



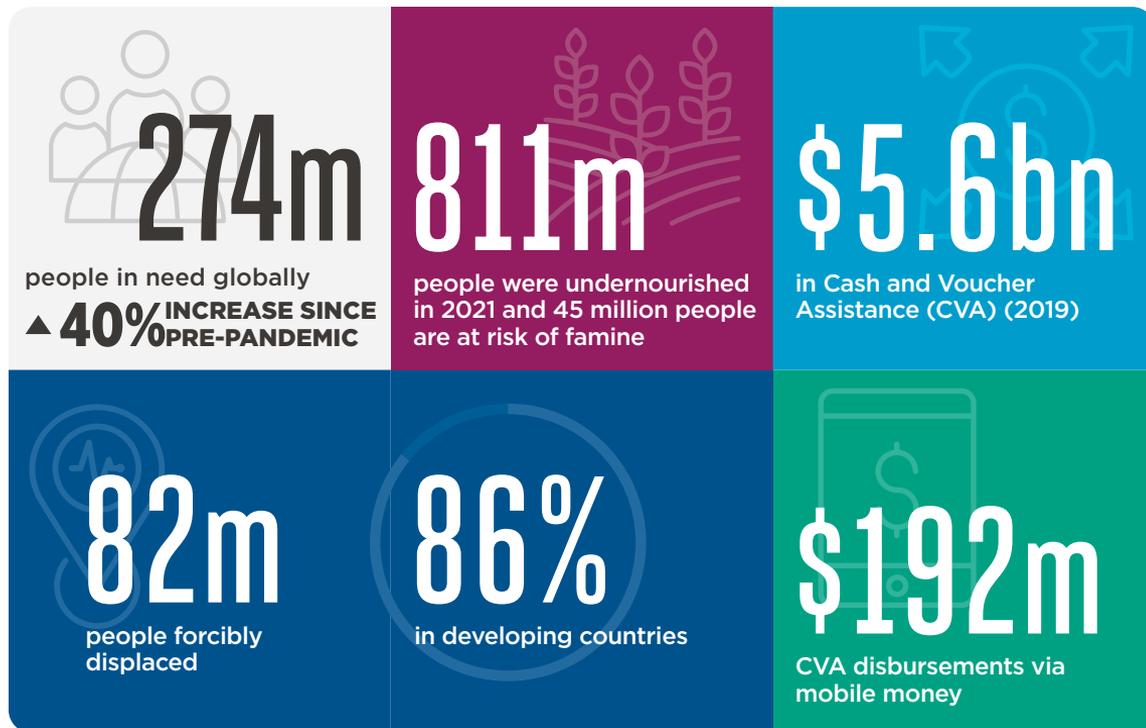
# Mobile Money and Humanitarian Assistance

How open APIs enable a fast,  
low-cost, and secure  
delivery channel

**INCLUSIVE  
TECH LAB**



# Mobile money is facilitating speedier, secure and transparent disbursements, for humanitarian organisations in crisis situations



The GSMA Inclusive Tech Lab conducted a survey with nearly 100 third-party service providers across 12 industry verticals to understand the challenges of integrating with Mobile Money Providers (MMPs).

One of the industry verticals included in the research is the humanitarian sector.

This brief discusses how partnerships between humanitarian providers and MMPs established via open APIs can facilitate cash aid in emergency situations.



# Covid-19 pandemic has caused a rise in the number of people in need of humanitarian assistance, increasing the importance of faster CVA delivery channels...



According to research by GSMA's Mobile for Humanitarian programme, the 2020 outbreak of COVID-19 heightened the global need for humanitarian assistance by exacerbating existing crises and creating new ones. Due to the increasingly complex humanitarian landscape, humanitarians need new ways of supporting communities. Cash and voucher assistance has emerged as a key form of humanitarian support as it can provide greater dignity, choice for recipients as well as strengthen local markets. Today, 17.9% of humanitarian aid is provided in the form of CVA (up from 10.6% in 2016).

## CVA Assistance

Cash

Voucher

In-kind



There are typically two types of CVA recipients:

- Recipients of large one-off payments which are usually disbursed funds to displaced communities in response to disaster emergencies such as floods or earthquakes.
- Recipients of recurring payments which tend to be monthly, for instance, supplementary income to help those on low income.

## Digital CVA

Contact-free

Faster

Secure

Traceable

Transparent



## ...and mobile money as a delivery mechanism can further strengthen the system

Increasingly, mobile money is being used to deliver cash assistance to those in need and it is readily available in many humanitarian settings. There are active mobile money services in 36 of the 44 countries with humanitarian response plans (HRPs) or included in regional refugee response plans (RRRPs) for 2022. Thirty-one of these countries have more than one provider and 19 score 'medium' or higher on the GSMA Mobile Money Prevalence Index, indicating there is adequate adoption, activity and accessibility of mobile money services.

Mobile money can additionally enable access to financial services to populations who may be excluded from formal banking systems. SIM cards are easier to obtain, and as such, mobile money can be an accessible pathway to financial inclusion.

- **Benefits for humanitarian organisations and donors:**  
can increase efficiency, transparency
- **Benefits for end users:**  
greater choice, safety, and access to financial services

**Note:** Mobile money is not appropriate in all contexts. Factors like agent network, liquidity, local connectivity and digital literacy, for example, all need to be taken into account. More information can be found in [M4H's operational handbook for Mobile Money Providers](#).



“Upside to CVA is that it's fast, efficient and empowering. Instead of giving recipients a bag of rice, they get money and can make a choice as to what to buy. You have given them power to make more decisions regarding their life. And what better way than through a mobile account that can also serve as a savings account.”

**Last Mile Mobile Solutions**



# Establishing partnerships with mobile money providers via open APIs brings efficiency to the digital disbursement process...

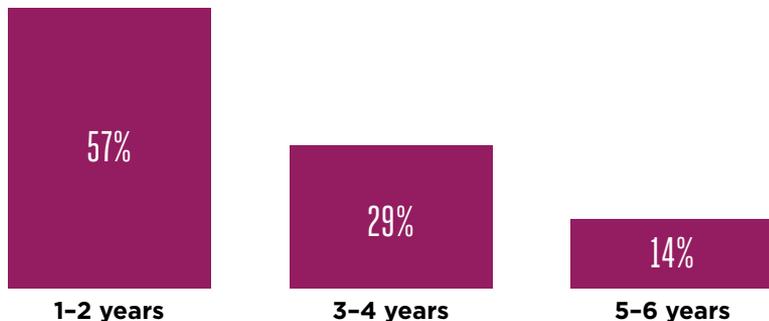


Humanitarian organisations and MMPs have unique and complementary knowledge in crisis situations.

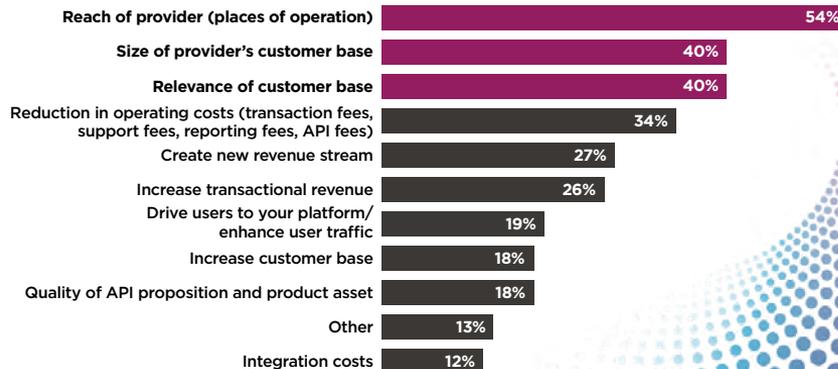
Partnerships between the two entities can make it possible to design context-specific digital interventions. The shift to mobile money-based CVA, accelerated by the pandemic, is resulting in humanitarian organisations increasingly considering integrating with MMPs using open APIs. The integration can speed up the provision of support to target populations by enabling digital-based assistance from multiple MMPs.

In some instances, humanitarian outreach is in non-urban areas, which can prove to be challenging to offer timely responses in emergency situations. Furthermore, some crises are sudden onset and humanitarians need the ability to adapt/respond quickly. As such, humanitarian organisations value the ability to deliver services across geographic areas and engage with those in need in a range of settings. MMPs have the ability to extend access to individuals in remote areas, further strengthening the need for partner integrations.

## Period of time respondents have been using mobile money APIs



## Main factors influencing third-party and MMP partnerships established through open APIs





## ...while also offering a long-term revenue potential for MMPs



Surveyed large humanitarian organisations indicated they would ideally be integrated with all MNOs across various regions to ensure maximum coverage in the areas in which they operate. The level of partnerships established via open API integrations are, however, low. According to these organisations, there exist three main barriers to such partnerships.

### Value for MMPs

MMPs might not perceive a sustainable business case brought on by such partnerships. Most of the end users are in remote areas, where individuals have limited engagement with mobile money use cases and tend to cash out the entire disbursed value.

### Infrastructure

A lack of infrastructure in remote regions could be a factor that limits high usage of mobile money even among interested recipients. For instance, merchants within certain regions might have limitations regarding digital payments acceptance.

### Lengthy and costly integrations

The API integration process is typically lengthy. Humanitarian organisations aim to connect with multiple providers across various regions and cost-effective and quick integrations are important as delivery of their services is time-critical.

### Identifying the value for MMPs

Person-to-person (P2P) transfer, airtime top-up and international remittance are some of the mobile money services used among humanitarian assistance recipients. This further supports a business case for partner integrations with MMPs via open APIs, as it gives the recipients an incentive to continue engaging with the MMP. In addition, this will reduce customer churn, especially in instances of recurring disbursements, as the recipient is likely to continue using the MMP from which their funds are disbursed, even beyond the assistance programme.

Furthermore, the growth of the overall ecosystem mobile money acceptance will increase across various third-party service providers and disbursed mobile money CVA circulates within the ecosystem.



## The lengthy integration processes have been a barrier to connecting to multiple providers via Open APIs...

Humanitarian organisations are realising the benefits of integrating with MMPs using open APIs and this is a business priority for a large number of the survey respondents.

The main drawback to a higher number of partner integrations via open APIs is the length of integration. Owing to the lack of a standardised Mobile Money API, humanitarian organisations have to manage multiple proprietary integrations, which pose further challenges.

### Priority level for integrating with MMPs

#### Strongly agree

58%

#### Somewhat agree

17%

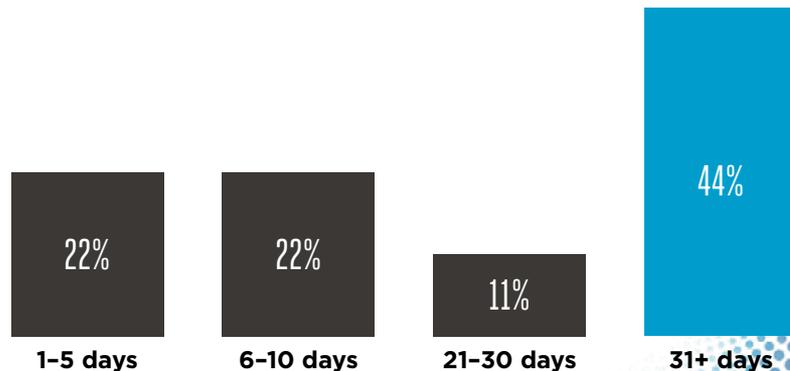
#### Neither agree nor disagree

17%

#### Somewhat disagree

8%

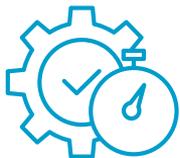
### Length of the overall integration process (business and technical)





## ...however, aggregators have been enabling humanitarian organisations to reach a higher number of mobile money providers

Establishing partnerships with MMPs via open APIs will be a future strategy for most humanitarian organisations. However, the lengthy processes can pose a barrier, and organisations have been using aggregators to access multiple MMPs. Such partnerships have afforded organisations with:



### Efficiency

Enabling access to multiple MMPs through a single API, which reduces the lengthy processes of direct integrations.



### Reach

Increasing the reach by having access to individuals in remote areas, and the ability to disburse mobile money CVA.



### Scale

Expanding the mobile money CVA outreach to various regions without the need of direct integrations with MMPs.

The fees for aggregator partnerships tend to be high and this option is not always appropriate especially as some CVA payments are only disbursed on a one-off basis. In the cases of recurring payments, the disbursements values are oftentimes too low to justify the aggregator costs. According to humanitarian organisations, efficiency in the disbursement process will require as few players as possible; and as such, the organisations would prefer integrating directly to MMPs using a Standard API.



# A standardised API will be more beneficial for humanitarian organisations enabling faster response at lower cost

Currently, most humanitarian organisations have to manage multiple API integrations/connections and associated maintenance issues can be reduced by adopting a standardised API.

Some humanitarian organisations have not integrated with any MMPs, although they are aware of the added benefits to their operators. The lack of a standardised API is seen as a barrier for integration as they will have to integrate with multiple proprietary MM platforms separately, which according to them is not time nor cost-effective. Furthermore, there is a consensus that there is no added value in integrating with separate MMPs for what might be one-off disbursements. CVA providers however, express interest in ensuring they are integrated with MMPs in regions where they focus on recurring disbursements. Such payments can for instance include supplementary monthly income disbursed to individuals over a six to 12-month period.

## API technologies identified as challenges to be resolved

### Standardisation



### Connectivity



### Security



### Other



# 58%

Humanitarian organisations cite API standardisation as the most important technology to be resolved for the future.

A standardised API will address some of the challenges for humanitarian organisations, particularly the issue of having access to a high number of MMPs across the globe, which will enable mobile money CVA to be successfully disbursed.

## Factors that influence CVA providers to adopt standardised APIs

### Faster integration time



### Lower integration costs



### Scalability



### Interoperability



### Improved security



### Reduced multiple API maintenance



### Mobile money API support



### Existing developer knowledge





### Identifying individuals in need of humanitarian assistance

The Covid-19 pandemic heightened the need for humanitarian assistance. As part of its outreach, humanitarian organisation Last Mile Mobile Solutions (LMMS) set up an outreach programme targeting women in a slum in Kenya, who had lost income due to the pandemic. The individuals affected previously worked as cleaners, street sellers and within the tourist industry. In addition, some were also single mums struggling to make ends meet, even prior to the pandemic.

### Disbursing recurring mobile money-based CVA

LMMS set up a programme to disburse funds to the recipients using mobile money over a period of 4-6 months. The organisation successfully implemented the programme due to the fact that they were already integrated with one of the largest mobile money providers in the country, with a wide distribution reach.

In addition to disbursing funds in a fast and efficient manner, there were added benefits of security and transparency in disbursing the funds. LMMS felt most of its recipients were vulnerable members of society and receiving CVA through mobile money offers a certain level of discretion that lessens their level of vulnerability or being targeted for the benefits they receive.



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## GSMA Mobile Money

The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry, and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions, and Outreach. This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work, and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

We invite you to find out more [www.gsma.com](http://www.gsma.com)

Follow the GSMA on Twitter: [@GSMA](https://twitter.com/GSMA)

The GSMA's Mobile Money programme works to accelerate the development of the mobile money ecosystem for the underserved.

For more information, please contact us:

Web: [www.gsma.com/lab](http://www.gsma.com/lab)

Email: [inclusivetechlab@gsma.com](mailto:inclusivetechlab@gsma.com)

### Author:

**Joanne Kumire**, Insights Manager

### Special thanks:

**Zoe Hamilton** and **Matthew Downer**

THE MOBILE MONEY PROGRAMME IS SUPPORTED BY  
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**GATES** *foundation*

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