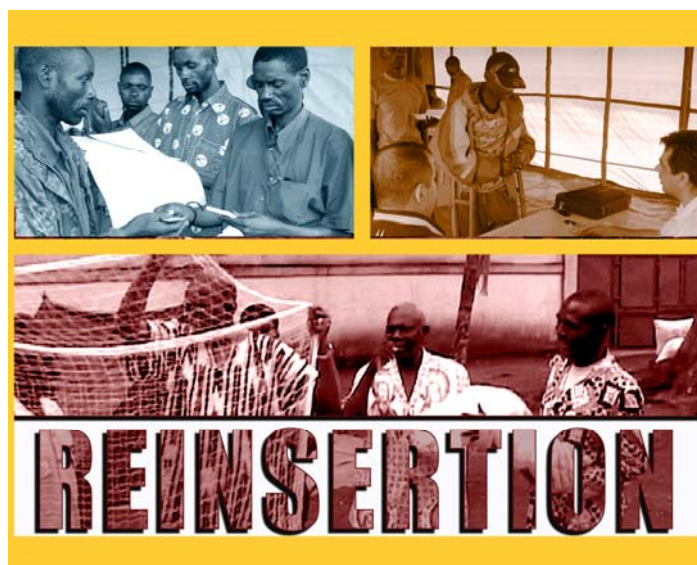


Reinsertion: bridging the gap between demobilization and reintegration

In Focus No. 3



MDRP's work takes place in the context of the three-stage process of disarmament, demobilization and reintegration, or DDR. Specifically, MDRP works on the last "D" and "R"; disarmament lies outside the World Bank's mandate and is thus performed by partner agencies. DDR aims to facilitate the transition from war to peace by bringing ex-combatants back into civilian life and supporting them as they learn to attain financial independence and reintegrate into society.

reintegration represents a particularly critical time. Once combatants leave behind their combatant status, the overwhelming majority also lose their primary, if not sole, source of income (formal or informal). Without immediate economic assistance, they may be unable to purchase a bus ticket to go home, pots and pans to cook, pants and shirts to wear, a mattress to sleep on, seeds for cultivating, or to pay for school fees and medical care – even food and shelter would be out of reach.

In order to respond to these immediate needs and bridge the gap between demobilization and medium-term reintegration support, most MDRP-funded projects have established short-term reinsertion mechanisms that offer a temporary safety net and help ex-combatants cover their immediate basic needs. Within MDRP-supported programs, reinsertion assistance is targeted for a period of six to twelve months after demobilization. It generally consists of a



In Focus

combination of in-kind entitlements and cash payments. In-kind entitlements vary by country, as well as by recipient (male, female, child). They may include clothing (T-shirt, trousers, underwear, socks, shoes), eating utensils (cups, plates, cooking pots), hygiene materials (toothbrush, toothpaste, soap, plastic buckets), basic household goods (blankets, sleeping mats, jerry cans, bags, plastic tarpaulin for shelter), as well as a transport allowance for the journey home and the first installment of their transitional assistance. Women may also receive wraps, packages of sanitary napkins, and kits with baby supplies. In countries where the large majority of ex-combatants are rurally based, reinsertion support may also include an agricultural kit with seeds and basic tools.

Cash payments offer a vital supplement to in-kind entitlements. “Direct cash support enables ex-combatants to purchase items according to their specific preferences,” explains Sarah Michael, an MDRP Social Development Specialist. “It gives beneficiaries flexibility and choice. It can also have positive side-effects on the local economy, such as helping to strengthen the banking system.” From a technical perspective, cash payments are also generally associated with lower administrative costs and greater ease of distribution than in-kind assistance.



Ex-combatants receive a cash reinsertion payment

Reinsertion payments can be distributed in installments or as a lump sum. “Lump-sum payments have the benefit of offering ex-combatants the opportunity to make up-front investments, by, say, buying a fishing boat or supplies for their businesses, depending on their location and vocational choices,” adds Sarah Michael. Programs that provide lump-sum payments need to pay close attention to potential drawbacks, however. Lump sum payments can sometimes create inflationary effects, or pose increased security risks to ex-combatants and their families. They can also raise the risk of mismanagement, and there is the danger that the population will perceive the cash as a payment for trading in their guns.

Many MDRP-supported national programs opt to provide cash payments in a series of smaller installments staggered over a period of several months. As a general guideline, the first installment is normally distributed to an ex-combatant either immediately upon demobilization or upon registration in their community of resettlement. Follow-up payments are then made monthly or quarterly. In addition to lowering inflationary risks, this system helps minimize mismanagement. Where channeled through the banking system, this approach can also help ex-combatants get acquainted with local banking and saving systems, as well as support and strengthen the local financial infrastructure.

In the Democratic Republic of the Congo, for example, ex-combatants receive an initial payment of \$110, followed by monthly \$25 payments for a year. “The Government decided to provide

In Focus

cash assistance on a monthly basis in order to allow ex-combatants to have a steady source of income over a longer period of time and during the period when they may be integrated into socio-economic activities,” explains Roisin De Burca, Senior Social Development Specialist and MDRP’s Task Team Leader in the DRC.

While such a system has certain advantages, managing the disbursement system often presents a logistical challenge. In countries where key infrastructures have been weakened – or even destroyed – by years of civil war, banking institutions tend to be scarce or non-existent at the community level. If the formal banking system cannot provide adequate support for reinsertion payments, the program may instead rely on a range of other institutions—including post offices, decentralized reintegration program offices or program outreach officers.

“Most important is that the institutions identified by the commission in charge of the reinsertion program be accessible to ex-combatants in urban and rural areas throughout the country. They must be able to provide services in a simple, timely and transparent manner, apply a system of safeguards to ensure proper identification and tracking of beneficiaries and minimize fraud, and be able to provide front-line service points which are secure, accessible and weather-resistant,” states Sarah Michael.



The Democratic Republic of the Congo provides an innovative example of reinsertion payments being made through alternative mechanisms. In a country the size of Western Europe, the logistical challenges associated with distributing monthly cash installments to over 120,000 ex-combatants were and still are daunting. In 2004, the National Commission for Demobilization and Reintegration, CONADER, therefore sought a system which could deliver payments to ex-combatants nationwide. This led them to take advantage of the success of an unlikely ally – the mobile phone. In the DRC, the number of mobile phone users has increased over tenfold in the past five years. Today the country counts over 3.2 million mobile phone customers and over 70 percent of the population now lives in areas with network coverage. Taking advantage of this tremendous growth South African financial institution FirstRand Banking developed Celpay, or internet banking through mobile phones. CONADER is now one of Celpay’s largest customers.

“Celpay provides a useful alternative for reinsertion payments in a country where the banking system remains scarce and is often too weak to manage large financial flows,” says Roisin de Burca. In this bank-alternative reinsertion payment system, ex-combatants are assigned an ID number which they bring to a Celpay location. Their number is then sent via the mobile phone network to a central database. Once the identity of the ex-combatant is confirmed, they are

In Focus

handed a \$25 cash payment. This cash comes from the company's local sales of traditional mobile phone services. This amount is then charged back to the commission and its partners. Cash payments, just like in-kind entitlements, require flexibility. They should be commensurate with the average income of the community of return, with prior military income and/or, where applicable, with the assistance received by refugees, internally displaced persons and other conflict-afflicted groups. In Burundi, for example, the average reinsertion payments total \$600 per ex-combatant, while in Uganda it is set at \$140. Furthermore, in Burundi reinsertion payments are differentiated by rank whereas in Uganda they are made independently of prior military income.

Whatever their exact form, in-kind or cash reinsertion payments provide an essential short-term safety net and act as a key component of the DDR process. They facilitate the transition from demobilization to reintegration by answering the immediate financial and material needs of ex-combatants and their dependants. This in turn paves the way for the implementation of reintegration projects such as vocational training, community sensitization, education services, employment support, and counseling which will help ex-combatants acquire the necessary skills to achieve economic independence and social integration in the long term.



For more information on MDRP, please visit www.mdrp.org or contact Bruno Donat, Communications Officer, MDRP Secretariat, World Bank at info@mdrp.org.