MAPPING A ROUTE-BASED APPROACH TO CVA: FEASIBILITY IN SELECT CONTEXTS IN THE AMERICAS

GUIDE TO YOUR JOURNEY WITH THIS DOCUMENT:

This document summarizes the main findings from the CALP Network's report *Mapping a Route-Based Approach to CVA: Feasibility in select contexts in the Americas*. Using a journey-based approach, the document lays out the current scenarios on what is a route-based approach and what is meant by the term. It then presents the perspectives of three key actors: people on the move, humanitarian organizations, and financial service providers (FSP). The journey ends with suggestions on elements that can contribute to the use of a route-based response using cash and voucher assistance (CVA) in the Americas.
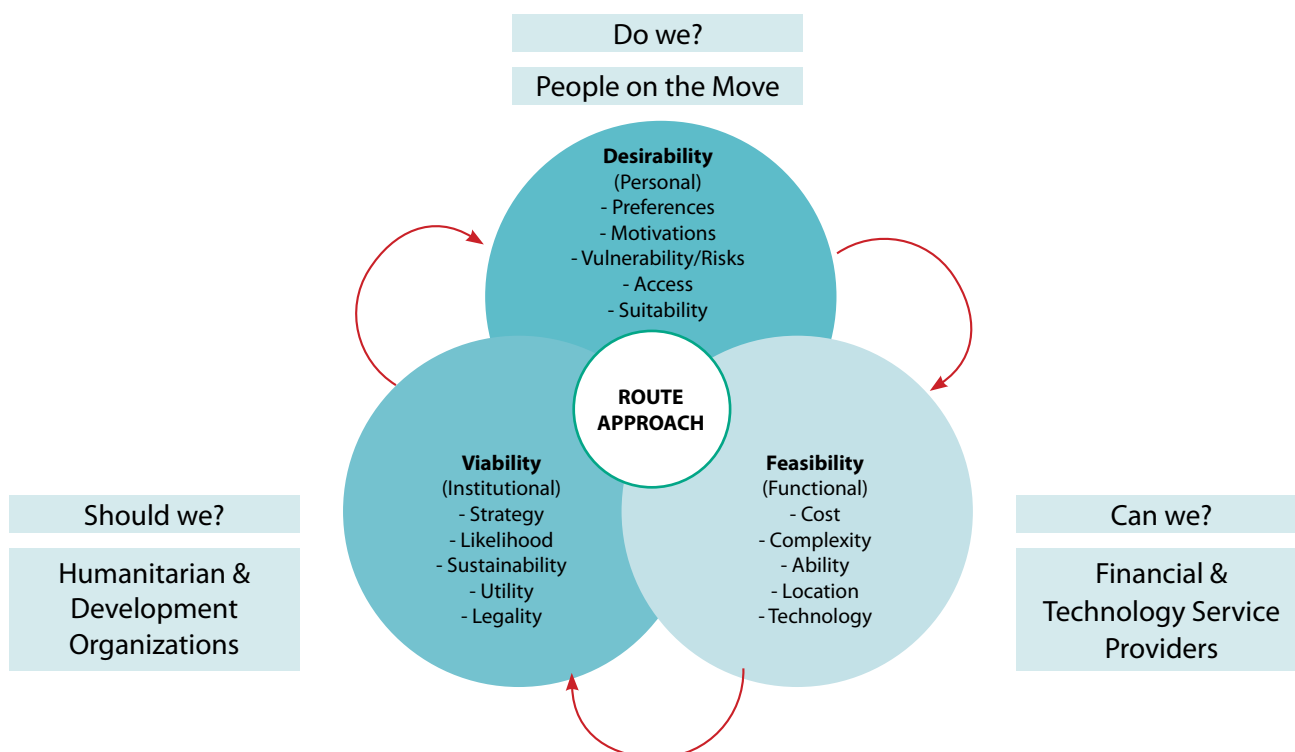
1. KEY ASPECTS

The purpose of this research is to explore the necessary systems, actions, and tools that could in the future **enable humanitarian stakeholders implementing CVA in the Americas to use a route-based approach in contexts of human mobility.**

- Views on the **definition of a route-based approach vary** according to the identity, location, organizational context, capacities, and motivations of the different stakeholders[1].
- The focus here is on the **journey, rather than the destination.**
- The approach implicitly takes into consideration the range in human mobility[2]—types of people, nationalities, genders, abilities, and capitals including motility.[3]
- There are indications and evidence to support how a **route-based approach could be designed as a model for CVA delivery.**
- A central conclusion of the study strongly advocates for **'shifting the country' to "the route" as a design unit for CVA interventions** to offer better services to those who are moving along that route.

1.1 BREAKING DOWN THE CONCEPT

The route-based approach concept can be understood by breaking it down into three perspectives using the IDEO's framework[4]: **people on the move, humanitarian organizations, and financial services**. The framework uses a model of Desirability, Feasibility & Viability to explore feasibility of a question in a way that considers key stakeholders and systems with a user-based focus. By incorporating each of these aspects and perspectives, the **design lens** that must be considered for the feasibility of a route-based approach can be studied.

Figure 1: Desirability, Feasibility & Viability Framework – Adapted for this study

Do we?

People on the Move

Desirability
(Personal)
- Preferences
- Motivations
- Vulnerability/Risks
- Access
- Suitability

ROUTE APPROACH

Viability
(Institutional)
- Strategy
- Likelihood
- Sustainability
- Utility
- Legality

Feasibility
(Functional)
- Cost
- Complexity
- Ability
- Location
- Technology

Should we?

Humanitarian & Development Organizations

Can we?

Financial & Technology Service Providers

1 P., Gil Baizan. (2022). Systemic Framework on Human Mobility and Vulnerability. The CALP Network. https://www.calpnetwork.org/wp-content/uploads/2022/09/Figure-1-English-version.pdf
2 P., Gil Baizan. (2022). People are on the Move: Can the World of CVA Keep Up? The CALP Network.. https://www.calpnetwork.org/wp-content/uploads/2022/09/CAPL-People-on-the-Move-FINAL-9-2-22-1.pdf
3 Motility is the capacity to move.
4 More on the IDEO framework https://www.ideou.com/pages/design-thinking.

2. SURVEYING THE LANDSCAPE

Understanding current perceptions and practices on CVA in human mobility contexts must take into consideration the views and experiences of people on the move, humanitarian organizations, and financial services providers; all play critical roles on shaping the reach and design of these programs.

2.1 DESIRABILITY, PERCEPTIONS & PERSONALITIES OF PEOPLE ON THE MOVE AND CVA

Programs with CVA need to be designed so that they respond to the drivers of vulnerability and that considers the specific needs of the people who are on the move. They also need to be flexible enough to adapt to the changing nature of human mobility.

- The voices of people on the move, gathered through documentation and a series of focus groups, speaks directly to the **"desirability" angle in a route-based approach.**
- Tuning in to understand and adapt to the **needs, motivations, observations, and preferences** expressed by **the different types of** people on the move must be a prevailing factor **in how a route-based approach is designed**, especially if it is agreed that the objective is to better adapt CVA models to the contextual reality that is human mobility.
- **Careful consideration** needs to be taken **on identifying and mitigating risks** of **the diverse people** on the move face **receiving CVA and in the absence of receiving it**.
- Understanding that **people traveling** on foot are often the **most vulnerable.**

SUMMARY: DESIRABILITY, PERCEPTIONS & PERSONALITIES	
Desirability	People on the move express a preference for both conditional and unconditional CVA interventions in the Americas context and other contexts, with positive outcomes observed.
Perceptions	People on the move view the humanitarian sector as a community, rather than distinguishing between different organizations, emphasizing the importance of presenting a united front and consistent approach in a route-based approach design.
Personalities	People traveling on foot are highly socioeconomically vulnerable and face increased risks of violence, injury, and theft, particularly in border areas. They are also less likely to access assistance due to irregular routes, lack of awareness of programs, and eligibility restrictions.

2.2   THREE STORIES FROM JOURNEYS

LOOKING FOR HOPE

RUNNING FROM MY PAST

COLLECTIVE RESISTANCE

2.3   HUMANITARIANS' INSTITUTIONAL APPROACHES

Understanding current perceptions of the humanitarian community and the ways in which humanitarian assistance is delivered from the perspective of people on the move is a critical starting point.

- Institutional progress is underway, and a **growing number of agencies are beginning to consider** the need for a consolidated and **continuous approach to the delivery of assistance** across major **migratory routes**.
- However, there are several **institution-specific and sector-wide challenges** that might prevent progress and adoption of a route-based approach.
- Yet, some of **these challenges could also be alleviated in the design and implementation of a route-based approach,** depending on the stakeholder(s) who are driving the action.
- **Consortium-based responses** and **regional coordination** mechanisms **may better facilitate** a route-based approach.
- **Donors have a considerable role** to play in fomenting the use of the approach. It **may require amending grant conditions** to remove country-specific or population-specific conditions.

SUMMARY: INSTITUTIONAL PERSPECTIVES ON A ROUTE-BASED APPROACH	
First Movers: Intra-institutional challenges & approaches	Institutional progress is underway, with agencies considering the need for a consolidated, consistent, and continuous approach to delivering assistance across migratory routes.
	Funding resources are a critical precursor to implementing a route-based approach, but there is a decline in visibility and humanitarian funding for migration responses in the Americas region.
	Intra-institutional coordination across borders is lacking, and there is a need for greater collaboration and coordination among agencies operating in multiple countries.
Enabler or Blocker? Multi-agency collaboration and prospects for collective action	Consortium-based responses present a positive precedent for a route-based approach, with existing regional platforms, coordination systems, and shared indicators that can facilitate joint implementation.
	Joint approaches by multiple agencies may be necessary to enhance capacity via broader coverage, holistic assistance delivery, leveraging diverse mandates and expertise and ensuring participation by local organizations.
	A unifying message and purpose around protection risks can serve as an inspiring cry for collective action and help address sectoral friction.

2.4   FINANCIAL ECOSYSTEMS & SERVICE PROVISION

Considering the financial ecosystem and service provision is vital for humanitarian agencies as it relates to CVA. Leveraging mobile payment channels and partnerships with financial service providers can enhance the delivery of CVA interventions. The report investigates the availability of suitable financial solutions for route-based service delivery and point include:

- The spectrum of **delivery mechanisms** used by actors points to relatively well-developed **financial ecosystems, products, and infrastructure** in the regions covered by this study.
- Even though the interviewed humanitarian agencies are located in countries with relatively healthy and diverse financial sectors, most of them felt that their **FSP options were limited.**
- At the same time, the **FSPs interviewed felt** that they **have more to offer** – payment instruments, navigating regulations, innovations – **than the humanitarian organizations are asking for** at this time.
- In reviewing feedback and evidence, it appears that the **differing perceptions between FSPs and humanitarian actors occur for two reasons:**
  - **Regulatory barriers** and
  - **absence of a cohesive approach and strategic dialogue**, as a humanitarian community, with the financial sector (FSPs and regulators alike).

SUMMARY: FUNCTIONAL FINANCIAL SERVICES FOR A ROUTE-BASED APPROACH	
Leveraging the Fintech Ecosystem	Basic smartphones can enhance route-based delivery by offering access to multiple applications and addressing the digital divide.
Closed-loop Payment Networks	Closed-loop payment networks, like digital vouchers, are compatible with the route-based approach, enabling scalability and real-time onboarding.
	Integration with stable digital currencies, such as USD stablecoins, accelerates payments and simplifies forex management.
Wholesale Banks, Payment Aggregators and Payment Rails	Partnerships with wholesale banks and payment aggregators provide an option to mitigate capacity-related risks in operating a multi-country, closed-loop payment system.
	Global payment rails, like Mastercard and Visa, offer an established and global infrastructure for delivering CVA in collaboration with humanitarian partners, allowing for diverse payment instruments and access to FSPs along migration routes.

3. PAVING THE WAY

What is needed to implement a route-based approach? And, how feasible is it to use CVA with a route-based approach in the context of human mobility in the Americas?

Options for the modeling of a route-based approach and critical elements are presented here to stimulate ideas and discussions among stakeholders for integrating this approach into their CVA initiatives.

- **Potentially** a route-based approach **simply cannot be implemented without a joint approach** by multiple agencies; having multiple actors means broader coverage. It also opens the door for intentional locally-led responses.
- A set of basic and essential **"key elements" required for a route-based approach** have been identified.
- Referring to **these as "elements" deliberately stops short of considering these to be criteria**, mainly because they are untested, and because some or all of these can be combined in different ways to design a route-based approach.
- Each one of these elements corresponds to a **specific design lens**, and therefore a **specific group of stakeholders**.
- A **dynamic understanding** of how people are moving, the routes they take, and the protection risks they face during their journeys **must be at the center of design and adaptation**.
- **Incremental adoption may be** the **most feasible** way to implement the approach through innovation and adaptation using the elements identified in this study.
- **Donor engagement** will be **critical to fund, study and adapt** the future use of a route-based approach.

KEY ELEMENTS FOR A ROUTE BASED APPROACH			
DESIGN LENS (IDEO FRAMEWORK)	**DESIRABILITY**	**VIABILITY**	**FEASIBILITY**
STAKEHOLDERS	**PEOPLE ON THE MOVE**	**HUMANITARIAN & DEVELOPMENT ORGANIZATIONS**	**FINANCIAL & TECHNOLOGY SERVICE PROVIDERS**
Route-based approach "elements"	• Accommodates the diversity of personas and vulnerabilities of people on the move • Considers the intentions and motivations for migration • Allows flexibility and autonomy in how money is received and used now and in the future • As safe as possible from theft & other risks	• Allows for multi-agency usage and onboarding • Uses a secure and shared database to unify data across locations and stakeholders • Has one or more universally shared program objectives • Provides continuous delivery to persons of concern across multiple locations on an agreed "route" irrespective of what agency delivers it	• Multi-country coverage for receiving, paying and cash out • Includes cross-border payment capability • Addresses and mitigates regulatory barriers in a compliant way to minimize exclusion • Flexible enough to accommodate multiple CVA amounts, modalities and payment delivery mechanisms • Can scale up/down as necessary

The following **scenarios provide examples of how these elements might be combined differently** to favor the interests and capacities of some stakeholders over others.

Design Lens: Institutional (Viability)
Most adapted to humanitarian organizations. Uses a combination of existing CVA delivery mechanisms (e-voucher) and assistance delivery models (HSP, vendor marketplace)

SCENARIO 1: The Waystation

Pros:
- Familiar to humanitarian orgs
- No KYC required (ex. vendors)
- Supports host communities
- Convenient and safe

Cons:
- High coordination burden
- High cost & high maintenance
- Less flexibility & choice for person on the move
- Less adaptable to changing routes
- Security concerns – may attract bad actors

Buy what i need now & for the road
Interact & discuss with host community

Local Marketplace
(Host community)

Additional Assistance
- Health services
- Information
- Temp. shelter
- Psychosocial
- Child-friendly spaces

Access other support safely & as needed

Departure
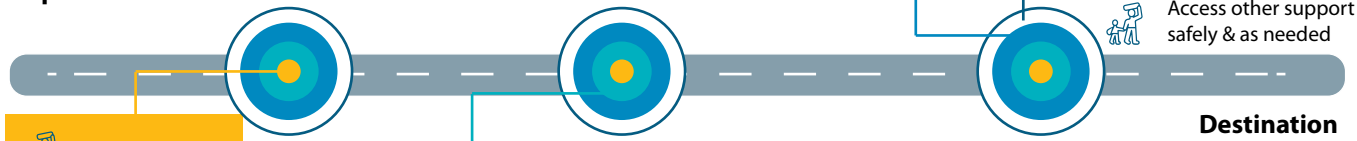
"Anchor"Org.

If i'm new: register
If i'm not: Check-in

Humanitarian Service Point

If i'm new: receive digital voucher
If i'm not: Receive top-up $

Destination

How it Works:
- Single closed-loop system used by multiple orgs (e-voucher card / digital certificate)
- Anchor organization
- Has an established presence in location
- Establishes service point
- Registers newcomers & logs "check in" for ppl already in system (ex. enrolled at a prior service point)
- Anchor and/or partner organizations in location
- Select and enroll local vendors from host community
- Provide additional assistance and services
- Provide general information and maps of waystations

A. Digital voucher/e-voucher provider (ideally, flexible system with app, card, biometric options + dashboard)
B. Local vendors – must have a smartphone or POS + bank account
C. Payment aggregator or bulk payment processor w/intl. coverage

SCENARIO 2: The Wallet

Design Lens: Personal (Desirability)
Fits best with preferences of people on the move. A decentralized blockchain wallet has minimal KYC requirements and provides full autonomy during and after the program. Deposits are made in a USD-pegged stablecoin.

Pros:
- Flexible, very low cost
- Multi-sig wallet security (optional)
- Minimal KYC, tiered KYC available
- Secure and anonymous
- Traceability of transactions in real time
- Multi-use beyond CVA (remittances, informal work)

Cons:
- Humanitarian orgs must open/ manage a digital currency wallet
- Less visibility / control of beneficiary data
- Requires smartphone
- May require extra work to build cash out points

Organization A transfer (month 1)
Organization B transfer (month 2)
Organization C transfer (month 3)

OR

Participating organizations pool USDC in a single, multi-signature wallet

Wallet Layer
Receive & hold USDC

IDENTITY LAYER
Unique Digital I.D. (wallet address)

Transaction layer
Pay, send, receive in USDC (P2P)
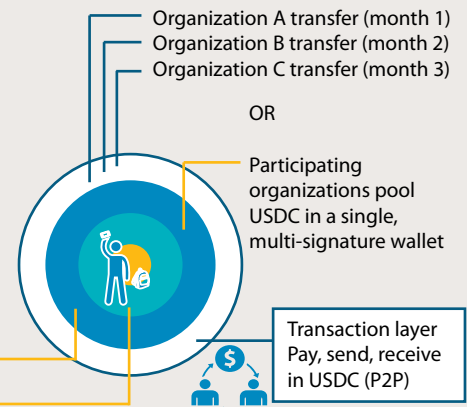
How it Works:
- People on the move download wallet for free (set up time 5–10mins) via remote self-registration process (ex. VenEsperanza Caminantes pilot).
- Any organization with a digital wallet can provide direct assistance, OR
- A shared wallet can be used to pool funds for distribution. A single agency can host or multi-sign function allows multiple orgs to auth transactions.
- Network of assistance locations doesn't have to be linear (i.e. more than one 'route')
- Requires a service provider/wallet with multiple/accessible cash out points.
- Can integrate with digital vouchers & prepaid cards in some cases.

Service Providers: FinTechs
- Wallet provider (ex. AirTM)
- Bulk disbursement platform (if not incl. w/ wallet)
- Cash out partner (if required; ex. AirTM has 'cashier' agent network)
- Blockchain enterprise wallet (ex. Circle, Coinbase)

Design Lens: Functional (Feasibility)
Best aligned with existing (familiar) financial services and compliance standards. Combines payment rails, card network and one or more issuing banks.

SCENARIO 3: The Boxcar

Pros:
- Familiar to FSPs & others
- Leverages card network coverage + links to FSPs
- KYC + card adapted to different personas

Cons:
- Complex setup
- Card issuance speed & scale issues
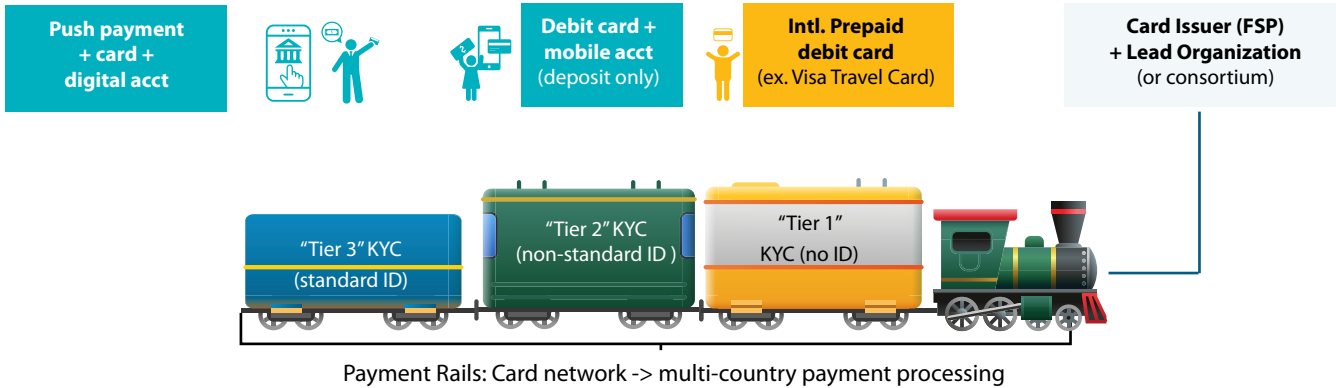- Limited to merchants with card POS devices

How it Works:
- Card network/payment rail assigns unique identifier and facilitates payment in multiple countries on 'route'
- Card issuer (one or more FSPs) provides card type based on KYC tier
- Organizations register people according to KYC tier and issue corresponding card type
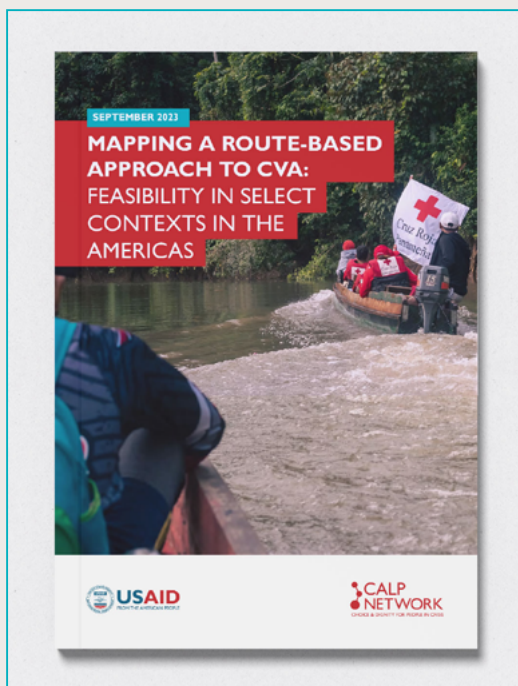- People with full ID have option of card + digital account or direct deposit

Service Providers: FinTechs
- Card network & payment rails (VISA, Mastercard)
- Issuing bank (ideally in country w/tiered KYC, ex. MX, BR)
- OR bespoke payment service provider (ex. Onbe)

Push payment + card + digital acct

Debit card + mobile acct (deposit only)

Intl. Prepaid debit card (ex. Visa Travel Card)

Card Issuer (FSP) + Lead Organization (or consortium)

"Tier 3" KYC (standard ID)

"Tier 2" KYC (non-standard ID)

"Tier 1" KYC (no ID)

Payment Rails: Card network -> multi-country payment processing

ACKNOWLEDGEMENTS

TO LEARN MORE,

DOWNLOAD THE FULL REPORT HERE.