

## **FSP Mapping Webinar Q&A**

**Question: To the previous presenter, on average do you have an estimate duration of this exercise and from what point do we start, with clients to map needs/services they might need or start with FSPs**

The exercise (from TOR to finalizing the report) took around 5 months. If the objective is to map the needs & services from FSPs, a suggested approach is to draft the questions for the FSPs through (informal) conversations with humanitarian organizations. This can be helpful to identify key information gaps that the FSP mapping should aim to address (and consequentially will inform the questions asked to the FSPs). Contacts with FSPs can be obtained via conversations with humanitarian org. also.

A quick method for mapping FSP services (if CVA is already widely adopted in the context) is to send a survey to hum. agencies, in which they will fill the services, coverage, fees, they receive from their FSP.

**Question: FSP mapping; do you get the level of getting to know the cost of service/commission charged by FSPs? What is the FSPs feedback on this?**

Answer: FSPs were reluctant to share their fees, or ways they handle exchange rate conversion, due to the competition and sensitivity of the EX issue in Yemen. If you face similar reluctance, I would suggest requesting humanitarian organisations to fill in an anonymized questionnaire on the FSP they work with and the fees they pay and services they receive.

**Question: Can this methodology be used for a different kind of project for example linking savings groups with FSPs so that they are able to get loans?**

For such an assessment, I presume the key actors to include are the FSPs, through a quantitative survey or a meeting, and the savings groups through focal groups (e.g. do they desire integration into formal FSP?). Potentially first holding the focal groups so any potential challenge flagged by the saving group members can be discussed with the FSPs to assess potential mitigation measures.

**Question: Is it possible to have the tool used for the survey? was the tool harmonized across all agencies?**

Answer: if they send an email to [Nissa.berntsen@reach-initiative.org](mailto:Nissa.berntsen@reach-initiative.org) I can share the tool. Yes it was an harmonized tool.

**Question: What about using some qualitative assessments in order to prepare the quantitative questionnaire? e.g. for the comprehension of banks**

Generally, piloting tools is important and can overcome the issues as faced in Yemen. Secondly, have someone that speaks the local dialect & culture, and is briefed well on the research, can review the research tool.

**Question: What degree of involvement had Procurement & Logistics teams in this FSP analysis (if any)?**

The interviewed humanitarian organisations were asked to put forward a key informant that was closely engaged with the CVA programme implementation. They were able to flag issues related to procurement and logistics, but not always provide detailed information (as they were e.g. not from logistics team). We occasionally send follow-ups to ask for more information from the relevant team, but this was not always answered.

**Question: Did you also include donors? Some have quite clear minimum standards for providers they are willing to accept**

No this was not within the scope of the research of Yemen. Research objective was rather to uncover some of the minimum standards of Yemeni FSPs, donors can re-evaluate the adoptability of their minimum standards within to the complex reality of Yemen.

**Question: Do we have any concrete example of operationalization of common FSP (s) by multiple agencies within a humanitarian context?**

In Yemen all agencies involved on CVA are drawing on a small pool of FSPs, hence they do indeed share a common FSP. This is because there is only a limited number of FSPs with capacity in supporting CVA. This lack of competition is raised by humanitarian key informants, in the report, as a disadvantage (e.g lack of bargaining power) and several humanitarian KIs advocate for more collaboration among hum. Agencies as a way to overcome this.

**Question: Were informal FSPs included (or did they come up) as part of the mapping and what advise would you have for countries considering how to include them in the mapping exercises.**

Great point, it would be extremely useful to include informal/local FSPs in mapping exercises if they are contracted as third party distributors (an instance that happens frequently in Yemen). In addition, working with these local FSPs can be beneficial because they are most proximate and commonly used to beneficiaries. The Yemen report debates some of the practices adopted to improve the work which such agents, this could be used as a departure point for discussion questions during your mapping exercise. Aside from finding methods to de-risk working with local agents, a mapping exercise can also be focussed on establishing relationships with the local agents contracted by larger FSPs, as a departure for future trainings, closer working relationship and consequentially and stronger monitoring of these agents.

**Question: Some cases of data breaching by FSP and FSP. how to stop it?**

Please refer to the data security and KYC chapter of the report on Yemen.

**Question: For the quantitative data collection, how the sample's size was determined ?**

It was purposefully sampled. Sample size depended on the ability of data collecting partners to collect data, and consequentially the presented quantitative findings are indicative for the areas assessed, and not representative for the assessed community or Yemen more broadly.

**Question: Were FSPs willing to provide information openly on their financial capital without being suspicious of use and or whom it is shared with and how can you re-assure them of how the data is used \**

In Yemen, FSPs were reluctant to share their fees, or ways they handle exchange rate conversion, due to the competition and sensitivity of the EX issue in Yemen. If you face similar reluctance, I would suggest requesting humanitarian organisations to fill in an anonymized questionnaire on the FSP they work with and the fees they pay and services they receive.

In the Uganda assessment, we offered respondents to participate in the survey anonymously mentioning that we will not be reporting data on sensitive indicators and mentioning specific institutions by name. Instead, we explained we would be aggregating findings by type of FSP. I.e. Banks, mobile network operators, or micro-finance institution. In most cases this sufficed although some banks in particular were still reluctant to provide information on things such as pricing.

**Question: Was it not banks in Yemen? If this is true, as I understood, what was the alternative to it?**

Please share an elaboration on this question to [Nissa.berntsen@reach-initiative.org](mailto:Nissa.berntsen@reach-initiative.org)

**Question: How FSPs complies with following all the global mechanisms and procedures that the process of verifying names/Beneficiaries/partners that are under the sanction list**

I am not sure if I am understanding this question correctly, but in Uganda Know-Your-Customer (KYC) requirements are set by the National Bank of Uganda. These requirements are set to prevent entities or persons suspected of potential money laundering, financing terrorism etc. from opening and operating accounts.

**Question: Pouvez-vous nous enumerer les principaux etapes clés de la cartographies des FSPs?**

1. TOR to define scope and methodology
2. Secondary data review
3. Pre-mapping and consultation key stakeholders (incl. FSP)
4. Engage CWG, government institutions (central bank, MoF etc) and other partners depending on scope.
5. Tool design + pilot
6. Data collection
7. Analysis
8. Reporting and validation
9. Dissemination

**Question: Can we put concrete performance metrics right from the assessment to partnership?**

Not sure if I am getting this right, but some of our key indicators for FSPs related to: 1) past experience in supporting humanitarian CVA. 2) Largest transfer value delivered. 3) Operational presence (including agent model) in location. 4) Liquidity capacity. 5) Type of Data Protection Policy in place. Etc. as metrics that directly relate to humanitarian-private partnership.

**Question: It is interesting to hear some humanitarian actors offered beneficiaries to select their preferred FSP. How have the actors handled the potentially significant increase in financial/administrative burden incurred by working with multiple FSPs at once?**

If a group of beneficiaries have different accounts with different FSPs, say with mobile money, humanitarian actors can contract a subsidiary company as an “aggregator”. These are largely digital companies that maintain contracts with all the different providers and can facilitate the transactions

on behalf of the agency. The upside to this is that humanitarian partners close one contract with one company (the aggregator) and transfer the amount to that account and the company ensures delivery. The downside is that it inserts an additional distance between agency and beneficiary. This means that when transfers are delayed or beneficiaries have complaints they will contact the mobile money provider first, who will contact the aggregator company who might contact the agency. It is also important to note that most such aggregators do not have an actual presence on the ground in the country or area where agencies operate. Examples of aggregator companies active in Uganda are Beyonic, Mobi Pay, Pegasus, and Red Rose.

**Question: for Yemen, were remittance flows and the Hawala network assessed?**

Great point, it would be extremely useful to include informal/local FSPs in mapping exercises as a key informants. Unfortunately there was no capacity to do so in Yemen. The Yemen report debates some of the practices adopted by larger FSPs and hum. Organisations to improve the work which such local/hawala agents (as they are usually contracted as 3<sup>rd</sup> party distributors), this could be used as a departure point for discussion questions for future mapping exercises or for hum. Agencies when discussing with FSPs.

Remittance flows were not a topic of assessment. Nonetheless remittances influenced findings: e.g. the reported most commonly used money transfer mechanisms, according to community Key informants, will largely be influenced by remittances as this is a fundamental basis for the relationship between Yemeni communities to interact with money transfer agents.

**Question: Is there any specific recommendation for FSP mapping, if the banks are limited withdraw amount to get the physical cash? Not possible to use electronic/online money.**

It would be extremely useful to include informal/local FSPs in mapping exercises if they are contracted as third party distributors (an instance that happens frequently in Yemen). In addition, working with these local FSPs can be beneficial because they are most proximate and commonly used to beneficiaries. The Yemen report debates some of the practices adopted to improve the work which such agents based on interviews with more formal FSPs and hum. Agencies. A lesson learned was that a next assessment should incorporate informal/local FSPs, also 'agents', as key informants. The Yemeni reporting on working with 'agents' could be used as a departure point for discussion questions during your mapping exercise. Aside from finding methods to de-risk working with local agents, a mapping exercise can also be focussed on establishing relationships with the local agents contracted by larger FSPs, as a departure for future trainings, closer working relationship and consequentially and stronger monitoring of these agents.

In Uganda, liquidity among banks, mobile network operators and their agents is an issue, especially in remote refugee hosting locations. When agencies conduct distributions of CVA in Uganda, beneficiaries tend to withdraw immediately so in practice digital cash does not remain digital for long. In order to deal with the issue of liquidity and to ensure agents are able to process the withdrawals on days of distribution, humanitarian partners give plenty of notice to their FSP so they can prepare, stagger distributions across multiple days so that not everyone receives their entitlement on the same day, and with some banks the distributions are accompanied by a “mobile bank” that is an armoured van operated by bank staff and security guards to drive into the settlements to facilitate withdrawals that day.

**37. In the FSP assessments, do you also do a data protection assessment knowing that FSPs have to do KYC obligations (i.e. to identify their clients and possibly share this information to the authorities) Some potential beneficiaries in sensitive areas may not want to be identified by the authorities due to security reasons. Any thought on this based on your experience? Thanks.**

In Yemen, the use in tokens in direct cash distributions was one of the practices that enabled humanitarian agencies to limit the beneficiary data shared with FSPs significantly. Please refer to the relevant chapter of the report.

In Uganda, questions regarding this were part of our assessment. We asked FSPs first if they had experience in supporting humanitarian CVA. Then we asked if they had signed an MoU and a data protection protocol, who had access to the data and how it was shared in particular in situations where the bank uses agents.

The majority of FSPs reported to have signed a data protection agreement with the agency they work with. However, due to the structured nature of our survey little more information was obtained. I would recommend for FSP assessments in the future that this type of information is collected via semi-structured key informant interviews.