its effectiveness.

Relevant laws

[Decreto interministeriale del 3 febbraio 2014](#) - Estensione del beneficio della Carta acquisti ai cittadini comunitari e stranieri

[Decreto interdipartimentale del 30 novembre 2009](#) - Modifiche procedurali relative alla consegna della Carta Acquisti, e definizione dei criteri per l'erogazione del contributo ENI S.p.A. ai beneficiari della Carta Acquisti utilizzatori di gas naturale o GPL

[Decreto interdipartimentale del 14 settembre 2009](#) - Disciplina per l'estensione delle tariffe elettriche agevolate di cui all'art. 1, comma 375 della Legge n. 266/2005, ai beneficiari della Carta Acquisti

[Decreto interministeriale del 2 settembre 2009](#) - Criteri e modalità di utilizzo, da parte di taluni beneficiari, della Carta Acquisti

[Decreto interministeriale del 27 febbraio 2009](#) - Integrazione e modificazione dei criteri di individuazione dei titolari della Carta Acquisti e fissazione delle modalità con cui le amministrazioni regionali e locali possono integrare il Fondo

[Decreto interdipartimentale del 7 novembre 2008](#) - Integrazione dei criteri e delle modalità di individuazione dei titolari della Carta Acquisti, del beneficio unitario e modalità di utilizzo del Fondo

[Decreto interdipartimentale del 16 settembre 2008](#) - Criteri e modalità di individuazione dei titolari della Carta Acquisti, dell'ammontare del beneficio unitario e modalità di utilizzo del Fondo

[Decreto legge 25 giugno 2008, n. 112](#) - Disposizioni urgenti per lo sviluppo economico, la semplificazione, la competitività, la stabilizzazione della finanza pubblica e la perequazione Tributaria

¹⁸¹ European Commission (2018), ‘Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)’, COM(2018) 382 final. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0382&rid=8>.

Social cards for families at risk - Lithuania

1. Introduction

Persons and families at risk in Lithuania may receive up to 50% of their social and child benefits in the form of social cards¹⁸². These social cards can be used to buy any items that are sold in supermarkets, except tobacco, alcohol products and lottery tickets. This measure is managed by Lithuanian municipalities who are responsible for social assistance provision in the country. They can choose to implement the social card measure as part of this assistance. The measure aims to ensure that for particularly **vulnerable families with children**, child and social benefits are, at least in part, being used for food and basic material assistance. The measure is implemented directly by selected merchants where social cards can be spent, based on individual contracts with each municipality. The measure is dedicated to the most vulnerable target population in Lithuania and has been in place since 2004.

Figure 5: Example of the social card for families at risk in Lithuania



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2. Context

2.1. Social assistance in Lithuania

In Lithuania, social assistance, including child benefits¹⁸³, can be provided in a variety of non-monetary forms, such as food vouchers, social cards, clothes, paid costs of daily meals for children in schools or day care centres, or paid costs of healthcare for adults with addiction problems¹⁸⁴. Monetary social support has been provided to families at risk of social exclusion for almost two decades, based on a 2003 law on monetary social assistance to socially deprived populations¹⁸⁵. This provided a legal framework for assistance provisions, financial resources, and a description of the target population. The law was amended in 2011 to mention social cards as one of the forms of non-monetary assistance to socially deprived persons, such as families at risk. **Social cards are mostly used as a**

¹⁸² Lietuvos Respublikos Seimas (2011), 'Law on monetary social support to socially deprived populations', *Valstybės žinios*, Dec 20, 2011, No. 155-7353. Available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.AFA734FB8321>.

¹⁸³ Lietuvos Respublikos Seimas (2011), 'Children Benefits Act', *Valstybės žinios*, 2011-12-20, Nr. 155-7350. Available at: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.413552?jfwid=-xq42bu6nm>.

¹⁸⁴ Lietuvos Respublikos Seimas (2011), 'Law on monetary social support to socially deprived populations', *Valstybės žinios*, Dec 20, 2011, No. 155-7353. Available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.AFA734FB8321>.

¹⁸⁵ Lietuvos Respublikos Seimas (2003), 'Law on monetary social support to socially deprived populations', published in: *Valstybės žinios*, Dec 20, 2003, (came into effect in 2004, 73-3352, i. k. 1031010ISTA0IX-1675: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.215633?jfwid=1difh0pyiv>). New redaction in 2011, came into effect in 2012.

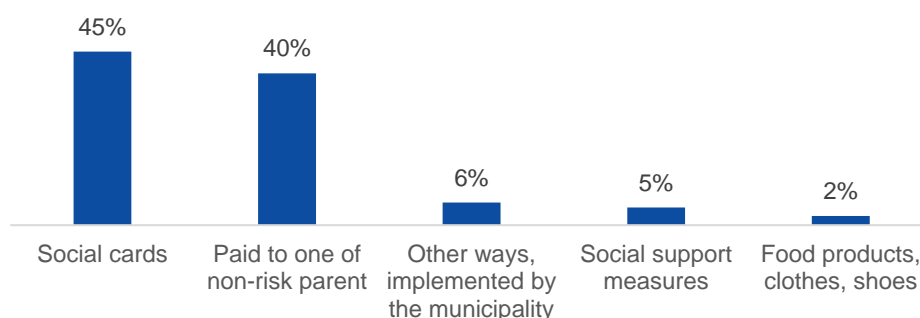
complementary measure to ensure that children in families at risk receive food and/or basic material assistance.

Social assistance in Lithuania is decentralised, with the 60 municipalities across the country each responsible for procedures to provide social benefits in non-cash form. Individual municipalities, therefore, can decide whether or not the measure providing social and child benefits through social cards will be used as a form of non-cash assistance¹⁸⁶. Legally speaking, municipalities can provide up to 50% of all monetary social support¹⁸⁷ through social cards.

2.2. Geographical coverage of the scheme

Non-monetary support through social cards is provided in most of the municipalities in Lithuania, however as the system is decentralised, it is not known exactly how many use the cards presently. What is clear is that in 2019, **social cards were one of the most common ways of providing cashless support** across the 60 Lithuanian municipalities (see Figure 7).

Figure 6: Ways of providing social benefit payments in Lithuanian municipalities, 2019



Source: Ministry of Social Affairs and employment, 2020¹⁸⁸

3. Target population

Legally, social cards can be distributed to all socially vulnerable groups. The main target group actually receiving social cards, however, is **families at risk**¹⁸⁹. This term refers to a family where one or more family members abuse alcohol, narcotics, psychotropics or toxic substances and/or are addicted to gambling, are unable to care for a child due to a disability, poverty, or lack of social skills, and/or use psychological, physical or sexual abuse, and/or use government social support in a way that is not in the family's best interest.

¹⁸⁶ There are 60 municipalities in Lithuania that adopt different monetary social assistance measures.

¹⁸⁷ Based on Article 23, municipalities cannot provide more than 50% of all monetary support in cash, except if other provisions are agreed on a case-by-case basis. The remaining 50% has to be distributed in cashless form. See: Lietuvos Respublikos Seimas (2011), 'Law on monetary social support to socially deprived populations', *Valstybės žinios*, Dec 20, 2011, No. 155-7353. Available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.AFA734FB8321>.

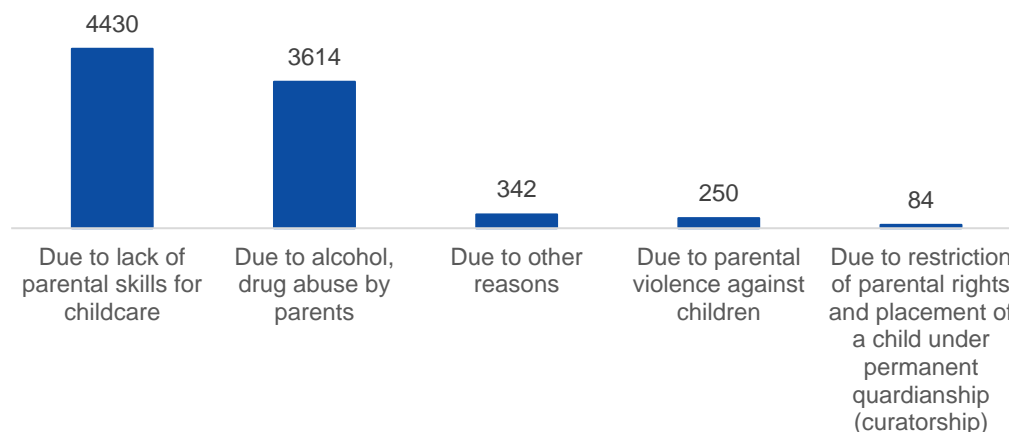
¹⁸⁸ Lietuvos Respublikos Socialines Apsaugos ir Darbo Ministerija (2020), 'Vaiko pinigai riziką patiriančioms šeimoms: savivaldybės raginamos atsižvelgti į vaikų poreikius'. Available at: <https://socmin.lrv.lt/lt/naujienos/vaiko-pinigai-rizika-patiriancioms-seimoms-savivaldybes-raginamos-atsizvelgti-i-vaiku-poreikius>

¹⁸⁹ Lietuvos Respublikos Seimas (2011), 'Law on monetary social support to socially deprived populations', *Valstybės žinios*, Dec 20, 2011, No. 155-7353. Available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.AFA734FB8321>.

3.1. Number of recipients

In 2018, there were 17 400 children living in more than 9 000 families at risk in Lithuania¹⁹⁰. Almost 50% of all these cases referred to families with a lack of parental skills for childcare (see Figure 8). Based on the current statistics, **just under half of children living in families at risk** – 45.3% – received child benefits through social cards in the first half of 2019¹⁹¹.

Figure 7: Number of families at risk in Lithuania, by reason (2018)



Source: Official department of Statistics (2019). Number of families at social risk at the end of the year, last updated on 2019-05-30. Available at: <https://osp.stat.gov.lt>.

4. Main actors

Municipalities are the **contracting authority** and are responsible for the coordination of the scheme. The Lithuanian **legislative framework** stipulates that it is up to municipalities to decide if social cards will be used as a form of non-cash social support. Municipalities initiate **public procurement procedures** to produce social cards to be used in the municipality. They sign agreements with the service providers (supermarkets and retail companies) for a duration of one to four years¹⁹², dependent on the most cost-effective offer. The municipalities are also responsible for determining the **eligibility of card recipients** and updating the recipient list two to three times per month. They also provide information to the card recipients, including where new cards can be picked up and how to use them, and act as the **financial operator**, responsible for transferring funds to service providers.

The **implementing organisations** of the measure are the **merchants** – mainly retail companies and supermarkets, which are contracted by the municipalities as **service providers** to produce social cards and allow their use in their shops. Merchants also transfer the social benefits to the cards once the funds have been received from the

¹⁹⁰ In comparison with families at risk, more than 60 000 people received social benefits in 2019, and more than 8 000 received them in cashless form. Based on the interview with the representative of Ministry of Social Affairs and Labour in Lithuania, 09 April 2020.

¹⁹¹ Lietuvos Respublikos Socialinės Apsaugos ir Darbo Ministerija (2020), 'Vaiko pinigai riziką patiriančioms šeimoms: savivaldybės raginamos atsižvelgti į vaikų poreikius.' Available at: <https://socmin.lrv.lt/lt/naujienos/vaiko-pinigai-rizika-patiriancios-seimoms-savivaldybes-raginamos-atsizvelgti-i-vaiku-poreikius>

¹⁹² Centrinis viešųjų pirkimų portalas (CVPP), 'Socialinės ir kitos specialios paslaugos. Viešosios sutartys: Skelbimas apie sutarties skyrimą – Paslaugos', Direktyva 2014/24/ES. Available at: <https://cvpp.eviesiejiipirkimai.lt/Notice/Details/2019-631306>.

municipality. One of the main criteria for a merchant to be chosen for the delivery of the measure is the location of their shops. Based on the technical specifications of the public procurement in Rokiskis, for example, the service provider needs to operate at least one shop in the region¹⁹³.

Based on desk research¹⁹⁴, in most cases there are only one or two applications per procurement procedure because of **requirements** stipulated by the contracting authority. The provider is also responsible for ensuring that all the necessary goods are available for the card recipients and/or for ordering them upon request.

Due to the decentralised implementation model of the scheme, each municipality contracts different merchants for its delivery. In Ukmerge, for example, through the public procedure, a two-year contract has been signed with a local cooperative that owns 36 grocery shops in the region¹⁹⁵. The retail chain, 'Maxima', is one of the main delivery companies of the measure across the country, due to the number of stores it operates in Lithuania¹⁹⁶.

Based on the legal acts¹⁹⁷, municipalities can seek the advice of **NGOs**, religious organisations or communities to decide on how monetary social support should be distributed. According to one interviewee, in the Vilnius City municipality, NGOs can also inform the municipality if the social cards are lost by their recipients. The research did not, however, identify any examples of NGO involvement in this practice.

5. Implementation of the scheme

5.1. Enrolment process

Families at risk are identified by social workers in each municipality, who provide individual recommendations on the family's needs on a case-by-case basis. They may determine if a family has any childcare issues due to harmful behaviour towards themselves or a child. They can also assess what social support measures children in families at risk require and how the monetary social support should be paid, including whether the use of social cards would be beneficial. Each municipality has different administrative procedures to determine the type of social support measures for each family at risk¹⁹⁸. In the Vilnius City municipality, for example, they assess the following family conditions¹⁹⁹:

- If a family is following a plan to improve social skills or is at social risk.
- Living conditions and household environment.
- How long the family is receiving social benefits.
- Information about illegal actions.

¹⁹³ Rokiškio rajono savivaldybės administracija (2019), 'Socialinių kortelių gaminimo, aptarnavimo ir maisto produktų bei kitų pirmo būtinumo prekių pardavimo paslaugų pirkima'. Adopted on 17 December 2019.

¹⁹⁴ All the public procurement invitations and their results are available on the official website: <https://cvpp.eviesiejipirkimai.lt/>.

¹⁹⁵ Zimblienė, Daiva (2019), 'Pašalpu gavėjai vietoj grynujų pinigų gavo socialines mokėjimo korteles'. Available at: <https://www.etapius.lt/pasalpu-gavejai-vietoj-grynuju-pinigu-gavo-socialines-mokejimo-korteles>.

¹⁹⁶ See: <https://www.maxima.lt/kas-esame>.

¹⁹⁷ Lietuvos Respublikos Seimas (2003), 'Law on monetary social support to socially deprived populations', *Valstybės žinios*, Dec 20, 2003 (came into effect in 2004, 73-3352, i. k. 1031010ISTA0IX-1675). Available at: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.215633?fwid=1difh0pyiv>. New redaction in 2011, came into effect in 2012. Interview with the representatives of Vilnius City municipality, 7 April 2020.

¹⁹⁸ See an exemplary law in Vilnius City municipality, adopted in 2014: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/bd6b39b0392d11e4a343f25bd52b4862/asr?positionInSearchResults=0&searchModelUUID=631badd9-5d20-4d8e-a681-4add94bb5675>.

¹⁹⁹ Interview with the representatives of Vilnius city municipality, 7 April 2020. Based on Law on monetary social support to socially deprived populations, Children Benefits Act, and the Description of the procedure for providing social benefits in non - cash form in Vilnius city municipality.

- If a family or a person is in debt for utilities.
- If a person has not used social integration or other support programmes at their disposal.

5.2. Delivery process

After receiving a list of end recipients from the municipalities, the service providers – in this case the contracted merchants – are obliged to produce the cards and give them to the municipality²⁰⁰. The list of eligible recipients includes the following information: name and surname of the end recipient, date of birth, and an amount of social benefits per person²⁰¹. The municipality can send an updated list of eligible individuals up to three times per month, depending on the signed contract. This enables the contracting authority to ensure that the lists are up to date and that they receive the new social cards within a short period.

The social cards are either distributed to the card owners by the municipality, or can be collected at the merchant stores, as agreed in advance with the end recipient. In Vilnius, for example, the end recipient signs a request form stipulating when, and in which supermarket, they would like to receive their social card²⁰².

The service provider must ensure that the card recipients receive the money within one day of the funds being transferred by the municipality. Usually, the **cards are topped up** by municipalities **monthly** with the amounts determined according to social and child benefit entitlements of each recipient.

Recipients can pay with social cards in any of the contracted stores, regardless of their geographical location. **Any goods** sold at a retail outlet in the contracted retail network in each municipality can also be purchased, including clothing, school supplies or hygiene products. The social cards can also be used to pay for utilities, including water, gas or electricity and phone bills.

As indicated in the service contracts, the contracted retailers and supermarkets provide small **discounts** for social card owners on any goods bought using the social card. For instance, in the Visaginas municipality, a 1% discount is provided on all purchases²⁰³. Any other discounts on any of the goods in the supermarkets also apply.

5.3. Restrictions

Families at risk can use social cards only in the stores that have signed contracts with the municipalities. There are theoretically restrictions on the purchase of tobacco, alcohol products and lottery tickets. Municipalities also encourage recipients to use child benefits on the social cards to purchase items for children. However, **these restrictions are not strictly enforced** in practice.

Goods purchased with social cards cannot be returned or refunded. This is a safety mechanism to ensure that people do not cash the money out through refunds. Only in exceptional cases can money from the social cards be cashed out to pay for other goods or services, and this can only be done in the presence of a social worker²⁰⁴.

²⁰⁰ See: <https://lrvilstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gamybos-ir-aptarnavimo-paslaugas>.

²⁰¹ See: <https://lrvilstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gamybos-ir-aptarnavimo-paslaugas>.

²⁰² Based on the interview with the representatives of Vilnius City municipality, 7 April 2020.

²⁰³ See: <https://lrvilstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-ir-aptarnavimo-paslaugas-5>.

²⁰⁴ Kazarian, Sima (2014), 'Norėtu „Maximos“, skuduryną ir turgaus, bet be priežiūros – tik „Aibė“'.

Available at: <http://drg.lt/rajone/10317-noretu-maximos-skudurynu-ir-turgaus-bet-be-prieziuros-tik-aibe>; <https://lrvilstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-skirtu-socialinems-ismokoms-teikti-nepinigine-forma-asmenims-patyrusiems-socialine-rizika-paslaugas>.

5.4. Security

The specific operational aspects of the social card scheme are established individually with each service provider. Based on the review of a number of contracts²⁰⁵, the contracted companies are responsible for issuing the social cards and replacing them in case of loss, damage, or theft. They must block the social card within one hour of receiving an email or a phone call about a loss or theft from the card owner, but this is only the case during working hours²⁰⁶. This means that there is no mechanism to block the card if it is lost outside of working hours. Furthermore, Maxima, which is one of the major service providers, does not provide a phone number to call in these cases, requiring recipients to send an e-mail instead²⁰⁷.

5.5. Accompanying social inclusion measures

Social cards are only one part of the cashless support provided by social services of municipalities. All accompanying social inclusion measures are provided outside of the social card measures for families at risk. All families at risks have social workers that prepare **social integration plans** for them, with appropriate measures, as decided upon by each municipality. These could include paid after school activities for children, pre-school childcare, or school excursions. In the Jonava municipality, for example, social workers are actively trying to improve the financial skills of parents by helping them with monthly financial planning. In case of debts to service providers, municipalities can transfer an agreed amount of money to cover the existent debts and ensure that a family does not lose heating, electricity or water²⁰⁸.

By following individual support plans prepared on a case by case basis by social workers for each family/recipient²⁰⁹, families at risk are more likely to eliminate their 'at risk' factors. This incentivises participation in accompanying measures, as families are then eligible to receive all their social and child benefits in cash, as opposed to in card form.

5.6. User-friendliness

The **feedback** documented by the national media and in interviews about the user friendliness of the measure has been mostly positive. The end recipients find social cards easy to use, as they can pay with them at the cashier with no extra effort. However, there is a **lack of flexibility** in terms of where the cards can be used, which is negatively received by those who used to save money by shopping at cheaper local stores or markets. This particularly affects low income families²¹⁰.

It was also stated by interviewees that the card owners are satisfied overall with the social cards, as the **money can be stored for a long time** – in Vilnius, for example, the cards are valid until 2030 – and it is flexibly transferred to a new card in case of theft, loss or card

²⁰⁵ See: <https://lrvlstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gamybos-ir-aptarnavimo-paslaugos>; <https://lrvlstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-ir-aptarnavimo-paslaugos-4>; <https://lrvlstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-skirtu-socialinems-ismokoms-teikti-nepinigine-forma-asmenims-patyrusiems-socialine-rizika-paslaugos-pirkimo-sutartis>.

²⁰⁶ In most cases due to a loss or theft, the card owners must send an e-mail to the retail provider during working hours (Monday – Friday, 8.00 – 12.00, 13.00 – 17.00). Some merchants in rural municipalities also include a phone number. See: <https://lrvlstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-ir-aptarnavimo-paslaugos-5>; <https://lrvlstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-skirtu-socialinems-ismokoms-teikti-nepinigine-forma-asmenims-patyrusiems-socialine-rizika-paslaugos>.

²⁰⁷ Other local retailers also provide a phone number to call. Source: <https://lrvlstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-ir-aptarnavimo-paslaugos-5>.

²⁰⁸ Interview with the representatives of the Vilnius City municipality, 7 April 2020.

²⁰⁹ Interview with the representatives of the Vilnius City municipality, 7 April 2020.

²¹⁰ Kazarian, Sima (2014), 'Norėtu „Maximos“, skuduryių ir turgaus, bet be priežiūros – tik „Aibė“'. Available at: <http://drq.lt/raione/10317-noretu-maximos-skuduryiu-ir-turgaus-bet-be-prieziuros-tik-aibe>

damage. Moreover, money on the social cards is not subject to bailiffs²¹¹. Card recipients can conveniently check a card balance online after entering the card security code and its number.

6. Payment system

6.1. Payment instrument

The social card is a magnetic payment card used to purchase goods. It is not a bank type card and is therefore not subject to regulations governing bank cards²¹². It is not anonymous, as the social card includes personal information of the card owner, his/her signature, a card number and its validity period.

6.2. Payment device

The payment device terminal is located at the point of sale in the merchant's shops. After the purchase, each receipt includes the new cash balance of the card.

6.3. Authentication process

The merchants are responsible for ensuring that only the card owner is using the social card²¹³. Since the owner's identification information is included on the card, the cashiers ask individuals to present an ID card during the purchase, in order to confirm their identity²¹⁴. Some cards are also secured by a PIN code, depending on the service provider²¹⁵.

7. Compatibility with ESF+ and the CPR

7.1. Monitoring and reporting

Municipalities continuously communicate with the contracted companies to update them on the number of card recipients, any changes in their personal information (e.g. a surname change on a card), and any changes in social benefits. Contracted companies also regularly inform municipalities of the balance on the cards, sending them a list with recipients' names, surnames, card numbers and balances. If the balance on a card remains unused, social workers may check with the end recipient why that is and follow-up accordingly. Any **unused money** on the social cards is transferred back to the budget of the municipality.

7.2. Audit

There are no audit procedures in place. Both, municipality and the service provider are subject to contractual agreements. If the contracted company does not comply with the contracting agreements, they may face up to EUR 1 000 fee or a termination of the contract.²¹⁶ Any illegal activities performed by the contract partners are subject to civil

²¹¹ Direct interviews with the end participants were not possible as the social workers could not share the contact details of the end recipients due to GDPR rules. Interview with the representatives of the Vilnius City municipality, 7 April 2020.

²¹² See: <https://lrvastybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-ir-aptarnavimo-paslaugos-5>.

²¹³ See: <https://lrvastybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-aptarnavimo-ir-maisto-produktu-pramoniniu-prekiu-ir-kitu-prekiu-pirkimo-socialiai-remtiniems-ir-socialines-rizikos-asmenims>.

²¹⁴ Interview with the representatives of the Vilnius City municipality, 7 April 2020.

²¹⁵ Ibid.

²¹⁶ See: <https://lrvastybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-ir-aptarnavimo-paslaugos-5>.

process code and can be solved in court. However, there are **no formal mechanisms** in place to detect any activities of this kind.

7.3. Eligible costs

Tracking of eligible expenditure is not necessary under the arrangements for this measure, as **companies receive a lump sum** from the municipality corresponding to the amount of social benefits to be transferred onto the social cards each month. This is stipulated in the contract, along with the number of corresponding cards to be produced. In the Visaginas municipality, for example, the contract outlined the transfer of up to EUR 54 000 of social benefits on about 90 social cards over 12 months. This amount could be changed by up to 20% of the maximum budget, as stipulated in the contract²¹⁷.

Any implementation costs, including the production of cards, customer service, or financial transactions, are not compensated by the municipality and are borne directly by the contracted retail companies. The services provided by the companies are not subject to VAT, as they are performed at no cost to the municipalities²¹⁸.

7.4. Data security and data protection

After signing the contract, both the contracting authority and the contracted company must treat all the personal information received during the contract confidentially. Disclosure of confidential information to any third party requires the written consent of the other party, and is subject to GDPR.

8. Budget and cost effectiveness

8.1. Overall budget of the scheme

It is not possible to determine the overall budget of the measure nation-wide, as it is entirely dependent on social benefit entitlements. The budget is essentially the amount of social benefit entitlements of eligible recipients that are given in social card form (up to the municipality to decide, but never more than 50% of the individual's full entitlement). Social benefit entitlements are calculated on the basis of social protection legislation by social services in each municipality²¹⁹.

8.2. Costs of the scheme

As outlined above, implementation costs are not compensated by the municipality and are borne directly by the contracted retail companies. The study has been unable to identify detailed breakdowns of these costs, but possible types of costs could include the production of the cards, customer services and the cost of financial transactions.

The only costs borne by the municipality are **staffing costs**, but these are not additional. In Vilnius, for example, four existing administrative staff members perform functions directly related to the implementation of the scheme as part of their normal tasks.

²¹⁷ See: <https://lrvilstybe.lt/index.php/ivyke-viesieji-pirkimai/socialiniu-korteliu-gaminimo-ir-aptarnavimo-paslaugos-5>.

²¹⁸ Interview with the representatives of the Vilnius City municipality, 7 April 2020.

²¹⁹ Lietuvos Respublikos Seimas (2011), 'Law on monetary social support to socially deprived populations', published in *Valstybės žinios* (Dec 20, 2011), No. 155-7353. Available at: <https://www.e-tar.lt/portal/en/legalAct/TAR.AFA734FB8321>.

8.3. Cost effectiveness

The measure is cost effective, in terms of minimising the administrative burden for municipalities if they were to implement the measure directly themselves. The measure is administered as part of daily work by municipality specialists, and does not create extra staffing costs for the municipality.

9. Results

Since the beginning of the measure, social cards are used to ensure that children in families at risk receive necessary care. By providing social and child benefits through social cards, the municipality can ensure that recipients' benefits are more likely to be spent on buying food and other goods to fulfil the daily needs of children. This way, municipalities can guarantee a **targeted use of social benefits**, fulfilling the necessary needs of end recipients.

In recent years, social cards have become one of the most popular measures of cashless support in municipalities. Based on current statistics, just under half of children living in families at risk (45.3%) received child benefits through social cards in the first half of 2019²²⁰.

Social cards **expand the range of products** that can be received through food aid or meal vouchers, and provide end recipients with a moderately free choice on how money can be spent. Most of the municipalities sign contracts with big retail companies that have multiple supermarkets in the region, or across the entire country, allowing card recipients to spend the money wherever they are. Some social cards have a similar design to the loyalty cards, which may reduce stigmatisation of using them in supermarkets.

Social and child benefits are only transferred to individuals or families at risk who are not capable of taking care of themselves or their children. **Social cards work alongside the other multiple social inclusion measures** implemented by municipalities to ensure that all children's needs are respected. In this way, they aim to bring individuals out of their 'at risk' status and support them in their broader social integration.

10. Lessons learnt

The measure is dedicated to the most vulnerable target population in Lithuania, and has been implemented for almost two decades. No nation-wide evaluation of the measure has been conducted, however, as the procedures for cashless support provision differ in all 60 municipalities.

10.1. Critical impacts

The impact on the social inclusion of end recipients can be summarised as follows.

- Social cards ensure that children in families at risk are **more likely to receive food and basic material assistance** from social and child benefits.
- By providing a moderately free choice on how money can be spent, social card recipients are **not stigmatised** through their use.

²²⁰ Lietuvos Respublikos Socialinės Apsaugos ir Darbo Ministerija (2020), 'Vaiko pinigai riziką patiriančioms šeimoms: savivaldybės raginamos atsižvelgti į vaikų poreikius'. Available at: <https://socmin.lrv.lt/lt/naujienos/vaiko-pinigai-rizika-patiriancioms-seimoms-savivaldybes-raginamos-atsizvelgti-i-vaiku-poreikius>. Ibid.

- Social card recipients are incentivised to follow individual **social integration plans**, as these can reduce their 'at risk' factors, eventually allowing them to receive their social benefit entitlements in cash form.

10.2. Benefits and limitations

The social card measure has a range of **benefits**. It ensures that at least 50% of social and child benefits are spent on necessary food items and material goods, forbidding their use on alcohol, tobacco, and lottery tickets. It also increases safety measures in terms of who uses the money, as only a card owner can purchase goods after showing his/her ID to the cashier.

Limitations linked to the measure are also clear, however. There is **limited security** if the card is stolen or lost outside of working hours. The system also depends on end recipients not cashing out the bought items by reselling them to other individuals.

For some low-income families, the **use of social cards is too limited**. In terms of **location**, they cannot shop in local markets or small shops where local fruits and vegetables are cheaper. They also cannot cover other key expenses (e.g. paying for wood in rural areas). Some municipalities therefore choose to limit the use of social cards and transfer cash social benefits instead, based on recommendations by social workers. More flexible measures, such as paying for extracurricular activities for children, were developed throughout the years to ensure that families at risk receive the right type of support. In the municipality of Vilnius, there are also plans to increase the use of social cards by allowing them to be used to purchase medicine in pharmacies, and to pay for public transport and/or medical care.

Based on the low amount of offers during the public procurement procedure, a possible disadvantage of the measure is that **only bigger supermarket chains consider implementing it** as part of their activities. This could be explained by the amount of responsibility transferred by the contracting authority onto the contracted company, including strict deadlines, administrative burden and logistical/production costs.

A **more centralised approach** to the provision of social and child benefits is being considered by the Ministry, however, which is more effective and better suited for the individual needs of children. In early 2020, a recommendation from the Minister of the Social Affairs and Employment was issued encouraging municipalities to use a mixed method approach, based on individual cases, to ensure that money for children is beneficially distributed²²¹. This marks an attempt to create an overall national approach to strategically guide implementation of measures on the municipal level. Further negotiations to establish national social assistance measures instead of the current regionally-led approach are underway²²².

10.3. Success factors

A key factor for the success of the measure appears to be its **flexibility**. As local administrations can choose the form of social assistance to provide based on the needs of the family, it appears that it can adapt to local population needs.

The measure is also based on a **straightforward operational model** that relies on one contractual relationship between municipality and merchant. This appears to keep the administrative burden relatively low for the municipality.

²²¹ Lietuvos Respublikos Socialinės Apsaugos ir Darbo Ministerija (2020), 'Vaiko pinigai riziką patiriančioms šeimoms: savivaldybės raginamos atsižvelgti į vaikų poreikius'. Available at: <https://socmin.lrv.lt/lt/naujienos/vaiko-pinigai-rizika-patiriancioms-seimoms-savivaldybes-raginamos-atsizvelgti-i-vaiku-poreikius>. Ibid.

²²² Based on an interview with the representative of Ministry of Social Affairs and Labour in Lithuania, 09 April 2020.

The operational model also implies **low costs** of implementation for the municipality. All costs are absorbed by the contracted merchant, from the production of the cards, to customer services.

10.4. ESF+ transferability potential

Overall, the measure is relevant to the ESF+ and the CPR. The target group falls within the target group of ESF+ support for addressing material deprivation, namely ‘most deprived persons’, as defined in Article 2(13) of the proposed Regulation²²³. The measure is part of broader social service provision and implemented by the municipal social services, and this ensures that end recipients have access to other measures aimed at their social inclusion, thereby also aligning with the principles of ESF+ support for addressing material deprivation.

Expenditure on the scheme is not tracked by the contracted companies, as this is not required by the contracting authority. This is because the system is based on the contracted companies receiving a lump sum payment for the scheme, as stipulated in the contracting arrangements. It also appears to mean that monitoring and reporting requirements imposed by the contracting authority are limited. Contracted companies can (and do) inform municipalities on how the cards are used, but a robust monitoring system to track how money on the cards is spent by end recipients does not appear to be in place. This may pose a challenge in the context of the ESF+ in terms of tracking eligibility of expenditure, as well reporting on common indicators. The enforcement of restrictions on the purchase of certain products appears to rely solely on the good will of end recipients, which may also be problematic in the context of the ESF+.

²²³ European Commission (2018), ‘Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)’, COM(2018) 382 final. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018PC0382&rid=8>.

Tarjeta monedero – Spain

1. Introduction

CaixaProinfancia is a socio-educational initiative by Obra social *la Caixa*, that is accompanied by a voucher card scheme. The initiative aims to tackle certain structural dimensions of poverty by supporting income through the *tarjeta monedero*, and providing relational and emotional resources to improve skills and knowledge. It is implemented by a vast network that includes *la Caixa*, NGOs, and public institutions across the whole country. The cards target **families** with an income lower than the Spanish Public Multiple-Effect Income Indicator (IPREM), which is set at EUR 537.84 monthly, and who are participating in social inclusion and activation measures, and thus considered to possess the motivation and tools to exit poverty. The cards may be used for food and hygiene products, educational material, and audiovisual equipment, up to EUR 600 a year. Households with children aged 0 to 3 years are offered the food cards, whilst households with children and adolescents aged 0 to 18 years have access to the cards for other goods. End recipients can use specific cards in specific shops, through an automatic system based on matching codes. With the COVID-19 pandemic, an extra EUR 3 million for food has been made available, and eligibility rules for the food and hygiene card have been revised to include households with children and adolescents aged 0 to 18 years, rather than 0 to 3 years.

Figure 8: Various types of tarjeta monedero



© la Caixa Banking Foundation

2. Context

2.1. Poverty and social exclusion in Spain

As many as **one third of children and more than 100 000 households** in Spain are at **risk of poverty and social exclusion**²²⁴. According to the European Social Policy Network²²⁵, the wage devaluation of 2010–2014 and the labour reform of 2012 have increased segmentation and precariousness in the Spanish labour market, and heightened the risk of in-work poverty. Furthermore, Spain's welfare system is held to be comparatively ineffective by a range of studies in reducing poverty and social exclusion because of its conservative-corporatist²²⁶ nature and its southern-model traits²²⁷. According to UNICEF²²⁸,

²²⁴ Peña, E.B. and Pérez-de-Guzmán, V. (2017), 'Educación, salud y pobreza. Programa CaixaProinfancia en Murcia: Estudio de casos', *Salud y drogas*, 17(2), pp.179-188.

²²⁵ Gregorio Rodríguez Cabrero, Ana Arriba González de Durana, Vicente Marbán Gallego and Julia Montserrat Codorniu (2019), 'In-work poverty in Spain'. Available at: <https://ec.europa.eu/social/BlobServlet?docId=21091&langId=en>

²²⁶ Esping-Andersen, G. (1990), 'The three worlds of welfare capitalism', Princeton University Press.
Esping-Andersen, G. (1999), 'Social foundations of post-industrial economies', OUP Oxford.

²²⁷ Leibfried, S. (2002), 'Towards a European welfare state?', *New perspectives on the welfare state in Europe* (pp. 128-151), Routledge.

²²⁸ UNICEF (2016), Report Card n.º 13 de Innocenti: Los niños del mundo desarrollado, 'Equidad para los niños Una tabla clasificatoria de la desigualdad respecto al bienestar infantil en los países ricos'. Available at: https://www.unicef.es/sites/unicef.es/files/equidad_para_los_ninos_una_tabla_clasificatoria_de_la_desigualdad_respecto_al_bienestar_infantil_en_los_paises_ricos.pdf.

Spain is the EU Member State with the least monetary benefits for households and children, taken as a percentage of GDP, and one of the EU Member States with the lowest expenditure on social protection for children and their families. Moreover, the national average of poverty and social exclusion fails to emphasise the territorial dimension of poverty and social exclusion, with asymmetries linked to socio-economic regional development²²⁹ and to the different provision of social benefits by region²³⁰.

The card, which is called *tarjeta monedero*, is part of the **CaixaProinfancia (CPI) initiative**, a socio-educational programme launched by *Obra social la Caixa* – the welfare-oriented branch of the Caixa Foundation. It was launched in 2007 to respond to poverty and social exclusion amongst children in the country. The aim of the initiative is to fight child poverty and social exclusion in Spain by improving the educational level of vulnerable children, including through promoting healthy lifestyles, parental skills, education, and active participation in the labour market, as well as by providing material necessities, such as food, and educational and audiovisual equipment. The programme therefore adopts a **holistic approach** that both redistributes and seeks to empower end recipients to take control over their own lives. It thus attempts to mitigate certain structural dimensions of poverty at the individual, household, and territorial (neighbourhoods and communities, NGOs, and local institutions) levels, by focussing on income support and broader measures to enhance the relational and emotional resources of the individual, and improve their skills and knowledge.

2.2. Geographical coverage of the scheme

The CPI initiative was first piloted in the 11 most populated Spanish metropolitan areas of Palma de Mallorca, Barcelona, Bilbao, Gran Canarias, Madrid, Málaga, Murcia, Seville, Tenerife, Valencia and Zaragoza. Since 2015, it has also been implemented in the autonomous communities of Catalonia, Galicia and Extremadura²³¹. The scope of the initiative now extends to all regions and 54 cities. The initiative seeks to have **nation-wide coverage** to ensure equity, including territorial equity, and to counter postcode lottery challenges. It balances this goal with the complementary objectives of efficiency and effectiveness, however. As a result, it covers areas where it is easier to build networks of NGOs and public services, and where the population is not too dispersed and is comparatively more easily and efficiently reachable by implementing organisations.

2.3. Duration of implementation of the scheme

The scheme has been in place since 2007, but moved from paper-based vouchers to an electronic card, the *tarjeta monedero*, in 2017. There are no plans to stop the programme. In fact, in light of the COVID-19 pandemic, the goal is to make the *tarjeta monedero* a more prominent feature of the overall CPI scheme.

²²⁹ Cussó Parcerisas, I., Longás Mayayo, J., Riera Romani, J., Boadas Mir, B., Ricciardelli Díaz, O., Santibáñez Gruber, R., Martín Quintana, J.C., Cabrera Montesdeoca, Y.S., Lázaro Fernández, S., Urosa Sanz, B. and Ruiz Román, C. (2017), 'Mapeo de la situación y atención social de la infancia y el Programa CaixaProinfancia en once territorios del estado español (2012-13'. 1013). Available at: https://www.researchgate.net/profile/Jordi_Mayayo/publication/321134924_Mapeo_de_la_situacion_y_atencion_social_de_la_infancia_y_el_Programa_CaixaProinfancia_en_once_territorios_del_estado_espanol_2012-1013/links/5a0f0b8faca2729975077566/Mapeo-de-la-situacion-y-atencion-social-de-la-infancia-y-el-Programa-CaixaProinfancia-en-once-territorios-del-estado-espanol-2012-1013.pdf.

²³⁰ Borja Suárez C. (2019), 'Devolution and Decentralisation in Social Security: The situation in Spain'. in *Devolution and Decentralisation in Social Security: A European Comparative Perspective*. Available at: <https://ec.europa.eu/social/BlobServlet?docId=21091&langId=en>.

²³¹ Jesús Vilar, Jordi Longás, J. and Roser de Querol, R., 'ACCIÓN COMUNITARIA Y TRABAJO EN RED: PRESENTACIÓN DE UN MODELO DE ÉXITOÉXITO'. See: <https://periodicos.ufpb.br/index.php/rle/article/view/34358https://periodicos.ufpb.br/index.php/rle/article/view/34358/27525>

3. Target population

Potential end recipients of both CPI and the *tarjeta monedero* are those who are below the IPREM²³² index threshold (the index used in Spain as a reference for granting social benefits) and who may or may not be (due to administrative or digital barriers, for instance) in receipt of minimum income (*Renta mínima de inserción* – RMI), a scheme that varies widely across regions in terms of funding, coverage, approaches, and regulations²³³. Other dimensions that may inform the decision on eligibility includes the type of needs. These could include problems relating to access to the labour market (such as underemployment, unemployment and long-term unemployment), domestic violence and abuse, or informal care needs linked to disability, sickness, and also household structure (notably in the case of lone parents). The severity of these needs is also taken into account by both NGOs and local institutions participating in the scheme. The main eligibility criterion, however, is income. This requirement allows CPI and the *tarjeta monedero* to be inclusive in terms of ethnicity and nationality, with ethnic Spanish, Spanish gypsies (*gitanos*), and non-nationals (including third-country nationals) also eligible.

The *tarjeta monedero* has more stringent **eligibility requirements** than the broader CPI programme. It is offered with the aim of topping up income to alleviate poverty and material deprivation. It is intended as a means that is instrumental to making the last step out of poverty. As a result, while the broader CPI scheme may also include people in absolute and extreme poverty, the *tarjeta monedero* is offered only to those who live just under the relative poverty threshold and who are also considered to possess the resilience and motivation to build the tools and resources to exit poverty, according to Save the Children (STC).

There are **three types of monetary assistance** provided: food and hygiene, school equipment, and glasses and hearing aids. Each type of assistance comes with a specific card, and a family may be given up to three cards. The first type of assistance targets households with children aged 0 to 3 years old, whereas the remaining two are offered to households with minors. In light of the COVID-19 pandemic, however, both *‘la Caixa’* and STC have highlighted that eligibility criteria for the first type of assistance, which mainly allows the purchase of food, is currently being applied flexibly, so as to also include families with dependents over three years old.

3.1. Number of recipients

In terms of the number of end recipients, the CPI initiative works with around 37 000 families and 70 000 individual end recipients, which includes parents or lone parents, and their children aged under 18. The *tarjeta monedero* is offered to fewer people, as not all end recipients of CPI are also in receipt of the card. In 2018–2019, **4 370 children benefited from the cards out of 61 126 children** participating in the programme overall. Since 2007, 282 000 children have been supported financially.

STC works with 1 445 families and 2 197 children under the CPI scheme in four Spanish cities – Madrid, Barcelona, Seville, and Valencia – with 340 families in receipt of the *tarjeta monedero*.

The distribution of funding between these two macro-areas of the CPI initiative – socio-educational activities and the card – is linked to assessments made by NGOs implementing the programme locally. Such assessments may be informed by local need and regional and local legislation, given that devolution and decentralisation mean that legislation and entitlements may differ significantly. This impacts on local need, and particularly the need

²³² See: <https://ec.europa.eu/social/main.jsp?catId=1129&langId=en&intPageId=4801>.

²³³ Graciela Malgesini Rey (2017), ‘Developments in relation to Minimum Income Schemes’. Available at: <https://eminetwork.files.wordpress.com/2013/04/spain-minimum-income-update-2017.pdf>.

for primary material resources, notably food and educational equipment. At the same time, given the heterogenous aggregate of the different NGOs implementing the programme, the allocation of funding may also be affected by organisational understandings, cultures, histories, and the availability of good quality socio-educational activities.

4. Main actors

The **contracting authority** ultimately responsible for the scheme is the **la Caixa Foundation**. It is one of the largest foundations in the world, with a yearly budget worth EUR 550 million. About 60% of the Foundation's budget, roughly EUR 330 million, is allocated to welfare programmes, enacted by *Obra social la Caixa*. CaixaProinfancia, dedicated to fighting child poverty, is the largest of these welfare programmes.

La Caixa is responsible for **selecting the implementing organisations** through a consultative process that happens yearly and began in 2007, when *Obra social la Caixa* asked different universities, led by Blanquerna University, to evaluate the degree of vulnerability of different Spanish districts or clusters of neighbourhoods based on income, unemployment, and total population. Once the priority areas for intervention were determined, CaixaProinfancia organised **roundtables with municipalities and NGOs**. These roundtables, which are repeated yearly, help to ascertain the level of budget needed and what it is needed for, as well as which civil society organisations could support the programme and form part of the territorial networks. NGOs that are invited to participate in the programme may contribute to a comprehensive set of activities, a select few, or even just one. Based on inputs by the municipality and other NGOs and civil society organisations, new organisations may enter the programme. It is *la Caixa* that ultimately takes the final decision regarding which organisations participate, however. This decision is based on criteria such as capacity, solvency, reputation, and transparency.

At an operational level, *la Caixa* is also responsible for **issuing or re-issuing the cards** and topping them up twice a year. This is done by service providers contracted by *la Caixa* for issuing all its cards – Money-to-Pay and CaixaBank Payments.

The **network of implementing organisations** has undergone various reorganisations and is now composed of about **200 territorial networks and 400 social entities**, including NGOs and social services. Implementing organisations are divided between coordinators and co-operators with the former responsible for family social plans and the latter for the provision of different socio-educational activities. While there may be more than one co-operator organisation per given network, there is only one coordinator.

Between July and August each year, coordinating NGOs take the lead in planning the yearly activities, and request funding for the card and for the broader social activities. Both social services and NGOs are responsible for directly supporting the families that are part of the programme: they prepare a work plan that meets the needs of each family, prioritise aid, and monitor each case, in order to ensure that the goods and services can support the social inclusion of each family.

There is no need to configure a **network of merchants** where the cards can be used. This is because the **card works in all shops**, provided the shop matches the code that is in the card. Each card has a specific code (for food, educational material, etc) that matches the code of a specific type of shop – for instance, all food shops share the same code, but shops for electronic materials share a different code; thus, one could buy food but not a tablet with the food card. This method is different compared to the previous model, which relied on paper-based vouchers, so-called *cheques*, that needed a network of participating merchants to be set up. The network of merchants for the former paper-based vouchers was created by Sodexo Pass. Unlike the old system, where recipients needed to be informed which specific shops they could go to, the new system stipulate only the type of shops that their card can be used in, thus possibly reducing potentially stigmatising situations.

5. Implementation of the scheme

5.1. Enrolment process

From the end recipient's perspective, the process is built in a way that seeks to be as user-friendly and straightforward as possible. It is the coordinating organisation – in this study, Save the Children (STC) – that signs end recipients up to the scheme, having worked closely with social services and end recipients to assess their eligibility and needs. Social workers at STC develop an **assistance plan** for each household and decide whether to include them in the card scheme. This is carried out in close collaboration with public institutions – the public administration social worker passes on a list of those who may be good candidates to be included in the programme. It is also undertaken in close contact with potential end recipients. A social worker from STC meets the family to better understand their situation (i.e. number of people in the household, income, whether they are in receipt of benefits, their needs and the severity of those needs). The social worker from STC then develops or revises the plan based on individual needs, and if applicable, initiates the request for the card, or for it to be topped up via an internet app from Caixa. This is then communicated by STC to the institutional social worker, so that social services are informed. In determining eligibility, there is a **constant and two-way exchange of information** between STC and social services, as well as STC and end recipients.

Each year, coordinating organisations and social services re-assess the situation of a given family and decide to start, continue, alter (for instance, withdraw/introduce the card or certain activities) or stop the programme. New families may be included in the programme such as newcomers, or those with a developing situation of vulnerability. Families may also be excluded, from both CPI and the card, or only the card. In terms of **elimination from the scheme**, family commitment and dialogue between the family, STC, and institutions are the main aspects considered. The STC will also look at factors such as misuse of the card, not attaining the overall objectives of the scheme (particularly in terms of educational attainment), or not meeting the eligibility criteria (for instance, being above the IPREM index threshold). There has generally been a high degree of consistency in the families that receive the *tarjeta monedero*, however, according to STC.

5.2. Delivery process

The cards are sent to a local branch of *Obra social la Caixa*, where they are collected by NGO social workers, such as those working for STC, who then hand them over to the end recipient during one of the activities that they are involved with their children. At this point, the family can start to use the card.

When it comes to the **distribution** of the card, the social workers from STC coordinate with *la Caixa*, on one hand, and the end recipients on the other. To do this, STC social workers use a software package in which all data is recorded, including (but not limited to) information on processes, activities, end recipients and card top-ups.

Once end recipients receive the card, they are free to use it up to its limit. The **amount** given through the cards is EUR 600 a year, divided into two instalments of EUR 300. The EUR 300 may fund one, two, or three cards – for example, a household may receive EUR 100 in each card, or EUR 300 in just one, alongside other combinations. The only criterion is that each card must hold a minimum of EUR 100 and a maximum of EUR 300.

Any **unused amount** can be carried forward into the following semester, if end recipients remain in the programme. However, if they leave the programme, the money is returned to *la Caixa*. It should be noted that end recipients (as well as social workers at STC) have no straightforward way of knowing how much is left on the cards unless they scrupulously keep track of their expenses. This means that payments may be rejected when funds have been

exhausted. According to STC, this may be frustrating for end recipients, but does not necessarily increase stigma for end recipients as anyone – regardless of their income and wealth - could find themselves being denied a purchase.

5.3. Restrictions

Recipients are not only limited in the amount they can spend, but also with regards to the goods they can purchase. The system works with merchant codes, thus **restricting purchases to certain retailers**. Each card (food and hygiene, educational and audiovisual material) has an internal code, and each shop has a corresponding code. There needs to be a match between the shop code and the card code for the purchase to be accepted. This means that one could not buy a tablet or a laptop with the cards, for instance, as these items are sold in shops with different codes from those on any of the three cards. However, while the items that can be bought are limited to those sold in the shops with a certain code, STC reported that there is **no stringent rule or mechanism** that forbids families from buying alcohol, for instance. Furthermore, as pointed out by *la Caixa*, shopping malls are open to any code, meaning that the card may work in shops other than the ones it is supposed to.

Eliminating end recipients based on **misuse of the card** presupposes that checks are carried out on the receipts to verify what has been bought. This is a highly subjective process at the level of the coordinating organisation, as well the individual social worker, according to the literature on frontline workers of the scheme²³⁴. *la Caixa* has not set out any stringent rule or mechanism in this regard. STC, as implementing organisation, prefers not to do this, for example, and to trust and empower end recipients. When there is reason to believe that the card has been used in a less-than-appropriate manner, the bills are checked by social workers at STC. Reportedly, other implementing organisations perform checks on a regular basis regardless.

Usually, according to STC, checks are required for new families that are not yet well-known to the social workers, and/or those that do not have sufficient knowledge of the support network at their disposal, as well as families with a very high severity of problems, such as severe material deprivation in terms of income, food, and housing; severe health problems, including child obesity and disability; and situations of child abuse and neglect, as well as gendered violence.

5.4. Accompanying/social inclusion measures

As the card is part of a broader social inclusion programme, the e-voucher scheme accompanies various social measures, rather than there being accompanying social measures to the e-voucher scheme. This is an important nuance as **the focus is on socio-educational activities** that tackle structural aspects of the cycle of poverty at the individual, household, and community level, and not on monetary support. The socio-educational measures include tutoring and remedial classes, summer camps, workshops with families, leisure activities, neighbourhood networking, information on nutrition and healthy habits, and steps to gain access to the labour market, among others, depending on supply and demand factors that may vary territorially²³⁵.

5.5. Security and customer services

If the card is stolen or lost, the end recipient has to go to the police to make a complaint. The police will then forward the complaint to the social worker at STC, and the social worker will input the data online (including requesting a copy). *la Caixa* then stops the lost card,

²³⁴ Lipsky, M (1980), *Street-level bureaucracy: Dilemmas of the individual in public service*, Russell Sage Foundation.

²³⁵ See: <https://fundacionlacaixa.org/es/programas-sociales/pobreza/pobreza-infantil/publicaciones>.

checks the amount that was left on it, and re-issues it through the contracted card issuer. The new card is delivered to the local branch of *Obra social la Caixa* and given to the family by the STC social worker.

5.6. Administrative burden

For the contracting authority, the card is easy to set up because no network of merchants needs to be configured. However, establishing the network of implementing organisations at the local level is a complex process.

Implementing organisations face a **high administrative burden** if they choose to check the receipts of end recipients. As highlighted above, this depends on the organisation, but where it is done, it appears to be a time-consuming and de-motivating activity for frontline staff. Another reportedly slow and burdensome task refers to the card collection process, as NGO social workers need to collect cards from the local bank branch and then hand them over to the end recipients.

6. Payment system

6.1. Payment instrument

The *tarjeta monedero* is in the form of a gift card which is not linked to a bank account. It looks like a normal Visa payment card and includes the name of the end recipient.

6.2. Authentication process

Money cannot be withdrawn, but instead can be used in shops matching the code on the card. Apart from the limitations related to the code system, the card works everywhere.

The payment system is considered by the contracting authority to be easier than the previous scheme – the so-called ‘*cheques*’, which were paper-based. Under the former scheme, the contracting authority had to create a network of shops, delegating this task to a specialised company. Many shops would not accept the paper-based vouchers, because they would not receive reimbursement immediately. Once the shop received the voucher, it had to send it to the bank, and then the bank would pay. Under the new system, the transaction is in real time.

7. Compatibility with ESF+ and the CPR

7.1. Monitoring and reporting

Monitoring and reporting are internal to implementing organisations. Their goal is to assess the progress made by end recipient families. *la Caixa* does not request this data from the implementing organisations. This is linked to data protection issues, as often there is sensitive and highly confidential information in the reports – related to health issues, for instance.

7.2. Audit

PricewaterhouseCoopers (PWC)²³⁶ is the organisation in charge of auditing the programme. The **audit targets all activities of the Caixa Foundation**, including CaixaProinfancia. The audit focusses on the correct use of funding, on the compatibility of contracts with the law, and on the appropriate storage of sensitive information.

As for the implementing organisation, PWC audits their activities, the qualifications of personnel, and the expenses for services and goods (transport, classes, etc.). Implementing organisations need to prove the correct use of money or return funding. Since prices vary across regions, PWC carried out a study to weight prices in all areas, from most expensive to cheapest, in order to have the correct measure to audit expenses.

STC was audited three times last year by PWC. One part of the audit revolved around the expenses related to salaries, insurance, material used, transport, and broad socio-educational activities. Another part dealt with how the *tarjeta monedero* is used by end recipients. In the latter case, STC may decide to either present a declaration that certifies that the card was used appropriately or – in the case of new families or families with high severity of problems – it presents end recipients' bills.

7.3. Eligible expenditure

Each year, *la Caixa* assigns an annual budget for the overall scheme and to the specific implementing organisations. Organisations can choose how to allocate funds. The distribution of funds between the card and the accompanying activities varies substantially across implementing organisations.

Expenses are not tracked by *la Caixa* after the initial allocation of funding. The correct use of funding is the object of audits carried out by PWC, as described above. The audits conducted by PWC focus on the eligible expenditure related to the costs of implementing accompanying activities – for instance, hiring a psychologist or nutritionist – as well as on the correct use of the cards by end recipients. All card purchase data is stored electronically and is easily available.

8. Budget and cost effectiveness

8.1. Overall budget of the scheme

CaixaProinfancia is the largest of the welfare programmes promoted by Obra social *la Caixa* and is allocated about 18% of its funding – approximately EUR 60 million. However, a low percentage is reserved for the card, as emphasis is given to the broader socio-educational activities rather than to material support. For 2019–2020, **EUR 10.1 million was allocated to the cards**, out of a total budget worth EUR 63.8 million – thus, slightly below 16%.

Implementing organisations receive funding based on the number of families and the cost of living. However, how to allocate funding between the different sections of the programmes is decided by the implementing organisations, rather than the contracting authority. As a result, there are regional and territorial differences in terms of the share of the total funding that is allocated to the *tarjeta monedero* and the share allocated to overall inclusion activities. On an annual basis, STC receives around EUR 3 million for CPI and its socio-educational activities, and EUR 600 000 for the card. 20% of the overall STC budget is therefore allocated to the card – more than the 16% share allocated to material support

²³⁶ PWC (2016), 'Programa CaixaProinfancia: Informe de auditoría interna de la red Coordinadora de Vallecas (Julio 2016)'. Available at: <http://www.fundacionnaif.org/auditoria.pdf>.

under the programme as a whole. However, in other parts of Spain, such as Valencia and Catalonia, the percentage is lower, according to STC.

9. Results

9.1. Main results

The programme has brought about positive results for end recipients, implementing organisations, and the contracting authority.

- It has **bridged the gap between *de jure* entitlements and *de facto* uptake of social benefits**. It has achieved this by overcoming the digital, administrative, and language barriers of potential recipients, thanks to the work of social workers at Save the Children and other NGOs.
- It has allowed end recipients to **access goods and services that have improved their socio-educational situation**, alleviated poverty, and integrated them in transformative community networks.
- The programme has resulted in an **empowering, rather than stigmatising, approach** to combating poverty. This is because, contrary to the previous paper-based vouchers, no one in the shops knows the socio-economic situation of those using the *tarjeta monedero*.

According to STC, the main result has been **creating trust** between families, STC, and public institutions.

10. Lessons learnt

10.1. Limitations

The main challenges relate to administrative requirements and programme guidelines, the card collection process, the range of goods available, and political will.

Checking receipts is a **slow, burdensome, and de-motivating** activity for NGO social workers. While STC is a large NGO with many people in its financial department, this is not usually the case for smaller NGOs.

Furthermore, according to STC, the level of **variation across NGOs** in terms of operational guidelines is a challenge. This is because at present, some NGOs act in a more controlling and (if inadvertently) stigmatising way, while others prefer their action to be based on trust with the aim of empowering, which is deemed instrumental to maximising beneficial outcome and freeing up resources for accompaniment and broader activities.

The **card collection process could be improved** by having the cards sent to the end recipients' address and then confirmed by NGOs, rather than being collected by NGOs. The current process entails more work for NGOs, such as STC, and less autonomy and control for end recipients.

STC also highlighted that it would be worth exploring **having a greater array of goods and services** on offer. STC is currently implementing another project that works with unconditional cash transfer, which allows even greater freedom in terms of how to spend the money – for instance, including on heating and rent. However, the latter scheme poses the risk of barring eligibility for social benefits, as such cash transfers may count towards the calculation of the IPREM index threshold, and while certain regions allow for exclusion of this transfer in calculation of benefits, others do not.

For the programme overall, while district roundtables to steer the process have sometimes worked well, this is not always the case. A well-functioning local network presupposes incisive and targeted decisions being made during the roundtables, but the latter may work better or worse, depending on **political engagement and the availability of resources** by the local NGOs.

10.2. Success factors

Stakeholders have identified five factors that make the CPI and *tarjeta monedero* scheme successful.

- 1) **The system is simple and the card easy to use.** In relation to this, social workers can help end recipients if they experience any difficulties, for instance if their card is lost or stolen.
- 2) **The dual system of the provision of money and services.** The accompanying activities are considered key to alleviating poverty, reducing social exclusion, and making good use of the money received through the card. While the card provides for food, for instance, socio-educational activities may focus on healthy habits and nutrition. This is important insofar as health literacy varies across households, while being strongly and positively associated with socio-economic status. Nutrition is particularly valuable for early childhood development (0–3 years), both physically and cognitively. Further, many families are not used to going to the supermarket, as they receive food from different local charities, according to STC. As they may not be aware of the price of products, socio-educational activities may help to build a sound knowledge base to be able to make the most of the card scheme.
- 3) **The coordination of activities within the framework of whole, well-functioning, and transformative local networks** – including (but not limited to) kindergartens, schools, institutions, and NGOs – enables the quality, variety, and timeliness of supporting activities to be enhanced, and this leads to a greater and more targeted impact. Furthermore, coordination across the areas of education, employment, and health is also a strong instrument, in terms of checking the proper use of the card. Children are monitored regularly, and it is thus easier to understand their situation. According to STC, they may disclose whether or not parents have bought them school materials, for example. Indeed, according to STC, it would be a mistake to only offer economic support. It is the mix of services and money that creates loyalty between the families and the programme.
- 4) **The card is considered a very effective way to monitor whether families use the money appropriately.** However, this is a controversial point, as stigma may resurface when checks on receipts are performed. According to STC, those who are better off do not have to undergo scrutiny of how they spend their money. Therefore, STC emphasises the importance of having a high degree of trust in the families participating in the scheme. Besides, there is an action plan in place, and the families have often been known to the relevant organisations for some time. Nevertheless, while there is a tendency to support and trust end recipients, there are also informal channels aimed at understanding whether the money is being well spent. In this context, inspection is carried out informally, and while less invasive, it is by no means less effective in uncovering misuse.
- 5) **The card does not preclude eligibility for benefits,** given that the money is allocated through a gift card that does not need a bank account and therefore does not count towards the calculation of the IPREM index threshold.
- 6) The *tarjeta monedero* is both **easy to set up** – as it does not need a network of merchants to be configured – **and to manage**, given that all data is recorded.

10.3. Future developments in light of COVID-19

There are a range of lessons to be learnt, in terms of the success factors, challenges, and opportunities which may help to inform policy development. In light of the COVID-19 pandemic, the scheme has already started to go through some changes, thus showing a certain degree of **flexibility**. *Obra social la Caixa* has made an extra EUR 3 million available for food, given that many children cannot access free school meals as they are quarantined at home. As many socio-educational activities are not being implemented at the moment, the budget for these is being re-converted to financial support. Generally, the programme is skewed towards services, with only 16.6% of funding to STC being allocated to the cards (as noted above). Furthermore, within the card scheme this percentage is then shared across the different card options (food and hygiene, educational and audiovisual equipment). The card that is used the most is the one for school materials, but the pandemic and the recession that may ensue mean that there may be a need for revision of the card scheme. One key change that is already underway in this context is the **loosening of the eligibility rules** for the food card to allow households with children and adolescents aged 0 to 18 years to access it (as opposed to children aged 0 to 3 years).

10.4. ESF+ transferability potential

Overall, the scheme is relevant to the ESF+ and the CPR. The target group of the scheme – households at risk of poverty and social exclusion – falls into the broader target group of ESF+ support for addressing material deprivation, namely ‘most deprived persons’, as defined in Article 2(13) of the proposed Regulation. The scheme is also part of a broader programme which ensures end recipients have access to other measures aimed at their social inclusion, thereby aligning with the principles of the ESF+ support for addressing material deprivation.

There is no centralised monitoring and reporting system for the scheme. Monitoring and reporting are internal to implementing organisations. Furthermore, expenses are not tracked by *la Caixa* after the initial allocation of funding, which may pose a challenge in the context of the ESF+ in terms of tracking eligibility of expenditure. However, audits are undertaken, and it appears that data for such audits is easily available, simply due to the fact that the scheme is digital and can record each payment transaction online.

Red Cross pre-paid shopping card scheme - Spain

1. Introduction

Since 2012, Carrefour pre-paid shopping cards are provided by the Spanish Red Cross (SRC) as an assistance measure to the SRC's most vulnerable users. The scheme was developed by the SRC in partnership with the Carrefour Solidarity Foundation (CSF) in response to the detrimental impact that the economic crisis had on a number of vulnerable groups in Spain. The scheme is part of the SRC's '**Fight against poverty and social exclusion**' programme, and is one of the measures offered as part of the personalised Assistance Plans developed for individuals on the programme.

The scheme is funded by the Spanish Red Cross with the support of regional and local funds, foundations and Carrefour. It is managed by the central Red Cross office and implemented nation-wide by local offices. The scheme is viewed by both end recipients and implementing organisations²³⁷ as an important measure in the fight against poverty and social exclusion in Spain. On average, over the last three years, 28 000 cards have been distributed to individuals in need. As a result of this scheme and similar initiatives using electronic cards to deliver assistance to the most deprived in Spain, the viability of the approach is being discussed in negotiations in Spain for the upcoming ESF+.

Figure 9: Design of the shopping card



© Spanish Red Cross (2019)

2. Context

2.1. Poverty and social exclusion in Spain

Following the economic crisis of 2008, poverty indicators placed Spain far below the European average. From 2008 to 2012, the **rate of people at risk of poverty or social exclusion rose from 20.8% to 22.2%**, placing 10.3 million people below the poverty threshold – 800 000 more than in 2008. In addition, the benchmark poverty threshold lowered (from EUR 7 700 in 2009 for a single person, to just below EUR 7 200 in 2012) and severe or intense forms of poverty increased, with more than 4.5 million people living in severe poverty. The economic crisis and the structural changes that took place in the economy also changed the profile of people at risk of poverty, and increased the total number of recipients (direct and their dependents) of minimum insertion incomes, by 59%

²³⁷ The Red Cross, in collaboration with the Spanish Food Bank, conducted an evaluation in 2017 aiming to review FEAD implementation, and identify challenges and possible solutions. The results of the study are presented in the SRC Bulletin n16 on Social Vulnerability - FEAD Impact Assessment (SRC, 2018).

in terms of numbers of individuals and 94% in terms of amount of income distributed, between 2008 and 2012²³⁸.

Spain's efforts to fight poverty and social exclusion are reflected in **national Action Plans on Social Inclusion** (PNAIN) developed since 2001 and supported by European structural and investment funds and the Fund for European Aid to the Most Deprived (FEAD). Specifically, national Food Aid Plans aim to alleviate the needs of the most vulnerable people suffering from extreme poverty, who are excluded from the labour market and cannot benefit from social inclusion measures under the ESF. From 2014, national Food Aid plans were developed to provide nutritional assistance, together with accompanying measures to improve social inclusion.

Currently, 85% of the **Spanish Food Aid Plan** is financed by the FEAD, with 15% supported by the budget of the General State Administration. The FEAD operational programme in Spain helps to combat poverty by distributing food packs and providing prepared meals in social canteens, together with accompanying measures. Partner organisations deliver food directly to the most deprived citizens²³⁹. The Ministry of Agriculture, Fisheries, Food and Environment, through the Spanish Agricultural Guarantee Fund (FEGA), is responsible for buying food through a public tender procedure and allocating it to the partner distribution organisations – the SRC and the Spanish Federation of Food Banks. The organisations distribute the food among the partner delivery organisations²⁴⁰, who then give it directly to the end recipients free of charge, along with accompanying measures to support social inclusion. The Spanish FEAD operational programme focuses on food assistance and does not include the provision of material assistance.

FEAD is seen as an important support to poverty alleviation in Spain, given that demand for food aid in the country is high, with 3.4% of the population unable to afford a meal including meat, chicken, fish or a vegetarian nutritional equivalent every second day. Statistics by the FEGA show that the number of food aid recipients increased by 217% between 2008–2012²⁴¹.

2.2. The introduction of the pre-paid shopping card scheme

The pre-paid shopping card system was set up by the SRC in 2012 to combat poverty and social exclusion, following the high increase of assistance requests during the economic crisis (an 83% increase between 2008–2009)²⁴². Within the context of high unemployment and a more diverse profile of people in need following the economic crisis²⁴³, the SRC started exploring support measures to increase food aid and make it more efficient. The approach aimed to enable recipients to purchase food and material products themselves directly at supermarkets or local stores.

The shopping card system is part of the SRC's 'Strategies for social inclusion' through its own '**Fight against poverty and social exclusion**' programme. The programme aims to 'contribute to the social inclusion of the most disadvantaged people, working with a comprehensive approach to the different dimensions of the phenomenon of exclusion²⁴⁴'. The SRC's 'Strategies for social inclusion' are supported by two Action Plans: the Social

²³⁸ Gobierno De España, National Action Plan on Social Inclusion for the Kingdom of Spain 2013-2016'. Available at: https://www.mscbs.gob.es/destacados/docs/PNAIN_2013_2016_EN.pdf.

²³⁹ See: <https://ec.europa.eu/social/main.jsp?catId=1239&langId=en&intPagId=3628>.

²⁴⁰ See: https://www.fega.es/PwfGcp/en/accesos_directos/plan2010_ayudas/index.jsp.

²⁴¹ See: <https://ec.europa.eu/social/main.jsp?catId=1239&langId=en&intPagId=3628>.

²⁴² To more than 1 400 000 people in 2009 (compared with 864 135 assisted in previous years).

See: SRC (2010), 'Annual Report on social vulnerability: The impact of unemployment on social vulnerability'.

²⁴³ SRC (2010), 'Annual Report on social vulnerability: The impact of unemployment on social vulnerability'.

²⁴⁴ Cruz Roja (2006), 'Contribuir a la inclusión social de las personas más desfavorecidas, trabajando con un enfoque integral las distintas dimensiones del fenómeno de exclusión'. Available at: http://www.cruzroja.es/docs/2006_34_CN/SOCIAL.

Intervention Plan and Employment Plan. Together, the two Plans are closely coordinated and integrate different programmes, projects, and activities throughout the whole country.

The SRC's 'Strategies for social inclusion' and related programmes are closely linked to national poverty and social exclusion strategies. The SRC promotes social inclusion through policy initiatives and financial instruments that directly impact their work in local communities, such as FEAD and the ESF. However, the shopping cards system was established through the SRC's own funding mechanisms and supported through national grants. The SRC Contracting and Investment Commission invited different supermarkets to submit proposals for the development of a scheme that would allow SRC recipients to purchase food and products at their stores. The final partnership for the development of the shopping card scheme was based on an internal comparative analysis of various supermarket chains evaluating the extent to which they matched the requirements of the funding organism (territorial expansion, variety of products sold in addition to food, payment tracking, receipt justification, price and discounts)²⁴⁵. The assessment found Carrefour stores were the only ones prepared to meet all the requirements (including guaranteeing against fraud and security procedures).

2.3. Geographical coverage of the scheme

The agreement established between the SRC and the CSF covers Carrefour stores in the **whole Spanish territory**. The cards can be used across more than 700 Carrefour stores in Spain²⁴⁶. In addition, various SRC local offices have developed other partnerships with supermarket chains to increase the access points to shopping stores in areas not widely covered by Carrefour shops²⁴⁷. At national level, other public-private partnerships²⁴⁸ exist using electronic cards as an assistance tool for the most deprived. The benefits of electronic payment systems in the context of food and social assistance are being assessed as part of negotiations on the ESF+ in Spain.

2.4. Duration of implementation of the scheme

The terms and conditions contained in the agreement between the SRC and CSF have been in place **since 2012**. They are subject to annual review. The system has been well received and, according to key stakeholders, is likely to continue in support of national objectives for social inclusion.

3. Target population

The scheme was developed to support **individuals and vulnerable groups** that participate in SRC programmes. It targets vulnerable people at risk of poverty and social exclusion that seek assistance through the SRC, and who may also be end recipients of the FEAD programme. Vulnerable people are understood as individuals, families, households, or

²⁴⁵ The internal comparative assessment explored the viability of partnerships with supermarket chains including Carrefour, Alcampo, Día, Mercadona and Tu Despensa (SRC Internal Comparative Analysis, 2012).

²⁴⁶ Of the total 1 164 Carrefour shopping stores in Spain, the shopping cards with SRC can be used in shops including: 205 Hipermercados Carrefour; 111 Supermercados Market; 386 Supermercados Express; 25 Supeco; 4 Bio. The system cannot be used in Carrefour Cepsa gas stations due to internal property rights. Interview with Carrefour, PowerPoint (April, 2020).

²⁴⁷ For example, BonArea in Barcelona, Mercadona in Madrid. The consultation with SRC Headquarters reported not having a full overview of these initiatives. An interviewee from the local SRC in Madrid reported on a partnership with Mercadona that started in the same year as the partnership with Carrefour, but Mercadona decided to end it in 2019 saying they would no longer work under that system.

²⁴⁸ Desk research conducted for this study shows a number of e-card initiatives launched through different partnerships between local administrations and NGOs for the assistance to the most deprived in Spain. Most notably, the Solidarity Cards developed by Barcelona City Council in collaboration with CaixaBank.

groups that are in a situation of economic poverty, including the homeless, and those in a situation of ‘special social vulnerability’. The latter refers to victims of gender-based violence with dependent children, the long-term unemployed without likelihood of reintegration into the labour market, foreigners in the process prior to the procedure of requesting international protection, single-parent families and vulnerable older people²⁴⁹.

Overall, the targeted population of the scheme are individuals and families facing a variety of precarious socio-economic and occupational conditions, confirming the multi-dimensional aspects of poverty and social exclusion.

3.1. Description of the targeting mechanisms

End recipients of the shopping card scheme are targeted through the SRC ‘Fight against poverty and social exclusion’ programme. The **SRC collaborates with social services** to establish and assess eligibility criteria for the programme under an established framework (the Beneficiaries Services Framework). Upon an individual’s request for support, the SRC assesses their needs and capacities. This is done in collaboration with social services, who provide a report on the individual. Social workers from the SRC conduct an interview with the individual and relevant relations (e.g. family members, carers)²⁵⁰. The whole assessment from both social services and the SRC is **multi-dimensional**, looking at household income, health, economic, employment, personal, family, social and housing condition of the recipients²⁵¹. The assessment establishes the best intervention mechanism for the individual, who is then enrolled onto the appropriate SRC services, including FEAD assistance and/or shopping cards as a SRC measure.

3.2. Number of users of the scheme

According to the latest figures from 2019, 245 624 Carrefour shopping cards have been distributed at national level by the Red Cross since 2012²⁵². From 2017–2019, **on average, 28 000 cards were distributed per year**, with the highest number of cards issued in 2013 (70 000 cards). In 2019, there were 29 205 cards distributed (876 161 EUR). In Madrid, it is estimated that 7 000 people are given access to the cards on average per year. The overall number of users that the SRC supports through the shopping card scheme across Spain has not been reported.

Due to the COVID-19 crisis, the number of cards is reported to be significantly higher in 2020, highlighting the use and impact of the shopping cards by the SRC as an established resource for social assistance. SRC reports it has distributed 17 794 cards (775 181 EUR) in Spain from January to April alone²⁵³, with more than 8 000 cards distributed in the Madrid area. Of these, between mid-March and the end of April, there were 34 128 cards distributed in Madrid (1 050 097 EUR) and 20 667 cards in the rest of the Spanish regions (1,059,440 EUR).

4. Main actors

The **SRC headquarters** act as the **contracting authority** responsible for the design and implementation of the pre-paid shopping card scheme under the Framework of Assistance

²⁴⁹ As highlighted by the qualitative work carried out by Red Cross (Spanish Red Cross Bulletin 16, 2018).

²⁵⁰ Cruz Roja (2018), ‘PROGRAMA OPERATIVO DE AYUDA ALIMENTARIA DEL FONDO DE AYUDA EUROPEA PARA LAS PERSONAS MÁS DESFAVORECIDAS (2014-2020) EN ESPAÑA’. Available at : https://www.cruzroja.es/principal/documents/1789243/2038966/Programa+Operativo+de+Ayuda+Alimentaria_2018/48e50f1d-04f2-295d-d00d-768bef7ab377.

²⁵¹ Red Cross PowerPoint Presentation (FEAD 15th Network Meeting, 2019).

²⁵² Red Cross PowerPoint presentation (2019).

²⁵³ Data provided by contracting authority on 17 April 2020.

to the Most Deprived. It has signed a contractual agreement with the Carrefour Solidarity Foundation (CSF)²⁵⁴ for the implementation of the programme. Overall, the SRC headquarters is responsible for the **centralised management** of the pre-paid shopping card scheme. It determines eligibility and enrolls end recipients onto the system, in coordination with social services. It is also responsible for the management of certain tasks, such as request for cards from Carrefour and distribution of them to the different local Red Cross offices, data management, activation of and bank credit transfers to the cards, monitoring of operations and reporting to funding partners.

The **Carrefour Solidarity Foundation** is the **service provider**, responsible for the design of the shopping card (done exclusively for the SRC), coordination of the operational model with SRC headquarters, and for coordinating the **payment system** within different **Carrefour stores**. It is also responsible for arranging the printing of the physical cards and delivery of them to the SRC headquarters. The CSF contracts different service providers to print the cards and keeps an available stock in advance. A dedicated department in the CSF oversees the operational and contractual agreements with the SRC headquarters, and coordinates with different SRC local offices, as needed.

Together, the CSF and SRC headquarters coordinate the overall scheme, which is implemented at the local level by the **Spanish Red Cross local offices**. The scheme has coverage in all SRC local offices. Different SRC local offices across Spain are responsible for the implementation of the operational system at local level within their regional and city districts (managed in an assembly-based model).

The **retail network** of the scheme is expansive, as the card can be used across 729 Carrefour shops in Spain (out of 1 110 stores)²⁵⁵. There, end recipients can make purchases with the shopping card provided by the SRC. The stores have the supporting technology to be able to read the shopping cards in the same way as cards used for payment by other customers, in order to protect the identity of the recipients. The stores' only role directly related to the scheme is to print copies of receipts as requested by the CSF and/or the SRC, in cases where recipients may have lost the receipts which they need to report to the SRC.

5. Implementation of the scheme

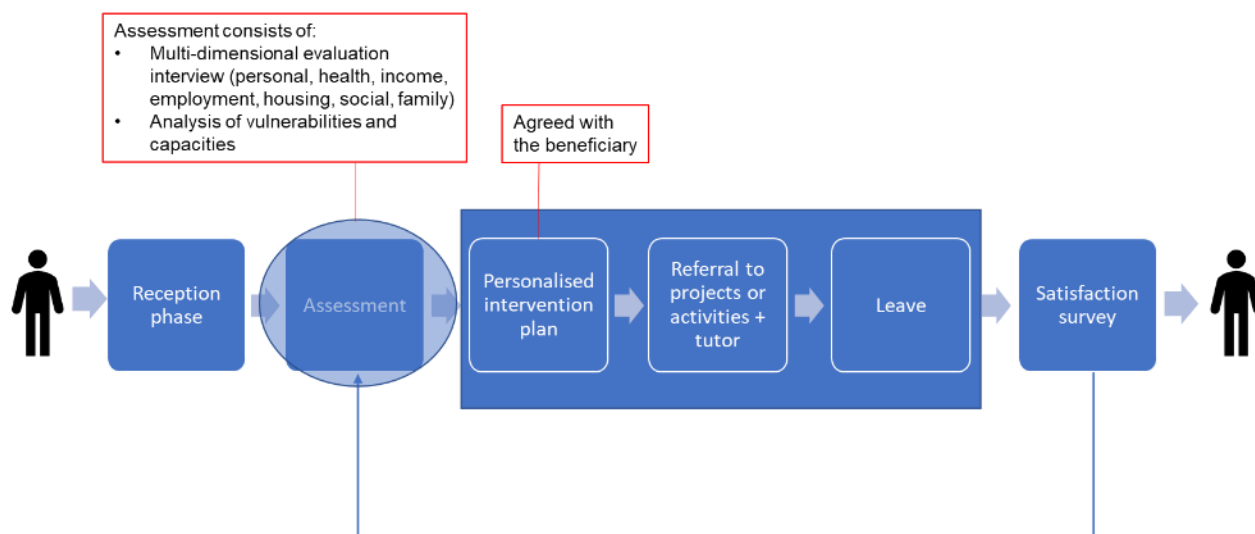
5.1. Enrolment process

The SRC registers eligible recipients in their internal management programme, including background information (personal details, employment status, income, etc.). Based on the joint assessment, a personalised SRC Assistance Plan is designed by the SRC to offer targeted support. The SRC refers end recipients to specific projects or activities, including enrolment to the shopping card scheme and accompanying measures, as appropriate. The SRC Assistance Plan is agreed with the end recipient. The SRC can update the enrolment status of recipients through the internal application management system.

²⁵⁴ Fundación Solidaridad Carrefour, created in 2001, supports initiatives for children with disabilities and for people in difficulty or suffering from exclusion. In Spain, it assists social programmes, working with more than 40 NGOs including the Red Cross, City Administrations, Food Banks, etc.

²⁵⁵ The shopping cards with SRC cannot be used at Cepsa gas stations due to internal decisions based on different property rights.

Figure 10: Enrolment onto the scheme – assessment process



Source: Red Cross (2019)²⁵⁶

5.2. Delivery process

- **Local RC offices** request the number of shopping cards from the SRC headquarters. They request the number of cards and the amount of credit needed on each card depending on the agreed Assistance Plans with end recipients. Although cards can be topped up between EUR 2 500–3 000, the amount of credit has been homogenised to EUR 30 for reporting purposes (although there is flexibility for local offices to request different amounts, if needed).
- Depending on the members of the family unit and their situation, **local RC offices** designate the number of cards that will be assigned to each recipient.
- **The SRC headquarters** requests cards from the CSF, which keeps their own stock. The shopping cards are issued by the CSF. These can be requested throughout the year and there is no specified limit on the amount under their contractual agreement.
- **Local RC offices** deposit the amount for crediting the cards into the CSF centralised account, and send the SRC headquarters office receipt of the bank transfer.
- **The SRC headquarters** tops up credit on the cards, and sends the receipt of the bank transfer to the CSF.
- **The CSF** delivers the cards to the SRC local offices within 48 hours (a delivery window of 24 to 48 hours was established in the contract to support emergency situations). Together with the card delivery (which is free of charge), CSF sends an Excel file with a list of the identification numbers of each card, and keeps track of the credit amounts assigned to each card for the period when they were issued).
- **SRC headquarters** registers each of the numbered cards in their internal management application.
- Once the **local RC offices** receive the cards and they are assigned to the end recipient in the internal management system, the SRC headquarters receives a notification. SRC headquarters makes the bank transfer to the CSF and sends the receipt to the CSF, which then activates the cards.
- The CSF offers the SRC cards free of charge (equivalent to 4% of the total purchase of the SRC).

²⁵⁶ Red Cross PowerPoint Presentation (FEAD 15th Network Meeting, 2019).

- When the transfer is made, **CSF** activates the cards within 24 and 48 hours. In emergency situations, Carrefour activates cards even before the payment has been received, due to the good working relationships created.
- **End recipients** receive the cards from the local SRC offices.

5.3. Restrictions

The cards are **not exchangeable** for money and are **valid for 6 months** from the date they are activated. The SRC requested the shopping cards to be of **one-time use** and to have an expiry date of 6 months, in order to help monitor end recipients' expenditure. To this end, the shopping cards are kept at the merchant stores once they have been used. The cards are destroyed if there is no credit left on them. If there is **unused credit** on the cards, they are sent to the CSF to be re-used. The CSF then deducts the costs from the next SRC card purchase, so the money is not lost.

Food restrictions exist, but are not enforced directly at the merchant Carrefour stores to protect the dignity of the end recipients. Instead, food restrictions are ensured through a reporting system established by the SRC. The SRC is able to review and monitor the use of the card through receipts, which end recipients must hand in at their SRC local offices. Although the SRC does not impose hard deadlines on how often receipts are reported, end recipients are instructed to do so as soon as possible and normally within a week of their purchases (in order to avoid losing receipts or them becoming illegible with time). The local SRC office scans the receipts and includes them in their internal management application system. This procedure allows them to keep the system as up to date as possible in order to report to SRC headquarters, which is required on a monthly basis.

The local SRC offices establish a list of **recommended products** to be purchased with the card, tailored to each end recipient. These lists are part of the Assistance Plan and consider the profile of the individual, including food intolerances and food restrictions due to cultural and religious backgrounds. Monitoring receipts allows the SRC to compare the products purchased with those recommended. If the end recipient has **misused the card** to purchase non-recommended products, the SRC investigates the case together with the recipient and establishes the need for additional accompanying measures. If the end recipient continues to misuse the card, the SRC explores the situation with the individual, within the agreements of the Assistance Plan. This joint assessment allows them to establish whether the end recipient should continue to be eligible for receiving food assistance support with shopping cards. In some cases, the individual needs **further support** to ensure the proper use of shopping cards, such as more information on how the cards can be properly used, or volunteer-guided assistance in the supermarket. In other cases, where there is evidence of repeated misuse, the SRC may decide to stop giving the shopping cards to the end recipient and instead support them with different types of measures.

Given that the cards are of one-time use, any remaining credit is processed by Carrefour. The department of the CSF keeps track of any remaining balance and refunds the SRC, if necessary. Interviewees from the contracting authority and implementing organisation reported that this does not happen often, however, as the SRC encourages end recipients to use the total amount on the card, given that unused credit will be lost to them. In fact, end recipients tend to spend above the credit limit of the card, in these cases, paying the difference with their own money.

5.4. Accompanying social inclusion measures

Accompanying measures are provided by the SRC to recipients as part of the **Assistance Plan**. Accompanying measures in this plan include workshops in budget management, health and nutrition, and avoiding food waste. In addition, based on different needs and specific cases, end recipients can be accompanied on their shopping by Red Cross

volunteers. This aims to support end recipients further in learning, for example, how to manage budgets and shop according to nutritional guidelines. This measure is also used as a follow-up to accompanying measures if the SRC finds that an end recipient has misused the card.

5.5. Security

The security of the system is ensured by the SRC and the CSF in different ways, as outlined in the contractual agreement. For security purposes, the cards are sent deactivated and by mail to the SRC. The delivery of cards is done through ordinary mail, requiring a signed and stamped receipt. As an additional security measure, the SRC requested a 6 month expiry date on the shopping cards. This helps with monitoring of end recipients' use of the credit and supports the tracking of receipts, which the SRC needs to report eligible expenditure to the funding organism. To help with reporting requirements, the identification number of the shopping cards is printed on the purchasing ticket, allowing the SRC to securely identify the use of the cards by end recipients through their internal management system. Personal data is secured under password protected restrictions and can only be accessed by the SRC.

End recipients are responsible for the card and credit once the card has been delivered to them. Carrefour provides a guarantee from the SRC headquarters against lost or stolen cards before they are activated. In case of theft after the cards are activated, it is the responsibility of the SRC.

5.6. System maintenance

The registration of users is managed by the SRC with a **centralised application system**²⁵⁷, used across all offices in Spain, allowing the identification of users' data. The application system allows the SRC to identify users and track and monitor their expenditure and purchases according to the established budgets.

5.7. Customer services

The CSF is responsible for providing customer services related to any technical issues with the cards. End recipients report issues to the SRC, which investigates further with the CSF. The CSF is also responsible for requesting a copy of receipts from the different Carrefour stores upon the request of the SRC. This may be needed in the case of recipients losing receipts.

5.8. User friendliness

Based on interviews conducted for this study, the scheme is overall **easy to use** for end recipients and has additional benefits over traditional food assistance delivery methods. As reported through interviews with the implementing organisation, and desk research including video accounts from end recipients, the system **removes stigmatisation** and supports the personal development of recipients by giving them purchasing power.

Interviewed implementing organisations did mention some challenges reported by end recipients. Some end recipients, in particular the **elderly**, mistake the card for a normal bank card and do not know how to use it. Others are concerned about the 'restrictions' of use and having to adjust their purchasing choices to essential goods. Adapting to the stipulated amounts on the cards was also reported by an SRC end recipient as a challenge²⁵⁸.

²⁵⁷ The SRC has range of digital management tools, aimed at strengthening administrative and institutional communication: http://www.cruzroja.es/gestionlocal/guia_recursos/materiales_soporte/herramientas_tecnologicas/administracion.php.

²⁵⁸ End-user video account: <https://www.youtube.com/watch?v=KRqAb3TvieQ>.

5.9. Administrative burden

The highest administrative burden linked to the scheme was reported by the contracting authority with regards to **meeting the requirements of the main funding authority** in terms of tracking end recipients' purchases. Specifically, the contracting authority reported that it was difficult to find supermarket chains with the capacity to adapt to a coordination procedure that would allow card identification and association of cards to purchasing receipts. This is necessary to enable tracking of expenditure. This created an administrative burden for the SRC to negotiate a viable solution for an efficient reporting procedure.

Despite this, based on the interviews with the contracting authority, implementing organisation and desk research, the **administrative burden of this system is proportionate** to the effectiveness of the system as opposed to the traditional model and the costs involved in logistics of in kind food delivery. The administrative burden in relation to the coordination between Carrefour and the local offices of the SRC was reported to be minimal, as the system has been automatised through seven years of implementation. The most administratively burdensome element mentioned was related to the expiration of cards or lost receipts by end recipients. Even in this case, however, there is an efficient process in place, as the CSF can directly request the receipts from local stores and send them to the SRC for monitoring/tracking purposes.

6. Payment system

6.1. Payment instrument

The payment instrument is a magnetic strip plastic shopping card, for one-time use. The card is the same as that used for gift cards at Carrefour stores or other retailers. The cards used in the context of assistance to the most deprived were adapted to their requirements and designed exclusively for this system by the Red Cross. They are electronic and can be scanned through the magnetic band. They have an identification number, allowing the SRC to track purchases made by recipients.

6.2. Payment device

The payment device terminal is located at the point of sale at Carrefour shops, and uses the well-established and trusted existing technologies used by most retailers (i.e. chip and pin, and contactless payment technology).

Carrefour is, however, developing a system to expand to digital device payments, and is exploring the potential use of this with SRC recipients. The development of a digital card would substitute the magnetic bands of physical cards with bar codes. This would allow the bar code to be downloaded directly on mobile phones, printed on paper, or distributed on physical cards. With this development, the CSF hopes to improve the process further for end recipients, as well as increase the environmental sustainability of the system by decreasing the printing of one-time use plastic cards.

6.3. Infrastructure and connectivity requirements

The payment system needed is located at Carrefour shops, and requires an electronic payment system. There are no internet connectivity requirements needed for the system to function. The electronic payment transaction is digitally supported to register the purchase through a magnetic card.

6.4. Authentication process

There are no specific authentication requirements, such as a PIN code. The physical card is enough to authorise the payment at the merchant stores.

7. Compatibility with ESF+ and the CPR

7.1. Monitoring and reporting

The SRC reports to the different funding organisms. Monitoring and reporting requirements mainly focus on **tracking end recipients' purchases**. Government funding authorities want to be able to monitor who the end recipients are. The scheme therefore needs to be able to monitor and report which cards are associated to which end recipient, and to link the card identification number to the receipts so as to be able to track which products have been purchased by end recipients. Meeting this requirement efficiently was guaranteed by Carrefour in 2012, and was a key part of negotiations between the CSF and the SRC on contractual arrangements.

7.2. Eligible expenditure

Funding of the scheme is **decentralised** through different SRC offices, meaning that eligible expenditure varies depending on the grant. Broadly speaking, government funding is used to finance the shopping cards directly. Eligible costs are therefore limited to the credit on the cards, and do not cover additional expenditure such as the accompanying measures, logistics and administrative costs of the scheme. The tracking of eligible costs is undertaken by the SRC with the support of the CSF, as part of the monitoring and reporting system of the scheme (as outlined above).

7.3. Audit

Audits are also **decentralised** and managed by different funding organisms based on the different agreements with SRC offices at the local level. The contracting authority reported that these may include reviewing SRC expenditure accounts, and tracking of end recipients, as outlined in the monitoring and reporting requirements. The frequency of audits was not reported.

7.4. Data security and data protection

The registration of users is managed by the SRC using a centralised application system that is used across all offices in Spain, allowing the identification of users' data. The SRC is the sole actor with access to the application system (neither Carrefour nor social services can handle this data). The system is password protected and ensures compliance with strict personal data and GDPR rules for the protection of the recipient. The SRC uses specific relevant information in the system only as needed when coordinating with social services.

8. Budget and cost effectiveness

8.1. Overall budget of the scheme

As well as the SRC's own funds (through membership and donations), the shopping card scheme established with the CSF is funded through different financial means including:

- A grant from 0.7% of Personal Income Tax (IRPF), raised through individual's donations to social or religious causes during tax return. which the government distributes to projects by NGOs presented by different Spanish regions.
- Grants from regional and local Governments. Subsidies that are received at the local and provincial level through City Halls, Provincial deputations and governments of autonomous communities.
- Support from foundations
- In addition, CSF donates 4% of the total revenue incurred with the shopping cards to SRC.

Since 2012, the total budget of the SRC pre-paid shopping cards scheme amounts to **7.3 million EUR**. The overall budget of the scheme depends on funding and grants, and is therefore variable.

8.2. Costs of the scheme

Overall, the CSF is responsible for the materials and logistical costs of the scheme (sending cards, printing physical cards). There are no costs related to storage for the SRC, as most of the stock is kept by the CSF.

An estimate calculation of the monthly costs that an SRC local office incurs was provided by the contracting authority based on the Madrid local office. Costs relating to the management of the system include an IT support team (500 EUR per month), and an employee in the finance department for administrative management. The costs including the office overheads of one employee are estimated to be 1 000 EUR per month. The system does not incur extra costs for IT maintenance, as the IT system used is already part of the SRC management system. Specific costs related to the identification of target groups, monitoring and reporting, and logistics are also included as part of the SRC's overall costs.

9. Results

9.1. Main results of the scheme for the contracting authority

As a result of the partnership with the CSF for the development of the pre-paid shopping card system, the SRC was able to improve the system of food delivery to the most deprived in 2012, making it more **efficient**. As well as making the process of food delivery quicker for the contracting authority, there are additional benefits in implementing this system of food delivery, helping to overcome some of the limitations of the traditional food delivery system under FEAD. As a whole, the implementation of the system has allowed the SRC to have time to work more closely with end recipients, through **focusing on broader social inclusion measures** included in the Assistance Plan.

9.2. Main results of the scheme for end recipients

In general, the scheme has allowed the SRC to assist a higher number of end recipients with social inclusion and poverty prevention measures. The number of recipients varies depending on the available funds and local offices. In the SRC Madrid office, it is estimated that the scheme supported 7 000 end recipients. Exact numbers vary across Spain and have not been calculated, given that some local offices have established different partnerships with other supermarkets.

Overall, the scheme has impacted positively on end recipients. Desk research and consultations for this study show that the scheme **supports the personal growth** and

development of recipients by giving them purchasing power and independence. Moreover, the scheme contributes to the social inclusion of end recipients through accompanying measures. Through these, end recipients are supported in their personal development to become active members of society (i.e. learning to manage their own budgets). Additionally, the scheme **reduces the stigmatisation** of end recipients by allowing them to shop at the time of their convenience, have purchasing power, and design their shopping basket according to their household needs (intolerances, cultural preferences etc.). Finally, the scheme has a positive impact for recipients by giving them **access to fresh products** and other material products of basic necessity (such as hygiene products, clothes or kitchenware), which are not otherwise covered under the traditional system.

9.3. Unintended consequences

No significant unintended consequences have been reported by the consultation conducted for this study. The shopping card scheme does not exclude any type of recipient. The interviewees reported that older people are sometimes reluctant to take the shopping cards, mistaking the card for a credit card, and thus require more information and training for their use. Other recipients who may have addiction problems may also need more support for the use of the cards. Nevertheless, this is where the Assistance Plan is crucial, including accompanying measures to support the social inclusion of vulnerable groups.


10. Lessons learnt

A formal evaluation of the shopping card scheme has not been conducted. However, in the context of negotiations for the adoption of the next multiannual financial framework of the EU (2021/2027), the Red Cross conducted a consultation on the implementation of the Food Aid Plan supported by FEAD, and detected possible improvements to achieve a greater impact²⁵⁹. Based on a consultation of end recipients and delivery organisations, the evaluation showed the perceived improvements that could be made with the use of electronic cards as a form of food aid delivery. As shown in the Figure below, these include the type and variety of products, mode of delivery, decreasing bureaucratic burdens, improvements in logistics and coordination, as well as reinforcement of accompanying measures for the recipients.

Figure 11: Improvement proposals from the Spanish Food Aid Plan evaluation²⁶⁰

²⁵⁹ Spanish Red Cross Bulletin 16 (2018), p.3.

²⁶⁰ Red Cross PowerPoint Presentation (FEAD 15th Network Meeting, 2019).

Improvement proposals	
 Increase frequency of deliveries	
 Inclusion of new products (fresh food, cleaning & hygiene products, especially nappies and feminine hygiene products, etc.)	 Training for families , to improve home administration and diet.
 Taking into account family needs (children, adolescents, chronically ill persons or persons with dietary intolerances).	 Increase support measures (access to the labour market, economic support to pay supplies, mortgages, rents...)
 Considering cultural and regional diversity .	 Organisational and logistic improvements (raise awareness of delivery criteria, coordination to avoid duplication, a new software).
 More flexible and agile procedure, less bureaucracy .	 Inclusion of other vulnerable profiles (homeless, people who are isolated or who cannot leave their home).
 Implementation of a consumer card and social supermarkets . Avoid queues and stigmatising situations.	 Training of volunteers engaged in the programme .

Source: Red Cross (2018)²⁶¹

Surveys conducted among the staff of the Red Cross on food aid also show that there is consensus around organisations involved in food aid delivery that e-vouchers (such as the scheme with Carrefour shopping cards) have the potential to improve the efficiency of food aid, as well as improve the experience of recipients.

‘The most suitable [situation] is that needy people become responsible for the choice of the food that their family needs. That is more dignified than giving a limited assortment of food, which is the same for all, regardless of their needs. Therefore, it would be a good idea to give them purchase cards, so that they can buy what they really need in the local shops. Our organisation and the social workers of the district would be in charge of monitoring that the purchases made with the card are for basic products, by means of the periodic control of the receipts of purchases made with the card²⁶².’

(Staff from Implementing Organisation, SRC Structural Survey, 2018)

‘The delivery of food generates a significant stigmatisation for the families, which could be avoided with consumer cards in supermarkets²⁶³.’

(Staff Implementing Organisation, SRC Structural Survey, 2018)

10.1. Critical impacts

The shopping card scheme helps overcome challenges of the traditional system of FEAD food delivery. The interviews with the contracting authority conducted for this study highlighted different aspects that have been improved in this regard. The scheme has helped to deliver a more rigorous and personalised assistance system to recipients. It has contributed to reducing stigmatisation and increasing respect for recipients’ dignity, reducing feelings of shame associated with food collection at food banks.

Another aspect that the SRC thinks it is essential to highlight is the importance of the scheme in relation to children. The e-voucher scheme allows recipients to buy necessary

²⁶¹ *Boletín sobre vulnerabilidad social número 16 septiembre 2018*, ‘Valoración del impacto del Fondo de Ayuda Europea para las personas más desfavorecidas (FEAD) en España, a través de la percepción de las personas beneficiarias, Organizaciones y personal de gestión’. Available at: <https://www.cruzroja.es/principal/documents/1789243/2038966/PRESENTACION+BOLET%C3%8DN+16+Final+2.pdf>.

²⁶² Delivery Organisations who responded to the open question on ‘suggestions and comments’ (FEAD Impact Assessment, 2016).

²⁶³ Delivery Organisations who responded to the open question on ‘suggestions and comments’ (FEAD Impact Assessment, 2016).

child and baby material products (nappies). It also supports female end recipients by allowing the purchase of basic, necessary menstrual products.

The impact on the social inclusion of end recipients can be summarised as follows:

- Flexibility/adaptability. This option allows end recipients to adapt their shopping basket to suit the special needs of their family unit (e.g. children, older people, chronically ill, food intolerances etc.).
- Removes stigmatisation (feelings of shame associated with food aid are removed).
- Removes queuing.
- Recipients can buy the products themselves, increasing dignity.
- Recipients can make their purchases near home (many of them cannot afford travel costs).
- Recipients can buy what they need, when they need it.
- Recipients can buy products that fit with their cultural preferences.
- Living a dignified life is a step towards social inclusion and employment.

10.2. Benefits and limitations

The main benefits of the scheme as summarised by the SRC include²⁶⁴:

- **Increased food products:** The system offers perishable food and allows recipients to select regional products (e.g. rice, legumes).
- **Includes material products:** Through the system, recipients have access to material products to cover their basic needs (i.e. hygiene, clothes, and sometimes even kitchenware).
- **Food waste:** Prevents accumulation of food and food waste. It removes the problem of expiration dates that exist with FEAD products, removes the possibility of the recipients dumping part of the received food in FEAD packages, by having freedom to choose their own food products.
- **Cost-effectiveness:** The FEAD food programme requires technical maintenance and financial contributions of infrastructure and materials that entail a budgetary cost for delivery organisations (warehouse rental and maintenance, electricity and water expenses, pallet trucks, renting of vehicles, personnel for the delivery of the food lots etc.). The shopping cards scheme would free up some of this budget to be re-invested in products and accompanying measures for the recipients.

The SRC reports that the main **limitation** of the shopping card scheme is that it only allows end recipients to make purchases in one supermarket chain. As highlighted, the SRC was only able to develop a nation-wide partnership with Carrefour due to conditions of the funding authorities on tracking requirements. As a whole, this limits end recipients' freedom to choose their store of convenience, and limits purchasing choices to competitive prices available at Carrefour stores. Nevertheless, SRC local offices have been able to establish additional agreements with other supermarket stores (e.g. Día and Mercadona), which suggests that potential contractors may be increasingly able to adapt to requirements in the face of increasing demands for e-voucher services.

²⁶⁴ SRC FEAD PowerPoint (2019).

10.3. Challenges encountered

The scheme has been in place for a while, and has been able to identify and implement effective solutions to recurring problems encountered in delivery, as outlined in Table 4.

Table 5: Challenges and solutions of the Red Cross pre-paid shopping card scheme

Challenges encountered	Solutions
<ul style="list-style-type: none"> Loss of purchase tickets needed for reporting. 	<ul style="list-style-type: none"> The SRC asks Carrefour for a copy.
<ul style="list-style-type: none"> Differences between the cost of purchase and the balance on the card. 	<ul style="list-style-type: none"> Recipients may use their own money or Carrefour discount coupons in addition to the card. When the cost of the purchase is lower, Carrefour includes the remaining balance on additional electronic cards, handled free of charge.
<ul style="list-style-type: none"> Recipients' use of the cards. Some recipients misunderstand that the card is a bank card, and they do not know how to use it. Others are concerned about having to adjust their purchasing choices to essential goods (e.g. older people). 	<ul style="list-style-type: none"> Information and guidance is provided through accompanying measures, tailored to the individual.
<ul style="list-style-type: none"> Theft/loss of cards. 	<ul style="list-style-type: none"> The SRC sends the information to Carrefour. They check the credit balance, block the card and send another one to the SRC.
<ul style="list-style-type: none"> Administrative burden (coordination with Carrefour, the provincial offices of the SRC and multiple financing authorities with different requirements). 	<ul style="list-style-type: none"> Administrative/coordination challenges among offices are solved on an ongoing basis and the system continues to improve based on team collaboration.
<ul style="list-style-type: none"> Complexity of the requirements of the main funding organism (the Ministry of Health, Consumption and Welfare). It is difficult to find supermarket chains that are able to adapt to these demands. 	<ul style="list-style-type: none"> The SRC established a nation-wide partnership with Carrefour which meets the requirements and is flexible enough to adapt and guarantee the continuation of the system. This attracts competition from other supermarket chains who have thereafter developed their own systems of technology to meet the procedural requirements.
<ul style="list-style-type: none"> Operational and management capacity of the big supermarket chains vs. proximity of the neighbourhood stores. 	<ul style="list-style-type: none"> SRC local offices have established additional agreements with other supermarket stores (e.g. Día, Mercadona).

Source: Compiled by researcher.

10.4. Success factors

- The SRC has a strong **decentralised network structure** that appears key for the effective implementation of the scheme across the country. This reduces the administrative burden on the central office and allows the system to be tailored to the needs of end recipients.

- SRC is one of the two FEAD partner organisations in Spain responsible for delivering the Food Aid Plan, coordinating with a wide network of delivery organisations across the country (over 8 000). Hence, it is a **strongly connected NGO**, working closely with the institutional management of European funding mechanisms, and has the relevant procedures in place to meet the established requirements of reporting and monitoring.
- As a whole, the shopping card scheme is part of a **multi-dimensional approach** to social inclusion, going beyond poverty alleviation to better target the groups' needs through a range of accompanying measures.
- The system improves food aid to the most deprived by increasing the food offer (perishable foods), and by **including products of basic needs** that were not funded by FEAD in Spain. This has been reported to have a big impact on allowing better targeting to groups such as children and migrants.

10.5. ESF+ transferability potential

The shopping cards scheme developed by the SRC is now well established as an important measure for providing food and material assistance, fitting within national strategies that tackle poverty and social exclusion. The use of electronic vouchers has been established through different public-private partnerships, supported by government and local funds that have reinforced institutional coordination and governance among stakeholders, in line with European structural fund requirements and procedures.

Overall, the scheme is relevant to the ESF+ Regulation and the CPR. The target group is broadly the same as that of ESF+ support for addressing material deprivation, namely 'most deprived persons', as defined in Article 2(13) of the proposed Regulation. The scheme is also part of a broader programme which ensures end recipients have access to other measures aimed at their social inclusion, thereby also aligning with the principles of the ESF+ support for addressing material deprivation.

The scheme is in part funded by the government, and as a result has been designed and implemented so as to be in accordance with state funding regulations and monitoring and reporting requirements. The reporting system in place, for example, has been established to ensure that the contracting authority, SRC – the recipient of state funding – can track expenditure on the purchases of end recipients and report to the funding authority accordingly. This appears to be functioning smoothly, despite reported complexity in setting the system up, which is encouraging in view of the transferability of a similar scheme into the ESF+ Framework. However, the process appears somewhat burdensome for end recipients and the SRC.

Together, desk research and stakeholder interviews conducted for this study revealed strong benefits for end recipients, as well as a positive impact for delivery organisations, decreasing administrative burden by utilising technology. SRC believes an electronic card system could reduce the operational and transaction costs, and related administrative burden, of FEAD programmes, such as waiting lists and food waste associated with storage at food banks. Taking this into account, the potential to transfer the lessons learnt from the SRC shopping card scheme into the ESF+ is high.

Annex 1: Interviewee list

Scheme	Organisation	Role
Meal voucher scheme and Ticket S (BE)	Federal Public Service – Social Security	Set up national/legal framework
	Edenred	Implementing organisation
	City of Antwerp	Implementing organisation
	Voucher Issuers Association Belgium	NGO
	Federal Public Service – Social Security	Set up national/legal framework
	Social Voucher International Association Belgium	NGO
Bons/Tickets alimentaires (FR)	Ministère des Solidarités et de la Santé	Contracting authority
	CCAS Beuvry	Implementing organisation
	Fédération française des Banques Alimentaires	Implementing organisation
	Resto du Coeur	Implementing organisation
	Croix Rouge	Implementing organisation
	Secours Populaire	Implementing organisation
	UCCAS	Implementing organisation
Carta acquisti (IT)	Ministry of Economy and Finance	Contracting authority
Social card for families at risk (LT)	Ministry of Social Security and Labour	Set up national/legal framework
	Vilnius Municipality	Contracting authority
Tarjeta monedero (ES)	Save the Children Spain	Implementing organisation
	"la Caixa" Foundation	Contracting authority
Red Cross pre-paid shopping card scheme (ES)	Spanish Red Cross Central Office	Contracting authority
	Red Cross Madrid	Contracting authority
	Red Cross Madrid	Contracting authority
	Fundación Solidaridad Carrefour	Implementing organisation
	Fundación Solidaridad Carrefour	Implementing organisation
	Fundación Solidaridad Carrefour	Implementing organisation

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