Navigating the Shift to Digital Humanitarian Assistance:

Lessons from the International Rescue Committee's Experience

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International Rescue Committee
122 East 42nd Street
New York, NY 10168-1289 USA

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Authors:
Jenny Casswell, Senior Insights Manager, GSMA Mobile for Humanitarian Innovation
Zoe Hamilton, Insights Manager, GSMA Mobile for Humanitarian Innovation
Maha Khan, Director, GSMA Mobile for Humanitarian Innovation
Belinda Baah, Insights Manager, GSMA Mobile for Humanitarian Innovation

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ACRONYMS

AML/CFT	Anti-Money Laundering/ Combating the Financing of Terrorism
CROP	Cash Relief Operating Procedure
CSR	Corporate Social Responsibility
CVA	Cash and Voucher Assistance
FGD	Focus Group Discussion
FSP	Financial Services Provider
GPT	Global Payments Toolkit
ID	Identity Document
IOM	International Organization for Migration
IRC	International Rescue Committee
IVR	Interactive Voice Response
KYC	Know Your Customer
MFS	Mobile Financial Services
MNO	Mobile Network Operator
NGO	Non-Governmental Organisation
SOP	Standard Operating Procedure
UAV	Unmanned Aerial Vehicle
UNHCR	United Nations High Commissioner for Refugees
USD	United States Dollar
WASH	Water, Sanitation and Hygiene

01 Introduction

1.1 Context: digitising humanitarian assistance

The ubiquity and scale of mobile networks has made them attractive delivery channels for many types of humanitarian assistance. As mobile technology spreads, connectivity and devices are increasingly accessible to vulnerable populations and serve as a valuable tool for delivering life-enhancing services and information. Today, millions of dollars of cash assistance are being delivered via mobile money, supplanting traditional methods of transporting and delivering cash.[1]

Such shifts have required humanitarian organisations to change their **internal priorities, strategies and processes,** and necessitated **partnerships** with new entities, including mobile network operators (MNOs), to **deliver life-changing interventions** more effectively. At the same time, humanitarian organisations must ensure these new forms of digital humanitarian assistance are **suitable for the vulnerable people** they serve and meet their unique needs.

Digitising humanitarian assistance is no easy feat, and many humanitarian organisations are in the early stages of this process. **Some organisations, such as the International Rescue Committee (IRC), have made impressive headway:** as of September 2018, over a third of the countries where IRC operates deliver cash assistance digitally. The IRC has learned important lessons from its experiences in these countries, which can be shared with the humanitarian sector and mobile industry as they navigate their own digitisation journeys.

This case study shares the IRC's experience transitioning to digital cash assistance, with a focus on how they are leveraging mobile money platforms. It highlights critical success factors and challenges, and offers tangible examples of how these can play out in crisis-affected settings.

[1] GSMA (2019). Mobilising cash and voucher assistance programmes: The case for mobile money.

1.2 Background

In 2015, the IRC set an ambitious target to deliver 25 per cent of its material assistance in cash by 2020, and a secondary goal to increase the use of digital payments. This strategy was in part a response to emerging evidence that distributing aid as cash gives people the dignity and choice to spend it as they need, boosting local economies and saving humanitarian organisations operational costs, making them more efficient.[2]

1.3 Case study objectives

The objective of this case study is to understand the IRC's motivation and experience shifting from in-kind to cash assistance – with a focus on digital cash – at both the headquarter (HQ) and country level. It explores the drivers and lessons learned in leveraging digital payment modalities, specifically mobile money. It also explores the IRC's experience partnering with mobile network operators (MNOs) and the experiences of clients[3] who received cash aid via mobile money.

This case study seeks to assist:

- **Humanitarian organisations** that are considering the steps they need to take to go digital; and
- **MNOs** that want to understand how to be an effective partner of humanitarian organisations.

1.4 Research questions

To explore the IRC's shift to digital cash assistance, this case study was guided by the following research questions:

1. What motivated the IRC's shift from in-kind aid to cash assistance with a focus on digital cash?
2. How did priorities, strategies and processes change, and what lessons did the IRC learn from this transition, both at the HQ and country office level?
3. What were the experiences of clients/recipients of cash assistance, specifically with uptake and acceptance of mobile money-enabled cash assistance?

1.5 Methodology[4]

Qualitative methods were used for this case study, including key informant interviews (KIIs) with IRC staff at the Economic Recovery and Development (ERD) unit in New York, and their colleagues in global supply chain, finance, global philanthropy and partnerships, best use of resources and ITC4D.[5]

We also explored IRC country office transitions to mobile money-enabled cash assistance in Burundi, Cameroon, Chad, Jordan, Kenya and Pakistan, conducting KIIs with programme staff, partner MNO staff and key national stakeholders to draw out lessons learned.

Finally, focus group discussions (FGDs) were conducted with IRC cash transfer clients in Burundi, Jordan and Pakistan to understand their experiences with mobile money in the cash assistance programme.

[2] ODI (September 2015), Doing cash differently: How cash transfers can transform humanitarian aid – Report of the High Level Panel on Humanitarian Cash Transfers.
[3] "Clients" refer to cash transfer recipients.
[4] See Annex 1 for detailed methods.
[5] See Annex 1 for detailed interview lists.

02 Making the switch: the motivation to move to digital cash assistance

2.1 From in-kind aid to cash

To understand the IRC's shift to digital cash assistance, it is necessary to understand what originally motivated it to move from in-kind, material aid to cash.

Growing evidence for cash

In 2015, the IRC conducted an **analysis of its global programming** to devise a strategy that would modernise the organisation and improve programming. The exercise identified evidence, both **external** and from **the IRC research unit**, that suggested cash assistance programming could improve the effectiveness of a range of intervention areas.

Across the development and broader humanitarian sector, evidence was mounting that cash works, with data and examples demonstrating the effectiveness of cash in enabling affected populations to meet basic needs, improve food security and economic well-being, and support broader outcomes in emergency settings.[6,7] For the IRC, **ramping up cash relief presented an opportunity** to rapidly improve the efficiency of humanitarian assistance, deliver better outcomes for clients and break down barriers between programmatic sectors.

[6] ODI (September 2015) Doing cash differently: How cash transfers can transform humanitarian aid Report of the High Level Panel on Humanitarian Cash Transfers.
[7] Principles for Digital Payments in Humanitarian Response

One of the key architects of the IRC's Cash Strategy and former Deputy Director for Cash, recalled:

> *"A key recognition in that process was that cash works, there is an evidence base for it, and it had the potential to contribute to many areas IRC is working in — checking boxes that the organisation was prioritising in terms of evidence-based interventions, being client driven and being more responsive to the needs of clients, whilst also identifying and scaling up interventions that were cost efficient and cost effective."*

Box 1

The IRC's strategic outcome areas

The IRC is working to expand the overall proportion of material assistance or services delivered using cash relief across its five strategic outcome areas:

- **Reduced risk of ill health** and better chances of recovery from ill health
- **Safety** from physical, sexual and psychological harm
- **Education** in terms of literacy and numeracy, as well as foundational, vocational and life skills
- **Economic wellbeing** by addressing basic material needs, income and asset growth
- **Power** to influence decisions that affect their lives

Based on this **evidence, senior leadership decided the IRC would move from providing material assistance to cash.** This was integrated in the Cash Strategy 2015-2020 and IRC Strategy 2015–2020, which outlined the IRC's mission to have a greater global impact by focusing on five key objectives: effectiveness, best use of resources, scale and reach of work, speed and timeliness, and responsiveness. The IRC committed to an ambitious **target of delivering 25 per cent of its material assistance in cash** by 2020, up from six per cent in 2015.

International commitments[8] and positioning itself as a global leader

In 2016, the IRC announced its commitment to cash[9] at the World Humanitarian Summit in Istanbul. Determined to position itself as a **leader in the cash space,** the IRC spoke publicly about its shift to cash. Part of this motivation was to **influence donor and government policies** to promote unconditional cash relief and strengthen the coordination of cash assistance as much as possible to maximise the benefits for crisis-affected populations.[10]

"(There was a) realisation that this (cash) is something (IRC) should be doing something more of, but we should be talking about (it) publicly much more and driving others to be doing more of. There was a lot of interest among donors and political leadership and momentum. (This) may have been the first topic for IRC that combined policy, research, evidence-based interventions, and public commitment to scale up."
(Former Deputy Director for Cash, IRC)

Box 2

Implementing the Cash Strategy: the IRC's Economic Recovery and Development team

The IRC's cash team works within the Economic Recovery and Development (ERD) team, leading the implementation of the Cash Strategy and ensuring that cash recipients (clients) have their most basic survival needs met and a combination of assets and income to prosper. IRC technical advisers provide technical assistance to over 30 country programmes and share the latest best practice and research with the IRC's frontline teams. They also lead advocacy strategies to encourage partners and policymakers to adopt the interventions that research and experience have proven to be effective. To ensure that cash relief can be delivered quickly, the IRC focuses on three key pillars: operational readiness, programmatic pre-positioning and enabling environments.[11,12]

[8] 2015: High Level Panel on Humanitarian Cash Transfers recommended large-scale expansion of the use of cash relief in humanitarian settings. 2016: At the World Humanitarian Summit, the Grand Bargain on humanitarian financing included global commitments to increase the use and coordination of cash-based programming and invest in new delivery models that can be increased in scale.
[9] IRC (2016), Commit to Cash.
[10] IRC, Cash Strategy 2015–2020.
[11] IRC, Economic Recovery and Development Cash Relief at the International Rescue Committee.
[12] IRC (April 2018), Seven steps to scaling cash relief: Driving outcomes and efficiency.

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2.2 Digitising cash assistance: the drivers from HQ

As a secondary goal, the IRC aimed to increase the amount of cash it delivered digitally.[13]

"Digital was envisioned as a 'stretch target' that we were building up to…but we had not found a way to drive that. (We) folded it into cash strategy as a central institutional hub."
(Former Deputy Director for Cash, IRC)

The IRC's motivation for using digital payments was to "improve the speed, scale and operational efficiency of cash delivery, to effect better outcomes for clients, to do so in more secure and accountable ways."[14]

[13] IRC, Cash Strategy 2015–2020.
[14] Ibid.

Defining digital payments

The first step in the transition to digital payments was aligning the organisation's understanding of the term. The IRC set out to craft a definition of digital payments that would improve its ability to determine the extent and type of use of digital payments across country offices and measure progress over time (see Table 1 and Annex 3 for a full description).

Table 1: The spectrum of digital payments

	Cash in envelope	Paper voucher	Punch card	Remittance transfer	QR code on a token/voucher	Electronic voucher	Prepaid cards	Mobile voucher/token (OTC cash-out)	E-wallet transfer
FACTOR 1 Payment status and transaction details are reported digitally to the IRC (digital backend)	✗	✗	✗	✓	✓	✓	✓	✓	✓
FACTOR 2 Clients receive, store and use money digitally without having to make payments directly and do not need to collect physical cash (digital payment instrument)	✗	✗	✗	✗	✗	✗ ✓	✗ ✓	✗ ✓	✓
	NON-DIGITAL			**DIGITAL**					
	Paper-based transfers Paper-based backend + paper-based payment instument			**Stage 1: Digital** Digital backend + paper-based payment instument		**Stage 2: Digital** Digital backend + digital payment instrument with cashless transaction options			

Physical → Cashless

Perceived operational benefits and limitations of digitising cash assistance

At HQ, there was consensus among IRC staff that digitising humanitarian cash assistance would be better, especially in terms of operational benefits for the organisation. However, these benefits are not yet supported by robust internal evidence, and evidence from the broader humanitarian sector is limited. The IRC is in the process of testing the following assumptions to understand whether digital is indeed faster, easier and more efficient, and to what extent this is true across operations.

Perceived benefits fit into five broad categories:

1. **Scalability:** To reach its target of delivering 25 per cent of material in-kind assistance with cash, scalability is essential. Digitising cash delivery can help the IRC to reach scale.

> *"We realised that if we want to scale up cash, we did not want to scale up with cash in envelopes."*
> **(Former Deputy Director for Cash, IRC)**

2. **Security:** Removing the need for physical cash distributions can reduce risks for staff operating in difficult environments as they do not need to carry large sums of cash.

3. **Accountability:** Digital cash may reduce the risk of fraud as it is diverted less easily than physical cash.

> *"(Digital) reduces the risk for the organisation—the more you are handling cash, the more you are going to have tendency for fraud."*
> **(Senior Strategy Adviser, IRC)**

4. **Speed:** Once contracts with financial services providers (FSPs) are set up, transfers can be made quickly.

> *"When we piloted mobile money (in Pakistan), despite the challenges, we found that the modality saved us time, for the vast majority of clients. Initially from beneficiary selection to distributing cash would take months, but with mobile money it took us weeks ."*
> **(Research and Development Adviser, IRC)**

5. **Efficiency:** Digitising cash transfers can introduce efficiencies that can reduce costs in the long term. For example, staff no longer have to travel with physical cash to distribution sites and hand out cash to clients individually. Efficiency gains are likely to be greater for multiple digital cash transfers than one-off transfers.[15]

[15] The IRC has not yet conducted cost-efficiency analyses. Assumptions will continue to be tested.

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Perceived operational limitations of digitising cash assistance

The IRC recognised that despite the many potential benefits of cash — whether physical or digital — it would not improve programming immediately or on its own. Instead, digital cash should be seen as a tool for achieving sectoral outcomes.

> *"We were perceived in the organisation when talking about digital, as a panacea that will solve everything but in reality, it will be critical for our understanding and acceptance that cash overall is not a silver bullet; whether it is digital payments or cash in envelopes. But it is one more tool we have in being better able to do our work."*
> **(Former ERD Deputy Director, IRC)**

In interviews, HQ staff also pointed to the limitations the IRC faces when operationalising digital cash, such as **lengthy procurement processes, creating new relationships with private sector actors (such as MNOs) and technical challenges in the field.** These limitations and challenges are detailed in Sections 4 and 6.

Perceived benefits of digital cash for clients

As a client-driven organisation, leveraging digital modalities like mobile money was seen as an important way for the IRC to create positive outcomes for clients. At HQ, there was broad agreement that digitising cash assistance had the potential to offer substantial benefits to clients, including more discretion, flexibility, efficiency and safety, as well as greater opportunities for financial inclusion and longer term development outcomes.

Although these assumptions have not been validated at scale and are still aspirational, the experiences and perspectives of recipients (see Section 6) offer insight into the actual and perceived benefits of using mobile money for cash assistance.

1. **Discretion and flexibility:** Using digital modalities to receive cash aid — i.e. receiving digital money into a mobile money account — was seen as more private, discreet and flexible for clients.
2. **Safety and efficiency:** Using mobile money was expected to mitigate the risks associated with receiving physical cash.

> *"There is a safety element for the client, speed element; supporting clients to engage in what the future of money looks like."*
> **(Senior Director, ERD, IRC)**

3. **Speed:** When mobile money is delivered directly into a mobile money wallet, the transfer is instantaneous.
4. **Multiplier effects:** Mobile technology was perceived as having the potential to add value in many different areas of clients' lives, from healthcare to safety (see Box 1). Perhaps most powerfully, it can facilitate access to information.

> *"Enabling them (clients) to reach information is a powerful use."*
> **(Gender Equality Specialist, IRC)**

5. **Financial inclusion outcomes:** These were included in the IRC Cash Strategy as one of the aspirational benefits of digitising cash assistance. As an IRC Technical Adviser explained, "If it is coupled with early recovery objectives, mobile money can help develop transactional history (financial inclusion and credit)."
6. **Long-term development outcomes:** The IRC highlighted the importance of linking up with existing social services and structures and leveraging mobile money to facilitate this.[16]

> *"We don't want to be providing huge transfers to the same people over long periods of time but one of the motivations is also to link people to longer-term development outcomes like financial inclusion."*
> **(Former ERD Deputy Director)**

The IRC recognises that, generally, "there is no longer a hard line between humanitarian aid and development, and IRC is working across the spectrum" (STA, Cash and Emergencies).

The financial inclusion team highlighted that "IRC is uniquely positioned to transition from conflict/crisis to longer-term development." (Rural Livelihoods Officer, IRC) (see Section 6).

Box 3

Linking emergency cash to future programming

Unlike other delivery mechanisms, mobile money wallets are linked to recipients' identities and can be used by humanitarian and development actors or the government to deliver longer term support. For example, in Burundi, UN agencies are working with the wider humanitarian community and the government to streamline emergency cash support through mobile wallets. At returnee centres along the border, UNHCR provides initial cash assistance, while the World Food Programme (WFP) is in the process of monetising in-kind food rations to provide support through the same wallets for an additional two months. UNHCR is also advocating integration with longer term national social protection programmes. However, data protection measures are of utmost importance, and must be considered before initiatives such as these are implemented.

Perceived risks of digital cash

Going digital does not come without risks. The IRC recognises that **digital technologies can reduce many of the traditional risks** associated with cash transfers, but **it also introduces new and, in many ways, more complex risks.** The organisation is still building consensus on how to weigh the risks of digital humanitarian assistance against the benefits. Like many humanitarian organisations, the IRC would benefit from aligning perspectives across their teams on what the primary risks are, how they might arise and mitigation strategies for preventing them.

[16] IRC (2016). Making Electronic Payments Work for Humanitarian Response.

03
Looking inward: preparing for the transition to cash

As the IRC transitioned towards cash assistance and digitising the delivery of cash, new internal processes had to be implemented to ensure the organisation was ready to scale up. This section looks at the internal changes the IRC made to scale up cash programming and deliver cash digitally.

3.1 A shared vision and culture shift

The IRC's first and most important task was to ensure that the entire organisation, including country offices, was committed to the Cash Strategy. The IRC facilitated dialogue between HQ and country offices to sensitise staff to the importance of cash aid delivery, obtain buy-in and ensure there was a shared vision. In some country offices, this required a cultural shift.

> *"A substantial culture change is going to need to happen to deliver the digital commitment of the strategy. We will need different teams at HQ to talk to each other and replicate at country office. We set out to be very inclusive and encompassing of all of the different functional departments; a more team-based approach."*
> **(Former ERD Deputy Director, IRC)**

The ERD team recognised that in order to operationalise the Cash Strategy systematically and effectively across the organisation, it would need to draw on the expertise of various departments, including finance, IT and global supply chain. **Teams that had not worked closely before needed to collaborate and understand each other's operational procedures to identify which processes may need changing and when.**

This led to the establishment of a Cash Working Group (CWG) in 2017 comprised of senior staff from these departments and the ERD. The purpose of the group was to share best practices and lessons learned, and to discuss the initiatives needed to streamline cash, such as developing and/or leveraging in-house skills and modifying or introducing new policies and processes. The CWG also led the IRC's in-house needs assessment on country office capacity and understanding the best way to disburse cash.

> *"Everyone is willing (to shift to cash), but we need behavioural change around this. (It) is not just the ERD strategy but (an) operational strategy. We have to grow beyond."*
> **(Senior Director, ERD, IRC)**

3.2 Policies and processes

Transitioning to cash is not a simple process. The IRC's former Deputy Director for Cash noted that he had to delve deep into procurement and finance policies to understand the implications for cash, attend supply chain and finance conferences, and "spend a lot of time in the bowels of the organisation which are at the corner of the office in the floor that nobody really goes to...but there's a lot of skill sat there (that needs to be leveraged)."

Meanwhile, the supply chain unit spent time in the field with programme offices learning the ins and outs of operations to develop appropriate policies for contracting private sector suppliers. Through this immersive process, the IRC leveraged diverse skills within the organisation to develop the procedures needed to make the transition. For instance, while finance at HQ dealt with FSPs on a daily basis, they had not previously helped field teams decide which FSP would be best suited to their country programme's needs.

It took the IRC about one year to delineate roles and responsibilities and develop the accompanying policies and operational procedures needed to complete its Cash Manual. To integrate the HQ Cash Strategy at the country level, country offices were asked to develop cash strategies within their Strategy Action Plans that outlined how they might use cash and what modality would be best suited to the local context.

3.3 Standardised operating procedures

The IRC introduced a number of policies and toolkits during the transition, including a Global Payments Toolkit (GPT) and Cash Relief Operating Procedures (CROPs).

Global Payments Toolkit (GPT): The GPT establishes master service-level agreements with providers of global prepaid cards, e-vouchers, mobile money providers (MMPs) and remittance agencies so that these payment mechanisms can be rapidly deployed. The GPT is a ready-to-use method in crises where a lack of local financial infrastructure may prevent rapid cash distribution. This tool was developed in recognition that contracts with FSPs like MNOs can take time to finalise, and that the required infrastructure, such as mobile money agents or network coverage, may not always be available. The GPT was designed to help overcome these challenges and help the IRC respond quickly and efficiently.

"The GPT is the equivalent of (an) in-kind warehouse — a non-local market-based solution to get aid out as quickly as possible; i.e. shipping pre-paid cards to a country that has ATMs."
(Senior Technical Adviser, Cash and Emergencies, IRC)

Cash Relief Operating Procedures (CROPs): CROPs describe the policies and procedures that IRC country programmes need to operationalise a cash transfer programme for six delivery modalities: mobile money, hawalas, cash in envelopes, e-vouchers, paper vouchers and pre-paid cards. It also includes the policies that finance, supply chain and programme teams need to implement a cash assistance programme and helps to clarify the roles and responsibilities of different departments.

3.4 Capacity building

Perhaps one of the biggest challenges for IRC HQ was developing staff capacity, skills and knowledge on digital payments. It was critical that staff understood that working with a digital payments provider was very different from working with other service providers. To meet this need, the IRC developed a training curriculum, department-wide in-person training and online e-learning courses (see Annex 4). The main form of capacity building is on-going advising from the ERD unit's cash technical advisers, each of whom support a portfolio of countries.

The IRC hired new staff at HQ to assist in the transition to cash and digital payments, and sought to leverage specific skill sets, particularly from the private sector. For instance, the IRC benefited from the private sector experience of the Senior Director of the Global Supply Unit, who streamlined the unit's policies to work more effectively with the private sector.

The IRC Pakistan team stated that they "learned by doing", and felt this was the best way to acquire the skills they needed, including negotiating with MNOs and adopting new technologies, such as mobile money bulk payments. It is important to note that the Pakistan office had the rare opportunity to conduct three pilots on mobile money cash transfers, which helped them understand success factors. This experience was similar in Kenya, Burundi and Cameroon, where country offices noted that they had learned a lot through the process of contracting and working with an initial MNO partner, and had either already integrated these lessons in procurement processes or would in the future. The IRC Jordan team reported that navigating their first partnership was a challenge as their lack of technical expertise in mobile money hindered their ability to design and contract effectively with a mobile money provider.

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Box 4

Which payment mechanism to choose?

Figure 1 shows the three main types of digital cash and voucher assistance (CVA): mobile money, e-voucher and a card-based system. This case study focuses on mobile money CVA.

Figure 1: Types of digital cash and voucher assistance

Mobile money	E-voucher	Card-based system
KEY CHARACTERISTICS Assistance received via a mobile money account	**KEY CHARACTERISTICS** Assistance received as a voucher to a mobile phone or card	**KEY CHARACTERISTICS** Assistance received to a card distributed to beneficiaries
Provider: MMP	**Provider: MNO or other financial institution, such as a bank**	**Provider: Usually a financial institution, such as a bank, but also MMPs**
Beneficiary is able to transfer cash digitally (e.g. P2P), convert digital money to cash by cashing out at an agent and has access to other services (e.g. bill pay). Restrictions to specific stores where cash can be spent can also be applied. **Pro:** Link to wider digital ecosystem; cheaper recurring payments; high beneficiary choice when unrestricted. Transfers restricted to be spent in certain stores can target specific programme objectives (e.g. nutrition-based goals). **Con:** Expensive set-up costs, KYC requirements.	**E-cash voucher:** Beneficiary withdraws cash assistance at pre-approved locations. **Pro:** Limited or no KYC requirements, medium beneficiary choice. **Con:** Expensive, limited beneficiary choice in terms of where cash can be withdrawn. **E-goods voucher:** Beneficiary redeems voucher at pre-approved merchant for prescribed goods (e.g. food). **Pro:** Can target specific programme objectives (e.g. nutrition-based goals); truly digital system (no movement of cash), limited/no KYC requirements. **Con:** Expensive, very limited beneficiary choice.	**Cash transfer:** Beneficiary withdraws cash using card at ATMs, preapproved merchants, mobile or bank agents. **Pro:** Medium to high beneficiary choice. **Con:** Potentially limited options to cash-out assistance. **Goods transfer:** Beneficiary redeems goods using card at pre-approved locations/merchants. **Pro:** Can target specific programme objectives (e.g. nutrition-based goals). **Con:** Very limited/limited beneficiary choice.

Before programming starts, country offices must conduct a **detailed assessment of all available payment mechanisms** to evaluate the most appropriate way to deliver cash.[17] IRC country coordinators undertake feasibility assessments in consultation with technical advisers. For some projects, **donor preferences** may influence that decision. For example, in DRC, donors preferred e-vouchers.

To identify the most appropriate payment mechanism, it is critical to assess the various characteristics of the local environment. For example, when assessing whether **mobile money is viable**, a range of criteria should be assessed[18] (this list is not comprehensive):

1. **Physical infrastructure:** Mobile network coverage is essential for mobile money. Without network coverage, neither recipients nor agents can access the service.
2. **Agent network:** Agent networks are the backbone of the mobile money ecosystem and the most common touchpoint for customers. A well-designed mobile money deployment can support the spread of a mobile money payments ecosystem into previously underserved or unserved areas.
3. **Liquidity:** Maintaining agent liquidity in the agent network is a key challenge for mobile money providers worldwide, especially in rural areas. However, MNOs can deploy innovative methods to ensure liquidity management is effective. Understanding the existing liquidity management process, much like supply chain management for goods, is an area that humanitarian organisations may wish to focus on as part of their preparedness efforts.
4. **Regulatory environment:** Like other payment service providers, mobile money providers are required to conduct know-your-customer (KYC) checks when opening customer accounts in line with national regulations and global AML/CFT standards. Clients need a form of identification accepted by the regulatory authority to register for a SIM card and mobile money account.
5. **MNO capacity:** In challenging environments where humanitarian organisations are operating, MNOs may not have the resources or capacity to meet the requests of humanitarian partners. These will depend on their strategic priorities.
6. **Client access to technology and digital literacy:** Mobile coverage, handset penetration and clients' ability and preference to use mobile money must all be considered. Even if mobile coverage,[19] handset penetration and digital literacy are low, mobile money may still be feasible. However, it will require additional effort, money, time and a shared vision among key stakeholders to reach an appropriate level. Of course, if clients are opposed to using a certain payment mechanism (e.g. mobile money) to receive cash assistance, other options should be considered.

All the IRC country offices in this study had to decide whether mobile money was feasible in their local context. The extent to which the above requirements were met influenced whether the implementation of mobile money-based programming was successful or challenging.

Finally, it is important to consider the new risks that digital payment mechanisms could introduce on the ground.

> *"(T)here is always going to be risk involved in any kind of transfer to our client. Digital payment provides us with ways to manage risk but is not risk free."* **(Former ERD Deputy Director)**

For example, it is essential that technology is introduced in an inclusive way to avoid exacerbating existing inequalities. It is also important to assess and understand gender dynamics in each context, as men may be more likely than women to have access to mobile phones[20,21] in households with only one phone.

17 GSMA (2018), Mobilising cash and voucher assistance programmes: The case for mobile money.
18 GSMA (2017), Landscape Report: Mobile Money, Humanitarian Cash Transfers and Displaced Populations; GSMA (2019), Mobile money enabled cash aid delivery: Essential considerations for humanitarian practitioners.
19 Mobile money only needs a 2G network, so can function in areas where mobile coverage is weaker.
20 GSMA (2019), Bridging the mobile gender gap for refugees.
21 GSMA (2019), The Mobile gender gap report.

04
Looking outward: Engaging with MNOs as partners

Leveraging mobile money to deliver cash assistance means MNOs and humanitarian organisations must work together to deliver life-changing interventions in new ways. This section focuses on the key lessons the IRC has learned from its new relationships with MNOs. The success factors and challenges associated with these relationships are presented for each of the six countries studied, including perceptions from HQ.

Such insights are helpful for humanitarian organisations to think more deeply about the steps they need to take to work with MNOs and the pitfalls to avoid. They can also help MNOs and humanitarian organisations understand how to be more effective partners.

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4.1 Defining a partnership

The IRC has a clear definition of a partnership: *"A partnership is at least two entities coming together with a shared purpose with equal footing to solve a problem. Everything that goes into solving that problem comes into it—money, advocacy, influence, communications; longer-term vision and multiyear collaboration, including funding."* **(Senior Director, ERD, IRC)**

Although progress has been made in shifting from a traditional supplier-donor relationship to a more mutually beneficial relationship with a shared long-term vision, there is still some way to go. Like other humanitarian organisations, many of the crises IRC responds to require immediate action and short-term responses. This, combined with the fact that the IRC operates within a donor environment, makes a long-term vision with a partner challenging to achieve.

Box 5

Moving beyond the supplier-client relationship

The humanitarian sector has designed and built global supply chains to ship, store and deliver in-kind aid to people in crisis-affected areas around the world. However, shifting to cash requires building an entirely new ecosystem and engaging with new partners. By actively engaging with MNOs, humanitarian organisations have a greater chance to shape the products and services that will be used to deliver CVA. Collaborating with MNOs can also open access to broader mobile connectivity services (GSM services), which not only helps mobile money achieve its social and commercial potential,[22] but also enables humanitarian organisations to provide their clients with long-term solutions to financial pain points that other payment mechanisms may not have been able to solve.

[22] Partnership for Finance in a Digital Africa (2018), What makes a successful commercial partnership?

4.2 Success factors

The IRC operates in some of the most challenging settings in the world, and leveraging mobile money to deliver cash assistance has not been easy. Impressively, it has managed to work with nine MNOs in the last financial year in eight countries.[23] **This section presents the key success factors for the respective country offices.**

1. Building relationships early sped up project implementation.

Developing relationships with key points of contact before they were required proved important for the IRC. While this can be difficult in complex settings where there are other priorities, if the groundwork for a partnership is laid before a crisis, for example, by creating standby agreements through mechanisms such as the Global Payments Toolkit, this can speed up deployment later on.

It has also been important for the IRC to set up rolling contracts on a country-by-country basis. For example, after developing relationships with MNOs in **Pakistan**, the IRC established annual rolling contracts that provide better rates and have helped to establish longer term relationships.

MNOs that have been successful in partnering with humanitarian organisations have a dedicated member of staff leading the strategy and pursuing partnerships. For example, Econet Leo through its MFS business, Cassava Fintech Burundi assigned one person on its mobile money team to identify organisations in the country undertaking cash transfers, including the IRC, and approached them to present Econet's mobile money bulk payment services. This dedication and personal touch have contributed to Econet's success with the humanitarian sector. MNOs in **Cameroon** have adopted a similar strategy.

2. Documenting lessons and embedding them in future projects with MNOs.

For the IRC, documenting pain points has been key to ensuring solutions are integrated in future contracts with MNOs. With high staff turnover in humanitarian organisations and MNOs, it proved crucial for the IRC to document this institutional knowledge.

- IRC **Chad** and its MNO partner conducted a workshop to discuss the challenges they faced and documented these lessons in a comprehensive report that included perspectives from IRC, the MNO and clients. Such lessons are valuable not only for the IRC's future cash programming in Chad, but also for other humanitarian organisations in the country and region.
- In **Cameroon**, the IRC worked with Orange on one of the first mobile money CVA programmes in the country and learned a great deal from the experience. For example, occasionally clients received payments twice, sometimes due to human error or to connectivity issues that would cause the page to be refreshed and the payment to go through twice. In its next contract with Orange and MTN, the IRC mitigated these challenges by explicitly outlining the technical requirements.

[23] Countries include Burundi, Cameroon, Chad, Côte d'Ivoire, Jordan, Nigeria, Pakistan, Somalia and Uganda.

3. Projects were more likely to succeed when both parties were agile and committed.

Leveraging mobile money is relatively new for the IRC and has required a great deal of trial and error to get right. Country offices that have managed to roll out successful cash transfer programmes had a shared understanding of the end goal with their partners (MNOs), tailoring and adapting approaches when needed (see Box 6). If challenges arose, both sides were flexible, pivoting their approach to find alternative solutions.

- In **Pakistan**, the IRC conducted a mobile money pilot in 2015–16 and convened a workshop with its MNO partner to discuss the challenges it faced. Among other modifications, the MNO increased the number of agent locations and improved liquidity to support future disbursements and assist clients who may not have received a message notifying them of their disbursement.
- In **Chad**, the IRC and its MNO partner encountered technical issues during transfers. While IRC Chad ultimately decided that e-vouchers were a more appropriate modality for the context, the IRC noted that the MNO's efforts to respond to issues in a timely and committed manner was essential.

> *"(The MNO) really improved from the beginning to the end. They improved in terms of delays, they decreased the time it took to respond to complaints. By the end they were solving issues quickly."* **(Deputy Regional Director, Great Lakes Region, IRC)**

Box 6

Tailoring CVA products to the needs of humanitarian organisations[24]

Mobile money CVA programming is not an off-the-shelf product, and it is advantageous for MNOs to build a customised CVA product and distribution channel to satisfy humanitarian organisations' need for a high-quality service. In Burundi, MNOs were motivated to tailor services to the unique needs of IRC clients.

As a former Econet Leo staff member said, "We have our own structures and policies but try to be as flexible as possible to accommodate customers, to deliver their needs...NGOs are looking for experience, technical capability, security matters, reports that are automatically generated. Before us they worked with banks (and) had some issues, banks didn't want to travel to remote areas for training. NGOs prefer MNOs because we are more flexible."

Smart Burundi reported a willingness to create tailored services, such as giving humanitarian organisations the ability to see the agent locations where money was being spent or cashed out, while **MTN Cameroon** created a flexible platform to accommodate different business models and regulatory environments. For example, it can deliver payments that can only be spent at specific merchants or provide coupons (a closed loop) to people who may not have the identity documents required to register a mobile money account.

> *"One of the things we do to support humanitarian partners is provide customised solutions according to their need. We are providing customers solutions because the need may differ from one partner to the other. We always try to assist them so at no point in time they are on their own."* **(MTN Cameroon)**

[24] For more information on how MNOs can customise their products and services for CVA, see pp. 14 and 45: GSMA (2019), Mobile money enabled cash aid delivery: Operational handbook for Mobile Money Providers.

4. Clearly aligned roles and responsibilities, established lines of communication and good planning are essential to address challenges openly and effectively.

Several MNOs reported that the IRC had communicated its needs and plans clearly and well in advance. This was not always the experience of MNOs with other humanitarian organisations. When MNOs and the IRC provided clear points of contact, they could respond to challenges effectively.

- Econet Leo in **Burundi** had a dedicated email address for all requests from the IRC to ensure they were directed to the correct point of contact to resolve the situation quickly.
- IRC's MNO partners in **Pakistan, Burundi and Cameroon** mentioned that whereas other NGOs may not always provide accurate beneficiary data, the IRC gives MNOs the necessary information in a timely manner (client's mobile number, ID, etc.).

> *"IRC is great in beneficiary data collection and accuracy and rarely do they have reversal incidences (based on wrong mobile money numbers or CNIC numbers). They are able to remove discrepancies on time."*
> **(Telenor Easypaisa, Pakistan)**

4.3 Challenges

The IRC was one of the first humanitarian organisations to work with MNOs in several countries of operation. Three key challenges stood out and the experiences are detailed here. The final section of this report includes considerations for how to address some of these challenges in the future.

1. Contracting was delayed due to insufficient information in RfPs and inflexible or inadequate systems.

For all the countries in this study, contracting MNOs took a significant amount of time, in some instances close to a year. In markets where mobile money was nascent and IRC procurement teams were used to procure in-kind assistance, contracting MNOs was a new experience. This made it difficult for IRC country teams to **know what to ask for** (e.g. technical requirements) and how to evaluate bids. Leveraging bulk payment platforms for humanitarian cash assistance is also relatively new for many MNOs, which meant there were few past experiences to draw from when writing proposals and contracting with the humanitarian sector.

A common challenge for the IRC was **predicting caseloads** (the number of clients needing transfers) due to the often unpredictable nature of crises. **Insufficient information** made it difficult for MNOs to know what to offer or how to accurately cost services, which led to contracting delays (see Box 7). MNOs also reported they often do not receive feedback when they lose a bid, making it difficult for them to improve in the future.[25]

Contracting in Jordan was particularly challenging (see Box 7) due to a lack of clarity and **limited understanding on both sides of the requirements for implementing mobile money-enabled cash assistance in a context with few mobile money users** (see Consideration 8.2.a).

Inadequate or inflexible systems on both the MNO and humanitarian side have also hampered the process. In **Chad,** one reason for contract delays was that the IRC had to spend time ensuring the contract was in compliance with their donor requirements.[26] Meanwhile, local regulators require an MNO's partners to present customer due diligence documentation before they can open a mobile bulk payment account. The requirements can be stringent, and IRC has struggled in the past in **Uganda** to collate the large amount of documentation.[27]

In **Pakistan**, a contract with one of the MNOs was delayed due to a request that the IRC use the same bank provider. Such delays can increase overheads, inhibit efficiency gains and hamper the ability to respond quickly.[28]

> *"Higher or lower efficiency (is) being driven by delays — the length of the contracting period is especially difficult. Core services still need to be paid (fixed costs) even though no cash is being delivered."*
> **(Senior Technical Adviser, Best Use of Resources, IRC)**

Box 7

Improving contracting: views from Jordan

IRC Jordan has struggled with contracting mobile money providers. As contracts with two mobile money providers are being finalised to deliver cash transfers via mobile money to workers in IRC health clinics in Zaatari refugee camp, both the IRC and the providers shared suggestions for how to improve the tendering, procurement and contracting phases. This was a particularly challenging experience given the nascency of the mobile money industry in Jordan and stringent regulations for the private sector to operate within the camp.

One of the mobile money providers offered the following suggestions to humanitarian organisations:

1. **Give sufficient information for the MNO to price the required services correctly.**
2. **Take the time to understand the Jordanian mobile money ecosystem** so that the services requested are actually attainable.
3. **Provide feedback regardless of the outcome of a proposal, particularly if it is rejected,** to understand the strengths and weaknesses and respond better to future proposals.

> *"Hopefully, all the players (mobile money providers) in the market are mature enough not to price a tender or a deal too low that they cannot deliver, as that results in disappointment for the humanitarian agency and is bad business for everybody. I think proper guidelines, especially for large-scale operations that take into consideration not only the pricing but other technical issues, capacity, financial literacy component, track record, previous experience in the field, etc., will result in a win-win situation."* **(Jordanian mobile money provider)**[29]

IRC Jordan also highlighted some aspects of its approach it would change in the future, namely:

1. **Conducting a thorough market assessment before issuing a request for proposals (RfP).** This would ensure key aspects are included in the RfP and reduce the number of clarifications needed throughout the process.
2. **Hiring a mobile money expert** to facilitate the market assessment and help develop the specifications for the services required.
3. **Including clear instructions and standardising the format of RfPs** to make them easier to categorise in order of quality.

> *"If I don't prepare well on that side of the equation (i.e. including clear instructions on RfP), I will start discovering inconsistencies and lack of standardisation in the way I receive the offers."* **(IRC Jordan)**

[25] This was the experience for MNOs in Burundi and Jordan.
[26] As reported by the IRC Chad team.
[27] See p. 28: GSMA (2018), Humanitarian Payment Digitisation: Focus on Uganda's Bidi Bidi Refugee Settlement.
[28] GSMA (2019), Mobile money enabled cash aid delivery: Essential considerations for humanitarian practitioners takes humanitarian organisations through the steps needed to effectively operationalise mobile money-enabled CVA.
[29] See further explanation in Box 2, p. 8: GSMA (2019), Mobile money enabled cash aid delivery: Essential considerations for humanitarian practitioners.

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2. The IRC and MNOs faced challenges creating long-term partnerships. The partnerships they did create were rarely commercially viable for MNOs.

Both sides were not always willing or able to invest enough time or resources to understand each other's capabilities, business models and motivations for working together (see Box 8), resulting in services that were not always optimised or customised for vulnerable populations.

For the IRC, reasons for not investing in long-term partnerships included: the nature of the project funding; the type of crisis, which often required rapid responses (i.e. emergency); and lack of trust in the private sector or limited understanding of the transformational benefits of mobile money and mobile technology for affected communities.[30]

Cash programmes are most successful when CVA programming presents an attractive value proposition for MNOs. MNOs that recognised CVA as a business opportunity (even longer term), had a genuine interest in the partnership and treated beneficiaries as clients, were more likely to make an extra effort to ensure services were planned, tailored and delivered to a high standard.[31]

> *"(The MNO) tried to please us as a partner: we were bringing them business. They treated beneficiaries as clients. In Burundi, the humanitarian sector is large and the rest of the economy is weak so Econet Leo sees this as one of the biggest market opportunities for them."*
> **(IRC Burundi)**

Identifying how to meet the longer term aims of both parties can be time consuming, but it has proven to be a crucial exercise for both sides as it can provide the foundation for a sustained partnership. A few of the country offices in the study took the time to do this, and saw the rewards of a trusted partnership, higher quality programming and sustained benefits for clients (See Annex 2: Pakistan). However, even in these cases, opportunities were rarely maximised and commercial viability for MNOs was limited (see Consideration 8.2.e).

Box 8

Key motivations for MNOs to work with humanitarian organisations

Many of the MNOs the IRC worked with were motivated to work with humanitarian organisations for two main reasons:

1. The **core values** of the organisation were to serve their own communities at risk and;
2. Generating **new customers or continuing to serve existing ones.**

An example of the first motivation was **Orange Cameroon,** which explained that serving its own communities was its main reason for working with the IRC:

> *"(We do this work because) we want to help the people in our country, to help deliver aid to the disadvantaged. These are populations located in inaccessible places, the government can't reach them. But through our work with NGOs, we can reach them. That's the number one reason we do this work. There are some commercial advantages but it's not huge, especially taking into account the risks and all that needs to be put in place to be able to do these transfers."* **(Orange Cameroon)**

MTN Cameroon reiterated this point:

> *"NGOs are very important for us and we are trying to create partnerships with many of them in order to ensure services are delivered to people in need."* **(MTN Cameroon)**

Even when the primary motivation for working with humanitarian organisations is philanthropic (i.e. serving people in need), to serve their customers sustainably, MNOs need to see returns on investment at some point, unless their efforts are part of a CSR initiative. Econet Leo in Burundi identified profitability as one the main challenges with CVA projects:

> ***"Sometimes the projects haven't been very profitable for us.*** *That has been a challenge because sometimes we find the owners of the projects come with very tight budgets. They want to see savings come in. In terms of delivering on the ground it's very cost intensive, big ground staff, big trainings. The margins we charge are not very attractive. We chose to take advantage of this to build our base in the hope that in the future the people we are bringing in will bring value to the business. It's not very profitable at the moment. At the end of the day we have to deliver so we take the bullet."* **(Econet Leo, Burundi)**

[30] GSMA (2019), The Digital Lives of Refugees; GSMA (2017), Mobile is a Lifeline, Research from Nyarugusu Refugee Camp.
[31] Examples include a high-quality technical product, rapid identification and response to issues, innovative liquidity and agent management plans, collaboration on training and registering clients.

3. The IRC did not maximise digital and financial inclusion opportunities for its clients[32]

Across IRC countries, the organisation is facilitating access to mobile money accounts, often for the first time. Even more significantly, in IRC countries like Cameroon and Burundi, it is providing mobile phones to people for the first time. This presents an enormous opportunity as mobile money accounts can link people to formal financial services and a suite of payment services, such as access to person-to-person (P2P) payments (domestic transfers) or remittances (international transfers), as well as airtime top-ups, bill payments and more advanced services like merchant payments, credit and insurance. Mobile phones also provide access to transformational services, such as the mobile internet and basic connectivity with friends and loved ones,[33] and a new channel for clients to communicate with humanitarian organisations and vice versa.[34]

Although some IRC country office staff recognised the competencies and potential of MNOs and mobile technology, they did not necessarily take advantage of them.

The IRC is working in some of the most challenging parts of the world, where there is limited infrastructure to spend cash digitally (e.g. northern Cameroon, Makamba in Burundi, Dadu in Pakistan), and often delivering cash to the most vulnerable people, who are less likely to be literate, including digitally literate, and often need to cash out as soon as possible. Also, to remain relevant in a competitive funding environment, the IRC focuses on making its projects as cost efficient as possible, which means ensuring that core activities are in place and delivered quickly, keeping programme support costs low.

Despite these very real challenges, examples arose in our focus group discussions of people making meaningful use of their phones and mobile money accounts, rather than simply cashing out (see Section 6). This is happening organically in some cases, but additional benefits could be realised if they were programmed explicitly.

The time and effort involved in delivering cash via mobile money is significant, and the IRC has done an impressive job building the evidence base for the benefits of cash transfers. The IRC has a unique opportunity to create understanding and raise awareness of the connections between digital cash and financial inclusion, while also mitigating risks.[35,36] Since digital literacy initiatives require additional time and staff resources, donors should consider funding these complementary programming activities to realise the potential benefits.

Box 9

Utilising technology beyond digital payments

The ERD team has created an ICT for ERD guidance note introducing technical staff to ICT solutions that can be used to achieve economic wellbeing outcomes, from mobile money to SMS, IVR and UAVs. The document aims to help staff understand which solutions are most relevant for the ERD and how to adopt them appropriately in programming. Although the IRC has taken steps to explore how different technologies can be used for its activities, embedding this knowledge across the organisation and considering where technology can play a role will be essential for the IRC to adapt its core programming activities to the digital age.

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32 Financial inclusion is listed as one of the 12 Recommendations of the High Level Panel on Cash Transfers. Overseas Development Institute (2015), Doing cash differently: How cash transfers can transform humanitarian aid.

33 GSMA (2019), The Digital Lives of Refugees.

34 See UNHCR's Communicating with Communities initiative: https://www.unhcr.org/innovation/communicating-with-communities/

35 MNOs and the IRC could work more closely on this issue of risk by educating and raising awareness among clients on issues such as digital privacy, data sharing and staying safe online, as well as with agents, who may be from other host communities.

36 GSMA (2019), The Digital Lives of Refugees. See p. 51 (instances of fraud), p. 65 (privacy concerns) and p. 81 (considerations around educating and raising awareness among refugees of digital privacy, data sharing and staying safe online.

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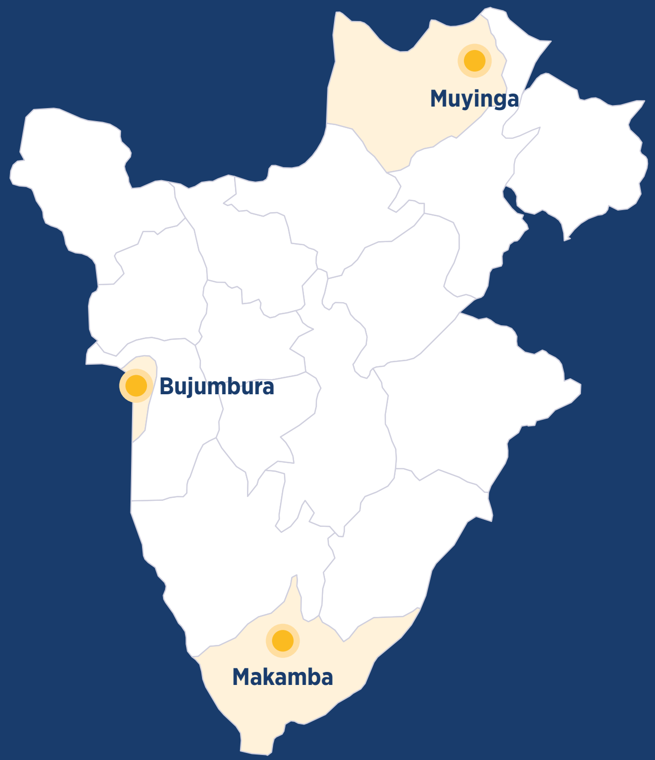
05 Country snapshots

Burundi



IRC in Burundi[37]

Operating since
1996

Locations
Nationwide

Focus
Improving the resilience of rural communities, providing services for Congolese refugees, reintegrating Burundian refugees who have been repatriated from neighbouring countries

Mobile money cash transfer locations
Bujumbura, Makamba, Muyinga

Humanitarian context

Number of refugees, including asylum seekers[38]
82,319

Nature of crisis
Protracted and emergency

Mobile ecosystem

Mobile money provider(s)
Econet Leo, Lumitel, Smart

Mobile phone penetration[39]
34.7% Basic/feature phone
18.6% Smartphone

Mobile connectivity[40]

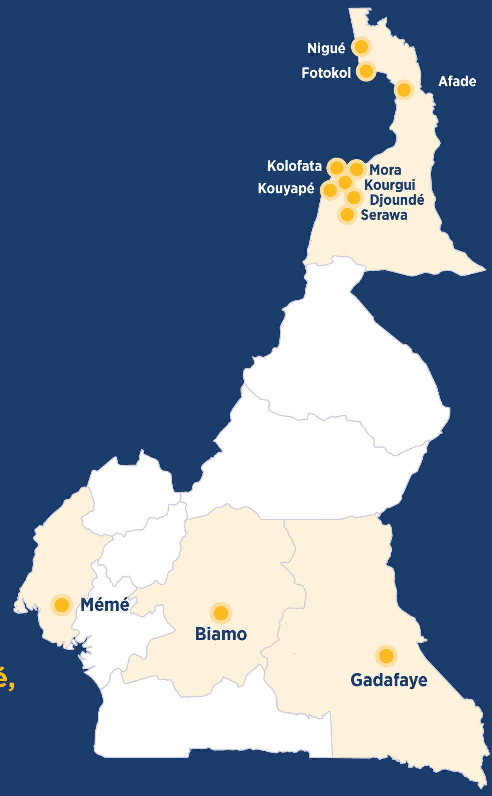
GSMA Mobile Connectivity Index: 26
3G coverage (of population): 11%

Mobile broadband connections (Penetration): 13%
Mobile money prevalence[41] (age 15+): 1.1%

IRC mobile money provider(s)
Econet Leo
(through Cassava Fintech Burundi)

37 IRC (2019). Burundi.
38 UNHCR (2019). Burundi Factsheet: July–August 2019.
39 GSMA Intelligence (2019). Market penetration – Smartphones; basic/feature phones as of Q2 2019. Connections at the end of the period, expressed as a percentage share of the total market population. A smartphone is defined as a mobile handset enabling advanced access to internet-based services with computer-like functions. Smartphone platforms, such as Android, iOS, Windows Phone and BlackBerry, support native apps created by third-party developers, whereas feature phones used closed platforms that do not support native development, although downloadable apps are often supported using Java.
40 GSMA (2018), GSMA Mobile Connectivity Index. The GSMA Mobile Connectivity Index measures the performance of 165 countries – representing 99 per cent of the global population – against key enablers of mobile internet adoption: infrastructure, affordability, consumer readiness, and content and services.
41 Global Findex Database (2019). The Little Data Book on Financial Inclusion.

Cameroon



IRC in Cameroon[42]

Operating since
2016

Locations
Far north and southwest regions

Focus
Supporting displaced and conflict-affected host populations, providing basic needs support, critical water, sanitation, and hygiene programmes, and protection for persons with specific needs, including persons at risk and survivors of gender-based violence and sexual assault.

Mobile money cash transfer locations
Mora, Djoundé, Kourgui, Mémé, Kolofata, Kouyapé, Serawa, Biamo, Afade, Fotokol, Nigué, Gadafaye

Humanitarian context

Number of people of concern[43]
1,534,189

Nature of crisis
Emergency

Mobile ecosystem

Mobile money provider(s)
Orange Money (Orange), MTN Mobile Money (MTN)

Mobile phone penetration[44]
50.4% Basic/feature phone
33.2% Smartphone

Mobile connectivity[45]

GSMA Mobile Connectivity Index: 46.1
3G coverage (of population): 75%

Mobile broadband connections (Penetration): 18%
Mobile money prevalence[46] (age 15+): 15.1%

IRC mobile money provider(s)
Orange Money
(Orange)
MTN Mobile Money
(MTN)

42 IRC (2019). Cameroon.
43 UNHCR (2019). Cameroon Factsheet: June 2019. Note: this figure includes refugees from the Central African Republic and Nigeria, as well as asylum seekers, internally displaced persons and returnees.
44 GSMA Intelligence (2019).
45 GSMA (2018). GSMA Mobile Connectivity Index.
46 Global Findex Database (2019). The Little Data Book on Financial Inclusion.

Chad

IRC in Chad[47]

Operating since
2004

Locations
Eastern Chad

Focus
Health, nutrition, water and sanitation, women's protection and empowerment and education services for local communities and refugees

Mobile money cash transfer locations
Fouli/Lac

Humanitarian context

Number of people of concern[48]
663,064

Nature of crisis
Protracted and emergency

Mobile ecosystem

Mobile money provider(s)
Airtel Money (Airtel), TigoCash (Millicom)

Mobile phone penetration[49]
28.2% Basic/feature phone
6.5% Smartphone

Mobile connectivity[50]

GSMA Mobile Connectivity Index	3G coverage (of population)
50.8	88%

Mobile broadband connections Penetration	Mobile money prevalence[51] (age 15+)
41%	15.2%

Jordan

IRC in Jordan

Operating since
2007

Locations
Mafraq, Ramtha, Irbid, Amman, Zarqua and Za'atari and Azraq refugee camps

Focus
Health, protection and empowerment of women and girls and economic development for refugees and host communities

Mobile money cash transfer locations
Planned for Za'atari

Humanitarian context

Number of refugees (May 2019)[52]
755,050

84% of Syrian refugees in Jordan live in urban areas and **16%** in refugee camps

48% of refugees are children, **4.5%** are elderly

Over **125,000** work permits have been issued for Syrian refugees since 2016

Nature of crisis
Protracted

Mobile ecosystem

Mobile money provider(s)
Aya-Jo (Aya), Dinarak e-Wallet (Dinarak), Mahfazti (Umniah), Orange Money (Orange), Zain Cash (Zain)

Mobile phone penetration[53]
23.1% Basic/feature phone
45.4% Smartphone

Mobile connectivity[54]

GSMA Mobile Connectivity Index	3G coverage (of population)
54.2	99%

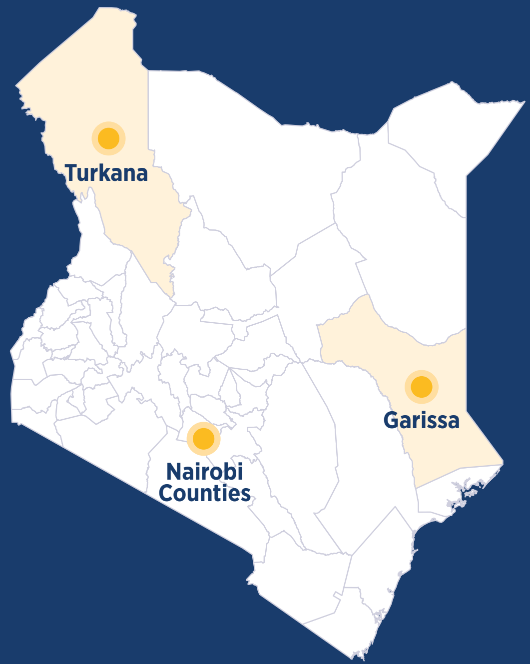
Mobile broadband connections Penetration	Mobile money prevalence (age 15+)
64%	1.0%

IRC mobile money provider(s)
Dinarak e-wallet
(Dinarak)

47 International Rescue Committee (2019). Chad.
48 UNHCR (2019). Chad 2018 year-end report. Note: this figure includes refugees, asylum seekers, internally displaced people (IDPs), returnees and other people of concern.
49 GSMA Intelligence (2019).
50 GSMA (2018), GSMA Mobile Connectivity Index.
51 Global Findex Database (2019). The Little Data Book on Financial Inclusion.

52 UNHCR (2019), Jordan Fact Sheet – May 2019.
53 GSMA Intelligence (2019).
54 GSMA (2018), GSMA Mobile Connectivity Index.

Kenya



IRC in Kenya[55]

Operating since
1992

Locations
Turkana, Garissa and Nairobi Counties

Focus
Health, women's protection, legal rights education, nutrition services, conflict resolution (refugees and host communities)

Mobile money cash transfer locations
Turkana, Carissa, Nairobi Counties

Humanitarian context

Number of refugees
474,044[56]

Nature of crisis
Protracted and emergency

Mobile ecosystem

Mobile money provider(s)[57]
Airtel Money (Airtel), Equitel (Equity Bank), M-Pesa (Safaricom), MobiKash (MobiKash Afrika), T-Kash (Telkom),[58] Tangaza Pesa Mobile Money Transfer (Mobile Pay)

Mobile phone penetration[59]
43.9% Basic/feature phone
43.8% Smartphone

Mobile connectivity[60]

GSMA Mobile Connectivity Index	3G coverage (of population)
50.8	88%

Mobile broadband connections Penetration	Mobile money prevalence[61] (age 15+)
41%	72.9%

IRC mobile money provider(s)
M-Pesa (Safaricom)

55 IRC (2019), Kenya.
56 UNHCR (2019), Kenya Factsheet, 01–30 June 2019. Note: this figure includes asylum seekers.
57 GSMA (2019), Mobile Money Metrics: Deployment Tracker.
58 A merger between Airtel and Telkom is underway. EACC puts new hurdle on Telkom, Airtel merger.
59 GSMA Intelligence (2019).
60 GSMA (2018), GSMA Mobile Connectivity Index.
61 Global Findex Database (2019), The Little Data Book on Financial Inclusion.

Pakistan

IRC in Pakistan

Operating since
1980s

Locations
Nationwide

Focus
Emergency relief, healthcare, education, job training for refugees, IDPs and other vulnerable populations

Mobile money cash transfer locations
Interior Sindh and Khyber Pakhtunkhwa (KPK)

Humanitarian context

Number of refugees[62]
1.4 million

Nature of crisis
Protracted and emergency

Mobile ecosystem

Mobile money provider(s)
EasyPaisa (Telenor), HBL Express (Habib Bank ltd.), JazzCash (Jazz), UBL OMNI (UBL Bank), PayMax (Zong), UPaisa (Ufone)

Mobile phone penetration[63]
37.5% Basic/feature phone
36.8% Smartphone

Mobile connectivity[64]

GSMA Mobile Connectivity Index	3G coverage (of population)
39.8	78%

Mobile broadband connections Penetration	Mobile money prevalence[65] (age 15+)
31%	5.8%

IRC mobile money provider(s)
Telenor (EasyPaisa)

62 UNHCR (2019), Islamic Republic of Pakistan. Note: this figure includes asylum seekers.
63 GSMA Intelligence (2019).
64 GSMA (2018), GSMA Mobile Connectivity Index.
65 Global Findex Database (2019), The little data book on financial inclusion.

06 Technology and client experiences

The maturity of digital ecosystems and mobile money prevalence differed substantially across the six IRC countries studied (see Section 5). **However, clients' familiarity with mobile money did not necessarily translate into better experiences using mobile money to receive cash assistance.** In some cases, clients who had not previously encountered mobile money had quite positive experiences, primarily due to support and training from the IRC and MNOs. In other settings where clients were familiar with mobile money, a more relevant factor was how well developed the MNO's mobile money service offering was, with technical issues having a negative impact on clients' experiences.

6.1 Client experiences with mobile money

Focus group discussions (FGDs) were conducted in three of the six countries:[66] Burundi, Jordan[67] and Pakistan. While only two FGDs were conducted in conducted in Burundi and Jordan, and three in Pakistan, participants provided valuable insights into the benefits of using mobile money, which were generally consistent across all groups. The challenges and pain points experienced were more varied across different contexts. Country case studies (see Annex 2) capture the nuances of their experiences in more detail.

Benefits of mobile money through the eyes of recipients[68]

1. **Speed and convenience:** Participants in all FGDs mentioned the time and money they had saved on travelling long distances to withdraw money or transfer money between friends and family. Agents are often located closer to clients' homes than other FSP cash-out points (e.g. ATMs), enabling them to withdraw money when it is convenient.

"I once travelled to Amman and back to give cash (to family). It took most of the day. With mobile (money) I can transfer whenever I like."
(Syrian refugee in Jordan, male)

"It was convenient to get the money. It was nearby. We did not have to go far away."
(Pakistani, female)

2. **Security:** Clients felt safer as mobile money reduced the risk of being robbed or losing physical cash. Receiving, and in some cases storing, money on their phones meant there was less risk of the money being misplaced or stolen. Even if their phone was lost, the money was still in a locked account linked to their registered SIM, so it could be recovered.

*"This system is **very, very safe** because whenever you go to get this money and you go home, we don't run the risk of getting robbed on the way home."*
(Congolese refugee in Burundi, female)

"If I lose my wallet, I lose my cash. If I lose my phone, I can get another one. No one knows my (mobile money) password, so I can still access my cash from another phone."
(Syrian refugee in Jordan, male)

[66] See Annex 1 for details on methodology.
[67] IRC Jordan's operation had not yet switched to using mobile money for cash distribution, so the concept of mobile money was introduced during the FGD. Responses were therefore based on perceived or acquaintance-reported benefits and challenges of using the modality.
[68] Benefits are not listed in order of relative importance.

3. **Discretion:** Clients reported being happy that neighbours and family were unaware they had received a transfer. When receiving physical cash, clients sometimes felt social pressure to share or lend money to their loved ones or wider community. Mobile money provided more discretion.

*"When you get your money through your phone **it's a secret**. People are talkative in the neighbourhood. People will ask for a loan, you already have enough — it's easier when it's a secret."*
(Congolese refugee in Burundi, female)

4. **Financial planning and saving:** Clients reported that receiving cash into mobile money accounts gave them time to plan how to spend the money without the temptation of physical cash.

"Personally when I got the message I first checked to see how much money I received. Then I relaxed for two days, I need to plan how to use the money. After planning I could go out and buy the tools I'd budgeted for."
(Congolese refugee in Burundi, male)

"In my case I waited for the transfers because I had a plan to put a roof on my house to buy some iron sheets. So I left it in the account. When I got all the transfers I got the iron sheets."
(Burundian, female)

"Once you receive in this hand, you spend with the other. (Using mobile money) could help me stop spending just because cash is in my hand."
(Syrian refugee in Jordan, male)

Box 10

From first-time phone owners to savvy users

For all participants in the FGDs in Burundi, the IRC's mobile money-enabled CVA programming was the first time they had owned a phone. IRC training often includes instruction on how to use a phone. In some cases, these phones are a new tool for recipients to connect with family, listen to music, conduct business and other transformative use cases.

Programme staff observed that recipients not only continued to use their phones in their personal and professional lives, but also learned which providers offered the best deals for different services. Programme staff in Bujumbura noted that Congolese refugees had begun taking advantage of MNO offers on credit and reselling it to make extra income. When some recipients asked why it appeared these individuals were receiving more, the IRC asked the MNO to provide training to all recipients on how to take advantage of these promotions. While anecdotal, this illustrates the creative ways clients can use their mobile money accounts.

"I have two phones: for normal communication I use this small one but for social media like Facebook and Whatsapp... Within this phone there are three SIM cards and in this one there are two SIM cards, so I have five. It's because the lines we are using have difficulties, sometimes you get a call through a certain line and the network is not good." **(Congolese refugee in Burundi, male)**

"When I start getting this money I began selling airtime. From this I can get money to buy soap."
(Burundian, male)

"As far as I'm concerned the phone is very helpful for me. As now my activities are saving, it helps me interact with my customers. If I'm serving a customer, they can ask me if their cloth is ready or not. If there's an item I need, I can call them to get it." **(Burundian, male)**

5. **While not always active users, some recipients continued to use their mobile money accounts and were interested in other services.** When mobile money is used to transfer cash assistance, recipients can often keep using the account after the programme ends. Recipients noted that while they did not use their account every day, occasionally they used it to send or receive money. Some expressed interest in learning how to use mobile money to pay school fees or accessing additional services, like savings and loans.

> *"You can be far, if someone is in the market and they are going to close, the person has an account. You can send them money and they can buy the things for you. If someone is in trouble you can send money to their account. It's really very helpful."* **(Burundian, female)**

Box 11

Digital and financial literacy training

The importance of tailored training: Across research countries, country staff delivered digital literacy and broader financial training. When training was comprehensive, it had a significant impact on clients' comfort using mobile phones and mobile money, and on the overall success of the programme. In some cases, IRC clients were also more likely to use mobile phones and benefit from related services in the long term.

Training on basic digital skills

In all locations, the IRC conducted basic digital skills training, often with its MNO partner.

> *"The trainings were very successful because we gained so many skills. Even after the transfers stopped they put us in associations that trained us in how to save money and how to meet our basic needs."* **(Burundian, female)**
>
> *"One of the first things they were teaching us was how to save a number, how to make a call, how to write a message. They showed us how to do all of these things."* **(Burundian, male)**

Educating clients on the benefits of mobile money

IRC Kenya mentioned the importance of explaining the benefits of mobile money to clients. Not all countries included this in their cash programming, however, which is a missed opportunity.

> *"The beneficiaries should also understand why they are doing what they are doing — why is it a better system than giving cash? Understanding and conveying the positive aspects of using mobile money. Educating beneficiaries that there are merchants/agents where they can carry out other transactions without withdrawing cash."* **(IRC Kenya)**

Awareness and support from abuse of power

To prevent mobile money agents taking advantage of vulnerable illiterate populations, it is essential for programming to include clear information on how they can provide feedback to the IRC. Although there were some examples of this information being given to clients (e.g. in Pakistan), there was no consistent training module on these issues.[69]

[69] WFP and UNHCR are implementing a joint initiative to identify and mitigate the risks of abuse with cash assistance among vulnerable populations. Mitigating risks of abuse of power in cash assistance.

Navigating the Shift to Digital Humanitarian Assistance:
Lessons from the International Rescue Committee's Experience

Challenges through the eyes of recipients[70]

Although feedback from IRC clients was positive overall, there were some notable concerns related to logistical, infrastructure and capacity issues. Ideally, humanitarian actors and MNOs can address these together through proper planning and training.

1. **Delays withdrawing money can waste time and attract unwanted attention.** Clients noted that if they withdrew money at the same time as others or the agent did not have enough cash, there could be delays withdrawing their money. They could be left standing in line, drawing attention to the fact that they had received cash. While none of the focus group participants reported experiencing a security incident, it was raised as a fear.

> *"You can go to an agent and then they do not have enough money, so you have to stand there to wait for him to get it from his colleagues or friends. You are standing there wasting your time waiting for him to get enough money."* **(Congolese refugee in Burundi, female)**
>
> *"When they transfer all the individuals get it at the same time. And each person tries to withdraw money so people were meeting at the agents, it was too many at the same time. And then this means they need to delay, it takes too much time to get money out. In that case, people passing by can realise we got cash transfers."* **(Congolese refugee in Burundi, male)**

2. **Low literacy levels can hamper people's ability to use mobile money. Literacy levels are often lower among more marginalised groups, exacerbating existing inequalities.**

   In areas with lower levels of literacy and digital literacy, recipients were less comfortable using mobile money. This was a particular challenge for those who were illiterate, as they were dependent on agents or family members to help them read messages and transact. They were likely unable to use mobile money for other functions without the help of an agent.

> *"We are illiterate. We are not educated so how are we supposed to know about these things. If we were educated, we would not have faced issues in reading or understanding the messages."* **(Pakistani, woman)**

3. **Societal norms can prevent women from accessing and using resources, including mobile phones.**

   FGDs across all countries revealed that women's access to mobile phones and SIM cards is more limited.[71] While female clients in Pakistan did not explicitly state that societal norms were a challenge, it was apparent that women did not own phones or SIM cards and often rely on their spouses or family members to access them. This limited their ability to use the full suite of services that a mobile phone offers.

4. **Poor coverage inhibits use of mobile phones.**

   Lack of network coverage also posed issues in some areas, as clients were unable to tell when their transfers had come through. Anecdotal evidence from Pakistan suggested that clients would sit in places with good coverage on days they had been told their CVA disbursement would arrive. This resulted in people either not receiving the message about their disbursement on time or travelling to find network coverage.

> *"Sometimes there is no network. Many friends tell me that my number is off; but my number is on for 24 hours, so there is an issue with the network."* **(Pakistani, man)**

[70] FGD participants were very open when offering positive experiences of using mobile money, but were less forthcoming with challenges, despite using different techniques in the FGDs to try to draw these out. This may be because recipients associate mobile money with receiving future cash assistance from IRC and were therefore reticent to speak about the challenges. It is recommended that future research uncover further challenges.

[71] GSMA (2019), Bridging the mobile gender gap for refugees.

07 Growing evidence from country offices

IRC headquarter staff mentioned there are numerous **assumptions about the benefits of mobile money that still need to be validated** (Section 2). While it was clear that country office staff were beginning to see **evidence that supported the perceived benefits,** they still **experienced tough challenges.**

Benefits through the eyes of IRC field staff

1. **Reduced risk of fraud and theft and greater efficiency** for both clients and staff. Staff noted that once systems were in place it took less time to make the transfers, leaving more time for other activities. They also noted that the system was more transparent and safer, as they did not need to travel to disbursement locations with large sums of money.

> *"Now I manage both cash transfers and VSLAs at the same time. Before I did cash only in Bujumbura with the Congolese (refugees). Now I was able to add a second role: VSLAs."*
> **(Programme/Technical Staff, IRC Burundi)**

> *"We are not using much (physical) cash anymore because of the risk: security, fraud, in transit insurance for cash (coordination, transport). And the human effort involved in (physical) cash. This is not possible in mobile money because there is accountability and transparency, value for money; cost effective (less staff), (and you can do) large scale distributions."* **(IRC Pakistan staff)**

2. Staff reported that it was easier to **monitor results after distribution.** Once clients had phones, they could call them to ensure they had been able to access their money.

> *"The modality of mobile money is not as demanding as other forms of delivering cash. It's transparent and, in addition in being a way to receive cash, the phone serves as a communication method (with clients.)"*
> **(IRC Technical Staff, Chad)**[72]
>
> *"Another thing we are grateful for ... (is IRC staff) were able to just call us on our phone to ask us to come instead of travelling to our homes."*
> **(Burundian, female)**

3. **Continued use of mobile phones** after the cash assistance programme has ended leading to additional and sustained benefits for recipients, including the ability to **save and plan financially.** (See Section 6.1 for more details.)

Challenges through the eyes of IRC field staff

Introducing new technology brings its share of challenges and lessons, and IRC country offices pointed to new challenges that mobile money use had created.

1. **KYC requirements** posed challenges in several countries as clients did not always have the required ID documents. IRC offices found that their clients employed various workarounds (e.g. registering SIM cards in another community member's name in Cameroon and Kenya). A best practice example was in Burundi where UNHCR, together with other humanitarian agencies, worked with MNOs to successfully advocate for the government to accept attestation cards and refugee cards as acceptable ID to register mobile money accounts.
2. **Technical issues** were apparent in several countries (e.g. Chad, Cameroon, Pakistan), including blocked SIM cards, incorrect PINs, incorrect ID numbers and mobile numbers, and next of kin receiving and deleting messages. Double transfers or missing transfers led to frustration with mobile money in Chad and Cameroon.
3. **Low levels of literacy (including digital):** Target recipients are often the most vulnerable as they may not have owned or used mobile phones before and are sometimes illiterate. This proved challenging for IRC staff, who needed additional time and know-how to train people how to use mobile phones and understand the benefits of using mobile money. In Chad, IRC staff spent two months building capacity and raising awareness, yet in the final evaluation many recipients said they would prefer to receive cash in hand.

> *"One of the biggest challenges in Pakistan and Cameroon is the number of verifications that need to happen between targeting and payments — people changing phones, losing SIMs, especially a challenge with female beneficiaries (when they are not accessing the phone)."*
> **(Research and Development Adviser, IRC)**

[72] Translated from the French : « La modalité de paiement par mobile money n'est pas trop exigeante comme d'autres formes de paiement du cash, elle est transparente, et en plus d'un outil utilisé pour recevoir du cash, le téléphone portable sert aussi d'un moyen de communication. »

Credit: Timothy Nesmith, IRC

08 Considerations and the future of mobile money-enabled CVA

The objective of this case study is to help humanitarian organisations consider the steps they need to take to shift to digital cash assistance, with a specific focus on mobile money. The considerations below draw on the IRC's experience and are divided into three categories of best practices: changing internal processes, creating long-term, shared value partnerships with MNOs and ensuring that new technologies meet the needs of recipients.

8.1 Considerations: internal processes

a. Create cross-departmental working groups. The shift to digital cash assistance requires a major shift in organisational policies that were originally designed to support traditional forms of aid delivery. New approaches are needed to connect staff and leverage skills across the organisation. Creating a cross-functional working group can encourage collaboration by creating new policies and processes and sharing best practices.

b. Promote knowledge sharing between country teams. Country offices have a wealth of experience and knowledge, and can share best practices in designing, piloting, implementing and operationalising mobile money cash transfer programmes with other country teams. Cash officers can also benefit from visiting field operations in countries where mobile money operations have been successful.

c. Build staff skills and ensure the organisation is aligned on the risks of going digital and how to mitigate them effectively. Given the risks associated with client data privacy and security,[73] capacity building is important to ensure both staff and clients are aware of the risks and how to mitigate them. This training should be mandated as company policy across the organisation.[74]

8.2 Considerations: creating sustainable partnerships with MNOs

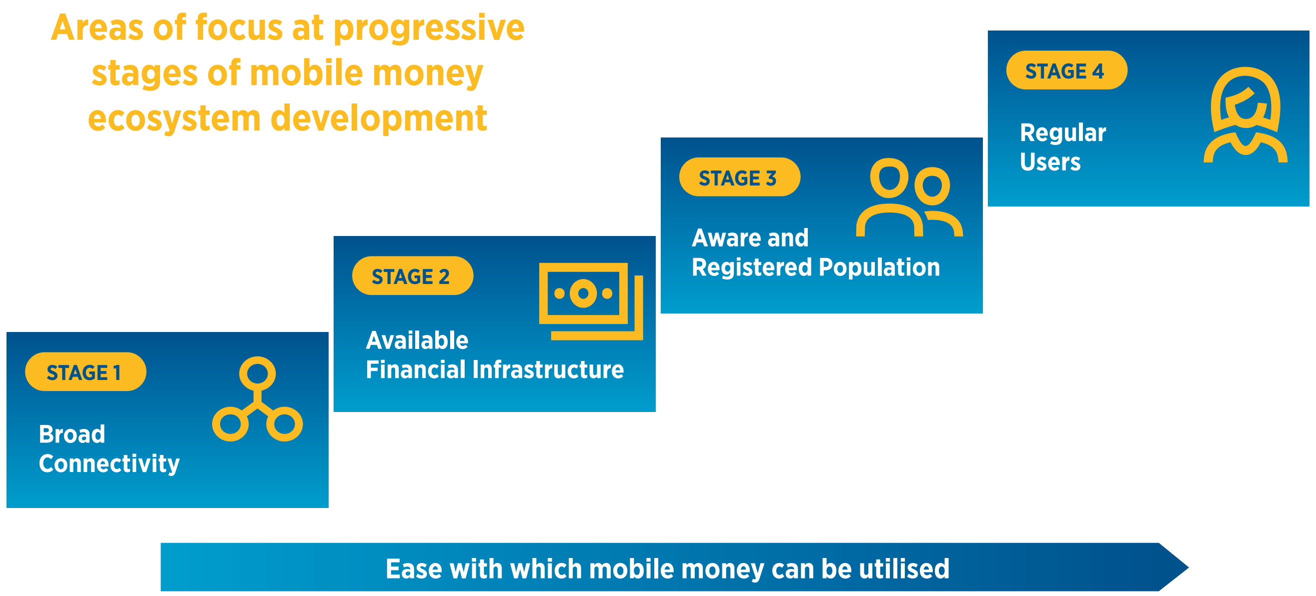
a. Engage with MNOs early (prior to contracting) to understand the requirements for implementing mobile money in challenging contexts. Technical advisers (and specialist digital financial experts where necessary) should be engaged to assess available payment modalities and communicate with MNOs. Country office staff should be trained on how to conduct feasibility assessments, what to look for in terms of MNO capacity[75] and what to include on lists of critical and desired features.[76]

The humanitarian context in which the CVA programme will deploy has a huge influence on the decision to use mobile money or another distribution mechanism. A simple four-stage model of the maturity of a mobile money ecosystem (see Figure 2) can help to assess what resources will be needed for mobile money to be successful. Stage 4 is optimal for implementing a mobile money solution for CVA as clients are already registered and digitally literate. However, this is rare in remote or challenging environments, so it is important to assess the requirements before writing the RfP.

Ideally, MNOs should be actively involved in the feasibility phase so they can share their expertise on the digital ecosystem, as well as their competencies. Cash working groups are generally good opportunities for this and can also inspire innovative new products and services that address challenges in the field.

73 CaLP webinar (2019), Data sharing in CVA: ethics, ownership and privacy.
74 Courses such as the Digital Frontiers Institute's Consumer Protection are useful resources for staff on the risks of digital finance.
75 GSMA (2019), Mobile money enabled cash aid delivery: Operational handbook for mobile money providers.
76 An example could be offline features in rural areas with poor network coverage.

Figure 2: Key investment decision stages for mobile money[77]



b. Understand how to be a good partner and work together to create appropriate mobile money services. Mobile money-enabled CVA may require customisation, particularly when end users are vulnerable populations in hard-to-reach and complex environments. Humanitarian organisations should be open to spending time and resources working with MNO staff to understand their offerings and ensure they are suitable for the populations they are serving. For example, adding digital literacy training to the mobile money service, building innovative liquidity management models[78] or co-training agents (see Box 12). Humanitarian projects are not always financially viable for MNOs, so when tailored solutions are required, the costs must either be built into contracts or it needs to be made clear from the outset who will fund the development of new or enhanced products and services.[79]

Box 12

Customised agent training to serve and safeguard vulnerable populations[80]

MTN Rwanda and the American Refugee Committee, together with the GSMA Mobile for Humanitarian Innovation programme, trained almost 800 Mobile Money (MoMo) agents on the humanitarian code of conduct and protection in July 2019 (watch a video about the training here). The training aimed to ensure that agents delivering services to Rwanda's refugee population and host communities (ahead of cash transfers implemented by Give Directly) uphold protection standards.

[77] See p. 9: GSMA (2019), Mobile money enabled cash aid delivery: Essential considerations for humanitarian practitioners.
[78] See p. 24 for "surge and smooth" liquidity strategies: GSMA (2019), Mobile money enabled cash aid delivery: Operational handbook for mobile money providers.
[79] Concern and GSMA (2019), Somaliland Pushing the Mobile Money CVA Frontier.
[80] Similarly, UNHCR and WFP are jointly implementing a project to identify and mitigate risks of abuse by private sector service providers in their delivery of cash assistance to vulnerable populations. They are working with FSPs, merchants/agents and other private sector stakeholders, raising awareness among cash recipients of their rights and building their financial literacy skills.

c. Conduct pilots or simulations before programmes are rolled out. Ideally, mobile money CVA programmes that are being designed and implemented for the first time should be piloted.[81] Running a series of small pilots as operations develop can uncover issues early and avoid problems later.[82]

Box 13

Red Cross and WFP lead the way with simulations in Burundi[83]

In July 2019, the WFP worked with the Burundian Red Cross to run a simulation to develop SOPs and test their capacity to distribute cash using mobile money within 72 hours of a crisis. In Muyinga, in the isolated northeast of Burundi, they simulated a flooding and landslide situation, assuming markets had enough stocks to support the community for a week. Fifty community members were recruited to participate in the simulation.

- **Day 1:** Needs and cash assessments were conducted and relevant information was collected to register community members.
- **Day 2:** A pre-existing contract with the FSP, in this case, MNO Econet Leo, was activated and a list of recipient information was shared.
- **Day 3:** SIM cards were distributed and cash was transferred.

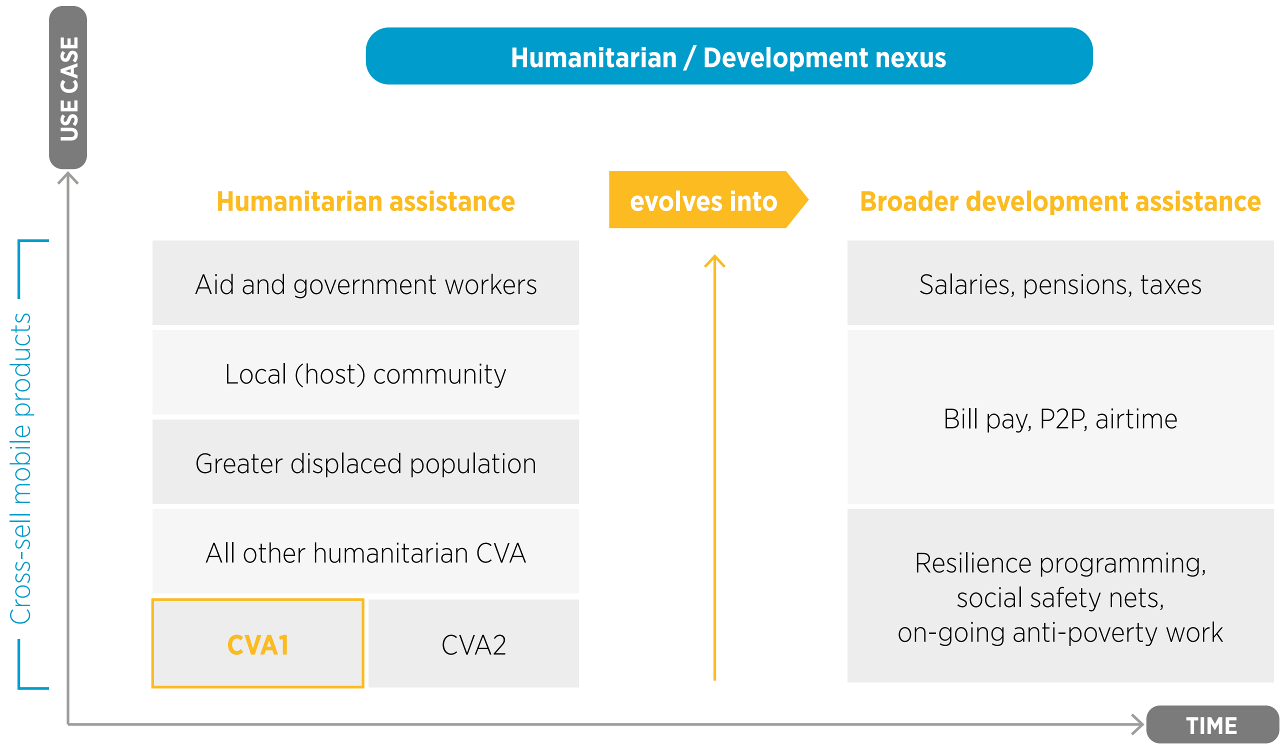
Together, the Red Cross, WFP and Econet Leo reviewed lessons from the simulation and changes that needed to be made to the SOPs. The simulation also helped the Burundian Red Cross enhance their procedures. One cash officer said, "This has been a truly rich experience for us. We were able to see who is supposed to do what and when so that cash in 72 hours becomes a reality. We were able to spot our weaknesses and correct them in our SOPs."

[81] See p. 32 "Piloting", in GSMA (2019), Mobile money enabled cash aid delivery: Operational handbook for mobile money providers.
[82] The IRC Chad office experienced a disconnect between Tigo Chad's HQ office in N'Djamena and field staff in operating locations, who were not familiar with what had been agreed in the Scope of Work. The technical and liquidity challenges that resulted were therefore more challenging to resolve. Pakistan is a good example of piloting solutions early and working with MNOs to understand challenges.
[83] In 2019, WFP Burundi ran a 72-hour cash simulation for the Burundi Red Cross.

d. Learn from experience and document lessons. Turnover in humanitarian organisations and MNOs can be high, making it important to always document important lessons (e.g. with contracting). This helps future staff avoid the same pitfalls and build on work to date.[84]

e. Think beyond cash to view the digital ecosystem more holistically. There are use cases for mobile technology other than cash with wide-ranging benefits (see Figure 3). Leveraging these use cases, such as digitising staff salaries or using SMS or phone calls to communicate with clients, can simultaneously build the business case for MNOs and ensure mobile-enabled services are sustainable for clients.

Figure 3: Building a holistic digital ecosystem



84 IRC Chad greatly benefited from thoroughly documenting evaluations of prior programming. IRC Pakistan diligently collected lessons from each of their three pilots and shared the insights and lessons, making them a public good for the industry at large.

f. Be intentional about financial and digital inclusion outcomes (wherever possible) and strengthen the evidence base.

As humanitarian organisations shift to cash assistance via mobile money, they are also facilitating access to SIM cards, mobile money accounts and, in some cases, mobile phones, often for the first time. This presents an enormous opportunity to link people to formal financial services and open access to transformational services, such as the mobile internet and connectivity with loved ones. However, complementary programming for digital and financial inclusion is rarely factored into cash assistance programmes. As the examples in this case study illustrate, collaborations with MNOs and tech providers can help to ensure clients use their mobile phones and mobile money safely and in meaningful ways.

Part of the reason why donors and humanitarian organisations have not made complementary programming a priority is the lack of available evidence on the connections between cash transfer programmes and financial inclusion.[85] Studies linking cash transfers and meaningful digital inclusion use cases are also virtually non-existent. This case study provides early qualitative insights, but there is a long way to go. Humanitarian organisations, MNOs and technology providers should seek to bolster the evidence by designing interventions with digital and financial outcomes and measuring their success.

8.3 Considerations: technology and recipients

a. Conduct comprehensive training on digital literacy, including risks. Given that recipients of cash transfer programmes tend to be the most vulnerable in affected communities, additional training will likely be needed to ensure they can use unfamiliar new technologies and associated services effectively. This training should also include guidance on how to reduce potential risks, for example, what to do if an agent asks for bribes, how to prevent fraud and using flexible feedback mechanisms.

Box 14

Arifu: a chatbot that improves financial literacy

Arifu is a chatbot platform that uses SMS messaging to teach refugees about financial management, including savings, budgeting and mobile money. For a project with UNCDF in Nyarugusu Camp in Tanzania in 2017, Arifu developed a relatable persona that refugees could chat with by dialling a code from any type of phone (a smartphone and the internet are not required). The chatbot on Arifu's learning platform not only helped refugees build their financial literacy skills, but also their digital literacy and awareness of mobile money.[86]

85 Mercy Corps conducted a series of three studies focusing on cash transfer linkages to financial inclusion in humanitarian contexts, Can E-transfers Promote Financial Inclusion in an Emergency: Three Case Studies (2017). However, there is limited research beyond this study.

86 More information on Arifu's pilot with UNCDF in 2017 can be found here.

b. **When KYC issues arise, coordinate advocacy efforts with MNOs.** Coordinated cross-sector advocacy efforts can encourage governments to create more enabling policies and regulations for displaced populations. This could include suggesting clearer guidelines on what identification is acceptable for forcibly displaced persons to access mobile services, which would help ensure that a critical mass of affected people have access to an acceptable form of ID.[87] Recent policy changes have been seen in Uganda where refugees can now use attestation cards to register mobile money accounts.[88,89]

c. **Consider innovative financing schemes for more vulnerable target groups.** If cash programme recipients do not own a phone (see Annex 2: Pakistan), consider implementing innovative financing schemes that reduce the initial cost outlay[90] and help them spread out the cost of phone ownership[91] over time.

d. **Dedicate resources to collecting, sharing and storing accurate client information to ensure data privacy**.[92] Humanitarian organisations that can provide accurate client data seamlessly help MNOs to disburse messages to the right clients in a timely manner and optimise cash programming.

e. **Create robust and easy-to-use frameworks to assess the feasibility of payment modalities.** Different types of modalities (e.g. mobile money, e-vouchers) cater to different contexts, and mobile money is not always the most appropriate intervention, especially if a rapid response is required. Undertaking a comprehensive feasibility study that includes, but is not limited to, the characteristics outlined in Boxes 4 and 15, is essential.

Box 15

Supporting data for feasibility assessments

To understand existing mobile money deployments, the mobile ecosystem and the regulatory environment in a particular country context, GSMA open source data can provide valuable information and insights.

- The GSMA's Mobile Money Metrics site provides regional data on mobile money availability, accessibility, adoption and use. Users can explore and download the Mobile Money Deployment Tracker, which details the services offered in the country of operation and the providers.
- The GSMA Mobile Money Regulatory Index provides information on conducive regulation for mobile money services in over 80 developing countries. For global statistics and analysis of mobile money, the **GSMA Mobile Money programme** publishes the *State of the Industry Report on Mobile Money* every year, which contains important macro statistics.
- GSMA's Mobile Connectivity Index measures the performance of 165 countries — representing 99 per cent of the global population — against key enablers of mobile internet adoption: infrastructure, affordability, consumer readiness and content and services.

87 See GSMA Policy Note: Enabling Access to Mobile Services for the Forcibly Displaced.
88 In August 2019, the Uganda Communications Commission (UCC) issued a directive to MNOs to recognise the UNHCR Refugee Family Attestation as a valid form of ID for refugees to obtain SIM cards.
89 GSMA (2019), The Digital Lives of Refugees: Lessons from Uganda.
90 See examples here: GSMA (2017), Executive Summary: Accelerating affordable smartphone ownership in emerging markets.
91 Note that barriers to phone ownership are complex and wide ranging, and overcoming the affordability barrier is only one piece of the puzzle. See Figure 7, GSMA (2019), The Digital Lives of Refugees.
92 More information here: CaLP (November, 2019) Consent and ownership in the shift to digital cash and voucher assistance

8.4 The future of mobile money-enabled CVA

The IRC's objective for using digital payments was to *"improve the speed, scale and operational efficiency of cash delivery, to effect better outcomes for clients, to do so in more secure and accountable ways."* Although this case study provides early evidence for several of these outcomes, specifically the mobile money modality, there is still some way to go.

This section poses questions on the future of mobile money-enabled CVA. For humanitarian organisations that share a vision of digitising and scaling up cash assistance to meet the needs of crisis-affected populations, answering these questions is vital.

1. **How can humanitarian organisations ensure they embed private sector specialists across their organisation?** Specialists who understand the language and operations of the sector and have deep knowledge of different technologies will play a key role in strategic and operational decision making about the most appropriate modalities to use in different contexts.
2. **How can humanitarian and private sector actors coordinate more effectively around digital cash in-country?** How can they learn from each other and what are the best ways to share knowledge[93] to avoid reinventing the wheel? How can both sectors better understand each other and leverage each other's core expertise?

[93] Although cash working groups exist in a number of countries, they often do not convene private sector players, which means they are often left out of the conversation.

3. **What is needed to consider the digital ecosystem holistically?** Rather than working with an MNO on one service offering at a time (e.g. a mobile money bulk payment for one transfer or SMS messages related to WASH), how can humanitarian organisations streamline mobile-enabled services for both clients and the organisation at large? How can they leverage mobile channels (e.g. SMS, interactive voice response (IVR), voice) for cash programming to ensure recipients receive cash in a timely manner while providing additional forms of assistance related to other outcome areas (e.g. health or education)? Consolidating contracts to use a full suite of mobile service offerings can reduce inefficiencies for humanitarian organisations and build the business case for MNOs (see Figure 3).
4. **How can the humanitarian and private sectors collaborate to ensure digitisation includes all segments of vulnerable populations?** How can they address the digital access and usage gaps[94] in the contexts where they work and design services that reach all vulnerable populations and are inclusive for all users? Can the humanitarian sector dedicate more time to digital and financial literacy training and research to ensure cash programming leads to meaningful financial inclusion outcomes?
5. **How can humanitarian organisations create partnerships that promote accountability and transparency?** How can organisations ensure that the sensitive data they collect and share with MNO partners is secure, respects client privacy and is based on informed consent?[95] How can the sectors improve understanding of informed consent? How do they weigh the potential risks of digitising client data against the potential gains?[96]
6. **Can humanitarian organisations work with development actors to achieve broader, long-term development goals?** Do humanitarian organisations have appropriate resources for long-term planning and, if not, will donors support this need? Given the protracted nature of many crises, will humanitarian organisations be willing to invest time and resources to ensure digital cash programming is linked to social safety net programmes (led by development agencies), and will donors support this vision?

Questions like these, and the responses they elicit from the humanitarian sector, will shape the future of humanitarian assistance. Proper and careful consideration of these questions can help create a more equitable future in which aid is delivered safely, transparently, efficiently and effectively. The GSMA Mobile for Humanitarian Innovation programme looks forward to contributing to this space and helping humanitarian organisations achieve their digital goals.

[94] GSMA (2019), Bridging the mobile gender gap for refugees.
[95] More information here: CaLP (November, 2019) Consent and ownership in the shift to digital cash and voucher assistance.
[96] ICRC (2018), "Digital trails could endanger people receiving humanitarian aid, ICRC and Privacy International Find".

Annex 1: Methodology

Data gathering tools and participants reached

	Key informant interviews	Focus group discussions
Headquarters	15	N/A
Burundi	11 (4 IRC)	2
Jordan	7 (5 IRC)	2
Pakistan	8 (5 IRC)	3
Chad	3	N/A
Cameroon	3	N/A
Kenya	2	N/A
Total	49	8

Focus group discussions

A series of in-depth focus group discussions (FGDs) were conducted with refugees and host community populations in four locations in three countries: Burundi (Bujumbura and Makamba), Jordan (Za'atari refugee camp) and Pakistan (Dadu, Sindh). FGDs were used to explore mobile access and use (particularly of mobile money) and clients' experiences and perceptions, both positive and negative, of receiving cash assistance using mobile money.

Participatory methods, such as group discussion and interactive exercises (e.g. drawing/writing and Blob Tree exercises),[97] were used to elicit active discussion of experiences and encourage storytelling. FGDs followed a semi-structured template of questions and were conducted by GSMA research teams in Jordan and Burundi and a specialist consultancy in Pakistan. Discussion groups lasted approximately 60 minutes. The research team worked with the IRC to identify and mobilise participants. They ensured there was demographic representation of their clients and different types of phone access and use.

Key informant interviews

A combination of remote and in-country interviews were collected for each location. Participants were predominantly IRC staff, other humanitarian agency staff (UNHCR and key partners) and MNO staff.

[97] Blob Tree: https://www.blobtree.com/

Annex 2: Country case studies

Burundi

Context:
Mobile money providers courting the humanitarian sector

The mobile money ecosystem in Burundi is still relatively nascent in terms of diversity of use cases, especially compared to neighbouring East African nations like Kenya and Uganda. **However, humanitarian organisations are increasingly leveraging mobile money for CVA programmes,** and Burundian MNOs are actively pursuing business with the humanitarian sector.

> *"Telcos have opened up people's imagination about mobile money...banks will only serve customers if they come in. They're not competing for business of NGOs (as they) won't go to remote areas."* **(UNHCR Burundi)**

Thanks to an enabling regulatory environment in Burundi, refugees can use their refugee cards[98] as a form of identification to register for SIM cards and open mobile money accounts.[99] Burundian returnees who arrive at transit centres without an ID are provided with a *carte d'attestation* — a temporary document attesting returnees' nationality and intent to return. As a result of lobbying by MNOs and the humanitarian sector, this card can also be used as ID to register SIMs and mobile money services.

IRC Burundi, in partnership with Econet Leo, has completed two mobile-money enabled CVA programmes — cash for basic needs and grants for businesses — for vulnerable host communities and Congolese refugees.

Location	Client type	Number of clients	Start date	End date	Number of transfers	Transfer amounts
Bujumbura	Urban refugees	252	March 2017	February 2018	8	$34.50
Makamba	Rural households	349	December 2016	January 2019	6	$33.50
Muyinga	Rural households	389	February 2019	November 2020	1	$6.20
Refugee camps: Musasa and Kinama	Young women (18–25 years)	40	January 2019	December 2019	1	$5.30

Strategy and motivation: coordinated collaboration and a drive for efficiency

To make the shift to mobile money, IRC Burundi fostered closer cross-department collaboration, from supply chain to finance, and relied heavily on the expertise of the cash technical adviser at HQ.

> *"We needed to involve everyone: supply chain, finance, IT – everyone needed to be involved to have a common understanding… supply chain helped to identify service providers. Finance was involved (at) payment (of) transfers."*
> **(Acting ERD Coordinator, IRC Burundi)**
>
> *"Cash technical assistants (TA) provide support because they are experts…. I speak with my TA each week…about implementing the project, finding financing, strategy of the program…SOPs for cash."* **(Acting ERD Coordinator, IRC Burundi)**

Mobile money was chosen over other digital FSPs, as it not only makes cash transfers easier (in part due to MNOs' willingness to operate in remote areas), but also **provides recipients with greater dignity and choice.** From a practical standpoint, mobile money has also been found to be safer and more transparent than other modalities.

> *"It reduces the risk (of) theft. If we distribute to our beneficiaries and all their neighbours know this is happening, it's a greater risk for them and it's a greater risk for our staff. Second, even some staff members could steal the money. So in general it's to make sure it's secure."*
> **(Technical Staff, IRC Burundi)**

[98] Refugee cards are issued by the Burundian Government: the Office for the Protection of Refugees and Asylum Seekers in Burundi.
[99] UNHCR and GSMA (2019), Displaced and Disconnected.

Strategic partnerships: more than just a service provider

The humanitarian need in Burundi is significant, making the delivery of assistance one of the country's biggest industries. As a result, the humanitarian sector presents a high-value proposition for MNOs. **This context has facilitated a strong partnership between IRC Burundi and Econet Leo through its MFS business, Cassava Fintech Burundi.** Econet Leo sees clear value in providing a quality service while the IRC has been clear about its requirements and provides Econet Leo with all the information it needs to make a transfer well in advance.

Econet Leo worked closely with the IRC to ensure operations ran as smoothly as possible and challenges were alleviated quickly. Specific services included:

- **Providing training and support to register clients,** including digital literacy (e.g. how to use your phone), managing asset training (e.g. don't take your phone out in the market), how to access and use mobile money services and what to do if an agent is behaving inappropriately (e.g. asking for payment for a service that is free).
- **Clear communication channels between IRC Burundi and Econet Leo** enabled the IRC to contact Econet Leo if they needed more agents or encountered liquidity issues. Meanwhile, Econet Leo sent a report to the IRC the day after each transfer that included basic client information (name, phone number and transfer amount) and the ability to request more information if required.
- **Robust liquidity management** as Econet Leo has partnerships with two banks.

> *"When we need them (Econet Leo) they are available. When we need to do a distribution, for example, need to verify the list, they do it in a reasonable amount of time. They are reactive."*
> **(Acting ERD Coordinator, IRC Burundi)**

Building a bridge between humanitarian and development objectives: World Bank social safety net programme

As the line between humanitarian assistance and development blurs due to the protracted nature of crises, it is important to connect the complementary goals of humanitarian and development organisations. This could further improve operational efficiencies and provide revenue opportunities for MNOs. A World Bank-funded social safety net project is doing just that.[100] After seeing the success humanitarian organisations had working with MNOs, the Government of Burundi was inspired to do the same. Targeting the most vulnerable households in Burundi, the government is working with Econet Leo to make transfers to over 50,000 households in four provinces, primarily targeting families with children under 12. The pilot started in April 2018 and will provide 15 payments over the course of 13 months.

[100] World Bank (2016), Burundi – Social Safety Nets Project.

Cameroon

Context:
The IRC kick-starts mobile money-enabled cash assistance

Mobile money is prevalent in Cameroon, but **the IRC was one of the first humanitarian organisations to use it for CVA programmes.** Its first partnership was with Orange to deliver cash aid to communities affected by Boko Haram. Many other NGOs have since followed, leveraging mobile money to deliver cash aid to crisis-affected communities. Today, IRC Cameroon has **five live projects using mobile money for CVA, partnering with Orange and MTN.**

Strategy and motivations: feasibility and client preferences

Like other country offices, IRC Cameroon's switch to cash was driven by the IRC's global commitment to consider cash for humanitarian assistance, when appropriate. Mobile money was chosen as the modality for CVA transfers because it was considered the most feasible to operationalise and was also the clients' preferred modality.

Identity challenges: Ensuring all recipients are included

During the initial roll out of mobile money, it became clear that some clients, particularly the most vulnerable and IDPs, did not have the requisite identification documents to satisfy KYC regulations for opening a mobile money account. To overcome this challenge, the IRC convened a meeting with key stakeholders, including local authorities, to create an alternative. Those without adequate ID could use the ID of another community member, with their permission, to open an account and receive their cash. The local authority and person providing the ID both sign a document outlining the agreement, with the latter signing with the full acknowledgement they would receive no aid.

Implementation of risk mitigation strategies

The implementation of mobile money-enabled CVA comes with unique challenges not often associated with delivering cash in hand.

> *"(There are) some really insecure places where we are working, risks are high in general."* **(IRC Cameroon)**

Before starting a cash assistance programme, IRC Cameroon conducts a risk analysis, mapping out potential risks and creating a mitigation plan to address the risks identified. For instance, when women receive transfers this can disrupt household dynamics, so training sessions are conducted alongside distribution to minimise this risk.

MNOs also have robust mechanisms in place to mitigate risk, particularly fraud.

> *"We can never eliminate fraud risk completely, as there are risks on the side of the MNO and the partner, but based on past experience we are taking all steps and mobilising significant resources to mitigate any issues and risks."* **(MTN Cameroon)**

Strategic partnerships: learning from experience

As in the initial implementation stages of any new modality, unanticipated challenges arose with the IRC's first mobile money-enabled CVA project. One challenge was that double payments were occasionally made to clients due to human error or connectivity issues. The IRC has learned from these early challenges and built more stringent technical requirements into its contracts.

As MNOs in Cameroon have stronger coverage in different regions of the country, the IRC decided to contract MTN for new projects in other regions of Cameroon. Their contract outlined technical requirements in more detail, for example, MTN agreed to **block SIM cards** that were lost or stolen and they also had **staff present in the regions where transfers were happening to ensure they were ready to support clients,** improving their ability to resolve issues that arise.

> *"When we have challenges, MTN brings us solutions."* **(IRC Cameroon staff)**

Feedback mechanisms: Ensuring client participation throughout

To ensure the experiences of clients are heard and integrated in cash assistance programmes, robust feedback mechanisms have been put in place.

Before rolling out its first cash assistance programme, the IRC conducted a feasibility study that found clients preferred mobile money. A post-distribution evaluation in March 2019 found the results to be positive, with 68 per cent of people interviewed stating that they preferred mobile money.

Feedback mechanisms at the local level:

- **Suggestion box** to collect information
- **Focus group discussions** (FGDs)
- **Hotline** dedicated to receiving feedback
- **Complaint management committees**

Chad

Context: Affected communities familiar with mobile money

Two mobile money providers have been operating in Chad since 2012: Airtel Money and TigoCash. IRC programme staff reported that clients generally have access to a handset in their household and are familiar with mobile money. In IRC's pre-disbursement focus group discussions, clients stated that their preferred way to receive cash assistance was mobile money.

IRC Chad began cash programming in 2014 using three types of modalities for distribution: mobile money, e-vouchers and hawalas.[101] There are currently two IRC cash assistance programmes in Chad: one in the east of the country that initially used hawalas and two in the west that used mobile money. Today, the programmes in the west have transitioned to e-vouchers and hawala due to difficulties encountered with mobile money. Both projects adopted a protection-based approach, targeting female-headed households or survivors of gender-based violence.

Location	Client type	Number of clients	Start date	End date	Number of transfers	Total transfer amounts
Fouli/Lac	IDPs/host population	1,675 households/ 10,050 individuals	July 2018	June 2019	4	$301,500
Fouli/Lac	IDPs/host population	450 households/ 2,700 individuals	April 2018	March 2020	4	$81,000

[101] Note: Hawala is a traditional system of transferring money whereby the money is paid to an agent who then instructs an associate in the relevant country or area to pay the final recipient.

Perceived operational benefits

In addition to satisfying client preferences for mobile money, the modality offered additional benefits to the IRC. Programme staff noted they had expected mobile money would improve:

- **Traceability and accountability** of cash payments;
- **Security** – even if clients lose their SIM cards, the money will remain in their account;
- **Communication** with recipients;
- **Efficiency** – the cost of distribution is lower; and
- **Reduced risks** for programme staff.

Preparing for roll-out

IRC Chad hired two technical staff to work specifically on programmes that used mobile money for cash assistance. These staff members were the points of contact between the IRC and Tigo, IRC Chad's mobile money provider. IRC Chad was also in regular contact with its technical assistant at IRC HQ to develop SOPs and receive training in cash programming and cross-departmental collaboration.

The final scope of work (SOW) between the IRC and Tigo outlined Tigo's responsibilities, which included distributing PIN numbers and training recipients. IRC Chad and Tigo worked together to distribute SIM cards in the field and deliver training on digital literacy and mobile money.

Operationalising mobile money: challenges outweighed the benefits

Despite this preparation, challenges arose that led to the eventual discontinuation of mobile money as a modality. The main challenges were:

1. **A disconnect between Tigo employees in the field and Tigo HQ.** This resulted in poor communication and an inability to respond to challenges in a timely manner, exacerbating problems and causing delays.
2. **Liquidity.** Tigo agents accessed physical cash from local traders, which created challenges because many traders only had access to Nigerian Naira, given their proximity to the Nigerian border, and not Central African Francs, which the local population preferred.
3. **Technical challenges.** There were reports of blocked SIM cards, missing transfers and incorrect PINs.
4. **Intermittent mobile connectivity.** This limited the availability of mobile money services and increased the risk that recipients could not access their assistance when needed.

Tigo improved their services through the course of the partnership, increasing their responsiveness and capacity to respond to technical challenges. Despite these efforts, the improvements were not sufficient to continue using mobile money for cash disbursements. Ultimately, the IRC decided to switch to e-vouchers to meet operational and programmatic needs and targets.

Documenting lessons for future programming

In post-distribution monitoring, most recipients — primarily women — reported that they would have preferred cash in hand because technical issues led to delays in receiving their cash assistance. The IRC also conducted a 360-degree evaluation at the end of programme to document challenges, lessons learned and steps going forward. In any future engagements with MNOs, the IRC should apply these lessons and consider mapping out specific mitigating measures to avoid repeating challenges. Ideally, these would be used to design minimum service level agreements (SLAs) that enable the delivery of a timely, high-quality service. This is particularly important when working with often-underdeveloped infrastructure, as in Chad where challenges are exacerbated and the measures needed to overcome them become more difficult to implement.

Jordan

Context: Transitioning to mobile money payments

Despite nascent mobile money use in Jordan in both the general population and the humanitarian context, the IRC and several other humanitarian organisations are switching from cash-in-envelope disbursements to mobile money. IRC Jordan will initially pilot a mobile-money enabled CVA with **18 incentive workers (volunteers) in Za'atari refugee camp,** with the eventual aim of a wider roll-out to pay additional incentive workers and provide assistance to CVA recipients in other camps and urban areas, where appropriate.

IRC Jordan is in the process of contracting a mobile money provider to enable payments to recipients. It plans to contract both a primary and secondary supplier — the latter will be used if, for example, unresolvable issues arise between the IRC and the primary MMP, or the IRC plans to roll out mobile money to areas where the secondary MMP has better mobile network coverage or a more robust agent network.

Motivation for the switch

1. **Enhanced safety and reduced risk:** Transferring cash via mobile money is safer than liquidating over 20,000 Jordanian dinars in a central location and travelling with cash to camp locations.

> *"Mobile money will make (the distribution of cash) easier, as we will not have to carry cash...we will have more time to dedicate to other aspects of our programme."* **(IRC Jordan)**

2. **Potential for financial inclusion:** Due to regulations in Jordan, refugees generally cannot access full-fledged bank accounts. As a result, the IRC is forced to adopt a gift card approach that limits services to only cash-out (or payments at merchants where available). This increases the potential benefits and feasibility of mobile money for cash disbursements as it offers the potential for greater financial inclusion. A mobile money account will enable recipients to both withdraw and deposit cash, and open access to additional financial services they would otherwise be excluded from.

> *"A mobile money account is like creating a bank account, which (refugees) aren't able to do in Jordan...a small bank account where (refugees) can use their own authority and use their money how they want...to use, maybe save, cash-out or transfer to another person."* **(IRC Jordan)**

Client access to mobile phones and perceptions of mobile money

Because mobile money disbursements had not started at the time of research, FGDs focused on: 1) understanding IRC **clients' general access and use of mobile phones;** and 2) **gauging perceptions of the potential benefits and challenges** of receiving assistance via mobile money.

Recipient access and use of mobile phones

Although most respondents owned or had access to smartphones, some did not, and this had implications for the mobile money services that would be available to them on roll-out,[102] and could also limit the potential for financial inclusion.

Perceived potential benefits and challenges of mobile money

Many of the participants' only exposure to mobile money was through stories from friends and family. The concept of mobile money, particularly the potential benefits, were new to many of the participants. Once understood, the perceived benefits were similar to those in other contexts where mobile money is operational: **greater feelings of safety and security** and expected **positive behaviour change** in how finances are managed.

One unique potential benefit that came through strongly in the FGDs was the use of mobile money agents. The idea of visiting a mobile money agent in person was new, as mobile money operations in Za'atari at the time of research used an ATM as the mechanism for withdrawals with no physical agents present. The mobile money service proposed by IRC Jordan will use the traditional, more commonly used format of in-person agents, the backbone of many mobile money services across the world. FGD participants were enthused at the prospect of having a person available to help, especially with potential challenges like blocked mobile money accounts or liquidity challenges associated with low currency denominations.

[102] According to Dinarak, with a smartphone, recipients will be able to access all services through Dinarak, including cash-ins, cash-outs, P2P and bill payments. If participants do not have a smartphone, the services will be limited to feature phone functionality, i.e. cashing out inhibits access to other services available via Dinarak's smartphone app.

Forging strong partnerships, from RfPs to implementation

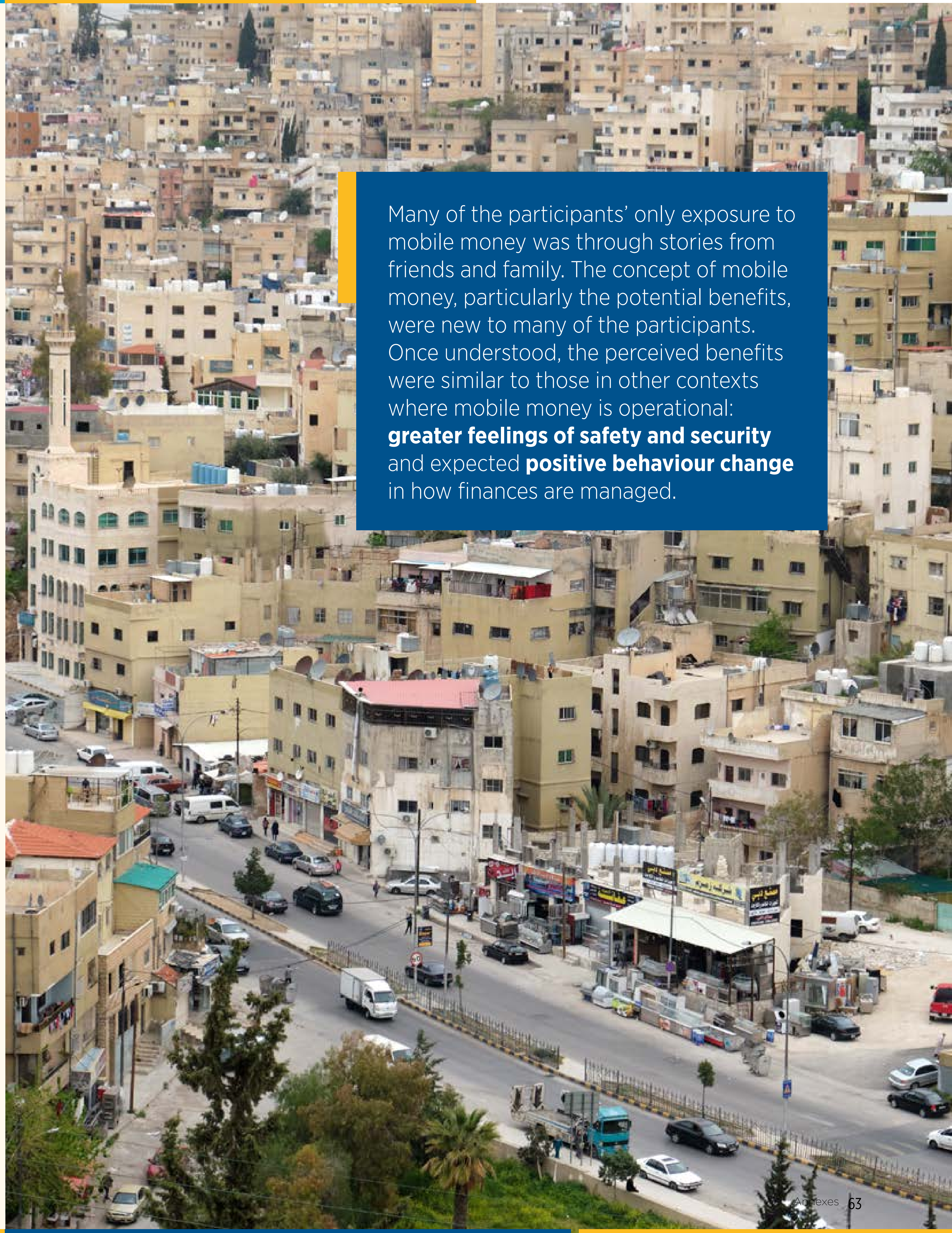
IRC Jordan's **MMP partner (Dinarak)** is committed to actively engaging in initiatives and projects that serve vulnerable populations in Jordan, with a particular focus on women, low-income Jordanians and refugees. Dinarak provides services to the IRC and other humanitarian partners at a lower rate than their commercial operations. Dinarak is also committed to supporting the IRC in **registering and training recipients** to use their services, including financial and digital literacy, as well as **training IRC staff** to manage their services (e.g. how to use the payments dashboard and initiate payments). **These preparatory steps should increase the chance of perceived potential benefits of mobile money translating into actual benefits,** both for recipients and IRC operations.

"(Training) is always part of our service – it doesn't make sense to disburse without financial training, it's not going to work, so this is a win win situation." **(Dinarak, Jordan)**

Dinarak identified three areas of improvement for the tendering, procurement and contracting phases: provide feedback to improve future proposals, supply sufficient information to price services correctly and take the time to understand Jordan's mobile money ecosystem before requesting services.

IRC Jordan also identified changes they would make in the future, including **conducting a thorough market assessment before issuing an RfP, hiring a mobile money expert** to lead the market assessment and create specifications for the services required and **standardised RfPs** for easier review.

"If I don't prepare well on that side of the equation, I will start discovering inconsistencies and lack of standardisation in the way I receive the offers." **(IRC Jordan)**



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Kenya

Context:
Best in class

Mobile money use in Kenya is pervasive and has grown from strength to strength since the launch of M-Pesa, Safaricom's mobile money service, over 12 years ago. Kenya has one of the most mature mobile money services in the world, both in terms of volume and value of transactions and diverse use cases. Almost all IRC Kenya's client payments are made via mobile money, a reflection of the maturity of the country's mobile money ecosystem. Given the high penetration of mobile money and the ubiquity of agents, the Kenya country office did not need to establish an official partnership with Safaricom. However, if the IRC wants to enter a formal partnership with Safaricom, interviews with the IRC Kenya team suggest that procurement issues will need to be overcome on both sides.

IRC Kenya is a unique case and stands out as a best practice model, given that about 98 per cent of payments are made digitally. The overwhelming majority of payments to staff and clients are made via M-Pesa with the remaining two per cent paid via wire transfer or bank transfers.[103]

> *"Mobile money (is) seen as best because of (its) efficiency (and the) risk involved with cash in envelope/handling cash and respecting privacy. It gives clients flexibility — to handle their cash however they choose to; efficiency — less paperwork; accountability — ensuring that the right amount is sent to the right person — both from IRC and client side."* **(IRC Kenya)**

[103] The two per cent represents the small minority unable to access digital services, such as those in very remote locations.

There is currently one cash intervention in IRC Kenya's livelihood programme: **a business enterprise track that provides business grants to clients of up to USD 500 for new businesses and USD 700 to develop an existing business.** Clients have access to two types of grants: a Business Enterprise Support Grant for individuals starting or investing in a business or a Seed Capital Grant for village, savings and loan associations (VSLAs) that is available to lend to members. Other organisational and programmatic payments are also made via M-Pesa, such as a lunch allowance paid to attendees of a women's awareness training session, childcare support paid to women with children under the age of three or any other care arrangement while the mother participates in the livelihood activities.

KYC regulations for refugees: working around identity challenges

Refugees in Kenya are required to have a government-issued ID card or a passport to open a mobile money account, but at times the regulation is unclear.[104] Some refugees the IRC Kenya business grant serves (mainly based in Nairobi) do not have the necessary ID documents, but have found a way to access the service. Those without mobile money accounts can nominate friends or relatives with accounts. IRC Kenya then requires clients to sign a consent form that allow it to verify the nominated mobile money recipient's details for the grants. Once funds are disbursed, the client (who does not have a mobile money account) is asked to confirm they have received the grant funds. This workaround reflects a desire for people to access the business grants and a willingness to use mobile money, likely because the service is so easy to use in this mature ecosystem.

Feedback mechanisms

IRC Kenya has implemented a variety of reactive and proactive feedback mechanisms to improve operations and positive outcomes of the business grant programme. These include:

- A dedicated person to manage client feedback;
- A proactive response to clients, including FGDs and other feedback mechanisms; and
- Monthly monitoring and on-the-spot mentoring for clients who need it.

The IRC's aim is to create feedback mechanisms that are available and accessible to their clients and, most importantly, are discreet. One such mechanism is a suggestion box, situated in a central location where many people can access it. However, some may be uncomfortable being seen using it.

To overcome the lack of discretion associated with some types of feedback mechanisms (e.g. FGDs), **IRC Kenya has partnered with Echo Mobile to send bulk SMS with codes unique to IRC Kenya.** This unique code enables the IRC to cover all associated charges, so that even without airtime on their phone, clients can provide feedback and send enquiries. Following an automated response, they receive a full response within seven working days. If the IRC is not equipped to respond to the feedback or request, the client is directed to the right contact/organisation.

[104] UNHCR and GSMA (2018). Displaced and Disconnected.

Pakistan

Context:
Mobile money relatively prevalent but over-the-counter transactions (OTC) prevail

The penetration of mobile phones in Pakistan is relatively high and the infrastructure supporting mobile money is strong. A large proportion of IRC digital payments are made via mobile money although transfers are not mobile money account-based. Instead, transactions such as cash-outs and bill pay are made over-the-counter (OTC) through a mobile money agent. While the potential benefits of a mobile money account (e.g. access to other digital financial services) are lost, the OTC model enables access to those who do not have a phone, which, in the contexts where IRC operates, often means women.

> Mobile money has been one of the modalities used by the Pakistani government for its flagship social safety net programme, the Benazir Income Support Programme (BISP). The programme has supported 5.4 million people, with a focus on women, through various initiatives, including unconditional cash transfers.

KYC regulations in Pakistan

For the flood-affected populations we spoke with in Pakistan, KYC regulations were not a major barrier. Since 2018, Pakistan's regulation has required biometric fingerprints at cash-out and the majority of recipients have a computerised national identity (CNIC) card that satisfies the requirement. Clients that do not have a CNIC (a small percentage) are given physical cash.

Number of clients	Information on cash transfer	Number of transfers	Value of transfer
392 in FY2018 / **1,251** over project life	Cash for basic needs	3	$65.40 per transfer **Cash for work:** $5 per day for skilled worker and $4 per day for unskilled worker
1,028	Cash for basic needs	1	$101

Motivation: Embracing speed, ease of use and flexibility

Mobile money was found to be only marginally faster than delivering cash to clients using cash vans, a modality the IRC initially used in areas where FSPs physically deliver cash to clients. However, the security risks associated with transporting vans of cash to remote locations, in combination with organising potentially large groups of recipients to gather in one area to disburse cash, favoured the use of mobile money where appropriate. In addition, mobile money was seen to be more cost efficient, transparent, traceable and, importantly, dignified for refugees, giving them flexibility to withdraw cash when it was convenient.

IRC Pakistan works in remote areas with poor network coverage and high levels of poverty, making digital humanitarian assistance challenging. These challenges are compounded by restrictive social norms that affect women's access to services in particular, as well as low levels of mobile phone ownership and low literacy levels. However, through extensive mobile money pilots in 2016 and 2017, and a robust partnership with Telenor Easypaisa, IRC Pakistan has been able to overcome many of these challenges.

Strategic partnerships: Ingredients for success

Telenor EasyPaisa and IRC Pakistan have an excellent working relationship, with both parties addressing issues before they arise. For instance, understanding that contracting processes can be lengthy, the IRC and Telenor began the process of renewing their contract two months in advance. They also incorporated lessons from the pilots and additional requirements for both partners in the contract. For example, Telenor now ensures that undelivered SMS are re-sent and that agents have sufficient liquidity in their areas of operation. The IRC informs Telenor of disbursement dates in advance to facilitate agent liquidity management.

> *"We work on client requests as much as we can. If IRC wants (to work in) a certain region, with high volume disbursement, and we know their plans (beforehand), we are able to respond. We work with our S&D (sales and distribution) department to move agents to the nearest location."*
> **(Telenor Easypaisa)**

Shifting focus: Long-term vision for CVA recipients

The IRC uses the OTC model to disburse cash for two key reasons:

- The short-term nature of IRC cash assistance reduces the attractiveness of setting up mobile money accounts for recipients; and
- OTC is an easier method to get assistance to recipients quickly and in a way they understand.

While OTC transactions are more common in Pakistan, the mobile money industry continues to actively promote the use of mobile money accounts.[105] Once that transition takes place, clients will be able to take advantage of the additional benefits of a mobile money wallet, such as transferring money to others and paying for goods and services digitally. Clients cited the challenge of travelling to disbursement sites under the current OTC model. This could be resolved through access to mobile money accounts, which in turn would deliver other benefits of digital financial inclusion.

> *"Our target group does not have an understanding of mobile accounts and do not avail it thus we use OTC. But financial inclusion can be helpful for them. In the future, if we do repeated payments then we will definitely go towards mobile account."* **(IRC Pakistan)**

Given the particular vulnerabilities of the populations served by IRC Pakistan, the switch from OTC services to mobile money accounts would take a coordinated effort. It would require IRC Pakistan to shift their perspective towards longer engagement with clients and plan education and training programmes to ensure recipients are prepared to take full advantage of the opportunities mobile money accounts provide.

[105] M. Khan and O. Malik (2017). From OTC to mobile accounts: Easypaisa's journey. Helix Institute.

Annex 3: Digital stages 1 and 2

The IRC Cash Strategy calls for an increase in cash assistance delivered through digital payments. Defining digital payments is therefore key for the IRC to measure progress against this objective. Since there is not one standard definition, and payment systems may have a range of digital characteristics, the IRC has established a clear definition of what "digital transfer mechanism" means to the organization. It is important that this definition align with the IRC's objective for using digital payments: "to improve the speed, scale and operational efficiency of cash delivery, to effect better outcomes for clients, to do so in more secure and accountable ways." Therefore, the IRC defines digital payments in terms of the benefits they provide.

A payment transaction has two key components:

- **A digital backend:** The medium used by the payer (payment provider) to conduct and track payments to clients.
- **A payment instrument:** The medium through which clients receive payments and conduct transactions with local vendors/agents.

These components can be either paper or digital. If digital, they provide benefits to the IRC and potentially to clients. According to the IRC, the benefits of digital payments can be grouped into four categories: enhanced security, increased timeliness, increased accountability and better access to financial inclusion.

From these components, two key factors define whether a payment is digital or not:

- Factor 1: **Payment status and transaction details are reported digitally to the IRC**
  Digital payments allow the IRC to digitally trace (and, in some instances, in real time) when money is being transferred and to whom, which reduces the risk of fraud, allowing faster, more transparent and more secure payments, monitoring and reconciliation.

  This factor requires a digital backend.

- Factor 2: **Beneficiaries can receive, store and use money digitally without having to collect physical cash**
  This factor refers to payment methods that clients can use to make payments directly in local markets without having to collect cash (e.g. prepaid cards can be used in PoS, e-wallets can be used to make transactions directly to vendors). Clients can keep money in an electronic account to be stored and used at any time. This provides greater security as clients do not need to carry physical cash, and provides opportunities for financial inclusion as clients can use the digital account as an informal savings mechanism. This factor does not include broader potential links to financial inclusion due to relatively inconclusive evidence to date.

  This factor requires a digital payment instrument.

Below are some of the payment mechanisms used by different IRC country offices rated against factors 1 and 2 (Table 1).

Payment mechanisms:

- **Cash in envelope:** A set amount of physical cash given directly to clients by the IRC or a third party (e.g. MFI).
  e.g. Central African Republic
- **Paper voucher:** A paper token distributed by the IRC that clients can exchange at contracted vendors for physical cash or goods.
  e.g. DRC
- **Punch card:** A paper voucher on which holes are punched for each instalment. The number and timing of instalments are determined before the punch card is distributed to clients.
  e.g. Nigeria
- **Remittance:** A 32-digit code (Monitoring and Tracking Customer Number, or MTCN) distributed by the IRC that clients can redeem for a set amount of physical cash through specific agents who digitally report the transactions.
  e.g. Burundi
- **QR code on a token/voucher:** A paper token/voucher on which a QR code is printed. After a client collects physical cash at a designated agent, the QR code is scanned by the agent and transactions are recorded digitally.
  e.g. Jordan cross-border
- **Electronic vouchers:** Clients receive chipcards, magstripe cards or codes on mobile phones loaded with specific goods or a set amount to be redeemed at contracted merchants. Merchants are equipped with card readers (deployed by the IRC) that record all transactions.
  e.g. Niger
- **Prepaid cards:** Clients receive chipcards or magstripe cards loaded with a set amount of cash they can use to either make payments at vendors equipped with PoS (not deployed by the IRC) or withdraw physical cash at local ATMs (if cards are enabled with this functionality).
  e.g. Greece
- **Mobile voucher/token (OTC cash-out):** Clients receive an SMS on their phone to be redeemed for a specific amount of cash at designated agents. Clients must collect the entire amount at once over the counter.
  e.g. Pakistan
- **E-wallet transfer:** Clients receive a set amount of digital cash in an electronic wallet that they can use to make payments directly to vendors or relatives or cash-out.
  e.g. Kenya

Table 1: The spectrum of digital payments

	Cash in envelope	Paper voucher	Punch card	Remittance transfer	QR code on a token/voucher	Electronic voucher	Prepaid cards	Mobile voucher/token (OTC cash-out)	E-wallet transfer
FACTOR 1 Payment status and transaction details are reported digitally to the IRC (digital backend)	✗	✗	✗	✓	✓	✓	✓	✓	✓
FACTOR 2 Clients receive, store and use money digitally without having to make payments directly and do not need to collect physical cash (digital payment instrument)	✗	✗	✗	✗	✗	✗ ✓	✗ ✓	✗ ✓	✓
	NON-DIGITAL			**DIGITAL**					
	Paper-based transfers Paper-based backend + paper-based payment instument			**Stage 1: Digital** Digital backend + paper-based payment instument		**Stage 2: Digital** Digital backend + digital payment instrument with cashless transaction options			

Physical → Cashless

As Table 1 shows, a payment mechanism can range from physical cash (no element of the transaction process is digital) to cashless with varying degrees between. However, three distinct categories of payment mechanisms emerge:

Non-digital:

Paper-based transfers

- Cash and vouchers are paper-based instruments that require paper-based tracking of transactions (i.e. distribution lists)

Digital:

Stage 1 Digital

Stage 1 Digital allows for digital tracking of transactions, digital reporting of transaction status and faster reconciliation and controls (client lists and transactions are captured in a digital database). It includes:

- Remittance transfers; and
- QR codes printed on a token/vouchers (These are paper-based payment instruments. An MTCN number is printed on a piece of paper and distributed to clients and a voucher shows the QR code.)

Stage 2 Digital

Stage 2 Digital are transfers that offer both a digital backend (transaction tracking is done digitally) and payment instruments (transactions are conducted digitally), with the possibility that cashless transactions can be conducted, i.e. beneficiaries can conduct transactions without using coins or notes. This includes:

- e-vouchers;
- prepaid cards;
- mobile vouchers; and
- e-wallet transfers.

Table 1 does not present all available payment mechanisms, but rather how to assess whether a payment mechanism is digital or not. **A payment mechanism is considered digital if either of these factors is met.** Although the objective of the IRC's Cash Strategy on Digital Payments is limited to increasing the use of digital payments, it is important to strive for more cashless payment models that fully leverage the benefits digital payments can bring to disaster-affected populations. The IRC will support its country offices to move towards the cashless end of the spectrum when appropriate, and seek to provide the local infrastructure and provider capacity to support it.

Annex 4: IRC training courses

e-learning:

The IRC has developed three self-paced e-learning courses on topics it considers crucial to improving CVA implementation at the IRC. These include:

1. **Cash and Operations** – an introduction to how the roles and responsibilities of operations staff shift when different types of CVA are implemented
2. **Design and Implementation** – focuses primarily on procurement and contracting FSPs for cash programming
3. **Cash at the IRC** – an engaging overview of two must-know IRC resources for CVA: Cash Relief Operating Procedures (CROPs) and the Global Payments Toolbox (GPT).

The first two courses were adapted from the Fritz Institute's *Core CVA Skills for Supply Chain, Finance and ICT Staff* course, with information on IRC-specific policies and tools, where relevant. (Generic versions of these two courses have also been developed and will be available soon on CaLP's Cash Learning Hub.) The third course was developed exclusively for use at the IRC. All courses are available at the Rescue Academy and learners receive a certificate for completing each course.

Digital payments face-to-face training package:

Humanitarian actors are increasingly looking to **digital payment mechanisms,** such as e-vouchers, mobile money and prepaid cards, to deliver CVA. With options for digital payment mechanisms growing steadily, it is important for both programme and operations staff to understand CVA terminology and concepts as well as **specific considerations for selecting, contracting and collaborating with digital service providers**. *Digital Humanitarian Cash: Extreme Operations* is a facilitated five-week online course from the Electronic Cash Transfer Learning Action Network (ELAN) and the Digital Frontiers Institute that provides an excellent starting point.

The IRC has also developed a six-module, in-person training package on the following topics: (1) Deep Dive in Digital Cash Transfers (one-day module); (2) Digital Cash and Programme Staff (one-day module); (3) Digital Cash and Operations (half-day module); (4) Digital Cash and Supply Chain (half-day module); (5) Digital Cash and Finance (half-day module); and (6) Digital Cash and IT (half-day module). The modules can be taken as a bundle or separately, depending on the context.

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For more information, please visit the GSMA website at www.gsma.com

GSMA HEAD OFFICE
Floor 2
The Walbrook Building
25 Walbrook
London EC4N 8AF
United Kingdom
Tel: +44 (0)20 7356 0600
Fax: +44 (0)20 7356 0601