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PODCAST TRANSCRIPT
EPISODE THREE
DIGITAL CASH TRANSFERS

Interviewer
Maha Khan, Research and Insights Director at GSMA
Guest
Rosa Akbari, Senior Advisor of Technology for Development at Mercy Corps

Intro	*You're listening to the GSMA Mobile for Humanitarian Innovation programme's podcast.*
Maha	Welcome everyone to the GSMA podcast on innovation in the humanitarian space. You're listening to an episode on the role of mobile money in humanitarian crises.
	I'm Maha Khan, the Director of Insights for the GSMA and Mobile for Humanitarian Innovation programme known as M4H. We're a team under the GSMA Mobile for Development programme that focusses on leveraging mobile technology for social impact in low and middle-income countries. Our vision at M4H is to accelerate the delivery and impact of digital humanitarian assistance, and our objective is to build a digital ecosystem in humanitarian contexts.
	The subject of today's podcast is one of the five core themes of the M4H programme. I'm delighted to be joined by Rosa Akbari, who is the Senior Advisor for Technology and Development with Mercy Corps. Rosa helps field teams leverage the lowest common denominator technologies throughout Mercy Corps field work with a special focus on humanitarian cash and voucher assistance, and she is currently based in Beirut.
	So, welcome Rosa and thank you so much for joining this podcast. Can you please tell listeners about your work with Mercy Corps, and particularly how your work intersects with Mercy Corps cash and voucher assistance programmes - which I'll refer to as 'CVA' for short?
Rosa	Sure, and thanks, excited to join y'all here. Thanks for having me.
	So on paper I support teams in their general decision making and rollout of new technologies within their programmes. In practice, my most of my time is indeed spent coordinating support efforts alongside our cash and voucher practitioners and other advisors, which can range from proposal development to procurement to setting up data management systems, and with that payment systems.

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Over half of our humanitarian programmes are cash based so there's a quite a bit of work to go around. And we've also instituted minimum standards to ensure quality cash programming, which really highlights our desires to optimise information management, strengthen our participant feedback back in the zones, and be consistently assessing local payment providers and products to make sure that we're taking advantage of the most appropriate, and the most secure, payment methods that we can with the appreciation, of course, of the local regulatory environments that we're working in.

Maha   Thank you for that, Rosa. Earlier this year in Nairobi the M4H programme launched two handbooks to support mobile network operators (that are called 'MNOs') and humanitarian organisations actually operationalise mobile money enabled CVA.

And we think that mobile money could be the future of CVA but only in contexts where it makes sense. So for example, when humanitarian organisations and mobile money providers forge long-term partnerships with a shared vision, we've seen successful examples over the last few years, but we've also seen failures and consistent pain points in this space.

So Rosa, in that light I'd really love to understand how Mercy Corps evaluates mobile money against other options when you're rolling out a CVA programme...

Rosa   So the decision making process involves a few different elements when we're looking at payment providers and what we call 'transfer mechanisms' because it's not always straight cash that we're giving. Sometimes we are using vouchers, so we say transfer mechanisms. But it's a mix of formal assessments of personal or observed experiences and perceptions as well of what potentially may work, especially if it's never really been used before at scale and humanitarian response.

To me, I think one of the biggest deciding factors is the local market and the merchant acceptability of the payment type, as well as the participant's preference and really what they trust the most in the form of payment. Is it widely used, is it accepted?

We consider safety and protection concerns. Will this form of transfer put people in danger or not? Will the intended participant actually receive the form of payment? Which I think is a pretty big consideration and when we're thinking around mobile payments and the provider's maturity in terms of a business and a scale and service provision. Have other organisations used it before? If so, to what scale and how easy is it to contract and support the type of the response that we're really looking for and the expediency of response that we're looking for?

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But the newer forms of digital payments which mobile money and most of this context falls under as well, there's also the team's willingness or the perception and the team's willingness to how hard will this actually be? Are we able to take this on in lieu of other payments and actually set up and train people quickly enough on this emerging payment type and how much sensitisation will it take for both the local market as well as really our participants to understand this new form of payment, which sometimes that plays into the speed of the rollout, which again is a pretty big component of whether it's appropriate for emergency and humanitarian response.

Maha   That's really helpful, and actually leads me to a question. In the handbook that I just mentioned, we discussed that a mobile money CVA programme really requires investment in terms of time and resources, so it could be personnel, or setting up infrastructure, depending on the context and maturity of a mobile money system.

And I know that Mercy Corps considered using mobile money in Iraq but the existing local Hawala money transfer system is very competitive.

So just wondering, one of the reasons, some of the reasons why you did not end up using mobile money in Iraq?

Rosa   So in 2015, Mercy Corps led the creation of the Cash Consortium for Iraq or what we call the 'CCI', where it's comprised of five NGOs, where all five then were considering really the best methods of transfer.

Most of the NGOs were already doing money transfers at that time using Hawala, and so some of that decision making was actually legacy and there was a comfort and familiarity already using Hawala that was brought into this new consortium model. But with the combination of the NGOs working together, the scale of the response became much larger. So our latest statistic from December 2018 was the combined case load was 75,000 households have been served, which is around 450,000 individuals who have been reached.

But really if I think back, I think the scale was really a big motivating factor at that time especially, the mobile operators were just starting to roll-out mobile money in the country of Iraq where we're operating is primarily in, well a bulk of it is in, the Kurdish region and then throughout the rest Iraq, but depending on where you were, the maturity and the reach of mobile money really wasn't quite there yet. Especially in the more rural areas and hard to reach areas that, that we were doing our response.

And the quick start up, I mean when you have something like the fall of Mozel, which was in 2014 we really had to be on the ground and very quickly start our programming and if I put myself in the shoes of those who were organising the transfers, they just needed something that worked, that worked then and often they needed a workforce to also help them roll this out.

Which is where I think the informal money transfer agents or the Hawalas really have an added value in that they already had their distribution networks, they're already familiar with the clients and the participants that we were trying to reach, and they could complement our distributions and be there on the ground, actually being there physically distributing the money. Which is a motto that I think the mobile money agents in Iraq at least had started to mature, but at that time they weren't really there yet.

Maha   **Okay, and so now, given everything you said and thinking about the current situation in Iraq, what incentives do you think Mercy Corps and mobile money providers have to actually build a mobile money ecosystem in the country?**

Rosa   So some of the, I think, incentives are not traditionally employed during humanitarian response, but I think regardless, they are important and need to happen if you want to grow the mobile money ecosystem or even just the digital payment ecosystem.

I think focussing on merchants first is really the most strategic entry point. Because if that acceptability is there, then you have the infrastructure and the outlets for participants to then be using their money. And then I think inherently participants will see mobile money and trust that as a valuable form of currency because they can see that they can actually use it in the places that they're going to. So building the trust around the demand comes with actually increasing the supply and that sendability of where mobile money is.

But again, that takes a bit of time. And so when you're thinking about humanitarian response, supporting small and medium sized business owners to take on new forms of payment starts to tread into a bit of economic recovery work and market strengthening work which Mercy Corps does alongside many of our peer organisations, but it might be a bit of a cognitive shift for humanitarian practitioners to start diving into that.

I think participant adoption is actually a little bit easier. Technical literacy, financial literacy are things that we're accustomed to supporting and developing, but I do think that cannot happen in and of itself, that there needs to be a reason why.

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And then as we think about from the contractual and the procurement angles, the trust between the NGO and the client and the provider, the NGO and the mobile network operator, I think can definitely be strengthened, and that's where the preparedness and the pre-crisis work really comes in. I apologise for the term, but it's a bit of reaching across the aisle I guess, on both sides.

And for it not to be the mobile operators trying to sell their service to the NGO, and the NGOs not just looking at the MNO as a service provider but really together, how can you think of designing the best type of transfer based programme upfront, and really taking the strengths of both sides and doing that programmatic design together, I think again, isn't that difficult.

We do that with our tech partnerships and everything else. We, even within humanitarian response, I think with the payment providers we definitely can be doing that a lot more, but it just takes a little bit of foresight to build those relationships and create opportunities for that trust to be built.

Maha   Okay, I'm glad you bring up participant adoption and trust and you also mentioned building a product so that you can sensitise people.

And of course we don't want to simply push a technology on our clients or participants as you referred to them, and we would prefer that they're comfortable with the technology and of course they understand the benefits of the technology.

And I'm wondering whose role it is then, with the sensitisation part, or who is best placed to actually run these sensitisation with participants and at what point do you actually conduct these?

Rosa   Introducing new payment methods requires guidance and then saying, the example I've often used with explaining to friends even, you know what I'm doing for work is teaching people how to use something like Venmo or TransferWise or PayPal for the first time. It was likely somebody had to show you how to do that and you were a little hesitant even when you press send if the money would even get to the right person. And that's really what role the NGOs are playing with participants. That sensitisation, depending on how complicated the payment method is, usually happens a day or the day of receiving the payment method.

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And so I think one easy to visualise is when we do distributions of prepaid ATM cards, which we've done, we've used in Jordan and Columbia, where the sensitisation actually occurs right at the moment of distribution when we distribute the cards, where we explain how pin numbers work, and then anticipating that people will be going to ATMs or potentially large grocery stores, or whatever it may be, that we make sure we have staff on hand who are available to help troubleshoot and help the participants use the card on the days that we anticipate that they'll actually be going and using.

With mobile money that gets a little bit trickier in that there's not a fixed location per se where people are going to like an ATM, but there are money agents obviously and that starts to get into, I think, where that partnership with the mobile operators is quite important.

Where we really as NGOs are quite focussed on the participant side and likewise I think for MNOs there's really doing that same type of sensitisation with the merchants, there's obviously a bit more investment potentially in terms of getting infrastructure into the certain kiosks or stores or whatever it may be, but that similar sensitisation from the local market side, we can lead on the operators to do the same thing in partnership with us.

Maha	I'd like to move on to partnerships between humanitarian organisations and mobile money providers.
	In the early days of cash aid delivery, I think that humanitarian organisations thought that mobile money would be a quick, easy and cheap delivery modality with just a simple contract. We're finding out that often this isn't the case and strategic partnerships are really critical and they take additional effort, time, and investment.
	So how do we then create partnerships that help both the sectors align on their respective goals, can spark conversations about innovative products or services that can meet your participants' needs, forge these relationships early and really move beyond contractual relationships?
Rosa	So hopefully some operators are listening and I think that anything I'm about to say resonates, then reach out to us.
	But I think there's a lot with that trust element, even between the NGO and the service provider in this case, which is an MNO. It's something that I see regardless of whether we're doing a cash transfer programming or forging a new partnership for other technology enabled solutions.

There's a lot of unknown, at least from the NGO side of what it's like to work with a technology provider, with an MNO, and so there's a lot more room to grow and bring better understanding to what the private sector is like, how they operate and how we can best meet in the middle, so to speak.

One way that for cash and voucher assistance, that it's a step that NGOs do anyway regardless of all those assessments that I was mentioning earlier, it might be helpful and actually help the MNOs understand how NGOs operate if some of that opportunity mapping and that assessment was done jointly.

Because right now what's happening is that it's happening asynchronously. So we give some numbers, the MNO gives us numbers back or it gives a map of coverage and then we make decisions by ourselves, where I think we can all actually be around the table making those decisions based on data that we've collected together.

Another minor area where MNOs can likely use as an entry point more often, is increasingly responses and multi-agency responses. You have cash working groups or cash and voucher working groups that are coordinated, often hosted by UN agencies in partnership with an NGO and those are great venues. They meet every couple of weeks, they discuss various things and various challenges on ground.

Again, the MNOs don't have to come and attend every meeting, however, coming every now and again and showing that space I think does help bring that element of trust and familiarity and it allows the NGOs to see that. And I think that that actually can go a really, really long way.

Maha	Well that's music to my ears, so thank you for the explanation. And so my last question for you, Rosa, is that we've talked about Iraq and we've talked about the general challenges in implementing mobile money CVA programmes. What about successful mobile money CVA programmes? What do you think has made that work? What have been the ingredients to a successful programme?
Rosa	So I had to ask around with my colleagues what they thought were the most successful uses of mobile money, which ended up becoming digital financial services, in a not a typical humanitarian response.

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And so Ethiopia was the example that was detailed out for me that it ended up being about a decade long process, where the first thought and ideas to move towards digital payments, mobile money that also include transitions and access to other financial services started with, you know, mobile money wasn't even legal in Ethiopia, so a lot of it was advocacy on the regulatory side to advocate with the government for mobile money to be accepted and then subsequently for microfinance institutions that we were working with to be able to use it.

In many of the places where we work now that regulatory hurdle has been overcome, but I still think there are elements of that even, that we need to always remember in certain places where we're working that we see it in, especially in, cash and voucher assistance in humanitarian settings, we see that now in the form of KYC or otherwise.

Once we got the regulatory environment and acceptability and everything there, we did a lot of joint product development and product design with the digital financial service providers to make sure that what was being designed, in this case it was for more agricultural programming for farmers and pastoralist, to make sure that the products and the services being designed actually were relevant and spoke to the clients that we were trying to reach.

Again, that all took quite a long time, but then once we put in all of that leg work, the programme could start at scale. And we didn't need to go back and figure out how to convince people to use things. They came along the journey with us as all this was happening, but it took a lot of time.

And so I do wonder in some of these instances where we're wanting to push mobile money in the humanitarian setting, how do we, we're seeing it, we're anticipating it, how can we replicate this process? It likely won't take 10 years anymore, but it does take a bit of time upfront and how do we really forecast this a bit better so that we can really reduce the lead time but not get caught hitting walls when we're trying to actually implement because we haven't thought, "Okay, actually there's like a legal aspect of this that we can't just work around. We really actually need to advocate with this ministry or this, this government agency in order to move things along."

Maha   That's really helpful and it seems that you're saying, you know, there are a couple of ingredients like understanding the landscape, regulatory as well as the maturity of the mobile money ecosystem, the players, partnerships, time investment, et cetera. So that's all been really helpful.

So Rosa, thank you so much for joining this M4H podcast and thank you to the listeners.

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Rosa   Thanks so much. It's been a great to be able to speak on this. I hope people walk away from this seeing opportunity rather than a challenge to overcome.

Maha   If you want to learn more about our handbooks on mobile money and CVA please visit www.gsma.com/m4h and do stay tuned for the next episode.