FINAL REPORT
Mobile Cash Transfers for Urban Refugees in Niamey, Niger

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EXECUTIVE SUMMARY

In 2012, socio-political unrest in Mali resulted in the displacement of more than 50,000 refugees to Niger. By early 2013, 7,000 of them were settled in Niamey. Save the Children and UNHCR developed a multi-sectorial response to assist this population. Among the activities, a four-month cash transfer component was planned, as a means to help refugees to meet their basic and immediate needs. The target population was divided into two groups of the same size: one to receive cash through mobile phones and the other through a micro finance institution (MFI). This design aimed to compare the use of these two mechanisms in an urban context with a refugee population. The present study was carried out after the third distribution, with the objective to investigate the effectiveness of mobile cash as compared to MFI transfers, to understand beneficiaries’ preferences, and to identify potential advantages and challenges of the mobile phone technology. The study involved a preliminary literature review and a seven-day fieldwork, during which interviews with key informants and beneficiaries as well as focus group discussions with beneficiaries were conducted. It was found that the mobile phone technology has lower transaction costs but higher set-up costs, mostly related to the sensitization and training of beneficiaries. As a consequence, it takes some time for mobile cash transfers to become cost-efficient. It was also found that the mobile phone mechanism is potentially less costly to beneficiaries as well, but only if they access proximity cash out points. The study demonstrated that beneficiaries’ familiarity with the technology, their capacity to use it and the support received from project staff influence their preferences towards the mobile phone mechanism. Mobile phones clearly improved the beneficiaries’ communication with their families, their countries of origin and the project. On the other hand, the face-to-face communication with field operators was identified as a key factor for the success of a mobile phone transfer operation, because they were able to sort out problems associated with the phones, explain the additional benefits of technology and convince beneficiaries to use proximity cash points. The main challenges in the implementation of the mobile phone mechanism were related to technical difficulties with the distribution and the low familiarity and capacity of beneficiaries to uptake the technology. These challenges can be tackled and minimized, on the one side, with a detailed preparedness plan and specific programmatic measures, and on the other side, through thoughtful targeting and efficient support to beneficiaries.
1. BACKGROUND

1.1 Context

In early 2012, socio-political events that intensified unrest in northern Mali led to the displacement of thousands of refugees to Niger. By March 2013, nearly 43,000 refugees had moved across the border into two camps that formed on the border, while an additional 7,000 refugees found shelter in and around the outskirts of the capital city, Niamey. These urban refugees currently live in five (5) neighbourhoods ('arrondissements') spread across Niamey, most of them in poor living conditions.

While a noteworthy amount of resources were invested in the traditional refugee camps that have formed in the arid and isolated Niger border, the refugees who have moved into Niamey only received incidental support for over a year and did not have systematic access to services, even as their population grew. As of April 2013, the registered number of refugees had increased to 7,263, as reported by the UNCHR.

Faced with this situation, UNHCR joined efforts with a wide range of stakeholders, including Save the Children, to bolster protection and assistance of urban refugees in Niamey. Save the Children was chosen as a partner because of its expertise in protection, namely child protection, and its proven experience with the street children project in Niamey.

1.2 Project

Based on UNHCR’s targeted vulnerability assessment of 2,771 refugees, Save the Children and UNHCR designed a multi-sectoral response to the needs of the Malian influx of refugees, to be implemented in collaboration with the Malian Refugee Committee (MRC), the ‘Commission Nationale d’Eligibilité au Statut de Réfugié’ (CNE), and ‘Caritas Développement Niger’ (CADEV).

Save the Children/UNHCR’s proposal included a range of sectoral interventions, including:

- a detailed needs assessment
- one-off distribution of non-food items and shelter materials to vulnerable refugee households and host families (1120 households)
- implementation of a ‘Guichet Unique’ (Centralized Hub + Green Line) offering guidance and referrals to protection (legal, gender-based violence, special needs) and assistance (food security and livelihoods, education, health and nutrition) services
- cash transfers to support marginalized families to meet their basic and immediate needs, recover debt and limit the use of coping mechanisms which may have a negative impact on child well-being.

1.3 Cash Transfers through mobile phones in Niger

The experience of relief agencies with cash transfers in Niger has greatly increased since 2005. ECHO and USAID estimate that local and international NGOs targeted more than 200,000 beneficiaries through different mechanisms of cash transfers (unconditional cash transfers, vouchers, CFW) in response to the crisis in 2010. This is also the year when the first cash transfer project through mobile phone technology was piloted by Concern Worldwide in the region of Tahoua. Collaboration with the mobile service provider Zain (now Airtel), which had

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1 Personal communication with ECHO staff
developed a product called Zap, allowed Concern to target and distribute cash to 4,280 beneficiaries living in remote and scattered villages during the 5 month hunger period. The evaluation of the project showed that when compared to traditional cash transfers, the mobile delivery mechanism reduced the ‘variable’ delivery costs for the agency as well as beneficiaries’ costs to receive the cash transfer. Additional benefits included the purchase of more diverse set of goods, higher dietary diversity, and the cultivation of additional crops. The main reasons for these results were associated to the greater privacy of the mobile phone mechanism, which brought about changes in intra-household decisions.

In 2012, WFP carried out a cash transfer pilot using mobile phones in the urban areas of Tillabery, Tahoua and Agadez. The mobile phone operator for this project was Orange. The performance of the mobile phone mechanism was compared with the MFI mechanism and it was found that the MFI was more efficient and convenient for beneficiaries, while the mobile phone mechanism presented some technological challenges.

2. THE CASH TRANSFER COMPONENT

The cash-transfer component of the project, jointly developed and implemented by Save the Children and UNHCR, aimed to provide refugee families at risk of adopting negative coping strategies with financial resources to cover their basic and immediate needs.

2.1 Target population

A survey of 1,348 refugee households living in Niamey helped to identify beneficiaries to receive cash transfers. The survey found that refugees belonged to different ethnic groups. Tuareg (45%) and Zarma Songhai (35%) were the most numerous groups. The refugee population was very young (61% were under 18) and the number of adult women was nearly double the number of men. Most women were alone, with 18% being widows and 36% being married with their husband abroad.

<table>
<thead>
<tr>
<th>Age</th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
</tr>
<tr>
<td>0-5</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>5-18</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>&gt; 18</td>
<td>14%</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>42%</td>
<td>58%</td>
</tr>
</tbody>
</table>

The selection of the 625 beneficiary households was based on a ratio between declared financial income and expenditure on food and water. The total number of beneficiaries was equivalent to approximately 3,750 people (an average of 6 people per household). The study

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2 Aker J. C. et al. 2010
3 WFP (2012) and personal communications
4 All households were regularly registered and in possession of a registration card delivered by the Commission Nationale d’Eligibilité au Statut de Réfugié (CNE).
5 According to a baseline survey conducted by Save the Children at the beginning of the project the average size of the beneficiary households was of 6 people
found that among the beneficiary population, there was a number of long-term settled refugees coming from different countries (DRC, Chad, Ivory Coast).

2.2 Delivery mechanisms

The cash transfer component was designed to allow for comparison between two delivery mechanisms, one more innovative (mobile phone) and the other more traditional (MFI).

The 625 beneficiary households were divided into two groups. Both groups received a monthly amount of FCFA 30,000 (= 60 USD) for a period of four months. Each group received the cash through a different delivery mechanism.

<table>
<thead>
<tr>
<th>Table 2. Beneficiary households per delivery mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

A bidding process was conducted to select the service providers for each mechanism. Airtel was selected for the mobile phone component and ASUSU for the microfinance component.

2.3 Timetable of key events

May 2013
- Exploratory meeting with the mobile phone agencies to discuss the feasibility of mobile cash transfers

June 2013
- Confirmation of funds (eligibility of expenditures)

July 2013
- Survey with refugee households living in Niamey
- Identification and registration of the beneficiaries
- Project contract signature

August 2013
- Decision to use two different cash transfer modalities: MFI and mobile
- Development and launch of ToR for the selection of service providers
- Selection of Airtel (mobile phone service provider) and ASUSU (MFI)

September 2013
- Joint work with Airtel and ASUSU to identify distribution points.
- 1st Beneficiary training and distribution of phones / solar chargers
- 1st distribution

October 2013
- 2nd Beneficiary training
- 2nd distribution

November 2013
- 3rd Beneficiary training
- 3rd Distribution

December 2013
- Comparative study
- 4th Distribution
3. THE STUDY

3.1 Objective
The primary objective of the study was to investigate the effectiveness of mobile cash transfers as compared to cash transfers through micro finance institutions (MFI). Secondary objectives consisted of understanding the beneficiaries’ preferences; and identifying potential challenges affecting delivery and timeliness.

The findings of the study can inform future cash-based responses to urban refugee needs, improving their quality and effectiveness. Some of the findings can also inform interventions in rural and non-refugee settings.

3.2 Methodology
The study involved the following steps:

Literature review, covering:
- Publications on cash transfers through mobile phone technology in East and West Africa. Special attention was devoted to Niger and a focus placed on recent experiences and learning.
- Project-specific documents available and relevant for the development of the evaluation tools

Field work (see Annex 1 for schedule and names of interviewees), covering:
- Interviews with key informants including Save the Children and UNHCR Staff, representatives of the two financial service providers (Airtel and ASUSU) and the WFP cash focal point (see Annex 1 for a list of interviewees).
- A focus group discussion with six aide bénéficiaires (4 for ASUSU and 2 for Airtel) and individual interviews with Airtel aide bénéficiaires and Save the Children staff responsible for the complaint mechanisms and free hot line.
- Nine focus group discussions (FGD) with a total of 116 beneficiaries
  - Two FGD with a total of 30 beneficiaries of the two delivery mechanisms
  - Four FGD with a total of 51 Airtel beneficiaries
  - Three FGD with a total of 35 ASUSU beneficiaries
- 127 semi-structured interviews with beneficiaries
  - 87 out of 315 (28%) receiving cash through Airtel
  - 40 out of 525 (8%) receiving cash through ASUSU

The methodology was mostly based on qualitative analysis. Nevertheless, individual interviews conducted with beneficiaries allowed the researcher to gather some quantitative data. The individual interviews covered issues regarding: the costs of travel to distribution sites, the waiting time during the distributions, the type of technical problems experienced, how the cash was used, the beneficiaries’ ability to effectively use their mobile phones, communication, and their preferences towards one or delivery mechanism or the other.
The sample is not statistically representative and is purposely biased towards Airtel beneficiaries, as the study wanted to learn more about the ‘innovative’ mobile phone delivery mechanism. The quantitative data presented in the report illustrates and reinforces the qualitative information obtained through focus group discussions and interviews with key informants.

4. COMPARATIVE ANALYSIS

This chapter will explain how the two delivery mechanisms work, and will compare their distribution efficiency, delivery costs and costs for beneficiaries. It will also explore beneficiaries’ preferences towards the two mechanisms and the risks associated with each of them.

4.1 Delivery mechanisms

The selection of service providers was based on Terms of Reference specifically developed for each cash transfer mechanism (mobile phone and MFI). As mentioned before, Airtel was selected as the mobile phone service provider and ASUSU as the microfinance service provider. Both companies had had previous experiences with cash transfers in emergency situations, so they followed a standard process to transfer cash to beneficiaries, with some contractual adjustments to reflect the objectives of Save the Children intervention.

Mobile cash transfer⁶

Airtel was responsible for beneficiaries’ registration in their e-money system (M-Koudi account⁷). After that, a four-digit PIN code was created for each beneficiary. The PIN code was used for the initial set up and to access the personal e-wallet⁸ application. The PIN code was originally written on the box of the telephone, but due to the high number of beneficiaries who either lost or forgot their codes in the first distribution, all the mobile phones were surveyed and the codes changed into either the last four digits of the telephone number or the numeric sequence corresponding to the middle column of the telephone keyboard (2580). The new PIN codes were written on the back of the beneficiary distribution cards so as not to be lost or forgotten again.

Airtel was also responsible for distributing SIM cards, mobile phones and solar chargers to all beneficiaries, as well as sensitizing and training beneficiaries on how to access mobile cash transfers. Sensitization/training sessions were conducted before the first three distributions in order to identify and solve emerging technical problems.

The cash flow for the mobile phone mechanism is summarized in the step-by-step process below:

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⁶ Also known as mobile money or e-money.
⁷ M-Koudi (Mobile-Cash) is the e-money service provided by Airtel to its customers, who can use their e-wallets to cash-in, cash out and to transfer money to other people. The most common operations conducted by M-Koudi clients are the payment of utility bills and cash withdrawal on bank holidays. 280,000 Airtel clients have already accessed and 150,000 are active users of the M-Koudi. This represents 2% of the total number of Airtel clients.
⁸ Mobile phone account accessible through the handset.
• **Transfer from Save the Children to Airtel.** Save the Children made monthly transfers to an escrow account (compte séquestre) that Airtel could use to create an electronic value to be transferred to the beneficiaries.

• **Transfer to the beneficiary e-wallet.** A bulk-transfer platform allowed Airtel to transfer the expected sum to each beneficiary’s e-wallet. Beneficiaries received an individual text message to confirm the sum received, its origin (the phone number it comes from), the time of the deposit and the account balance. Due to the high level of illiteracy among beneficiaries, text messages were followed by voice messages in three languages (French, Tamacheck and Djerma) informing beneficiaries of the sum received, and the date and time of distribution. Once having received the text/voice messages, beneficiaries could cash out all or part of the value, or keep it in their account. They could also transfer the e-money to another mobile account holder or use it to pay utility bills in any Airtel shop.

• **Cash-out.** The transfer could be cashed out at any Airtel shop in the city. In Niamey, there are 900 shops that provide M-Koudi services. However, according to the Airtel staff interviewed, only 50 were able (in terms of liquidity and capacity) to manage the values foreseen for this cash distribution project. At the same time, Airtel and Save the Children set up four distribution points where beneficiaries could cash out through Airtel agents specifically invited to carry out the distribution. This decision was taken at the set-up of the project to ensure the needed support to beneficiaries during the transaction. ‘Aide bénéficiaires’ helped beneficiaries to cash out and solve technical problems. In order to cash out the transfer, beneficiaries had to use their personal PIN codes and show their project or refugee card for identification. At Airtel shops, the personal PIN codes were considered enough as in any regular mobile phone transfer transaction.

• **Fees.** The value of the transfer sent to beneficiaries included the commission fees. Beneficiaries received the amount of FCFA 31,200 on their mobile account. Each cash out operation automatically generated a transfer equivalent of 4% of the value to an ‘income account’, from which half was transferred to the Airtel company account and the other half to the Airtel agent account. Eventually, beneficiaries could cash out up to the total sum of FCFA 30,000 generating commission fees of FCFA 1,200 in total.

• **Reconciliation of transfer amount distributed.** This was carried out between Save the Children and Airtel at the end of the distribution cycle, upon the submission of the transaction report and invoice by Airtel.

**Cash transfer through MFI**

ASUSU was responsible for the safe delivery of cash to beneficiaries at five established distribution points, according to an agreed schedule. Distribution was carried out with the assistance of aide bénéficiaires, who supported in the organization of the distribution and the identification of the beneficiaries. An initial meeting was conducted with beneficiaries in order to sensitize them on the distribution process and to provide them with registration cards, with

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9 Volunteer beneficiaries received a per diem to support their peers during distributions. They were also a focal point for beneficiaries, and could be contacted by phone during the period of the project.
their personal information and the dates of distribution. ASUSU was responsible for collecting and sending all distribution documents and reconciliation reports to Save the Children.

The cash flow for the MFI mechanism is summarized in the step-by-step process below:

- **Advance payment.** Before each distribution, Save the Children sent an advance payment to the ASUSU bank account and the list of beneficiaries.

- **Distribution.** On the distribution day, ASUSU agents arrived at the distribution point and, with the support of the ‘aide bénéficiaires’, called, identified, and delivered cash to beneficiaries. Beneficiaries were identified by their project card and their personal number in the list of beneficiaries. In cases of discrepancy, beneficiaries were asked to present their refugee card with photo. The distribution list was signed (or fingerprinted) by each beneficiary, the ASUSU staff and the ‘aide bénéficiaire’. ASUSU staff also drafted the distribution report.

- **After the distribution.** The day after distribution, ASUSU central service revised the distribution documents and sent them to Save the Children for reconciliation, which took less than a week. After verifying the documents, Save the Children made the advance payment for the next distribution.

4.2 Distribution efficiency

Interviews with Airtel beneficiaries revealed that they experienced long waiting times.

In the first distribution, almost 15% of the beneficiaries interviewed had to wait a full day to withdraw their money and 9.5% had to do it on a subsequent day.

In the second distribution, there was a notable improvement, with more than 60% of beneficiaries receiving the cash in less than three hours and only 2.4% having to do it on a subsequent day.

In the third distribution, efficiency worsened, with only 38.8% of beneficiaries being able to cash out in less than three hours and 17.6% of them having to do it on a subsequent day. This was mainly due to the late arrival and lack of liquidity of Airtel agents. Apparently, Airtel expected that the sensitization preceding the third distribution would have convinced beneficiaries to cash out from their proximity shops. As a consequence, and despite the fact...
that Save the Children had requested otherwise, they decreased the delivery capacity in the
distribution points, causing inefficiency.

Table 3. Waiting time for mobile phone beneficiaries

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Waiting time</th>
<th>Cash not received</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;1h</td>
<td>1-3h</td>
<td>4-6h</td>
</tr>
<tr>
<td>1st</td>
<td>27.4% (23)</td>
<td>28.6% (24)</td>
<td>20.2% (17)</td>
</tr>
<tr>
<td>2nd</td>
<td>26.2% (22)</td>
<td>34.5% (29)</td>
<td>26.2% (22)</td>
</tr>
<tr>
<td>3rd</td>
<td>15.3% (13)</td>
<td>23.5% (20)</td>
<td>22.4% (19)</td>
</tr>
</tbody>
</table>

The Airtel database related to the third distribution confirms the figures obtained from
interviews with beneficiaries, showing that 78.8% (248) of them were able to cash out on the
same day, 17.8% (56) did it one or a few days later and 3.5% (11) were not able to cash out ten
days after the distribution. In fact, both the interviews with beneficiaries and Airtel database
reveal a similar percentage of beneficiaries who were not able cash to cash out (3.5%) in the
second and third distributions. These cases involved problems with SIM card duplication (due
to errors in the registration of names), loss and theft. Save the Children and Airtel teams were
working to resolve these problems at the time of the study field visit.

ASUSU distributions, on the other hand, took between four and six hours to complete, mainly
due to the distance some beneficiaries had to walk to reach distribution points. Once at the
distribution point, though, beneficiaries were not required to stand in long queues and were
paid quickly. In the three distributions, at least 50% of the beneficiaries interviewed were able
to get their cash in less than an hour. In the first and in the second distributions, 100% of
beneficiaries cashed out within three hours. In the third distribution, waiting time was
somewhat longer, and 20% of beneficiaries had to wait up to a half day to cash out. This
situation was likely due to the increased number of MFI beneficiaries in the third distribution.

Table 4. Waiting time for MFI beneficiaries

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Waiting time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;1h</td>
<td>1-3h</td>
</tr>
<tr>
<td>1st</td>
<td>56% (9)</td>
<td>44% (7)</td>
</tr>
<tr>
<td>2nd</td>
<td>50% (8)</td>
<td>50% (8)</td>
</tr>
<tr>
<td>3rd</td>
<td>55% (22)</td>
<td>25% (10)</td>
</tr>
</tbody>
</table>

In general, MFI distributions were far more efficient than mobile phone distributions, which
were marked by a number of technical problems with the bulk-transfer system, PIN codes and
SIM cards. Some of these technical problems could have been avoided had a longer and more
careful preparation been carried out by Airtel. On the other hand, the efficiency of the mobile
phone transfers was negatively affected by the limited familiarity of beneficiaries with mobile
phones and their low capacity to manipulate them. This same difficulty has been experienced
and documented in previous pilots (Brewin 2008, WFP 2012).
4.3 Delivery costs

In the case of the mobile transfers, the calculation of the delivery costs took into account the expenses borne by Save the Children in order to get cash into the hands of the beneficiaries. These included the fees charged by Airtel, a portion of the per diems paid to ‘aides bénéficiaires’, and the reimbursement of transport expenses incurred by beneficiaries to attend the trainings before each distribution.

Airtel charged a 4% commission over the value of each transfer (i.e. FCFA 1,200 over every FCFA 30,000 monthly transferred via mobile phone to each of its 315 beneficiaries). Services contractually covered by these fees included the transfers, as well as the provision and distribution of 335 mobile phones with SIM cards and solar chargers (one for each beneficiary plus 20 mobile phones for the project), and the hiring of eight ‘aides bénéficiaires’ to assist their peers during distributions. Ultimately, it was not possible to find eight beneficiaries with sufficient experience and knowledge to act as ‘aides bénéficiaires’, so it was agreed to reduce the number to three. Moreover, it was decided that the per diems of the aides bénéficiaires would be borne partially by Airtel (FCFA 20,000/month) and partially by Save the Children (FCFA 50,000/month).

Airtel also provided expertise and human resources for the sensitization and training sessions aimed to raise beneficiaries’ awareness on the use of the mobile phone and the e-wallet system. Save the Children, on the other hand, contributed its own staff and the reimbursement of the transport costs (FCFA 1,000) for each beneficiary to attend the trainings.

The table below summarizes the mobile cash delivery costs, which total FCFA 2,676 per transfer per beneficiary, which is equivalent to 9% of the monthly transfer to each beneficiary.

<table>
<thead>
<tr>
<th>Table 5. Mobile phone delivery costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost item</strong></td>
</tr>
<tr>
<td>Commission fees (4%)</td>
</tr>
<tr>
<td>Per diem (aides bénéficiaires)</td>
</tr>
<tr>
<td>Transport expenses</td>
</tr>
<tr>
<td>Total costs for 3 distributions</td>
</tr>
<tr>
<td>Total costs per beneficiary per distribution</td>
</tr>
<tr>
<td>Percentage of the costs over the value of each transfer</td>
</tr>
</tbody>
</table>
In the case of MFI transfers, the calculation of the delivery costs took into account the fees charged by ASUSU and per diems paid to 4 aides bénéficiaires.

ASUSU charged 4.5%\(^\text{10}\) commission over the value of each transfer (i.e. FCFA 1,350 over every FCFA 30,000 monthly transferred to each of its 310 beneficiaries). Services contractually covered by these fees included distribution costs, such as staff, transport and insurance for cash. Additionally, Save the Children decided to enlist the support of 4 ‘aides bénéficiaires’ for the MFI beneficiaries, and accordingly bore the cost of their per diems (FCFA 50,000/month).

The table below summarizes the MFI delivery costs, which total FCFA 1,995 per transfer per beneficiary, equivalent to 7% of the monthly transfer to each beneficiary.

<table>
<thead>
<tr>
<th>Cost item</th>
<th>Value (FCFA)</th>
<th>Quantity</th>
<th>N. distributions</th>
<th>Total (FCFA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission fees (4.5%)</td>
<td>1,350</td>
<td>310</td>
<td>3</td>
<td>1,255,500</td>
</tr>
<tr>
<td>Per diem (aides bénéficiaires)</td>
<td>50,000</td>
<td>4</td>
<td>3</td>
<td>600,000</td>
</tr>
<tr>
<td>Total costs for 3 distributions</td>
<td></td>
<td></td>
<td></td>
<td>1,855,500</td>
</tr>
<tr>
<td>Total costs per beneficiary per distribution</td>
<td></td>
<td></td>
<td></td>
<td>1,995</td>
</tr>
<tr>
<td>Percentage of the costs over the value of the transfer</td>
<td></td>
<td></td>
<td></td>
<td>7%</td>
</tr>
</tbody>
</table>

The cost analysis demonstrates that although the commission fees charged by the mobile phone service provider were 0.5% lower than those charged by the MFI, total delivery costs were 2% higher for mobile transfers than for the MFI. This difference was mostly due to the low level of familiarity and capacity to deal with the mobile phone technology among beneficiaries, which made trainings necessary before each distribution. These costs would have been amortised in ten months time after which the mobile phone mechanism would have become more efficient than MFI. If only one training had been necessary, as one would expect with beneficiaries who were more familiar with the technology, mobile transfers would have become more efficient following the 4\(^{\text{th}}\) distribution (end of the project).

**Graph 3. Cost efficiency of MFI and mobile phone mechanisms over time**

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\(^{10}\) These fees were slightly (0.5%) lower because Save the Children decided to pre-finance the distribution. If, instead, ASUSU had to pre-finance it, the fees would have been of 5%. 

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These findings corroborate the results of two previous comparative studies on mobile phone transfers in Niger, which demonstrated that although commission fees of mobile phone operators are lower than those of MFIs, the set-up costs of mobile transfer operations are higher. These findings show that for short-term projects in which the implementing agency has to cover the fixed costs of technology (appliances and/or trainings), the mobile phone mechanism may be more expensive. However, when the projects are extended over a certain period of time, the costs per beneficiary eventually equalise and then become lower than other mechanisms. This ‘break-even point’ would have been reached at 10 months in the WFP and Save the Children programs, and at 12 months in the Concern program.

**Box 1. Two studies on mobile phone delivery costs in Niger**

In 2010, Concern carried out a study to compare mobile and direct cash in the rural setting of Tahoua\(^{11}\), and found that, over the period of 5 months, the delivery costs of mobile cash were 6% higher than those of direct cash. This was mainly due to the fact that the agency had to purchase mobile phones for beneficiaries. Without these set up costs, delivering mobile cash would have cost 30% less than delivering direct cash (Aker 2012).

In 2012, WFP carried out a study comparing mobile and MFI mechanisms in the urban areas of Tillabery, Tahoua and Agadez\(^{12}\). This study found that over a period of 5 months, delivery costs of mobile cash was 20% higher than those of the MFI mechanism. Again, this was due to the fact that the implementing agency had to bear the costs relative to the mobile phones. On the other hand, the commission fees to deliver cash through mobile transfers were lower than through other mechanisms (WFP 2012).

### 4.4 Costs for beneficiaries

The calculation of the costs for beneficiaries took into account transport and opportunity costs incurred by them in the third distribution\(^{13}\). Transport costs are associated with the trip to and from the distribution or cash out point. Opportunity costs are associated with the potential loss of income due to the time spent on the delivery process. Since travelling to and from the cash out points has time implications, the two costs are interconnected.

**Transport costs.** The present study did not find relevant differences between transport costs incurred by beneficiaries of the two mechanisms. Taxis were referred to as the transportation means used by 51% of the mobile cash recipients and 54% of the MFI beneficiaries interviewed. The average cost of a return taxi ride to a distribution point was of FCFA 500 (i.e. 1.7% of the value of the transfer). It was expected that the mobile phone mechanism would have decreased transport costs, with beneficiaries cashing out from Airtel proximity shops. Nevertheless, it was only in the third distribution, after having been sensitized, that

\(^{11}\) The Concern project was implemented for a period of 5 months. A value of FCFA 22,000 was transferred each month to approximately 10,000 beneficiaries during the ‘hungry season’. A commission fee of 7% was charged by the mobile operator (personal communication of the author with the project manager during a World Bank study in 2011)

\(^{12}\) The WFP project was implemented for a period of 5 months. The mobile phone transfer fee was FCFA 1,000 for each transaction of FCFA 32,000 (equivalent to 3.125%), while the transaction fee for the MFI was 4.5%. WFP bore the costs of the mobile telephones (FCFA 3,900) distributed to all beneficiaries. Furthermore, WFP had to pay the fees of the staff used by the mobile phone operator for the distribution activities.

\(^{13}\) The third distribution was taken as a reference because it was only then that beneficiaries started using the proximity shops.
beneficiaries started using Airtel shops. It is worth highlighting that all beneficiaries cashing out at a proximity shop (10% of the total) walked to the cash out point, thus saving on transportation costs. This confirms the potential advantage offered by the mobile phone mechanism in terms of reducing transport (and opportunity) costs in circumstances where beneficiaries are able to access proximity cash out points.

On the other hand, inefficiencies in the third mobile cash distribution obliged 21%$^{14}$ of the beneficiaries to incur the costs of travelling a second time to the distribution point or the ‘centralized hub’ as they were not able to cash out on the distribution day. These costs can be estimated at FCFA 29,767 (FCFA 500$^{15}$ x 21% of 315), i.e. 0.32% of the total value of the transfer.

**Opportunity costs.** The study found considerable differences in the time required for the beneficiaries of the two mechanisms to cash out. These differences were mostly associated with the distribution inefficiencies mentioned above. Considering the national daily minimum wage of FCFA 1000$^{16}$, the costs associated to coming back a second time to cash out translated into opportunity costs of FCFA 67,000 (FCFA 1,000 x 67 beneficiaries). This is equivalent to 0.71% of the total value of the third distribution. It has to be said that most of the recipients were elderly; hence it is unlikely that this translated into a real loss of income, although it certainly affected time dedicated to household care and activities.

The conclusion is that the potential advantages of the mobile cash in terms of transport and opportunity costs ultimately depend on the effective use of proximity shops by beneficiaries, not only because they travel less, spending less time and money, but also because commercial cash out points tend to be more efficient than distribution points.

4.5 Beneficiaries’ Preferences

In order to explore beneficiaries’ preferences towards one of the two delivery mechanisms (mobile phones or MFI) as well as the reasons behind their preferences, nine focus group discussions and 127 individual interviews were held.

<table>
<thead>
<tr>
<th>Preferred mechanism</th>
<th>Mobile phone beneficiaries</th>
<th>MFI beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile phone</td>
<td>76% (66)</td>
<td>30% (12)</td>
</tr>
<tr>
<td>MFI</td>
<td>23% (20)</td>
<td>60% (24)</td>
</tr>
<tr>
<td>Indifferent</td>
<td>1% (1)</td>
<td>10% (4)</td>
</tr>
<tr>
<td>Total</td>
<td>100% (87)</td>
<td>100% (40)</td>
</tr>
</tbody>
</table>

$^{14}$ This figure was obtained from interviews with beneficiaries and confirmed by the cash out database provided by the mobile operator.

$^{15}$ Average cost of a return taxi ride to the distribution point.

$^{16}$ Value used by several agencies to determine the wage for cash for work activities.
Preferences for the MFI mechanism reached 60% among ASUSU beneficiaries and 23% among the Airtel beneficiaries interviewed. The reasons for preferring the MFI mechanism were similar for both ASUSU and Airtel beneficiaries, and could be grouped in two categories:

- **Efficiency and simplicity** were reasons mentioned by 60% of beneficiaries who preferred the MFI delivery mechanism. Beneficiaries highlighted that MFI distributions were easy, fast, problem-free, and reliable.

- **Lack of knowledge and difficulties to adapt** to the mobile phone technology were mentioned by 30% of the beneficiaries preferring the MFI delivery mechanisms. Beneficiaries reported that they didn’t know how to use mobile phones, feared technical problems, or were worried to damage or lose the handset.

Preferences for the mobile phone mechanism reached 76% among Airtel beneficiaries and 30% among MFI beneficiaries interviewed. The reasons for preferring the mobile phone mechanism were basically related to:

- **Added value of mobile phones** was mentioned by 65% of the beneficiaries preferring mobile phones. Beneficiaries’ answers revolved around the advantages of receiving and keeping a mobile phone, the opportunity to communicate with family and friends and to listen to the radio to know about the situation in their country. Other reasons included in this category of response are related to time efficiency and lower transport costs, increased discretion, flexibility and security of the mechanism.

- **Neutral justifications.** 35% of the beneficiaries preferring mobile phones justified their preference saying that they faced not had any problem to get the money or that they had simply gotten used to this delivery mechanism.

*Graph 4. Reasons for beneficiaries’ preferences*
Box 2. Two thought-provoking cases of beneficiaries’ preference

During the focus group discussions, two groups of beneficiaries were particularly noteworthy, due to their unanimous preference for the mobile phone mechanism and because of the justification of their preference, which demonstrated a high level of awareness and familiarity with the potential advantages of the mobile phone technology. The first group was composed of 32 Airtel beneficiaries from the FNUAP distribution point and the second group was formed of 10 long term settled refugees coming from different countries (DRC, Chad, Ivory Coast) who received cash through ASUSU.

These two groups were analyzed in further detail. Some of the findings are presented in the boxes below and may shed a light on some of the conditions favorable to the mobile phone mechanism.

### Airtel Beneficiaries from the FNUAP distribution point

Among the 32 Airtel beneficiaries from the FNUAP distribution point interviewed, 97% preferred the mobile transfers. Focus group discussions conducted with them highlighted an appreciation of the benefits of the mobile phone technology that go beyond cash distribution efficiency.

“In my opinion both mechanisms allow you to withdraw money, even if one method can take more time. However, the mobile phone is more discrete and we can also withdraw only part of the money.” Aichata, 40 year-old Malian refugee

“Telephone is a means of information. We can communicate with other beneficiaries and with our relatives in Mali. We don’t need to wait for the end of the month to receive the cash. I can benefit from the phone everyday.” Souleymane, 38 year-old Malian refugee

“To get the transfer both mechanisms are fine, but with the telephone I can receive and make calls and I get information from my relatives in Mali and on the project. I feel more human and responsible” Jida, 60 year-old Malian refugee

The familiarity of this group with the additional advantages of the mobile phone technology needs to be further investigated. A hypothesis is that the ‘aide bénéficiaires’ played an important role in raising the beneficiaries’ awareness of the potential of mobile phones.

### Long-term settled refugees

Among the 40 ASUSU beneficiaries interviewed, 75% were recently settled Malian refugees and 25% were long-term settled refugees coming from different countries (DRC, Chad, Ivory Coast). When the preferences of these two groups were analyzed separately, a striking difference was found: while 80% of the Malian refugees preferred the more traditional MFI mechanism, 90% of the long term settled refugees preferred the mobile phone technology.

Evidently, having recently come from small towns and villages, Malian refugees were unfamiliar with the use of mobile phones. On the other hand, having long settled in Niamey, the other refugees had become ‘urban citizens’ and felt confident and excited to use the mobile phone technology. In fact, some of them had already used the mobile for small businesses or made Western Union transfers before. They were aware that phone transfers could help them save on transport fees and travel time, and considered that the mobile delivery mechanism ensured more discretion and security.

In summary, the analysis of beneficiaries’ preferences demonstrated at least three key factors that will influence, if not determine, their preference for mobile phone transfers: their familiarity with the technology, capacity to use it, and the support provided to beneficiaries less familiar and/or less able to deal with it.

### 4.6 Risks

#### Risks for the delivery agencies

Save the Children contractually transferred the risks of the cash distribution to the two delivery agencies. ASUSU took all the responsibility (security, losses, etc.) of carrying and distributing cash. As ASUSU is part of the Nigerien financial system, the money transported and distributed was insured. Airtel, conversely, transferred the risk of transporting and
distributing cash to their agents, who received half of the commission for this operation. In this case, the money was not insured any loss would borne by the Airtel agent. According to Airtel staff interviewed, their agents were traders with considerable experience in managing and distributing cash. This is corroborated in the literature, in which mobile money agents are described as entrepreneurs trying to build a sustainable business who, therefore, have a vested interest in the system working safely (Brewin 2008).

An interview with one of the Airtel agents revealed some concern with the security at one of the distribution points: the former Consulate of Mali. These concerns affected the delivery capacity of Airtel agents, who carried small amounts of cash to minimize risks. While this was manageable when distances were short and agents were capable of making multiple small trips, long distances eventually undermined their capacity to cover all the needs. This situation more or less reflects the findings of a CaLP review, according to which, traders participating in the Hunger Safety Net Program in Kenya and mobile money agents in Haiti remained fearful of robbery, but considered that the benefit of being part of the system outweighed the risks (Smith et al. 2011).

Schools or other public buildings were chosen as distribution points as a means to ensure a certain level of privacy and security for all parts involved. No other specific security measure was taken (i.e. no police or other armed agents were responsible for the sites during distributions). In any case, both ASUSU and Airtel agents conducted the distributions without any major security or public order problems. It is important to note, though, that Airtel agents considered their own shops safer than the distribution points, recognizing that cash transfer transactions spread amongst Airtel shops reduced the risks incurred by individual agents.

**Risks for beneficiaries**

The main risks for beneficiaries were related to security (theft and robbery) and cash misappropriation at the distribution points and on their return trip home. However, no incidents were registered. A few cases (three among the beneficiaries interviewed) of handsets and SIM cards being stolen in different settings and circumstances were reported. In these cases, the SIM cards were blocked. Some of them were replaced, but during the study field visit there were beneficiaries waiting for their stolen SIM cards and phones to be replaced.

The tendency of beneficiaries to share and sometimes inadvertently exchange their phones without realizing that they contained personal and confidential information generated risks of misappropriation, and caused some concern among the Airtel staff interviewed. Despite this risk, no problems arose due to the controls (I.D., PIN Number) put in place by the project.

Studies on new technologies raise concerns regarding the risks associated with electronic storage and sharing of confidential data (Smith et al. 2011), especially in contexts where protection is important, such as when working with refugees. In this project, beneficiaries’ data was protected by a confidentiality clause in the contract signed with Airtel.

5. **POTENTIAL ADVANTAGES OF THE MOBILE DELIVERY MECHANISM**

The potential advantages of the mobile phone technology for the target population are particularly linked to the flexibility of the mobile cash, which allows beneficiaries to choose
more convenient locations and times for the cash out and stimulates a saving behavior. Another potential advantage is related to improved communication among beneficiaries, between beneficiaries and their families in their country of origin, and between beneficiaries and the project. These potential advantages are discussed in more detail below.

5.1 Using the mobile money e-wallet as a savings account

One of the often cited benefits of delivering cash transfers through e-payment systems is the opportunity this provides to poor and vulnerable households to save money safely and access formal financial services, positively impacting on households’ well being beyond the duration of the transfer (Smith et al. 2011).

Flexibility to gradually withdraw cash was one of the mobile money advantages promoted to beneficiaries. In fact, the same benefit could be attained through the MFI mechanism, which could have offered beneficiaries the possibility to open a savings account, allowing them to save and withdraw the transfer gradually. Nevertheless, as highlighted by ASUSU staff interviewed, they do not open savings accounts when dealing with emergency cash transfers.

Although this message was promoted in the trainings and during distributions by the aide bénéficiaires, only one Airtel beneficiary among the 87 interviewed decided to make a partial withdrawal. According to an aide bénéficiaire, the lack of familiarity with and trust in the electronic system pushed beneficiaries to withdraw all at once. The most important issue, though, as pointed out by beneficiaries during the focus group discussions, is that there are too many immediate needs to meet, therefore they have to withdraw the full amount of the transfer.

Apparently, promoting the flexibility opportunity among beneficiaries did not change their saving behaviour. This impression is confirmed by a Microfinance Opportunity study in Kenya. It found that the share of e-money transactions was less than 6% compared to more than 94% for cash. E-money was primarily used to send money home, mainly from urban to rural settings, and cash out almost always happened quickly (Stuart, G. and Cohen, M. 2011).

5.2 Withdrawal from proximity shops

Beneficiaries were given the possibility to use proximity shops, which would have allowed them to choose the most convenient location and time to cash out. They were specifically sensitized on this aspect during the three-day workshop held before the third distribution. Nevertheless, only 10% of the 87 beneficiaries interviewed cashed out from a proximity shop in the third distribution. This low percentage seems to be linked to the beneficiaries’ resistance to change habits and their need for support from the aide bénéficiaires. A brief analysis of the few withdrawals from the proximity shops occurring in the third distribution demonstrates that, if adopted by the majority of the beneficiaries, distributions would become more efficient, and the costs for beneficiaries as well the risks for both Airtel agents and beneficiaries would decrease.

5.3 Increased opportunities to communicate with relatives abroad

One of the main advantages offered by the mobile phone mechanism to beneficiaries of this project was that it allowed Malian refugees to be in contact with their families. In fact, 96%...
percent of the beneficiaries interviewed mentioned that they used the telephone to receive and make calls and 86% to communicate with their relatives in Mali or other countries. Beneficiaries spent an average of FCFA 2,800 per month on telephone credit, which was about 10% of the value of the transfer. Moreover, 80% of the beneficiaries interviewed reported using the radio function in their phones to get news on the situation in their country of origin.

ASUSU beneficiaries were also able to use mobile phones to communicate with their relatives. In fact, 80% of them were able to contact their relatives abroad, but 28% had to borrow telephones from relatives or neighbours to do so. Sometimes beneficiaries had to compensate those lending them the telephone with a gift, some credit, or even cash:

“I call my family in Mali twice a month and I use a neighbour’s telephone. Each time I call I have to pay FCFA 500 to use the telephone and this doubles my costs”. Mme Hourbaya, 30 years old, Malian refugee

5.4 Better communication with the project and among beneficiaries

Mobile phone technology has the potential to improve the flow of information between humanitarian agencies and disaster-affected communities by enabling these communities to individually and directly communicate with the agencies (CDAC 2012). The appropriate use of mobile phones can facilitate the flow of information and also empower potentially excluded voices to participate and inform the humanitarian response, ensuring that a greater number of needs are met and accountability is enhanced (Save the Children 2012).

The mobile phone beneficiaries had access to a free hotline for complaints and could call other beneficiaries and aide bénéficiaires at a subsidized price (FCFA 60 instead of FCFA 100). Thanks to the training sessions, the mobile phones facilitated the exchange of information on the project between beneficiaries. Beneficiaries of the mobile phone component have created networks through which they exchanged information and kept up-to-date on project activities.

Interviews showed that beneficiaries communicated with aide bénéficiaires mainly by phone (55%), and among themselves mostly face-to-face (33%), but also by phone calls (18%) and through voice messages (26%). Only 5% of all beneficiaries contacted the free hot line to report cases of stolen phones or SIM cards, or distribution problems. In practice, they contacted the aide bénéficiaires directly for information and complaints.

“With the mobile phone there is more humanity, because I can have news from my family and this has no price. Also, I was able to attend this meeting thanks to my phone. I feel more responsible.”

Zaouzata, 60 year-old Malian refugee

The level of information on project activities was much lower amongst ASUSU beneficiaries. After the initial sensitization, they did not receive information on the project as regularly as the mobile transfer recipient, excepting for the distribution dates. For this reason, some of them were not informed of the postponed distribution in November.
6. POTENTIAL CHALLENGES OF THE MOBILE TRANSFER MECHANISM

6.1 Technical problems during distribution

No major problems occurred during the ASU distributions, except for a miscommunication related to a change in the date of the third distribution. This miscommunication caused some inconvenience for beneficiaries who arrived at the distribution site on the original, rather than updated, date. Interviews with ASU representatives reiterated the impression that distributions were carried out quite effectively.

On the other hand, a number of technical problems arose during the Airtel distributions. The limited time dedicated for preparation contributed to the emergence of some of these problems. In fact, Airtel relied on their previous experiences with large groups of beneficiaries (up to 4,000) in rural areas, and assumed that dealing with a small number of beneficiaries in an urban area would require a few days of preparation. This, however, was not the case.

Three major problems affected Airtel distributions:

- **Delays in the first bulk-transfer to the beneficiaries.** Airtel used a software that had been successfully used in the past (1.5 year before), failing to account for the fact that in the meantime the platform had been changed and tested only virtually. When put in practice, the bulk-transfer system was blocked and text messages intended to be disseminated with the transfer, only arrived to the beneficiaries late on the day of the first distribution.

- **SIM cards.** Some SIM cards were not activated. Others were erroneously considered duplicated and accordingly blocked. It took Airtel three months to verify and reactivate some of these cards.

- **PIN code errors.** PIN codes were written on phone boxes given to beneficiaries. In the first distribution, some of these codes did not work. This could have been avoided if PIN codes had been tested before the distribution. Moreover, many beneficiaries forgot their PIN codes. Ultimately, a decision for a general PIN code reset was made following the first distribution. Nevertheless, PIN code errors and subsequent blocking of the e-wallet application after three wrong attempts were recurrent in the three distributions. Most PIN code-related problems were due to the beneficiaries’ inability to use the technology.

Whereas some of these technical problems could have been reduced by a more careful preparation on the part of Airtel, it is worth mentioning that similar problems have occurred in other projects, such as the Concern pilot in Kenya (Brewin 2008), and the WFP urban pilot in Niger (WFP 2012).

6.2. Beneficiaries’ capacity

The project undertook a baseline survey on the ownership of mobile phones and uncovered a high ownership rate (up to 78%). Nevertheless, this ownership did not translate into high levels of familiarity and capacity to use the mobile phone technology among beneficiaries.

Interviews with Airtel beneficiaries showed that 60% of them were able to use the mobile phone, 8% (7) were able to use some of its functionalities and 31% (27) were not able to use the phone alone.
Focus group discussions with Airtel beneficiaries confirmed their difficulties in fully exploiting the functionalities offered by the mobile phone technology. Elderly beneficiaries, in particular, had great difficulty in manipulating the mobile phone by themselves and some required the help of relatives or neighbours, even for straightforward applications such as making calls. In 90% of the cases this help came from their children and grandchildren under 15 (31%) or between 15 and 18 (41%) years of age.

The project tried to deal with this issue by offering support to Airtel beneficiaries during distributions (aide bénéficiaires) and organizing sensitization and training sessions.

- Sensitization sessions were conducted before the first cash distribution on the day of the distribution of the mobile phones.
- A training session was conducted before the second distribution. Its main purpose was to explain the use of the pin code.
- A 3-day-workshop was conducted before the third distribution. Its main objective was to provide extended training sessions to small groups of beneficiaries, allowing them to develop a deeper understanding of the benefits and functionalities of their mobile phones. The contents of the training included: basic mobile phone manipulation, awareness of where and when to withdraw the money, use of the phone for complaints (hotline) and support.

Despite these efforts, focus group discussions and interviews with Airtel beneficiaries conducted one month after the 3-day workshop revealed a continued low level of understanding and a limited impact on the segment of the target population that was previously unable to use the mobile phone.

The beneficiaries who were not able to use the mobile phones could have been identified at the beginning of the project and asked to be accompanied by a family member able to use the phone, both during the training and at the distribution. This could have increased the number

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**Table 7. Beneficiaries’ ability to use the mobile phone**

<table>
<thead>
<tr>
<th>Ability</th>
<th>Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Able to use</td>
<td>60% (52)</td>
</tr>
<tr>
<td>Only partly</td>
<td>8% (7)</td>
</tr>
<tr>
<td>Unable to use alone</td>
<td>31% (27)</td>
</tr>
</tbody>
</table>

**Table 8. Relationship helper and beneficiaries**

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Percentage/Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children/Grandchildren</td>
<td>90.3% (28)</td>
</tr>
<tr>
<td>Husband</td>
<td>3.2% (1)</td>
</tr>
<tr>
<td>Neighbours</td>
<td>6.5% (2)</td>
</tr>
<tr>
<td>Total</td>
<td>100.0% (31)</td>
</tr>
</tbody>
</table>

**Table 9. Age of people helping beneficiaries to use mobile phones**

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage/Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 18</td>
<td>28% (8)</td>
</tr>
<tr>
<td>15-18</td>
<td>41% (12)</td>
</tr>
<tr>
<td>8 to 14</td>
<td>31% (9)</td>
</tr>
</tbody>
</table>
of beneficiaries withdrawing cash from Airtel outlets. Of course, the involvement of youth or children in the training would have required some adjustments, as for example trainings out of school time. An example of this approach is provided by Mercy Corps in Haiti, where elderly beneficiaries were encouraged to bring a trusted family member to the distributions and trainings to assist them when making transactions (Smith et al. 2012).

Older people are arguably less exposed to new technology and issues of dexterity and visual impairment risk further impacting on their ability to utilize new technology (Smith et al. 2012). The appropriateness of targeting traditionally vulnerable groups, like elderly people, as recipients of the mobile phone transfers should also be reflected upon. Involving younger groups, either indirectly or as recipients, could increase the uptake and the efficient use of the technology and its externalities.

7. CONCLUSIONS

In general, the mobile phone mechanism has lower transaction costs as compared to the MFI, as the mobile phone operators charge lower commission fees. However, when dealing with low phone ownership and limited familiarity of the beneficiaries with the technology, the costs to set up the project and ensure its efficiency can be high. This study found that the cost to train beneficiaries who were not familiar with the technology or had little capacity to use it required considerable investments in training. The conclusion is that the mobile phone mechanism takes some time to become cost-efficient. Similar results were found in other studies in which the fixed costs associated with the purchase of the mobile phones led to a more cost-efficient mechanism after a hypothetical period of 10-12 months.

Potentially, the mobile phone mechanism also has lower transport and opportunity costs, especially in an urban context. This study found that when beneficiaries used cash out points (proximity shops) instead of general distribution points, they had to travel less and wait less time to receive payments. In the opinion of Airtel agents, this practice is also associated with lower risks and higher efficiency. It is important to highlight that the use of cash out points will depend on the level of confidence of beneficiaries with the technology as well as in the city.

In general, beneficiaries seemed satisfied with the mechanism they were using to access cash. The main reasons for preferring MFI were associated with the efficiency and simplicity of this delivery mechanism. On the other hand, the reasons for preferring the mobile phone transfers were linked to the added value of mobile phones, particularly increased communication opportunities with family, friends, their country and the project. The highest levels of preference for the mobile phone mechanism were found among beneficiaries who either had previous familiarity and high capacity to utilise the mobile technology (long-term settled refugees) or had been effectively sensitized and supported by the project (by means of the aide bénéficiaires).

The security risks associated with the delivery of cash were transferred by Save the Children to the delivery agencies (Airtel and ASUSU). ASUSU, being part of the financial system, transported and distributed insured money. Airtel, on the other hand, relied on delivery agents who were experienced in managing and distributing cash, but had no insurance. These agents, in fact, considered that the withdrawal undertaken in their own shops to be safer for
themselves and the beneficiaries. In any case, distributions occurred without any major security problems. The main risks for beneficiaries were related to thefts, robbery and cash misappropriation, but again, no major occurrence was registered during distributions.

The flexibility to withdraw cash gradually is acknowledged as one of the advantages of the mobile money and was offered to the Airtel beneficiaries of this project. Nevertheless, due to the high level of needs, nearly all beneficiaries withdrew the full amount that was made available each month. In fact, other studies show similar behaviour with beneficiaries cashing out immediately after the transfer, even in non-emergency situations.

Enhanced communication opportunities are another advantage associated with the mobile phone mechanism. This is especially relevant for refugees and was cited as the most common reason for beneficiaries to prefer the mobile phone to the MFI mechanism. They particularly appreciated the possibility to keep in touch with their families and their country of origin. The mobile technology also allowed for better communication between beneficiaries and the project. Beneficiaries of the mobile phone component seemed to have created networks through which they exchanged information and kept updated.

Despite the advantages offered by the technology, face-to-face communication is fundamental for the success of any project. The study demonstrated the importance of the aide bénéficiaires (or field operators). They were able to sort out problems, convince beneficiaries to take some risks, and explain the additional benefits of technology. Selection and training of field operators is, therefore, key for an effective mobile phone operation.

The most important challenges related to the implementation of the mobile phone mechanism were related to technical problems in the distribution and the low familiarity and capacity of beneficiaries, especially the elderly ones, to uptake technology. These challenges have been faced in other projects and reported in other studies. Technical problems can be anticipated and minimized with a detailed preparedness plan and project preparation. The challenge posed by the uptake of technology by beneficiaries, on the other hand, can be tackled through a thoughtful targeting and an efficient support to beneficiaries throughout the period of the intervention.

8. RECOMMENDATIONS

a) Actively engage non-traditional groups in the mobile cash transfer process.

It is important to be aware of the difficulties for certain groups (e.g. elderly, illiterate) to learn and adapt to technology and the potential for other less traditional groups, (e.g. youth, students) which may pro-actively support cash transfer recipients in the use of the mobile technology.

b) Start up mobile cash transfers for urban refugees with groups that are more familiar with technology and the urban setting.

Long-term settled refugees can be the ‘champions’ to test innovation. In a second phase of the project, they can help scale it up to new refugees who can be less technologically aware and less able access services in the city.
c) **Facilitate the uptake of technology by beneficiaries as a continuous process including sensitization, training and accompaniment.**

The full process should be led by the implementing agency with the technical support of the service provider. The identification and engagement of volunteer beneficiaries to support their peers has proven critical to the uptake of technology by beneficiaries. The ‘champions’ could play this role in the scale up of the project.

d) **Focus on efficiency and timeliness rather than flexibility of withdrawals in short-term mobile cash transfer interventions**

Experience shows that in emergency situations beneficiaries tend to withdraw the cash all at once. Promoting the flexibility of the technology (particularly the use of the e-wallet) requires a lot of investment in changing beneficiaries’ behaviour, which is difficult to achieve in the short term. Efforts should be directed at the potential of the technology to increase efficiency and timeliness of cash delivery.

e) **Promote the use of proximity cash out points**

The study shows that the use of proximity cash out point increases the efficiency of the mobile phone mechanism, especially in an urban setting. When dealing with a refugee population, this requires special attention to targeting (see recommendations a and b), and sensitization, training and accompaniment of beneficiaries (see recommendation c).

f) **Invest in the communication benefits of the mobile technology**

The mobile phone technology has the potential to improve the communication of beneficiaries with their peers, friends, families and the project. This is particularly relevant among the refugee population and should be a key element of a mobile cash transfer intervention addressed to urban refugees.

g) **Prioritize the use of mobile phone technology in long-term safety nets**

Mobile phone transfer mechanisms have higher set up costs and lower transaction costs compared to other transfer mechanisms. This makes them more cost-efficient in the long-term (at least 10-12 months). Long-term safety nets allow enough time for the preparation and set-up of the system and the take up of technology by beneficiaries.

9. **BIBLIOGRAPHY**

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### ANNEX 1. Field work schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Name</th>
<th>Organisation</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dec 3, 2013</strong> Tuesday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>09:00 – 10:00</td>
<td>David Matyas</td>
<td>Save the Children International</td>
<td>Sahel Resilience Adviser</td>
<td></td>
</tr>
<tr>
<td>10:00 – 11:00</td>
<td>Labo Sabiou</td>
<td>Save the Children International</td>
<td>FSL focal point for UNCHCR</td>
<td></td>
</tr>
<tr>
<td>11:30 – 12:00</td>
<td>Mirko Tommasi</td>
<td>Save the Children International</td>
<td>Field Manager Niamey Base</td>
<td></td>
</tr>
<tr>
<td>14:00 - 15:00</td>
<td>Soumaila Abdoulahi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16:00 - 17:00</td>
<td>Barry Amadou</td>
<td>UNHCR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17:00 - 18:00</td>
<td>Mr. Hamidou</td>
<td>ASUSU</td>
<td>Supervisor Cash Distribution</td>
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</tr>
<tr>
<td><strong>Dec 4, 2013</strong> Wednesday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>09:30 - 12:00</td>
<td>Prince Obiang</td>
<td>Airtel</td>
<td>Head of Money Unit</td>
<td></td>
</tr>
<tr>
<td>14:30 - 15:30</td>
<td>Aide beneficiaries + SC staff</td>
<td>Beneficiaries</td>
<td>Aide Beneficiaries</td>
<td></td>
</tr>
<tr>
<td>15:30 – 16:00</td>
<td>Mr. Ag Ihiti Mohamed</td>
<td>Save the Children International</td>
<td>Responsible for Complaint Mechanism</td>
<td></td>
</tr>
<tr>
<td>16:00 - 17:30</td>
<td>Discussion groups with beneficiaries at the Guichet Unique</td>
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<tr>
<td><strong>Dec 5, 2013</strong> Thursday</td>
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<tr>
<td>8:30 - 15:00</td>
<td>Discussion groups and interviews with beneficiaries at the Guichet Unique</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>17:00 - 18:00</td>
<td>Mr. Girogi Dolidze</td>
<td>WFP</td>
<td>Cash Focal Point</td>
<td></td>
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<tr>
<td><strong>Dec 6, 2013</strong> Friday</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8:30 - 16:00</td>
<td>Discussion groups and interviews at 'Ecole Mamane' distribution point</td>
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<td></td>
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<tr>
<td><strong>Dec 7, 2013</strong> Saturday</td>
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<td></td>
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<tr>
<td>8:30 - 13:00</td>
<td>Discussion groups and interviews with beneficiaries at 'Dar Al-Salam' distribution point</td>
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<td></td>
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<tr>
<td><strong>Dec 8, 2013</strong> Sunday</td>
<td></td>
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<tr>
<td>8:30 - 16:00</td>
<td>Discussion groups and interviews with beneficiaries at 'Dar Al-Salam' distribution point</td>
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<tr>
<td><strong>Dec 9, 2013</strong> Monday</td>
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<tr>
<td>9:00 - 12:00</td>
<td>Prince Obiang</td>
<td>Airtel</td>
<td>Head of Money Unit</td>
<td></td>
</tr>
<tr>
<td>12:00-13:00</td>
<td>Abdoul Salam Ben Leo</td>
<td>Airtel</td>
<td>Business Development Supervisor</td>
<td></td>
</tr>
<tr>
<td>16:00 - 17:00</td>
<td>David Matyas (debriefing)</td>
<td>Save the Children International</td>
<td>Sahel Resilience Adviser</td>
<td></td>
</tr>
</tbody>
</table>