

Electronic cards as a possible delivery mode under ESF+ The Spanish Red Cross experience

15th FEAD Network Meeting
Different approaches to FEAD delivery
Brussels 5th April, 2019

Every day closer to people



Spanish Red Cross

Evaluation of the impact of the Fund for European Aid to the Most Deprived (FEAD) *in Spain, through the perception of the beneficiaries, organisations and management personnel*





Why this research was made?

CONTEXT

Food Deprivation



3,7%

CANNOT afford a meal involving meat, chicken, fish or vegetarian equivalent every second day (*Living Conditions Survey 2017*) the highest percentage registered in all analysed years.



Negotiations for the adoption of the next Multiannual Financial Framework of the EU (2021/2027).



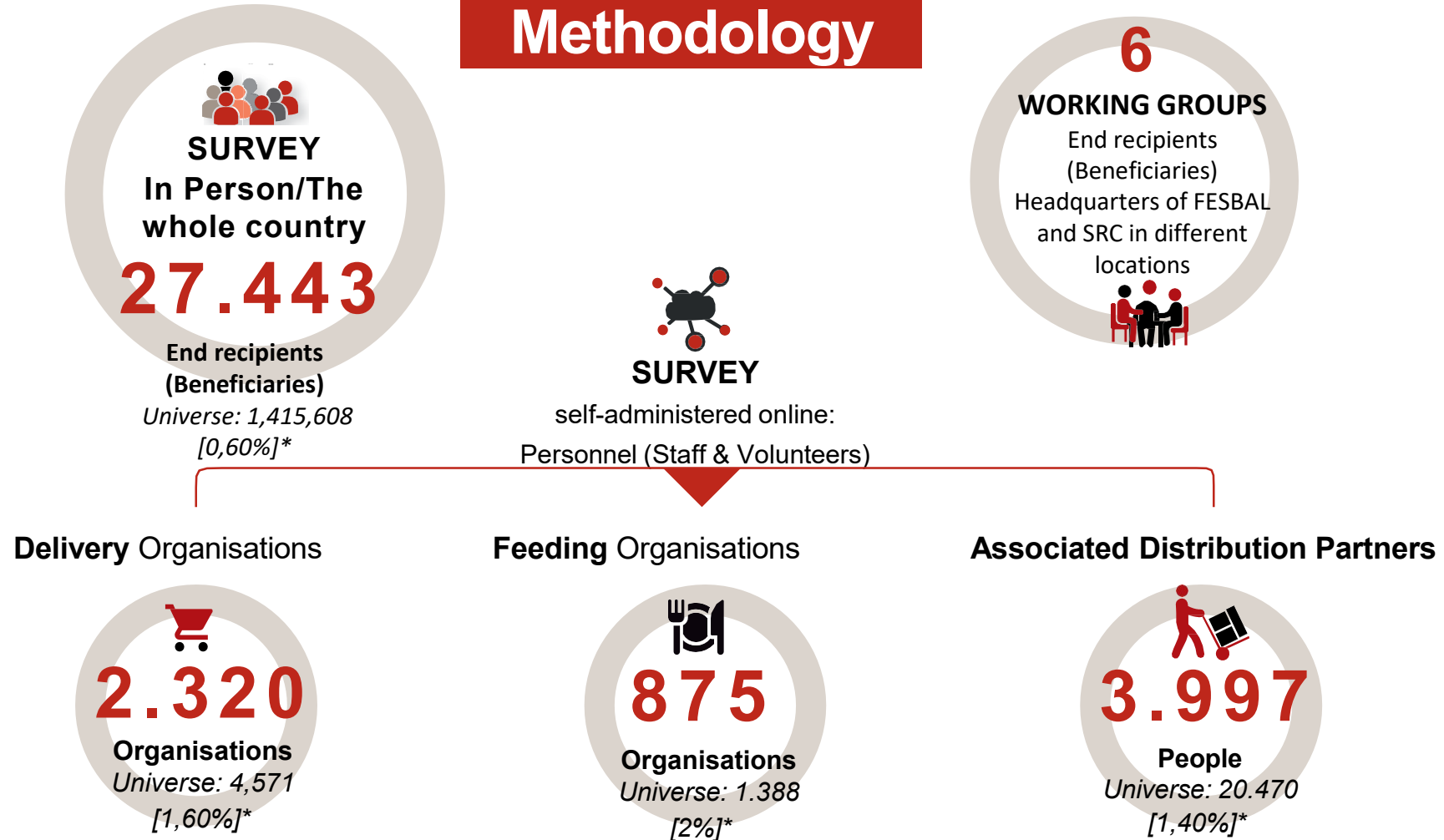
FEAD Associated Organisations Self-Perception:

less users, food accumulation, etc.






Methodology





Conclusions

Multi-Dimensionality of Poverty and Exclusion

 **Low income level**
13% <100 €
60% < 500 €

 **Low level of social protection**
Only **39%** receiving minimum income


Unemployment
52,4%
(50% + 2 years)

Precarious employment 7%

Living in households with Low work intensity (only **22%** live with people who provide income from work)

 **Educational level mid to low**

 **Health problems 25%**

 **16%** of households have **people with Disability**

 **Housing Problems**
(poor quality of housing)

 **36%**
Lack of support networks



Dimensions of Poverty



Extreme Poverty

90,2%

Persons living in households in which the disposable income per consumption unit is below 40 percent of the median value in the country



In- Work Poverty

97,8%

In-work poverty rate refers the percentage of persons in work living in a household with an income below the EU's poverty threshold



Child Poverty

98,7%

Percentage of children living in households with incomes below the EU's poverty threshold



Energy Poverty

36% indicate housing problems
50% of this group cannot pay supplies





Most Vulnerable Profiles

Conclusions

 **Long term unemployed**

 **Vulnerable Older people**

 **Child population**
(in 3 out of 4 homes there are children under 15 years of age)

 **Asylum seekers** before processing a request for International Protection

Women



Majority among beneficiaries **71%**
Majority in households with children **79%**
Monoparental families (15%) are headed mainly by women

Victims of gender violence with dependent children





Improvement proposals

[1]



Increase frequency of deliveries



Inclusion of **new products** (fresh food, cleaning & hygiene products, especially nappies and feminine hygiene products, etc.)



Taking into account family needs (children, adolescents, chronically ill persons or persons with dietary intolerances).



Considering **cultural and regional diversity**.



More flexible and agile procedure, **less bureaucracy**.



Implementation of a **consumer card and social supermarkets**.

Avoid queues and stigmatising situations.



Improvement proposals

[2]



Training for families, to improve home administration and diet.



Increase support measures (access to the labour market, economic support to pay supplies, mortgages, rents...)



Organisational and logistic improvements (raise awareness of delivery criteria, coordination to avoid duplication, a new software).



Inclusion of other vulnerable profiles (homeless, people who are isolated or who cannot leave their home).



Training of volunteers engaged in the programme.

Spanish Red Cross experience with supermarket cards

Agreement

- Started in 2012 to reduce the impact of the crisis in vulnerable groups assisted by the SRC
- SRC reached out different supermarket chains
- Carrefour was selected because of procedural security in relation with the requirements of the funding organism
- The SRC & Carrefour signed an agreement for the acquisition and supply of Carrefour cards (At regional level, the Barcelona Red Cross signed with Bonar and the Madrid RC with Mercadona. The Cantabria RC has signed with local markets)
- Terms and conditions contained in the Agreement with Carrefour are subject to annual review
- Centralized management

Spanish Red Cross experience with supermarket cards

Procedure

- Provincial RC offices demand the SRC Central Office a number of cards
- Provincial RC Offices deposit the money in Carrefour centralized account and send to the SRC Central Office the receipt of the bank transfer.
- The SRC sends the receipt of the bank transfer to Carrefour
- SRC buys the cards. The majority have a balance of 30€ Depending of the members of the family unit and their situation, provincial offices designate the number of cards that will be assigned
- The cards expire after 6 months
- Carrefour offers the SRC additional cards free of charge (equivalent to 4% of the total purchase of the SRC)
- When the transfer is made, cards are activated by Carrefour between 24 & 48 hours (in emergency situations Carrefour activates cards even before the payment due the good working relationships created)

Spanish Red Cross experience with supermarket cards

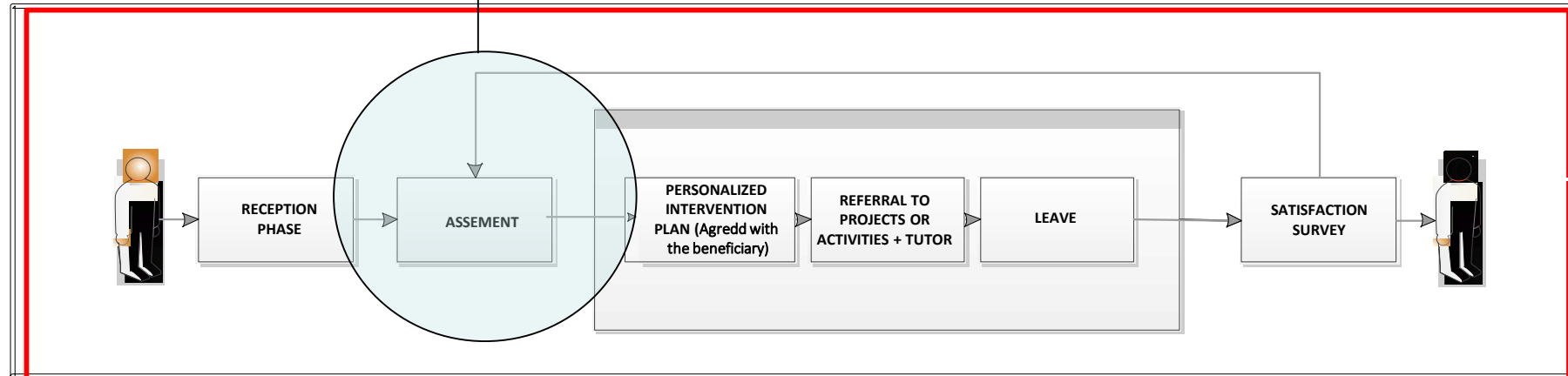
Selection of Beneficiaries

- The SRC works with a Beneficiaries Services Framework
- At the Reception phase an evaluation of needs and capacities interview is made
- Multi-Dimensional approach (health, economic, employment, personal, family, social & housing)
- Development of a Personalized Intervention Plan (*tailor made assistance*) agreed with the beneficiary
- Afterwards , beneficiaries are referred to specific projects or activities of the SRC
- Electronic cards are included in the programme Fight against Poverty and Exclusion
- Beneficiaries are designated according to a economic scale (considering the income of the household)

Spanish Red Cross experience with supermarket cards

Assessment

Multi-Dimensional evaluation interview (personal, health, income, employment, housing, social, family)
Analysis of vulnerabilities & capacities



Spanish Red Cross experience with supermarket cards

Instructions for Beneficiaries

- Products included
- Products not included
- Beneficiaries must hand over their purchase tickets to the RC personnel

Financing

- Grant from 0,7% of the Income on Personal Tax (0,7% IRPF)
- Grants from Regional & Local Governments
- Foundations support

Spanish Red Cross experience with supermarket cards

Figures 2012-2018

➤ Total amount: **6.548.015€**

➤ N° of cards: **218.267**

Spanish Red Cross experience with supermarket cards

Electronic cards as a Delivery Mode Positive aspects (End- recipients and personnel perceptions)

- Removes feelings of shame
- Removes Stigmatization
- Removes queuing
- Beneficiaries can buy the products themselves (Dignity)
- This option allows them to make their purchases near home (many of them cannot afford travel costs)
- Beneficiaries can buy what they need when they need it

Spanish Red Cross experience with supermarket cards

Electronic cards as a Delivery Mode Positive aspects (End- recipients and personnel perceptions)

- Beneficiaries can buy products that fit with their cultural preferences (eg migrants)
- This option allows them to adapt the shopping basket to the special needs of their family unit (children, older people, chronically ill, food intolerances)
- This option allows them to select regional products (rice vs legumes)
- This modality allows to offer perishable food
- Removes the problem of expiration dates
- Prevents accumulation

Spanish Red Cross experience with supermarket cards

Electronic cards as a Delivery Mode Positive aspects (End- recipients and personnel perceptions)

- Removes the possibility of the beneficiaries dumping part of the received food
- Environmentally friendly
- Cost/effectiveness
 - ❑ The food programme requires technical dedication and contribution of infrastructure and materials that entail a budgetary cost (warehouse rental and maintenance, electricity and water expenses, pallet trucks, renting of vehicles , personnel for the delivery of the food lots) for Delivery Organisations.
- This modality should allow the Programme to invest more in products and accompanying measures for the beneficiaries

Spanish Red Cross experience with supermarket cards

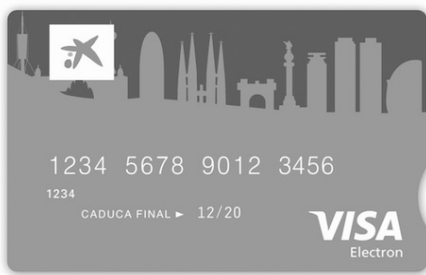
Difficulties	Solutions
<ul style="list-style-type: none">➤ Loss of purchase tickets	<ul style="list-style-type: none">➤ SRC asks Carrefour for a copy
<ul style="list-style-type: none">➤ Differences between the cost of purchase and the balance in the card. Beneficiaries may use their own money or Carrefour discount coupons in addition to the card. A problem arises when the cost of the purchase is lower.	<ul style="list-style-type: none">➤ Carrefour includes the remaining amount of the cards in the additional electronic cards handled free of charge
<ul style="list-style-type: none">➤ Lack of information. Some beneficiaries understand that the card is a bank card and they do not know how to use it. Other are concerned about their difficulties to adjust the purchase to essential goods.	<ul style="list-style-type: none">➤ Information and orientation

Spanish Red Cross experience with supermarket cards

Difficulties	Solutions
➤ Theft/Loss of Cards	➤ The SRC sends the information to Carrefour. They check the credit balance, block the card and send another one to the SRC
➤ Administrative burdens (coordination with Carrefour, the provincial offices of the SRC and the financers)	
➤ Complexity of the requirements of the main funding organism (Ministry of Health, Consumption and Welfare). Its difficult to find supermarket chains that are able to adapt to these demands.	

Spanish Red Cross experience with supermarket cards

Difficulties	Solutions
➤ Multiple financers with different requirements	➤ Different management procedures
➤ Operational & Management capacity of the big supermarket chains VS Proximity of the neighbourhood stores	



Barcelona Local Government & Càritas Barcelona

Pre- paid cards as a Delivery Mode

- Visa electron pre-paid card issued by a Financial Institution (La Caixa). Started in November 2013
- Agreements were made with La Caixa and with a Catalan food delivering network (includes supermarket chains, local markets...)
- Beneficiaries are designated by the Local Social Services & Càritas
- Social Services & Caritas decide the card balance
- Through the card, beneficiaries can buy only food (perishable and non perishable)
- They cannot use the card to withdraw money
- Beneficiaries can purchase in multiple locations (proximity) and they have access to a special discount (3% of the total purchase)
- This modality is welcome by beneficiaries and social workers

Humanity

Impartiality

Neutrality

Independence

Volunteering

Unity

Universality

Every day closer to people



Spanish Red Cross