

RedRose Special Session of the Payment Solution Seekers group – 13th February 2024

Attendees

- Hakan Buyukbayrak - RedRose, Founder and Director
- Mary Cox – RedRose, Head of Programme Implementation & Support
- Jonathan Edgar – RedRose, CEO
- Philippe Car – RedRose, External Communications Manager
- Rory Crew - the CALP Network, Technical Advisor-Data and Digitalisation

Implementing organisations represented: Concern Worldwide, IFRC, CRS, UNICEF, IOM, WFP, Save the Children, GiveDirectly, NRC, IRC and CARE.

Context

The Payment Solution Seekers group is convened by the [CALP Network](#) to support Cash and Voucher Assistance (CVA) implementing organisations that require multi-country payment solutions and aim to improve recipient impact.

The Group holds Special Sessions with payment stakeholders to increase the surface area between implementing organisations and other actors in the CVA delivery supply chain, particularly with private sector payment companies.

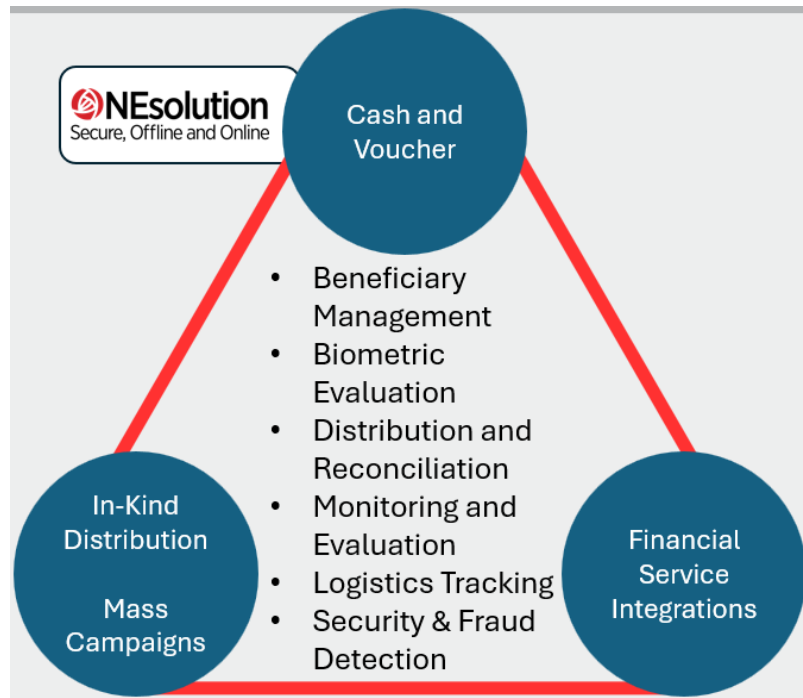
Overview

The session began with RedRose presenting its history, guiding principles, partners and five-year strategy. The Payments group then posed a series of curated questions to RedRose's covering its priorities, business model and strategic processes.

Key takeaways

- RedRose is a “social enterprise, focusing on serving the humanitarian community” delivering “end to end programme management capability”. They see their role as a bridge between the humanitarian sector (implementing organisations, governments and donors) and the private sector.
- RedRose's strategy is to maintain a balanced portfolio of products and services including: CVA data management, e-vouchers, mass campaigns (large-scale registrations for digital health campaigns), financial services, payment company integration and training. There is no intention to focus on just one offering.
- Because of the fluctuations in the humanitarian environment they plan to maintain a balanced portfolio of solutions, rather than focusing on one particular business area. **Sustainability is**

critical for them. They recognize the need to be a reliable and stable partner for the humanitarian sector.



RedRose's three areas of focus

- Jonathan Edgar - CEO, explained, "We built and developed a comprehensive suite of tools ... using solid, responsible technology ... to manage all of what we would consider to be the key programmatic challenges facing the sector, and from our inception, our concept was to marry humanitarian specialists with accomplished technology actors. To bring the two cultures together and find a way of listening to the organisations in the space to solve some of those highly complex problems that we face."
- **RedRose demonstrated their ability to scale with FSPs through the prepositioning of a global humanitarian contract with MoneyGram allowing them to provide disbursements in Ukraine when the conflict began. They were one of the few delivery channels available as contracting with a Ukrainian FSP required a national registration which most organisations did not hold.**
- They are in the process of working with MoneyGram to **enable payouts to people without "any ID that is like accepted and vetted"** by using a RedRose unique identifier. Normally a formal identity document such as a passport, UNHCR card or similar is required.
- Version 4 of the RedRose platform, which has a planned release date of the second-half of 2025 will allow users, or third-party companies, to customise the solution to meet the organisation's needs.

Summary

The session was divided into two parts: a presentation by the RedRose team and a Q&A session. Jonathan Edgar shed light on RedRose's commitment to serving the humanitarian community, offering Cash and Voucher Assistance (CVA) and Financial Service Provider (FSP) solutions that blend technology and humanitarian expertise. RedRose operates in over 50 countries. Hakan Buyukbayrak emphasized the company's alignment with humanitarian values and comprehensive program management capacities,

supporting various electronic payment methods while ensuring data security and compliance. RedRose collaborates with FSPs on legal compliance, capacity building, and understanding the humanitarian sector.

Established in 2015, RedRose currently employs around 50 individuals, with plans to hire 20 more. The company is profitable and growing at a rate of 20-30% annually. It has focussed on reinvesting profits into expansion, for example, exploring digital health solutions whilst maintaining its core business in the CVA space. The team comprises of several business units including, Technical Support, Financial Transaction Support, Development Team, and special projects/B2B partnerships. Revenue is susceptible to fluctuations due to the humanitarian environment.

Discussions revolved around sustainable growth, the financial attractiveness of the sector, emphasizing the need for a unified vision, training needs, and communication within the organization. Plans for expansion into new markets and deploying the RedRose solution in new implementations were highlighted, with an openness to collaboration, knowledge sharing, and engagement with academia.

Other notes

- The group thanked RedRose for coming and presenting and for being frank with their responses.
- When building their team they recruited “people who understood the humanitarian sector but also had a passion for **challenging the status quo.**”
- “We see ourselves as the bridge effectively as a facilitator to the organisations that are facing these programmatic challenges on a daily basis across the globe in some of the most complex environments. **So, for us it's about bridging.**”
- They have found that one-size-fits-all doesn't apply so **each RedRose implementation and solution is different.** One way they do this is spending lots of time listening to local partners and working with them at the point of delivery.
- They are increasingly following a regional approach, mirroring humanitarians, with offices in Turkey, Nigeria and Ukraine with **plans to create regional offices in East and West Africa, South East Asia and the US in 2024.**
- Their most significant FSP partnership is with MoneyGram. When searching they found it was the most relevant to humanitarian organisations. Where MoneyGram has less of a presence they work with other FSPs such as Crown Agents Bank and mobile money companies.
- The MoneyGram partnership was the result of “long discussion, integrations, tests, certifications etc.”
- When integrating with FSPs, RedRose spends a lot of time translating to them what humanitarian partners require. And explaining the importance of humanitarian and other values such as protection and inclusion. Their work capacity builds humanitarian organisations and FSPs. This includes helping FPSs understand and resolve Know Your Customer (KYC) and AML-CTF related issues.
- By operating in more than 50 countries they have collected learnings and experiences that can be considered Research & Development for the sector as a whole.
- **They have two approaches to FSP partnerships which can be chosen by implementing organisations.** 1) FSP integration and contracting through RedRose 2) Bring-your-own-FSP where the contracting is managed by the implementing organisation but the platform “manages all of the transactional flows, reconciliations and audit logs.”

- Innovations piloted or explored include: SMS e-voucher in Ukraine, settling USD stablecoins, blockchains, multiple-currency wallets and Central Bank Digital Currency (CBDC) in Nigeria.
- Data security is a priority, “we have an architecture that protects the data [with] different type of access control mechanisms, hierarchies, 2 step identification and third party authorization mechanisms which are hosted on AWS.” GDPR compliance is monitored by third-party professional service organisations. They are supporting SOC compliance for their business operations.
- RedRose has partnered with Cashi in Sudan, creating one of the few cash delivery channels suitable for large-scale and widespread cash transfers.
- **Interoperability is part of their general strategy**, but we didn’t have time to explore this.
- In Q2 2024 RedRose is planning to roll-out a global virtual debit card with Google and Apple Pay support. One version will allow cards to be used anonymously for low-values. They are working with multiple card providers to give a global footprint and will roll out this solution globally for multiple regions and are planning to waive commissions and provide them at no cost to recipients.
- RedRose recognises to be available 24-7, and to preposition contracts and processes so they can respond to any type of emergency.
- RedRose is reinvesting profits into the expansion and are growing c. 20%-30% every year. Through their self-funding model they have a plan for sustainable growth.
- Because of the fluctuations in the humanitarian environment they plan to maintain a balanced portfolio of solutions, rather than focusing on one particular business area. **Sustainability is critical for them**. They recognize the need to be a reliable and stable partner for the humanitarian sector.
- RedRose is progressing from a start-up mentality and is undertaking their second restructuring to ensure its staff and management have a clear and consistent vision of their products, approach and strategy.
- Implementing organisations can bring their own Management Information System (MIS) or use RedRose as their data management solution. If organisations have an existing solution, they see no need to duplicate infrastructure. For new implementations, without a data management solution, their preference is to use RedRose’s data management functionality.

Closing

If you are interested in joining the Payment Solution Seekers group please contact rory.crew@calpnetwork.org. It focuses on CVA implementing organisations with an interest in multi-country payment solutions. It includes people from programmes, finance, logistics, legal, operations and project teams.