MOBILE MONEY TRANSFERS
For Humanitarian Assistance & Development Programming:
A Service Provider Perspective

February 2016

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Acknowledgements

Executive Summary

This report summarizes findings from research on how digital payment services providers in Africa have worked with Non-Governmental Organization (NGO) customers to deliver digital payments to their program participants/beneficiaries in the context of providing humanitarian assistance and/or for development programming.

Having already worked with NGOs, and researched their needs and preferences for mobile money bulk payments, this research focused on providing the service provider (SP) perspective on their experiences and perceptions of NGOs as bulk payment customers. The overall aim is to to understand both supply and demand side perspectives on use of Mobile Money Bulk Payments (MMBPs) for humanitarian assistance and development programming in order to build relationships between NGOs and SPs, promote increased use of MMBPs, and identify new approaches and strategies that can lead to smoother deployments.

The research was based on findings gathered through key informant interviews with six digital bulk payment service providers (SPs) including five mobile network operators (MNOs) and one commercial bank, email responses from one SP, and reflections from ELAN members and NetHope staff that have worked in the digital payments space for a number of years. The findings were categorized into the following five thematic areas and are summarized below:

Perceptions of Relief and Development NGOs as Bulk Payers: The SPs interviewed had varying levels of experience working with NGOs, and different perceptions of NGOs as bulk payment customers (e.g. same as a commercial bulk payment customer, as Corporate Social Responsibility (CSR) customer, or as a business partner). However, all SPs recognized the particular challenges that NGOs face in terms of disbursing bulk payments[1] to their target payment recipients. These concerns are regularly cited by NGOs themselves as well as much of the industry literature – i.e. low levels of literacy and technology capabilities, residing in remote and rural areas, lack of identification documents, limited network coverage, and agent distribution network. However, despite noting these challenges to disburse bulk payments, it didn't dissuade SPs from a desire to serve NGO customers.

Market Segmentation for Bulk Payment Customers: Though SPs may view NGOs differently, the SPs don't necessarily do market segmentation of bulk payment customers that may include customer market research, and/or tailoring of their marketing approach per different segments. The SPs claimed they do not customize their offerings for different customers, yet a couple did note provision of special fees if it fit within their CSR strategy, and some recognized that disbursing NGO bulk payments did require additional servicing efforts due to the challenges noted above. In terms of

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[1] Bulk payments: defined by CALP as a simultaneous transfer of funds from one entity to many recipients.

refusing to deploy specific bulk disbursements, some noted that they may choose not to serve specific geographical locations if the network (infrastructure and agent distribution) was not adequate, or if there was high insecurity in the area.

Business Strategy, Investment and Decision Making on Bulk Payments: Bulk payments did not appear to garner special attention within the mobile money product mix. Only one SP noted that bulk payments are a priority and one of their biggest revenue earners, which they attributed to the market context that renders digital payments a good value proposition due to the high security risks associated with cash handling. Most SPs did consider bulk payments as a means to acquire new retail customers but emphasized if/when efforts are made to ensure the end recipients are registered with a transactional account, and well educated on the use cases for the account, rather than just cashing out or only receiving an Over the Counter (OTC)[2] e-token[3]. In terms of decision making on investments in bulk payments, all said it takes place locally rather than at head or regional office. Some considered the additional time/effort to do NGO bulk disbursements as an added investment since traveling to rural areas to register and educate NGO recipients was costlier than working with a typical commercial bulk payment customer.

Agent Management and Liquidity Planning: SPs recognize that the agent distribution network and liquidity planning are a challenge for irregular, non-routine bulk disbursements, and especially for disbursements to NGO recipients that tend to be located in rural areas, who may be new to using mobile money services, and/or are interested in cashing out the full amount. However, they also consider that their distributor structure is sufficiently equipped to manage it with adequate planning and oversight by some type of existing supervisory level[4]. By communicating and planning with this supervisor structure it was expected that liquidity would be sufficient. Several SPs noted that one barrier to rapid deployment was the registration process for new accounts, which often takes time especially when recipients lack proper identification for Know Your Customer (KYC) processes.

Engagement with Third Party Providers: Given the differences in market context, not all SPs interviewed have third party providers in their respective markets, and only one MNO had first- hand experience working with one. The bank, however, works with MNOs to deliver payments across their network, which from their perspective is considered a third party provider. Therefore, given the limited experience, there was narrow recognition of what roles and value a third party provider could contribute to deployments of bulk disbursements for NGOs.

Based on the research, there are some **recommendations** for NGOs, SPs, and other stakeholders that may be interested in promoting greater uptake of digital bulk payments for NGO disbursements. Initially, the objectives of the research were based on a premise that the way to increase use of

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[2] Over-the-counter (OTC) defined by GSMA as mobile money services offered in cases where a mobile money agent performs the transactions on behalf of the customer, who does not need to have a mobile money account to use the service.

[3] E-token defined by GSMA as money sent as an off-net transfer from a mobile money account holder to an unregistered account recipient, along with a code for the recipient to withdraw the funds at an agent outlet. Also known as a coupon or voucher.

[4] The agent structure included some type of supervisory level with similar functions but different titles – i.e. distributor, master agent, super agent, aggregator, and/or distribution network manager.

digital payments was to identify incentives for service providers to offer better products and services for humanitarian organizations, and to identify recommended approaches for humanitarian and development organizations to successfully engage and influence service providers.

Based on the interviews, SPs value NGOs customers, and the need to incentivize them to offer better products and services, seems less pertinent than simply introducing each other in order to accelerate collaboration, and deploying more disbursements. It's expected that the learnings from such experiences can lead to ideas on how to improve products and services, and continue to promote further usage of digital payments. The market for digital bulk payments is still quite new, and use cases for NGOs to use digital bulk payments are slowly becoming more common.   Thus, the recommendations focus on strategies and approaches to:

- introduce and inform both SPs and NGOs of each other's potential roles;
- map a deployment with an analytical view to solving key challenges or pain points;
- plan and launch well-structured pilots;
- increase use of transactional accounts by NGO recipients (i.e. program participants or cash recipients);
- create tools and templates for informational and operational purposes.

Introduction & Background

NGOs typically disburse high volumes of low value payments to thousands of program participants in for a variety of payments streams (see Table one). Currently, many payments are still disbursed manually in cash. The Electronic Cash Transfer Learning Action Network (ELAN)[5] and NetHope[6] both provide guidance and support to NGOs to transition payment streams from cash to digital bulk payments.

In a growing number of markets, mobile money bulk payments offer a viable way for payers (organizations, businesses, government agencies) to transfer payments from one to many recipients efficiently, transparently, and safely. Typically, as mobile money markets evolve more services become available beyond the person-to-person (P2P) transfers and airtime top-ups, to additional uses and product offerings like bulk payments.

> Often the same NGO operates in different contexts to provide either:
>
> **Humanitarian assistance:** aid and action designed to save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of man-made crisis or natural disasters.
>
> **Development programming**: providing longer-term program support for a variety of sectors including agriculture, health, education, livelihood development, financial inclusion, etc., typically with the goal of poverty alleviation.

Bulk payments have some specific characteristics and challenges, and can be more complex as they require attention to two types of customers' experiences - both the payer and the payee[7]. Also

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[5] http://www.cashlearning.org/elan/elan
[6] http://solutionscenter.nethope.org/communities/payment-innovation
[7] In this document 'Payer' refers to the NGO and 'Payee' refers to the program participant/recipient.

challenging for bulk payouts is increased liquidity management and planning with agent networks. However, delivering bulk payments for humanitarian assistance, or for longer-term development programming, has even more particular challenges compared to a typical company delivering monthly bulk salary payments. For bulk payments by relief and development non-governmental organizations (NGOs) and often UN agencies, registration of many new customers in a short timeframe such as for humanitarian assistance, and to lower income and rural customers who may not have proper documentation to meet typical Know Your Customer (KYC) requirements, or have limited literacy and/or experience with mobile phone technology, all add a particular burden to rolling out bulk payments for these organizations.

Through their work, ELAN and NetHope have gained considerable insights on NGOs' experience with mobile money bulk payments (MMBPs)[8] for use in humanitarian assistance and development programming, including through research conducted in 2015 specifically on the NGO perspective, needs, and preferences for MMBPs[9].

The findings from this current research are intended to complement existing knowledge on the NGO experience by capturing the perspective of the service providers (SPs), shedding light on how MMBP providers perceive NGOs as a corporate level customer in delivering payments for relief and development, and learning how SPs market their bulk payment products in general.

The overall goal is to understand both supply and demand side perspectives on use of MMBPs for humanitarian assistance and development programming in various contexts, and to build understanding between NGOs and SPs, which will hopefully result in increased use of MMBPs by NGOs, and identify new approaches and strategies that can lead to smoother deployments.

This report will provide valuable information for NGOs that provide cash transfers for humanitarian assistance and/or development programming to better understand digital payment service providers. It would also be useful for donors and other technical service providers that are promoting the transition from cash to digital payments by NGOs. And finally, it can even be insightful for digital payment service providers to start thinking more shrewdly about NGOs as a valuable bulk payment customer segment.

The findings from this research were also used to inform the agenda for two workshops facilitated by ELAN in January 2016 (in Senegal and Rwanda) which brought together NGOs, SPs, and other stakeholders to identify and discuss key barriers with related solutions, identify needed knowledge resources, and develop strategies to increase uptake of MMBPs for relief and development.

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[8] MMBPPs defined: used when one entity (the payer) transfers funds to multiple recipients' mobile wallets (the payees) in a single batch disbursement
[9] http://solutionscenter.nethope.org/blog/view/mobile-money-bulk-payment-products-capturing-the-market-opportunity-of-glob

Table 1: NGO PAYMENT STREAMS			
Humanitarian	**Operational**	**Programmatic**	**Value Chain**
◦ **Cash transfers** ◦ **Cash for work** ◦ **Digital vouchers**	◦ Staff travel & per diems ◦ Staff salaries ◦ Vendor & suppliers ◦ Consultants ◦ Petty Cash	◦ Workshop & travel per diems ◦ Stipends & incentive payments ◦ Daily wages to contractors ◦ Social transfers to vulnerable groups	◦ Agriculture suppliers & purchasers ◦ Health clinics & pharmacies ◦ Educational system – teachers & students

Methodology

The findings presented in this report derived from key informant interviews with six digital bulk payment service providers (SPs) including five mobile network operators and one commercial bank, email responses from one SP, and reflections from ELAN and NetHope staff that have worked to promote digital payment for a number of years. Service providers were selected by ELAN and NetHope for their presumed experience of having already worked with NGOs specifically in a humanitarian assistance context – be it a natural disaster, political or other related emergency. Not all SPs that were invited to participate, agreed to be interviewed, which may be indicative of some of the potential issues related to connecting NGOs and SPs for collaboration on the delivery of mobile money bulk payments for relief assistance and development programming. Interview responses were provided based upon the understanding that publication of feedback would remain anonymous, so all names and references have been omitted.

Some **basic profile characteristics** of the SPs interviewed include:
- Interviews were conducted with representatives from the SP's mobile money division.
- All MNOs had launched mobile money within the past five years.
- SPs had varying levels of experience with NGOs as bulk payment customers (0-25 NGO customers).
- All SPs are operating in very different markets in terms of security and use case needs for humanitarian response.
- All SPs have mobile money deployments in multiple countries in Africa, though most key informants were familiar only with the markets where they are working.
- The bank is regional and has considerable experience doing humanitarian cash transfers in one particular market.

The full set of questions can be found in Appendix 1.

Summary of Key Findings

SPs were asked about their **general background and experience working with relief and development NGOs**. Given the time limitations of the interviews, not all of the questions in the interview guides were covered in depth (Appendix 1). The following topics were prioritized and covered to varying degrees in all interviews:

1. Perceptions of Relief and Development NGOs as Bulk Payers
2. Market Segmentation for Bulk Payment Customers
3. Business Strategy, Investment and Decision Making on Bulk Payments
4. Agent Management and Liquidity Planning
5. Engagement with Third Party Providers

Due to the size of the survey, it may not be representative of all digital payment service providers, but there were some common attitudes, perceptions and experiences amongst respondents, as well as some unique insights depending on their level of experience working with NGO customers.

Key Finding #1: Perceptions of Relief and Development NGOs as Bulk Payers

The five MNOs launched their mobile money services within the past five years, while the bank has been in operation for much longer. The SPs had various levels of experience providing digital bulk payments generally, but also varying levels of experience disbursing bulk payments for humanitarian and development NGOs. Despite the different levels of experience, there were some commonalities in their perceptions of how NGOs use bulk payments, and how they may be different or more difficult than working with commercial enterprise bulk payers.

Some key comments on **perceptions of NGOs** included:
- Three SPs perceive NGOs similar to any corporate level customer, two SPs provide preferential rates to NGOs as part of their Corporate Social Responsibility (CSR) objectives, and one considered NGOs as a business partner.
- Five SPs responded that they do not pro-actively seek out and market bulk payments to NGOs. Though one SP viewed networking at forums (e.g. CaLP meetings) as a means of marketing their services to NGOs.
- Four SPs believe more NGOs are not using MMBPs because of lack of awareness about the product and benefits. Two SPs attributed limited use by NGOs to a general, low maturity level of mobile money in the market.

Typically, NGOs are providing humanitarian assistance and implementing development programs that serve people at the base of the pyramid. All of the SPs interviewed recognized particular challenges that NGOs face when disbursing digital payments in terms of these target program participants/beneficiaries. Mainly these challenges result from lower levels of literacy and technology capabilities, residence in remote and rural areas, and lack of identification documents to process registration and KYC for account opening – all of which requires more time and effort to register, educate and access recipients. However, despite noting challenges, SPs were still interested in serving NGOs as bulk payment customers.

Main **challenges working with NGOs** compared to other commercial bulk payers were specified as follows:
- Five SPs noted challenges due to NGO disbursements being made in remote and rural areas where network infrastructure and agent distribution are not as well developed.

- Five SPs noted NGO payees targeted are often less well-educated and less experienced with mobile money or financial services, thereby requiring more education and training.
- Four SPs noted the challenge of registering payees for regular KYC procedures due to lack of identity documentation.
- Two SPs noted delivering humanitarian assistance as a challenge due to the time pressure and urgency of delivering this assistance.
- One SP stated delivering payments in rural areas is a higher security concern which adds a challenge, while another SP noted that higher insecurity is also an opportunity since it's a strong incentive for NGOs to use MMBPs instead of cash.

Finally, when asked what they considered were reasons for NGOs not using digital payments more often, most thought it was simply lack of awareness on the part of the NGOs in terms of the product and the benefits it could bring. Despite this perceived lack of awareness, most said they do not pro-actively seek out NGOs to market their bulk payment product to them.

Key Finding #2: Market Segmentation for Bulk Payment Customers

The mobile money industry is nascent in most markets, and bulk payments more so. For all SPs, bulk payments seem to be offered more generally, and without specific and targeted marketing to any segment of bulk payment customers. When asked about doing market segmentation for bulk payment customers, it was unclear to what degree they do market segmentation[10], and whether they market their bulk payments based on customer specific research that uncovers clear differences between the different types of bulk payment customers (i.e. groups with common needs, interests, priorities). Though two SPs expressed the importance of NGOs as corporate customers in their markets, they didn't pro-actively seek out or tailor their sales and marketing to NGOs. Some key comments on **selling to different market segments**:
- Three SPs recognized commercial customers are more routine but did not indicate any preference for them.
- Only one SP said they do any direct outreach to NGOs while most seemed to rely on NGOs approaching them. One mentioned, that they sometimes respond to public tenders when launched by NGOs.
- One SP acknowledged that NGOs tend to be more interested in mobile money bulk payments compared to businesses due their need to disburse in areas affected by security issues and lack of bank access.

In terms of **tailoring services to the NGO customer segment**, one SP customizes services only in terms of their communication and monitoring of disbursements, another by adding additional steps which are required to register new payees/users, and one said they will tailor the service as

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[10] https://en.wikipedia.org/wiki/Market_segmentation: Market segmentation is a marketing strategy which involves dividing a broad target market into subsets of consumers, businesses, or countries that have, or are perceived to have, common needs, interests, and priorities, and then designing and implementing strategies to target them. Market segmentation strategies are generally used to identify and further define the target customers, and provide supporting data for marketing plan elements such as positioning to achieve certain marketing plan objectives.

requested since the technology platform already exists to provide a choice of mobile wallets or debit cards.

When asked if there were **specific customer segments they would prefer to serve, or would chose not to serve,** SPs couldn't describe a preferred customer profile, nor rank preferences in terms of volumes/values of payment streams, but instead several restrictions were noted by different SPs which may influence their choice to deliver services:

- Disbursements must be within the network coverage area.
- An adequate distribution network and liquidity must already exist.
- Recipients must be able to comply with the KYC procedures necessary to be able to be registered for an account or mobile wallet.
- Disbursements must be located in a secure area (i.e. no high risk zones of civil unrest).
- The NGO must respect a certain ethical code, such as not paying for child labor.

Key Finding #3: Business Strategy, Investment and Decision Making on Bulk Payments

As previously mentioned, mobile money and bulk payments are still nascent in many markets. However the bulk payment product is increasingly being launched by a variety of SPs and was offered by 61% of mobile money service deployments in 2013, with another 28% planned for 2014 as per the GSMA[11] State of the Industry Report (SOTIR) in 2014[12]. **Though bulk payments may be offered in the mobile money product mix, there were few comments which demonstrated that bulk payments are a priority within the entire product mix -** for NGOs or any other bulk payment customer segment.

- Only one said that bulk payments are a priority and one of their biggest revenue earners, which they attributed to their specific market context where limited bank infrastructure and security risks made moving cash particularly challenging.
- None of the SPs interviewed spoke about a clearly defined business case and strategy for selling bulk payments to corporate level customers, including NGOs.
- None spoke about specific incentives for staff to market and sell bulk payments.
- There were mixed views on whether bulk payments facilitate the acquisition of new retail customers for the SP, but generally most thought it could be a viable means to acquire new retail customers *if/when* efforts are made to enable the recipients to have a transactional account and use it for additional services, rather than just cashing out or cashing out over the counter (OTC) with an e-token.
- The bank also considered bulk payments as a path to business in other ways, such as when the NGO begins to bank with them.

For the most part, SPs explained that investment decisions are taken in market, and tend to focus more on mobile money more generally than on the bulk payment products specifically (i.e. infrastructure, the technology platform, the agent network, general marketing, etc.). Though one SP pointed out that the extra resources required to travel to rural areas for customer registration and education (and occasionally free SIM cards) are additional investments incurred in delivering bulk

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[11] GSMA represents the interests of mobile operators worldwide
[12] http://www.gsma.com/mobilefordevelopment/programme/mobile-money/state-of-the-industry-2014/

payments for NGO customers. And two SPs noted that discounted fees they sometimes offer for social payment disbursements are part of their CSR investment.

Finally, it's worth noting that most SPs spoke about financial inclusion as a strategic objective. Two SPs specifically noted the missed opportunity for financial inclusion when NGOs don't make more effort to enable their recipients to become active users of a range of mobile money services, rather than just cashing out. While another noted that mobile money in general helps to increase not only mobile penetration but also financial inclusion. And one SP highlighted the importance of financial inclusion to improve recipients' lives beyond just a cash-out, but to achieve this it requires financial education and support from the NGO to enable the recipient to use financial services and be able build something sustainable based on receiving their cash transfers (e.g. farming or enterprise activity).

Key Finding #4: Agent Management and Liquidity Planning

The agent network and liquidity access are often cited by NGOs as key challenges to deploying bulk payment disbursements in their work. Most of the SPs acknowledged that agent management and liquidity planning can be a challenge for irregular, non-routine bulk disbursements. However, they also have confidence that their agent structures are sufficiently equipped to manage any sort of bulk disbursements. Amongst the MNOs there is a common approach to having a structure of agent management through a supervisory level of distributors (also referred to as super or master agents, or aggregators) and/or a distribution network manager. The common opinion was that this structure is key to planning and managing liquidity for a bulk disbursement, while specific responsibilities and incentives were sometimes viewed differently. Similarly, the bank has an agency banking model which relies on local traders who are sufficiently incentivized to do bulk payments based on regular fee structures.

Some key comments around **how SPs manage the agent network and plan for NGO bulk disbursements**:
- Five SPs actively communicate plans for bulk payments in advance with their distributors.
- Five SPs consider regular commissions to be sufficient to incentivize agents and distributors for ensuring adequate liquidity.
- Two SPs actively map customers to agents and distributors when planning a bulk disbursement.
- Two SPs believe they share responsibility between their mobile money division together with their distributors/super agents/aggregators to ensure cash liquidity. While one felt the responsibility rests solely with the agents and distributor, another has a distribution network manager who is responsible together with the agents.
- Two SPs expressed that they offer additional support to the agent network. One allows agents to convert e-money amongst each other by exchanging larger sums of e-float for cash and vice versa with nearby agents. Another guides agents to the nearest Microfinance Institution that they have signed up in order to assist with the first bulk disbursement.

Sometimes NGOs use digital bulk payments for emergency relief and need to quickly deploy disbursements in new areas. Some key comments on **SPs' perspectives on rapid or temporary expansion of the agent network**:

- There were no common or clearly defined strategies amongst the SPs to quickly deploy, though all felt it would be feasible.
- Four SPs acknowledged a potential delay that's caused by registration of recipients. To address this, one SP said they could quickly issue a pre-paid card, and two SPs explained they could disburse e-tokens if necessary, whereby an SMS with an electronic value is sent to the recipient who can then cash out at an agent without having to have their own mobile wallet – i.e. OTC.
- Another claimed there are sometimes delays caused by the NGO transferring the bulk funds into their corporate SP account.[13]
- One SP described efforts to experiment with different business models through a closed loop system, or "controlled withdrawal services", whereby the SP would build out their merchant network with merchants selling relief items, so rather than wanting to cash out the full amount, there would be more merchants selling items that recipients could purchase directly with their pre-paid cards. This would then relieve some of the challenge of the SP having to quickly manage cash liquidity in an emergency.

Key Finding #5: Engagement with Third Party Providers

In markets where multiple SPs compete and lack interoperability, third party providers[14] (aka value added service providers, aggregators) may exist and are able to connect to multiple digital payment providers. From the bulk payer customer standpoint, this can add value by enabling the bulk payer to interact with a single SP, but still reach payees who may be end customers and have transactional accounts with different SPs. From the perspective of the SP, SPs recognized that third party providers could add value to their business by aggregating multiple accounts for the SP, or by providing other value-added services (VAS) like liquidity management.

Third party providers that support MNOs are known to exist in two of the markets where the SP interviewees operate, though only one SP had any first-hand experience working with a third party provider. In this case, the SP acknowledged that the third party added value by creating a large liquidation/cash disbursement center for emergency bulk payments. However, the SP noted that this type of VAS would not be necessary once the market is more mature, as such third party business models wouldn't be viable.

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[13] For example, in another instance at a NetHope workshop in Malawi in November 2015, this was cited as a common constraint there because checks are typically used and transferring funds from the NGO account to their corporate MNO account via check often took considerable time.

[14] Generally defined as a nonbank or non-telecom, having made agreements with banks or MNOs so that it can provide its services of customer interface, transaction processing, account provision http://bit.ly/1PXmecy. CGAP defines: at a basic level, all aggregators do two things – Integration, where they connect the systems of payment instrument providers to third party systems, and Value-Added-Service (VAS) like notification of successful payments, reconciliation, and receipts http://bit.ly/20LChlz.

From the bank perspective MNOs are viewed as third party providers, and in cases where they are not able to implement their own mobile network operation they value this collaboration.

Summary of Key Recommendations

This research was undertaken with an overall goal to gain insights that could be used to promote greater use of digital payments by NGOs for humanitarian assistance and development programming. The research was expected to reveal insights from SPs on their perspectives, experience and interests in working with NGOs as bulk payment customers. In addition, it was hoped to discover what could be potential incentives for SPs to offer better products and services for humanitarian and development organization. Finally, it was expected that the findings would be able to inform recommended approaches for humanitarian and development organizations to successfully engage with SPs and help deployments run more smoothly.

Based on the interviews, SPs appear to value NGOs as bulk payment customers, and the immediate priority seems to be less on how to incentivize SPs to offer better products and services, but rather on the need for introductory linkages, or business matchmaking between the supply and demand sides for digital bulk payments. Opportunities to bring NGOs and SPs together where each can inform the other around their respective interests are still essential. For example, there seemed to be limited knowledge by SPs on how to reach out to NGOs, or how their marketing of bulk payments can be tailored specifically to NGOs. Thus, the following recommendations focus on identifying strategies to connect through key forums, on practical tasks that can be used as platforms for discovering mutual value of disbursing bulk payments, and developing strategies for collaboration. These recommendations are directed towards NGOs, SPs, and key stakeholders that work to promote the adoption of digital payments.

Five specific recommendations for any entity interested in promoting greater adoption of digital payments are summarized below:

1. Ongoing awareness raising and business match-making
2. Workshop to jointly map a bulk disbursement, and identify solutions to specific pain points
3. Encourage and promote guided pilots to gain experience and build confidence
4. Promote, advocate and highlight the use of transactional accounts
5. Creation of tools, templates and knowledge resources for both SPs and NGOs

Key Recommendation #1: Awareness-raising and Business Match-making

Based on the interviews, SPs don't necessarily segment their bulk payment customers, nor did they do specific customer/product research in order to pro-actively market their bulk payments as a specific offering to any category of bulk payment customer, including NGOs. One SP however, said they have a separate division for NGOs' which does "social" bulk payments and is separate from their commercial client division. In general though, there appears to be imperfect information and

awareness on how to locate NGOs, and determine their specific needs and use cases for payments. Despite the limited awareness, there was expressed interest in greater collaboration with NGOs.

Given the awareness gap and need for directed business matchmaking, it continues to be essential and useful to create forums for convening, and educating on the mutual opportunities for both NGOs and SPs. Creating space for making introductions is still needed, and some potential ideas for tapping into existing forums in specific markets for this might include: cash transfer working groups, NGO forums or networks, CaLP[15] trainings[16], other thematic sector working groups (agriculture, health, etc.). In addition to facilitating introductions, it continues to be valuable to enhance SP's sales and marketing skills tailored to the NGO market. On the NGO side, it would be useful to develop NGOs' capacity to assess payment platforms and negotiate contracts with SPs. For example, NGO mapping of payment streams with quantifiable data on volumes, values and recipients could be quite valuable for negotiating with SPs, and also for planning deployments to run more smoothly.

Key Recommendation #2: Workshop Facilitation to Jointly Map a Bulk Disbursement & Identify Solutions to Pain Points

In addition to the need for general education to promote deeper mutual understanding by both NGOs and SPs, there is a critical need for guided discussions to deep dive on key issues and specific challenges of deploying digital bulk disbursements, and to clarify roles and responsibilities of both parties involved in them. NGOs and SPs bring different perspectives and agendas, and unique value-added strengths to the business partnership, making guided discussions very informative for highlighting these mutual benefits gained through greater cooperation. It could be useful to have workshops or forums with key individuals from SPs and NGOs that have experience doing disbursements, and to map out a disbursement, and examine key pain points in the disbursement process to elicit clarity on what's involved, roles and responsibilities, impacts, costs and benefits, and then devise practical solutions and develop key knowledge resources. **Key disbursement activities that are suspected pain points may include:**
- contract negotiation,
- agent / merchant distribution network,
- liquidity management,
- communication and planning processes,
- registration/enrollment of program recipients, and
- education to enable continued use of mobile money services by payees after the payment.

Also useful would be mapping and analysis of temporary bulk disbursements for large events (e.g. religious or popular culture), which may provide insights and guidance for rapidly deploying an emergency response bulk disbursement.

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[15] http://www.cashlearning.org/overview/what-we-do-overview
[16] One SP interviewed specifically mentioned that networking at CaLP events was one way they have been introduced to NGOs.

Key Recommendation #3: Encourage Guided Pilots to Gain Experience and Build Confidence

Doing pilots were mentioned by several SPs as critical events to gain experience, be better prepared to deploy larger bulk disbursements, as well as to be able to learn how to quickly mobilize in an emergency. SPs also mentioned the value in using pilots to build confidence in mobile money platforms amongst the NGOs and their recipients. The value of doing pilots has also been raised by NGOs to NetHope at other events. Despite acknowledging the value of them, pilots need structure and it would be useful to have some specific guidance on how to organize, staff and operationalize a pilot, including how to communicate each party's expectations. Pilots are intended to be experimental and exploratory so as to test the system and make refinements before scaling it. However, emergency situations put pressure on the ability to do a pilot. And there are instances where pilots don't go well for lack of proper research and planning.

Without a robust pilot, the deployment can result in failure that may dissuade either side from continuing the partnership, rather than viewing it as a means to learn, experiment and refine. Specific guidance may include:
- detailed planning checklists;
- criteria for pilot staffing roles, responsibilities and creation of a pilot committee (comprised of both head office and disbursement location staff);
- selection process and criteria for the first target location, size and composition of recipient group;
- planning and monitoring guidelines with practical templates and checklists on how to communicate, document the process and create strategies to identify gaps and potential problems with relevant solutions;
- guidance on how to document and incorporate the lessons learned, plan and expand from the pilot.

It's recommended that providing simple guidelines, and possible technical support on doing a pilot could be a practical way to encourage partnerships, gain use cases, and build experience. It could also be valuable to provide a platform to share lessons learned from pilots.

Key Recommendation #4: Promote, advocate and highlight the use of transactional accounts

Going the extra mile to ensure NGO recipients use a transactional account is a potential rallying point for bringing SPs and NGOs together. Depending on the context, it may be in everyone's interest to promote the opening and usage of transactional accounts for program recipients as opposed to sending e-tokens and endorsing OTC transactions. The value proposition is there for the SP in acquiring new customers, for NGOs to meet development objectives, and for their recipients to build resiliency, wealth and access to financial services. Each situation should be assessed based on the urgency of the relief assistance, purpose of the assistance, and recipient needs. In a slower onset or recurring crisis situation, such as aid for recurring food security payments, it may be worthwhile for

all to make the effort to ensure transactional accounts rather than just cashing out. In this context, it would require:

- Accounts that are appropriate and relevant for the program participants (including consideration of the fees for account opening, maintenance and withdrawals);
- Additional advocacy and education on the value proposition for everyone;
- Support for development of relevant training modules, and/or adaptation from existing training modules;
- Guidance and creative solutions for NGOs and SPs on how to train and/or do training of trainers for mobile money usage (e.g. brand ambassadors) and/or financial services;
- Creative solutions for purchase of mobile devices for program participants;
- Advocacy to MNOs and NGOs to ensure registration is carried out properly by agents so that customers are accurately and fully registered for wallets, and when payments are disbursed the correct recipients receive them.

Key Recommendation #5: Creation of tools, templates and knowledge resources for both SPs and NGOs

There is a need for simple informational brochures, templates and tools to help SPs and NGOs understand each other better, communicate more effectively, and work in partnership as collaborators. Some specific resources that could be useful to bridge this gap and promote collaboration include:

- A template for SPs to develop a simple marketing brochure and PowerPoint presentation that SPs can use to describe their bulk payment products targeted at NGOs;
- A simple informational brochure profiling NGOs, their payment needs and use cases to provide to SPs with a clear picture on this customer segment;
- Communication templates and guidelines that may include communication flow charts, designated roles with job descriptions, and memo templates for reporting problems or disbursement planning;
- Tools for conducting quick and inexpensive retail customer market research (e.g. satisfaction surveys, mystery shopping guide, or customer focus group guides) to promote more successful usage of transactional accounts by program recipients, and provide input for development to the agent distribution network;
- Tools for NGOs to map their payments streams (volumes, values, recipients) to use for negotiations with SPs, and for planning and management of distribution network and liquidity.

Appendix 1: Question Guide

General & Background

1. How long has your company offered mobile money bulk payment products in the country where you are currently working?
2. How long have you worked in the mobile money product division?
3. How many development and humanitarian customers have you serviced in the last 2 years? Are you familiar with humanitarian assistance and development organizations?
4. Do you perceive a difference between these types of organizational users of MM bulk payments for emergency response versus ongoing development programs?
5. Reflecting on your experiences working with hum/dev organizations, how do we differ from other MMBP clients? What is difficult about working with us?

MMBP Product and Service Delivery

6. How do you segment customer markets for bulk payments, if at all?
    a. What is your ideal bulk payment customer profile?
    b. For example, do you focus on only providing very high quality services in some parts of your coverage areas?
    c. For example, do you focus on only high value corporate level customers like continuous, large volume government contracts or large company salary payments?
    d. Have you done any cost-benefit analysis to understand where bulk payments are more and less profitable to operate?
    e. Do you pro-actively seek out corporate level customers in different segments, or just rely on general advertising and blanket marketing?
    f. Are there particular corporate level customers you would not target? Explain.
    g. Are there particular geographies or contexts that you would choose not to service with MMBPPs?
7. If humanitarian and development agencies are not using your MMBPPs – what do you think are the reasons?
8. Do you provide any customizing of your MMBPP for different customers?
    a. If yes, please describe
    b. If no, please explain why not
9. To what degree does your company see bulk payments as a potential entry point for new customers?
    a. Corporate level customers
    b. Retail level customers that they bring with them
    c. Account based customers vs. OTC customers
10. How are bulk payments prioritized compared to other types of MM related products?
    a. Why?
    b. At what level is this decided?
    c. Does this vary by country/market?
11. How are your company's employees rewarded to market bulk payment products?

      a. # of new corporate accounts?
      b. # of new retail customers they register?
      c. Volume of transactions?
      d. Value of transactions?

12. How are your agents incentivized and supported to participate in bulk payment activities?
      a. How are they made aware of high volume payouts that usually accompany bulk payments?
      b. Do they receive preparation or extra support in advance of large pay-outs?
      c. Do they ever refuse to participate in bulk payments or have complaints about the process?

13. How do you manage liquidity planning?
      a. Whose responsibility is it to ensure sufficient cash is available at individual agents at any given time (MNO staff or agent?)
      b. If agents – how do you communicate with agents to warn them of pending large-scale cash outs?
      c. If agents – do you ever support them with liquidity planning?

14. What is the decision making process & criteria for deciding to expand agent networks?
      a. Do you ever temporarily expand agent networks
      b. If yes, how do decision making processes differ for temporary vs. permanent agent network expansion?

15. Can you describe how your bulk payment product has (or could be) quickly implemented with end users that may not yet have accounts and need to registered?
      a. Have – or would you - allow third parties (like government or HAs) to support registration processes?
      b. If yes, has that process worked well? Why/why not?

Understanding Bulk Payment Actors and Processes

16. Who are key decision–makers that are capable of influencing investments in the MMBP product and service offerings?
      a. at a strategic group level globally
      b. at country level

17. How do you currently work with third party providers? Would you consider partnering with any of them to improve MMBPPs?
      a. Aggregators?
      b. Marketing/branding agencies?
      c. Agent network management companies?