

SEPTEMBER 2020 / THEMATIC NEWSLETTER – CASH TRANSFERS

All about cash transfer

In response to the Covid-19 crisis in Kenya, Macheo has set up a Corona Relief Program. One of the main pillars of this program are the Cash Transfers, for Macheo a new way of helping.

Cash transfers, transferring a weekly amount of money to enable a child to survive. A quick, conscious and well-founded choice of Macheo in unprecedented times, when the Kenyan government is – understandably - limited in its power to provide assistance. This is despite the fact that the regular interventions of organizations such as Macheo are largely at a standstill.

Macheo's cash transfer cause exceptionally good results. 'Overwhelmingly, all our expectations have been far exceeded!', says director Marnix Huis in 't Veld.

In this thematic newsletter we zoom in on the how, what and why of cash transfers. Be surprised!

What is cash transfer?

A super-simple, pragmatic way of providing help in times of crisis. A selected number of children/families will receive 2.20 euros (250 KS) per child each week. From “Western” perspective a small amount but in Kenya you can do quite a lot with it.

Money without conditions

Macheo provides the money without prescribing what it should be spent on. The families who receive the money can decide for themselves. They know best where the money is most needed at that time. Of course, for many people food is the first thing the money is spent on, but they also use it for medicine, personal hygiene, rent, or for helping parents or disabled relatives who have it even harder.

How does it work?

Macheo transfers the contribution via the Kenyan mobile payment system: M-pesa. This very popular payment system allows people without a bank account and without a fixed (or often very low) income, still to be able to bank. M-pesa is a mobile wallet, which requires only a SIM card and a (if necessary borrowed) phone. An old model, even without the Internet, is enough. Through Macheo's M-pesa account, the money is transferred to the recipient's SIM card. The recipient can withdraw this money, pay with it in the store or transfer it to others. It is safe, accessible and inexpensive.

Who gets money?

In Western countries people are often supported by Government funds in case of a lack of income. In Kenya, there is no such thing as a safety net, which means that people will soon not be able to meet their basic needs. Macheo only helps those people with whom we have been working for a long time and who we are sure does not cause neglect, abuse or addiction in the family. The thorough organization of Macheo makes it possible to make responsible choices.

Are there controls?

Randomly, Macheo employees call the recipients for a survey and to discuss what has been done with the money. (See the story of our social worker Monica)

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Is cash transfer invented by Macheo?

The method of giving 'free money' to the poorest is not new and worldwide numerous independent studies have been done to the effects. There are also several aid agencies that use this tool.

The studies show that cash transfer certainly works in the short term: the poorest get out of poverty more quickly when they decide for themselves what they want to spend the money on. Most aid organisations, such as Plan International, apply it mainly in times of crisis and aid organisation GiveDirectly even uses only cash transfers in their programs, including in Kenya.

„Cash transfers are more than just an amount. Cash transfers allow people who have been hit hard by a crisis, such as the Covid-19 pandemic, to continue their normal lives as much as possible. With the money, they can support their families and maintain their dignity. Just the way we want it to be.“ (Plan International)

- Giving cash doesn't solve the whole problem, it's not a holy grail. It is focused on short-term assistance rather than ensuring better conditions in the longer term. Children can, for example, transfer to school via cash transfer, but do not learn more when there are too few suitable teachers. (source: the Correspondent)

Cash transfer is more than giving money

Macheo does not set any conditions for the 'free money' but of course we want to monitor. Macheo employees, such as social worker **Monica Wangari**, have been deployed to interview recipients weekly by phone, so that we can understand how to spend and how to understand the need. The stories she heard moved her time and time again.

"I've been working for Macheo for over 10 years, mainly with teenage beneficiaries. Making these phone calls to parents about cash transfers was totally new to me. It's great that I got the opportunity to hear directly from parents how they managed to survive in these bizarre times; how they felt through our help. Cash transfer is more than just money, I learned. Parents told me how lucky they were to feed their children, that they saw them laughing again! That thanks to that money, a little cheerfulness came back into their lives. All these stories show that parents really spend the money on the children, and don't keep it to themselves. I remember a father who had to make do with 1 and 3-year-olds on his own. This father had bought a mattress from the weekly allowance, so that the children no longer had to sleep on the floor."

"What I also heard was that people really value having the freedom to decide what the money is spent on. They take that responsibility very seriously. Receiving money does not deprive them of their self-esteem: on the contrary! They say, "This is so beautiful, so good. If you don't have anything and someone comes and helps you. Someone who trusts that you can decide for yourself what to do with the money. Macheo is the only one here who helps us and doesn't let us down.' I've known Macheo for so long and so well, but these reactions gave me a better look at the great effect we're having here: I now know that people really feel that Macheo helps from the heart."

Cash transfer helps:

(used names are not real names)

Single, unemployed mother Serena Nkatha (38). She struggles to make ends meet and feed her four children (14, 11, 8 and 6 years old). Since she became alone, she has been receiving regular help from Macheo. With so little jobs to find, she was exhausted by her desperate search for work to prevent her children from starving to death. With Macheo's weekly money, she can feed her children and continue to look for work with renewed vigor.

Paulin Mwhaki and her husband Samuel Macharia and their five children. The problems piled up in this family with a lot of health problems. Macheo helped the family set up a bead work business and arranged treatment for one of the children with hearing problems. But as a result of the pandemic, the trade collapsed and Paulin's husband also fell ill, which also caused him to lose his job. There wasn't money for medicine. Thanks to the cash transfer there is in any case food for the children and a medicine for the father could be bought. He is now improving.

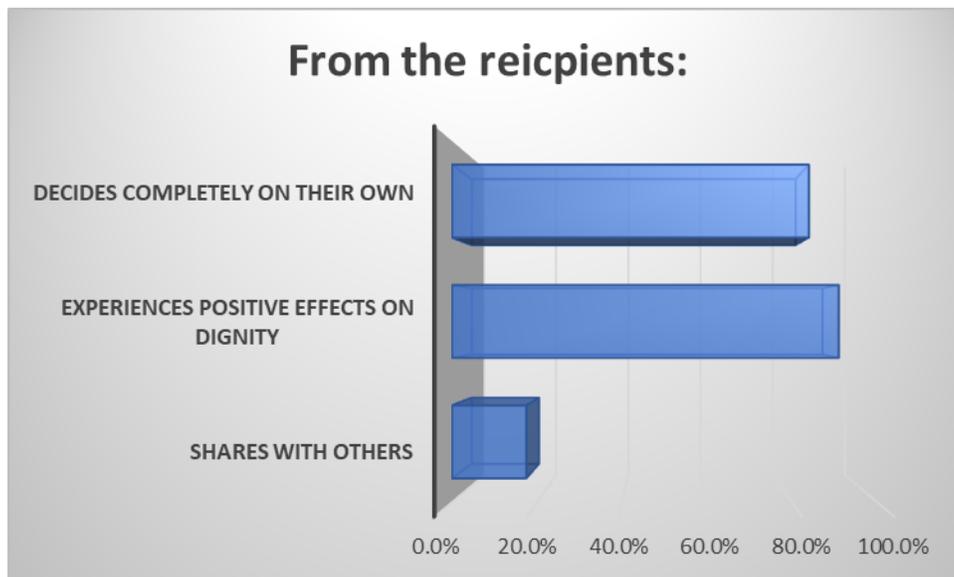
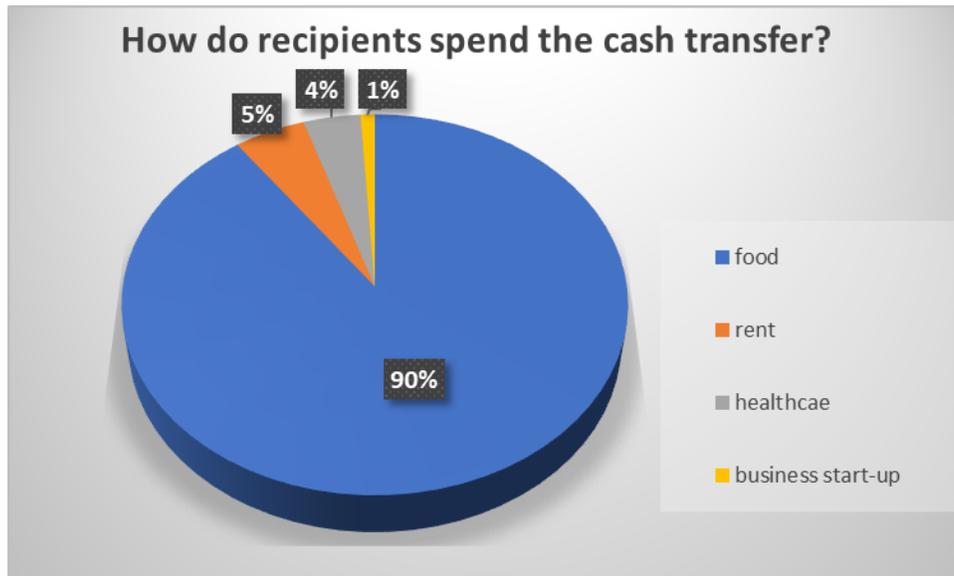
Sheila Muthoki (30). She has a daughter and takes care of three children of her late sister. Macheo knows this family through Anne, one of the children, who grew up in very poor conditions and who needed psychological help after the death of her mother. Thanks to Macheo's help, Anne learned to live with her loss. With the cash transfer that Aunt Sheila receives from Macheo, she can give her kiosk, with which she earns a family income, a 'boost' so that her small business can continue, so that there is money to feed the family.

Anne Wamaitha (34), married, four children. Two children suffered from anemia and there was no money for medication. The children couldn't go to school because of this. Macheo offered help so Anne could take the kids to the hospital and get the right medication. Through cash transfer, the family can buy basic food. Moreover, Anne has used some of the money to set up a small business: she now sells sukuma wiki, a local vegetable, on the market. This reduces the dependence on our aid.

Our corona relief program in facts and figures:

Since the beginning of April 2020, last 20 weeks we have:

- **34,000** cash transfers sent for a total amount of 74,800 euros. Mostly raised by additional donations from our donors!
- **1,700** families supported, i.e.: 6,490 children and their care givers



In addition to financial support, we were also distributing donated goods. Local companies donate these goods, relying on the powerful operational organization Macheo has in Thika and its surroundings. Of course, we are proud of that!



And moreover:

- we help 1,000 children in acute need, by telephone and
- increasingly from the 'corona booths' that we have set up, so that a personal conversation can be held safely.

With 2.20 per week!

It's wonderful that the poorest people can do very good things with 2.20 euros a week! Just enough for a portion of chips or with a bit of luck you can buy a small smoothie from it..

But in Kenya you come with 2.20 euros, or 250 shillings (KS), a long way. You pay for example:

- 500 KS for an accommodation of 3x3 meter, toilet to be shared with about 10 families
- 100 KS for 2 kilos of cornmeal
- 30 KS for vegetables
- 20 KS for a bar of soap

So it's as simple as that: click on the link below, or donate via the website www.macheo.ngo/donate and help a family another week (or more) ahead!

Thank you!