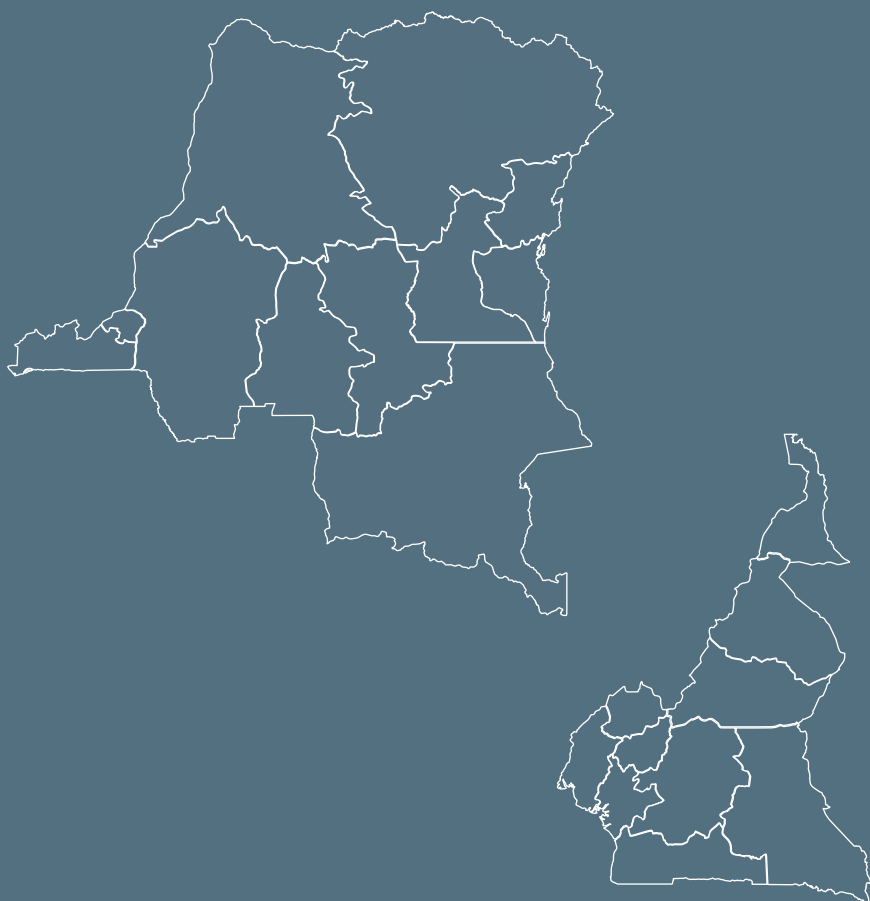


Qualitative perception monitoring

Mitigating the risks of abuse of power in cash assistance

May 2019 • Cameroon and Democratic Republic of the Congo



GROUND TRUTH
SOLUTIONS



UNHCR
The UN Refugee Agency



WFP
World Food
Programme

Overview

The United Nations High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP) commissioned Ground Truth Solutions to carry out an independent monitoring of the global project activities for “Mitigating the abuses of power in cash assistance” in two of the pilot countries, Democratic Republic of the Congo (DRC) and Cameroon. The qualitative monitoring exercise summarised in this report assessed progress towards the project’s intended outcomes by looking at whether recipients, agents, agencies and partners perceived improvements in the mitigation of identified risks since the project started in 2018.

The project was designed to address three potential risk areas:

1. Regular customers can usually choose between several providers. People assisted by humanitarian agencies are, however, “captive customers,” which can lead to abuses of power.
2. Many people assisted by humanitarian agencies are using financial services for the first time, making them particularly vulnerable to potential abuse through the cash transaction.
3. Consumers with lower incomes and less experience in digital finance are more likely to face risks such as excessive fees, humiliation and harassment.¹

The project defines success through the following outcomes:

1. Promote appropriate behaviour of financial service providers (FSP) and agents involved in the delivery of cash assistance.
2. Ensure appropriate reflection of the FSP responsibilities (and that of traders and other service providers) in humanitarian agencies’ contracts with them to prevent and follow-up on abuse cases.
3. Strengthen the awareness of cash recipients about their consumer/client rights vis-à-vis agents and traders of the FSP, as well as promote financial and digital literacy.

Overview of cash assistance in DRC and Cameroon:

Democratic Republic of Congo

Mulongwe, South Kivu
Refugees from Burundi

UNHCR cash-based interventions (CBI)

M-Pesa mobile money via Vodacash

- CBI for shelter (based on household size)
- CBI for education (one-off)²

WFP cash based transfers (CBT)

E-voucher via SCOPE card
(traders paid by WFP)

- Food items

Cameroon

Kette and Timangolo, eastern region
Refugees from CAR, host community

UNHCR cash-based interventions (CBI)

Mobile money via MTN

- Kette: social safety net (cash for basic needs)
- Timangolo: CBI for shelter

WFP cash based transfers (CBT)

E-voucher via MTN mobile money
(restricted wallet)³

- Timangolo: food items

¹ Please see the [global project document](#) produced by UNHCR/WFP.

² CBI for education, intended to pay the primary school fees for eligible children, was paid once via M-Pesa. Many recipients did not use the money to pay for school fees, so UNHCR decided to distribute coupons to families to enroll their children, then UNHCR then pays the school directly.

³ “Restricted wallet” refers to a mobile money account that can only receive money from WFP and only be redeemed at shops pre-identified by WFP.

Summary of progress on intended outcomes

Outcome	Progress observed	Remaining challenges
1. Promote appropriate behaviour of FSPs and agents	<ul style="list-style-type: none"> Agents who received training retained key messages Procedures to sanction agents were not well known by recipients or staff When the project identified abuses of power, field teams saw behavioural changes by agents and traders 	<ul style="list-style-type: none"> Mobile money distributors are not contracted by FSPs, which makes it difficult to enforce code of conduct Field teams feel FSPs are not actively ensuring good behaviour Cash recipients request more interaction with field teams
2. Reflect FSP responsibilities in contracts	<ul style="list-style-type: none"> Contracts contain detailed FSP obligations, but field teams are unaware of them Cash recipients cannot hold FSP to account or identify and report abuses of power, in part because they don't understand fee structures FSP defer some responsibility to their distributors (e.g. for ensuring liquidity and transporting cash to sites), which leads distributors to seek compensation from recipients 	<ul style="list-style-type: none"> Cash recipients are still paying additional fees. Recipients and field teams are unsure if the fees are abuses of power Technical issues (blocked SIM, lost PIN) are still difficult to resolve Cash recipients and field teams are frustrated with lack of feedback, perceive that systems don't work
3. Strengthen capacity on consumer rights, promote financial and digital literacy	<ul style="list-style-type: none"> Cash recipients who participated in awareness activities retained key messages on keeping the phone safe Recipients are unsure of what they should receive Financial and digital literacy is low and will take time to improve Recipients and field teams are not aware of data protection efforts outlined in the project 	<ul style="list-style-type: none"> Recipients are only using mobile money for cash withdrawal; they are afraid to lose assistance if they engage with other mobile services (calling, sending money) Training does not adequately address financial literacy barriers Multiple payment systems create parallel processes and add to recipients' confusion

Key findings

The following findings reflect cash recipient and field teams' perceptions on the main risks of abuses of power in cash assistance.

Low literacy constitutes the biggest risk for users of mobile money, but the right programme design can help.

As many cash recipients in Cameroon and DRC cannot read or write,⁴ they rely on literate refugees, agents, or aid agency staff to navigate the mobile money system. The global project rightly highlights that this can lead to abuses of power. Our monitoring confirmed this risk but also showed that most people identify someone trustworthy in their network to decipher mobile money messages from aid providers. This means that recipients rely on informal channels outside the reach of the project to navigate the system and to mitigate abuse.

The maturity of the financial ecosystem is what drives user adoption. Overall, the mobile money ecosystems in both eastern Cameroon and eastern DRC are still developing, so it will take time for them to attain the levels of mobile money usage seen in other contexts, where people use the system to keep money safe on their phones, pay vendors directly, and send or receive money.

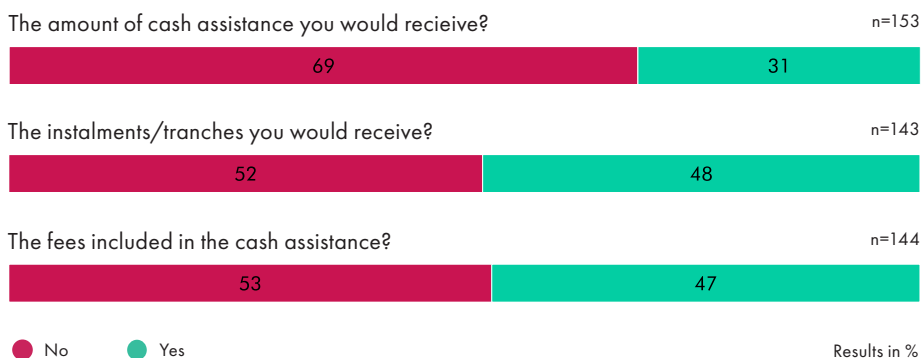


Cash recipient in Kette, Cameroon

⁴ UNHCR in DRC, for example, estimates 54% of cash recipients in Mulongwe are illiterate and UNHCR in Cameroon estimates the percentage is higher with refugees from Central African Republic.

Most cash recipients do not know how much they should receive

Did you receive information from UNHCR, the CNR,⁵ or the refugee committee about:



Source: UNHCR PDM in Mulongwe, DRC Nov 2018 (analysis by Ground Truth Solutions)

Programme design decisions within the control of UNHCR and WFP can mitigate the risk of abuse of power. Recipients struggle to assert their rights where they are unaware of what they are entitled to receive. For people with no or only basic numeric skills, round amounts are easier to understand and memorise. A positive example is the social safety net transfers in Kette, Cameroon, where recipients received rounded amounts (10,000 francs). Those consulted as part of this monitoring exercise said this amount was easy to remember.

Cash recipients are “captive clients” of financial service providers and agents, and their dependence on aid increases their acceptance of risk.

Cash recipients rely heavily on assistance to survive and are therefore willing to endure abuses of power in order to access aid as quickly as possible. As captive clients, people may not be comfortable criticising aid if they feel it could impact the assistance they receive, regardless of what feedback mechanisms are in place.⁶ Complaint and feedback mechanisms must not only be trusted but also perceived as effective in order for people to use them. While these dynamics are not unique to cash assistance, in the context of this project they influence how cash recipients understand their rights and feel they are respected.

Where these rights were not guaranteed, where payments were delayed or phones malfunctioned, some refugees were resigned, asking “But what can we do? We are refugees.”⁷ An inability to use mobile money systems independently can exacerbate this dependency on aid agencies and their partners when receiving cash assistance. Agencies struggle to keep up with the volume of requests, which leads to delayed feedback on technical issues.

Agents transfer risks to recipients in the form of fees and outright abuses of power.

Mobile money distributors⁸ at the refugee sites are part of the community and are usually well perceived by cash recipients (“He is my neighbour, I’ve known him for five years,” Kette, Cameroon). Cash recipients and FSP agents say that their main concern is not unacceptable behaviour of agents and distributors towards recipients but abuses of power where distributors seek compensation from recipients for their “cost of doing business.” The mobile money system is set up so that agent distributors, as opposed to contracted FSP staff, invest out-of-pocket to become mobile money distributors. In many cases, additional fees are necessary to enable operations. The main costs borne by cash recipients are fees for distributors to transport physical cash to the site (as observed in Kette, Cameroon), fees for client services to resolve technical issues (in both DRC and Cameroon), and disadvantageous exchange rates (in the DRC, to exchange USD for Congolese Francs). Despite contractual clauses clearly stating the FSP’s

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“With the mobile money, I only take out what I need and keep the rest on the phone. The phone is important for many other things as well: I can make calls because I converted some money into credit, I check what time it is in different places using the world map, I play games, and I listen to the radio on my phone.”

– Male recipient, age 40, Mulongwe, DRC

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“I don’t use the phone to make phone calls or do anything except for assistance. Even if I wanted to call someone, I am afraid the [agency] will know I used the telephone and they will stop my assistance.”

– Female recipient, age 60, Kette, Cameroon

5 La Commission Nationale pour les Réfugiés

6 This is especially an issue if it is not in their culture to complain, such as for refugees from Central African Republic (according to UNHCR staff in Batouri, Cameroon).

7 Quote from a focus group discussion with women leaders in Timangolo, Cameroon.

8 This report refers to agents in the field as mobile money distributors to indicate that they are not contracted FSP staff or agents.

responsibility to deliver these services free of charge for cash recipients, the FSP is not covering the costs for distributors.

Recommendations: designing and monitoring the project in the future

1. Develop a concrete, agreed upon **action plan** with the FSP to address technical issues that affect project success.
2. Establish a **task team** to ensure project continuity, with a focus on formalising community support structures to promote functional literacy and supporting country programmes in diversifying their complaint and feedback mechanisms.
3. Allow at least **six months** between the project's inception in a country and the monitoring mission, to ensure field teams have enough time to implement activities and see results.
4. Incorporate **perception monitoring** into existing surveys (e.g. post-distribution monitoring).
5. Continue to **document user experiences** through qualitative methods.
6. **Review cash programme design** to improve user experience and make it easier for recipients to remember transfer amounts and understand fee structures.

Optimising cash programme design to improve user experience

Transfer value. Use round numbers as budgets permit (e.g. US\$120, rather than US\$114) to make it easier for cash recipients to remember how much they should receive in total, and simpler for the agent to supply the required bill denominations.

Tranches/instalments. Standardise amounts per household size (or shelter size, depending on the project). Recipients were quick to memorise household size information in French, in order to better communicate with humanitarian staff; they will be able to use their functional numeracy to remember standard amounts, as observed in Kette, Cameroon.

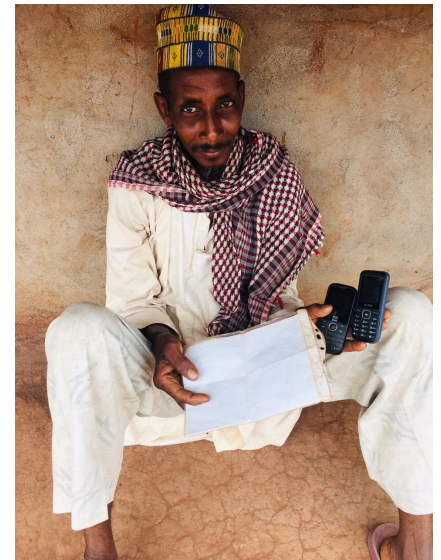
Information channels. Experiment with different information and communication approaches to empower recipients with basic information about their entitlements. For example, per household, provide a printed sheet with the specific information in a user-friendly format: using symbols to show what the cash is intended for alongside clearly indicated amounts, providing pictures of mobile money messages and pictograms. This should include messages about fees covered by the UN and an outline of what recipients should not be paying for in terms of services.

Communication and feedback modalities. Diversify communication and feedback channels available to cash recipients. In both countries, recipients expressed a preference for face-to-face interaction. Partners can experiment with different communication channels, such as help desks, community focal points, participatory theatre, community meetings and complaints fairs, as recommended under Outcome 2.



"I can read and write, so I know how to use the phone. I also help other people read the messages on their phones – I tell them if money has arrived, if it's an activation message, or if there is a problem. I can't solve the technical issues, so I suggest that they go see the agent in the site, who's also a refugee, or to go to the Voda-Shop office in Katanga [the next town over]."

– Male recipient, age 40, Mulongwe, DRC



Recipient of UNHCR (shelter) cash and WFP (food) voucher assistance, Timangolo, Cameroon

Delivery mechanisms and simultaneous programmes. It is important to review the type and number of delivery mechanisms that recipients engage with. Multiple phones and payment systems cause confusion about which system does what, as well as how to resolve issues, thereby increasing the risk of abuses of power. Consider integrating cash assistance to a multipurpose transfer within a single device and payment system. Agencies can then combine project efforts to increase support to recipients to learn to use the system more independently and build functional literacy.



Recipients of UNHCR (shelter) cash and WFP (food) voucher assistance, Mulongwe, D.R. Congo

For more information please contact Louisa Seferis (Senior Programme Manager - louisa@groundtruthsolutions.org)

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“I may not know how to read or write but in my family, we can count our money! My husband compares the mobile money messages with the numbers on a digital watch, and if he’s not sure of the amount we can always ask his brother, who can read French. He helps a lot of people read their messages too.”

– Female recipient, age 30, Timangolo, Cameroon

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“[ELAN RDC](#) organised theatre events to explain how the cash would arrive and how to use the telephone. Everyone understood and it was easy to understand because they were speaking in every language.”

– Female recipient, age 29, Mulongwe, DRC