



THE DELIVERY GUIDE

Scoping the Humanitarian Payments Landscape

Summary

The Delivery Guide helps humanitarian workers identify appropriate delivery mechanisms for cash transfer programming, particularly multipurpose cash grants (MPGs). In past responses, organizations have faced challenges in understanding and assessing how regulations will affect cash programming. The Delivery Guide takes users through a two-step process: first, an initial landscaping and scoping process to understand viable cash delivery options and potential obstacles, followed by a process to compare and select a financial service provider (FSP).

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Introduction

Purpose & Intended Audience

As humanitarian responses increasingly include cash transfers, the efficiency and safe delivery of cash assistance has become a critical component of good programming. The “Delivery Guide” outlines a process for humanitarian workers to understand available options for delivering cash to beneficiaries, their benefits and drawbacks, and to prepare to select a payment service provider. Parts of this guide can be used by individual humanitarian agencies and their staff, or by coordination actors, including cash coordinators, cash working groups, or consortia.

The delivery guide is organized into two phases:

- First, a payments **landscape scoping** phase. This phase helps humanitarians develop a good understanding of the landscape and options available in their environment/country for cash transfer delivery, both at a national and local level. It guides the user on how to look at and how to research payments providers, and what they need to understand about **regulations** that are relevant for cash transfer programs. The output from this step is a landscape report that summarizes options and considerations for cash delivery in their specific context.
- Second, **developing and refining requirements** helps humanitarian staff to articulate and prioritize their needs for cash transfer delivery services in preparation for a procurement process. This step is best undertaken by a single agency or consortium once some basic program design has been established.

Following this process can help humanitarian actors become more systematic in their approach to selecting a cash delivery mechanism, ultimately leading to more successful aid programs.

Scope

This guidance was developed under a grant with the objective is to increase the uptake of multi-purpose cash grants (MPGs) in emergencies. MPGs “*place beneficiary choice and prioritization of his/her needs at the forefront of the response*” and are recognized as a vehicle to *maximize efficiency of humanitarian resources*. Therefore this toolkit is designed for MPGs; voucher delivery mechanisms are not considered or included.

The Delivery Guide covers the payment landscape scoping and needs prioritization processes but does not extend beyond preparation of procurement materials, for example implementation of MPGs. Resources for these stages are available in other toolkits.¹

This Delivery Guide recognizes that a number of tools have already been developed to help humanitarians assess cash transfer delivery mechanisms in various contexts. This delivery guide has drawn heavily on existing tools including, but not limited to, UNHCR’s Cash Delivery Mechanism

¹ Such as the Operational Guidance and Toolkit for Multipurpose Cash Grants
<http://www.cashlearning.org/downloads/operational-guidance-and-toolkit-for-multipurpose-cash-grants---web.pdf>

Assessment Tool (CDMAT), NetHope’s E-payments Toolkit and the Red Cross Cash in Emergencies Toolkit. All of these tools are linked in Annex A and can be used where a different or more specialized tool is required.

Terminology

This guide uses the following terms and definitions²:

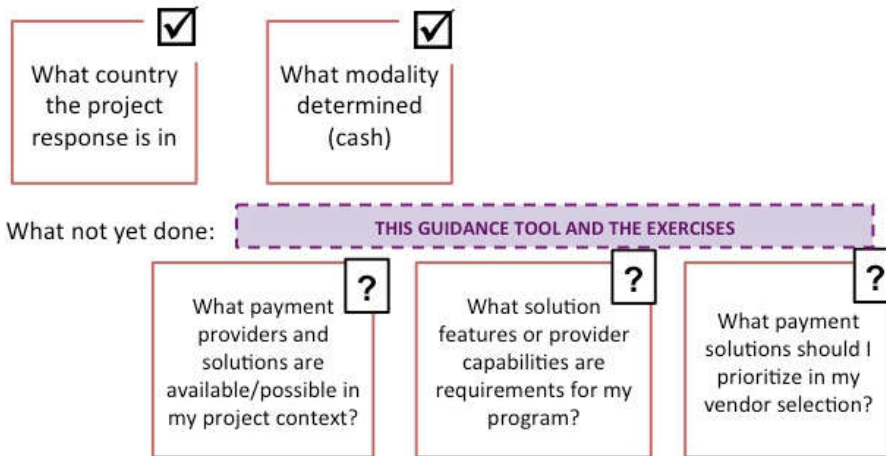
- › Delivery Mechanism – Means of delivering a transfer (e.g., mobile money transfer, cash in envelopes)
- › Financial Service Provider (FSP) - An entity that provides financial services, which may include e-transfer services. Depending upon the context, financial service providers may financial institutions (such as banks and microfinance institutions), or mobile network operators (MNOs).
- › Know Your Customer (KYC) regulations, also known as customer due diligence, are designed to combat money laundering, terrorist financing, and other related threats to the financial system. They refer to the ID checks that financial institutions perform to comply with national financial regulations. Typically, KYC checks take place when customers sign up for an account or conduct a transaction.
- › Modality – Form of transfer (cash, vouchers, in-kind or combination)
- › Payment Service Provider (PSP) – an entity that can supply payment services, it can be an FSP or a third party service (that does not have a financial institution license.) Some examples: mobile money providers, MNOs, money transfer services like Joni Joni or Wari, and hawalas.
- › Payments -Transfers of money between two parties. Cash transfers represent just one type of payments that occur in communities we serve. Humanitarians can identify and assess other (non-humanitarian) forms of payments in target areas which offer important clues about the presence and viability of cash delivery mechanisms.

Preparing to Use the Delivery Guide

It is prudent to understand where these exercises fit in the overall process of a cash transfer program. The diagram below gives an overview of the point at which the humanitarian is encouraged to use these exercises and the actions that will be needed once this tool is completed.

² For other payments terminology questions, see the CaLP [glossary](#).

By this stage in your programming, you know:



What kinds of things comes next:



The activities in this Guide are designed to help humanitarians identify options for cash delivery, key regulations that impact delivery of cash transfers, and articulate technical requirements that can support eventual selection of a cash delivery mechanism. These exercises are intended to support, not replace, formal procurement procedures that lead to selection of a cash delivery mechanism.

Before beginning the Delivery Guide activities, you should know the geographic area where you anticipate programming cash transfers. While many of these exercises can be carried out at a national level, defining program geography beyond a national level will yield a more detailed and actionable report.

Phases and Activities

Phase 1 - Landscape Scoping

The first priority is to get a sense of what delivery mechanisms are available in the country, which service providers are available for each mechanism, and what regulations could affect your program design and partner selection. These activities can be carried out very early in a humanitarian response or as part of a preparedness process. This review can be completed at a national or regional level, but is most useful to pursue once implementation areas have been identified to cover relevant details on these areas.

The output of Phase 1 is a delivery mechanism assessment report. This report collates findings from the desk review and interviews into a single resource that can be used within a single organization, or shared widely among humanitarian implementing organizations. Phase 1 can be completed by a multiagency group, a single agency or a consultant or expert on behalf of cash implementers. In pilot testing, we found that familiarity with national regulations and actors was helpful (but not strictly necessary) for accessing key informants.

Phase 2, by contrast, guides teams implementing a specific program (whether a single agency or in a consortium) through a reflective and program-specific process to determine their requirements. The requirements developed in these exercises can then be used in specific procurement processes. These exercises are only relevant when a number of program details are known, such as number and location of beneficiaries, security context, and basic vulnerability and literacy of beneficiaries.

Activity 1 - Desk review

This activity serves as background for in-country assessment work. It includes reviewing and answering a number of key questions using suggested online resources. Questions that cannot be answered with desk research can be rolled over to the next stage (key informant interviews). This exercise helps the humanitarian officer answer basic questions about delivery mechanism availability and the payments operating context.³

This exercise relies heavily on two powerful online databases: the World Bank's [Global Findex](#) Database and GSMA's <https://www.gsmaintelligence.com/>. The GSMA is a trade body that represents the approximately 800 mobile operators. Their intelligence website requires registration but offers free access to basic metrics about mobile network coverage and mobile money access at national levels.

Output: completed desk review table.

Activity 2 - Stakeholder matrix

Local stakeholders hold a great amount of information that can support your landscape scoping process, and supply on-the-ground information you often cannot get from anywhere else. We suggest you identify key stakeholders from local FSPs, community organizations, implementing agencies also implementing cash transfers, donors and government agencies supporting cash transfers. Individuals listed in this chart can serve as key informants for the next step (key informant interviews).

Output: completed key stakeholder matrix

Activity 3 - Key informant interviews

Interviews with key stakeholders will be essential for filling information gaps about what delivery mechanisms exist, and their actual capacities to meet humanitarian program needs. Suggested interview questions are listed in this tool, but should be reviewed and customized for your specific interviews, especially additional questions to be asked from communities, peer agencies, beneficiaries, etc, in your program context. Note that the KII tool includes a list of questions for **beneficiaries**. Ideally, these some of these questions would be inserted into needs assessment surveys. If this is not possible, they can be asked during a focus group discussion.

³ This tool is based on the USAID/Nethope Guide to Electronic Payments Market Assessment.

Output: notes from key informant interviews

Activity 4 - Delivery mechanism assessment report

Compiling results of activities 1-3 into an assessment report offers an opportunity to reflect on the information gathered and come to some conclusions on appropriate delivery mechanisms in a specific humanitarian response context. The assessment report should try to answer the following questions:

- What delivery mechanisms are available and potentially appropriate for this humanitarian response?
- What delivery mechanisms are available but likely not appropriate for this humanitarian response?
- Will any regulatory considerations affect the design of my program? For example:
 - Will the program need to facilitate access to ID documents?
 - Will the program need to keep transfer values under a certain threshold?

The assessment report template contains topics to analyze to identify potential regulatory issues and ways to potentially adapt program design. The report should draw on past humanitarian programs experiences wherever possible and consider delivery mechanism options at the national and implementation area levels. Consider past experiences working with existing FSPs when assessing feasibility. Keep in mind, however, that if FSPs have rapidly increased capacity or changed strategy, past experiences may be incomplete indicators of future performance.

Ideally this report will be shared amongst organizations considering implementing cash transfer programs to minimize redundant inquiries of FSPs and regulators and speed cash start up planning.

Output: payment mechanism report

Activity 5 (Optional) - Provider introduction meetings and Requests for Information (RFIs)

Following or while drafting a payment assessment report, you may want to collect additional details on FSP products and services other than via individual interviews. The activity sheet explains when to use a provider introduction meeting (which is lower resource if you are already in-country) and/or a Request for Information (which can be more in-depth and specific). Neither of these exercises may be necessary if other steps have provided required information.

Output: Providers' meeting or RFI

Phase 2 - Developing and Refining Requirements

Phase 2 focuses on activities that are relevant to a specific program and its process for selecting a delivery mechanism and FSP or PSP. These activities therefore should be led by an implementing agency or consortium member or someone with dedicated attention to this program.

Activity 6 - Defining humanitarian program requirements

Activity 6 is an internally-looking guide to articulate what system requirements are needed to deliver cash transfers in your operational context and program. The questions are grouped around focus areas

generate concrete requirements. Since this exercise is focused on defining the key requirements for providers, the questions are heavily operations- and capacity- oriented.

This activity contains a second worksheet (6.2) 'program estimates', to aid in assembling your program's operational numbers and locations. This specific information is greatly useful for any provider responsible for liquidity management. It will also help you answer some of the specific questions in the requirements worksheet (6.1). If you may not be able to complete this at time of doing the Exercise, we do suggest you aim to complete it as fully as possible before contracting, and share it with your selected payment service provider.

Output: List of requirements necessary for the program. The outputs from these activities will depend on how many program decisions have been made prior to this process.

Activity 7- Ranking Priorities for Provider Evaluation and Preparing Procurement Materials

Activity 7 uses outputs from Activity 6 (and Phase 1 as necessary) and prepare the procurement materials for payment service providers as much as possible, and to solicit responses from providers so you can systematically evaluate them next to each other and design a more systematic way to select the appropriate delivery mechanism. This Activity has two steps:

- 1.) Take outputs from activity 6, and adjust wording to be ready to feed into procurement materials.
- 2.) Prioritize your requirements and preferences, distinguishing between essential and desirable specifications.

Output: Drafted product specification for procurement materials and a ranked list of priorities

Next Steps and Other Use Cases

Following from this point, the implementing agency or consortium would launch a procurement process following their established procedures.

Payments landscape scoping can be refreshed with lighter touch checks to see what information may have changed in preparation for future natural disaster cycles or on a regular schedule. All users of this guide are encouraged to share valuable findings on regulations and their interpretations with cash working groups and other implementing agencies.

The Delivery Guide Activities may be adapted or incorporated into agency guidance however users see fit. Adapt liberally to your needs and share revised versions with others who may be able to use the same tools.

Delivery Guide Tools and Annex

- Activity 1 – Desk review
- Activity 2 – Stakeholder matrix
- Activity 3 – Key informant interview guides
- Activity 4 – Delivery mechanism report outline
- Activity 5 (Optional) – Provider introduction meetings and Requests for Information
- Activity 6 – Requirements worksheets
 - 6.1 Requirements
 - 6.2 Program estimates
- Activity 7 – Preparing procurement materials
- Annex A – References and additional resources