UGANDA

Assessment of Financial Service Providers

Cash & Voucher Assistance in Uganda

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ASSESSMENT OF FINANCIAL SERVICE PROVIDERS - CVA IN UGANDA

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REACH facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through interagency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT). For more information please visit our website: www.reach-initative.org. You can contact us directly at: geneva@reach-initiative.org and follow us on Twitter @REACH_info.

LIST OF ACRONYMS

ATM – Automated Teller Machine

BRAC – Bangladesh Rural Advancement Committee

CoNUA - Connectivity Needs and Usage Assessment

CVA – Cash and Voucher Assistance

DRC – Democratic Republic of the Congo

FINCA – Foundation for International Community Assistance

FSP – Financial Service Provider

GBV – Gender-Based Violence

GCR – Global Compact on Refugees

GSMA - Global Systems for Mobile Communications Association

MFI – Microfinance institution

MNO – Mobile Network Operator

MPCA – Multi-Purpose Cash Assistance

NFI – Non-Food Item

OTC – Over-the-counter

PIN – Personal Identification Number

PoS – Point of Sale

RRP – Refugee Response Plan

RWC – Refugee Welfare Council

SACCOs – Savings Credit and Co-operative Societies

SMS – Short Message Service

SOP – Standard Operating Procedure

SWR – South West Region

UGX – Ugandan Shillings

UNHCR – United Nations High Commissioner for Refugees

USSD – Unstructured Supplementary Service Data

VSLA – Village Savings and Loans Association

WFP – World Food Programme

WNR – West Nile Region

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1. EXECUTIVE SUMMARY

Under the Uganda Refugee Response Plan (RRP) 2018-2022, both international partners and local government place a strong emphasis on shifting the response paradigm “from care and maintenance to inclusion and self-reliance.”[1] In pursuit of this objective, cash-based interventions are marked as a modality of priority with partners committing to expand and widen the transformation of in-kind assistance to cash-based assistance where possible.

Financial Service Providers (FSPs) play an important role in the implementation of most cash and voucher assistance (CVA) programmes by facilitating the transfer of payments. Cash can be delivered in-person at the location of an FSP or a designated distribution site, or delivered electronically through banking or mobile money services. The choice of FSP and delivery mechanism are central to the success of any CVA programme. Considerations such as beneficiary preferences, inclusion of all vulnerable target groups, feasibility, cost, and speed of delivery should be streamlined along with the specific programme’s objectives to inform this decision. An assessment of the FSP landscape and supported delivery mechanisms can therefore provide partners in the refugee response with the information needed to design a successful CVA programme.

While previous FSP assessments undertaken by partners in Uganda were often conducted internally, focusing on one specific location or the feasibility of one particular delivery mechanism, this assessment will take a more comprehensive approach in response to information gaps expressed by the partners in the Uganda Cash Working Group (CWG). The aim is to provide partners with a comprehensive overview of the capacity and experience of FSPs in different parts of the country, updated information on beneficiary preferences surrounding FSPs and delivery mechanisms, as well as the risks, challenges, and potential barriers to inclusion associated with each.

This assessment combines qualitative and quantitative data. In total, 101 key informants (KIs) were interviewed using semi-structured qualitative interviewing tools, and an additional 79 staff members of FSPs were interviewed using a structured survey tool. Interviews took place from 16 June to 30 August 2021. KIs included humanitarian staff implementing CVA, FSP agents, and beneficiary representatives.

Key findings of the assessment are:

FSP capacity and experience

- Inside every refugee settlement, the assessment was able to identify multiple FSPs that reported having an operational presence. The proportion of FSPs reporting to have no operational presence inside the settlements was higher in the WNR (25%) than in the SWR (15%).
- Mobile Network Operator (MNO) agent networks are reportedly on average larger in the WNR (45 agents) than in the SWR (30 agents). For banks, this was the opposite (24 agents in the SWR versus 4 in the WNR).
- In the WNR FSPs most often reported non-digital cash delivery as the suitable means for delivering cash inside the settlements, while in the SWR digital methods such as mobile money and bank accounts were reported as most suitable by 70% of interviewed FSPs.
- The majority of FSPs (59%) reported their institution had partnered at least once with a humanitarian organisation to deliver cash in their district in the past two years.
- The total cash transfer value of CVA programmes supported by FSPs varied according to region and type of FSP. CVA programmes in the SWR had a larger median cash transfer value compared to the WNR. Banks and MFIs reported being involved in larger cash programmes compared to MNOs.

[1] Inter-Agency Revised Uganda Country Refugee Response Plan, August 2020: p. 45.

Pricing and fees

- The FSPs interviewed reported to employ three possible pricing models for the sending organisation: 1) they can charge a flat fee per transfer, 2) a percentage of the value transferred, or 3) charge according to a tier system, whereby the fee changes in proportion to the amount transferred.

- Among FSPs that reported to charge a flat fee per transfer, MNOs reported to charge considerably lower fees than banking institutions.

- Savings Credit and Co-operative Societies (SACCOs) and MFIs most commonly reported charging according to a percentage per transfer, with percentages ranging widely from 1% up to 10% of the amount transferred.

- Most FSP KIs reported pricing was subject to negotiation and dependent on the agency and the operation in question, including its scale and volume. Nonetheless, FSP KIs reported fees generally did not differ by location or delivery mechanism used.

Preferences

- When asked how their community would like to receive CVA, RWC KIs most often reported mobile money (70%). Direct cash or OTC was the second-most reported mechanism (35%). Several RWC KIs reported both mobile money and cash-in-hand to be equally preferred.

- The main reported reason for preferring mobile money over other delivery mechanisms was the ease of access and lack of transport required for beneficiaries. RWC KIs also reported the process for opening a mobile money account was relatively simple and inexpensive. Finally, they noted communities prefer to receive assistance discreetly, as this reduces the risk of theft and robbery.

- The most frequently reported reason for beneficiaries to prefer direct or OTC cash is that it is seen as the most inclusive delivery mechanism; it does not require beneficiaries to own any form of hardware and benefits those who are illiterate and/or lacking in numeracy skills.

- Only a small minority of beneficiary representatives reported bank transfers as a preference. The main reported reason why bank transfers seem less preferred is the lack of a physical presence of banks inside the settlement. Other disadvantages of bank transfers reported by several RWC KIs were that the process for opening a bank account was relatively complicated and not well-understood; as well as the fees charged for withdrawing and maintaining an account.

Challenges and obstacles to inclusion

Non-digital delivery

- The main risks reported by FSPs with experience in conducting cash-in-hand delivery (n=55) were petty crime, and the gathering of large crowds that carry the potential to spread COVID-19. Additionally, corruption or fraud in the process of third-party verification and the compiling of beneficiary lists were frequently mentioned by nearly half of FSP KIs. Another obstacle associated with direct or OTC cash was reported to be the long queues and distances required for beneficiaries to travel to the distribution sites.

Digital delivery

- Among FSP KIs with digital transfer experience (n=70), the main reported issues associated with digital transfers were loss of pin codes or cards, a lack of connectivity in the settlements, a lack of assets among refugee populations, and a lack of accessibility for persons with specific needs, such as illiterate and older persons.

- RWC KIs reported the main reasons for refugees lacking accounts are a lack of sufficient income, and a lack of numeracy or digital literacy skills necessary to open and operate the accounts.

- All types of KIs reported the technical skills required for digital financial transfers may make it difficult for certain groups, such as older persons, persons with disabilities, and illiterate persons, to access their entitlements.

- Liquidity among agents seemed to be more of an issue among MNO agents compared to banks and MFIs. Among MNO KIs, 79% reported liquidity among its agents was an issue causing delays in service delivery. Responses did not vary considerably by location.

Discussion of the findings

Humanitarian actors seeking to implement a successful CVA programme must take into account a set of four dimensions. These dimensions include feasibility, cost and speed of delivery, considerations of inclusion, and beneficiary preferences. An agency's choice of delivery mechanism and potential FSP partner determines to a large degree how this balance is struck. Depending on the context and a programme's specific objectives, an agency may prioritize one dimension over others in the design of its programme. The table below summarises the findings laid out in the previous sections by presenting a scorecard for each delivery mechanism along the four dimensions. A brief explanation for each score is discussed in section 6: CONCLUSION: strengths and weaknesses of CVA delivery mechanisms in Uganda on page 48 of this report.

Table 6: Strengths and weaknesses per delivery mechanism in Uganda

Mechanism	Feasibility	Cost & speed	Beneficiary preference	Inclusion
Cash-in-hand (direct or OTC)	++	-	+	+
Paper voucher	+	-	+/-	+
Mobile money	+/-	+	++	+/-
E-vouchers / prepaid cards	+	+	+/-	+
Bank transfers	+/-	+	- -	-

As a designated modality of priority under the Uganda RRP 2018-2022, the application of CVA is likely to expand in 2022. By way of platforms such as the Uganda Cash Consortium and the CWG, coordination among partners is continuously improving. As actors pioneer pathways for delivering CVA, other partners should look for ways to take advantage of these efforts and follow where possible. This can help to avoid duplication of efforts, especially in the process of registering beneficiaries for accounts. It can also avoid unnecessarily burdening beneficiaries with the requirement of opening and maintaining multiple accounts with different FSPs.

While there are many benefits to be gained from building upon other actors' experience and existing infrastructure, this also risks building a response that gravitates around the approach employed by one or a handful of actors. There is a need for continued discussion on the possible implications of centring a response around the use of one delivery mechanism or one main FSP partner. Could the humanitarian community be driving the establishment of an effective monopoly in the delivery of CVA in Uganda? And how could this affect service delivery in the long term? What would be the impact on beneficiary access and experience, especially if this involves mechanisms and actors that deviate from their reported preference?

In the end, each CVA programme must be made to fit its specific goals and objectives, and humanitarian actors must decide for themselves which of the aforementioned factors they choose to prioritise in the design of their programme. Furthermore, the Uganda context is fluid and there exists a reciprocal relationship, wherein factors such as feasibility and preference shape the response and vice versa. The data captured as part of this assessment provides humanitarian partners with the information they need to continue to navigate this process for the benefit of beneficiaries.

2. INTRODUCTION

With over 1.5 million refugees, Uganda is currently hosting the largest refugee population in Africa.[2] Violence, armed conflict, and persecution in the Horn of Africa are the main drivers for displacement, with the majority of refugees arriving in Uganda from neighbouring countries such as South Sudan and the Democratic Republic of the Congo (DRC).[3] Refugees from other countries, including Somalia, Rwanda, Eritrea, Sudan, and Ethiopia, have also lived in protracted exile in Uganda for the last three decades. The number of refugees in Uganda is likely to increase over the remainder of 2021. As the government is currently working to resolve a backlog in the registration of refugees, and considering ongoing family reunifications as well as births, the increase in refugees is likely to outnumber returns.

The Comprehensive Refugee Response Framework (CRRF)[4] and the Global Compact on Refugees (GCR)[5] set the enhancement of self-reliance among refugee populations globally and in Uganda as a core objective. Under the Uganda Refugee Response Plan (RRP) 2018-2022, both international partners and local government place a strong emphasis on shifting the response paradigm "from care and maintenance to inclusion and self-reliance."[6] In pursuit of this objective, cash-based interventions are marked as a modality of priority with partners committing to expand and widen the transformation of in-kind assistance to cash-based assistance where markets permit.

At the time of writing, the World Food Programme (WFP) remains the largest provider of cash and voucher assistance (CVA) in Uganda through its general food assistance programme. As of 2021, WFP has transitioned in-kind food assistance to cash transfers, either wholly or partially, in 9 out of 13 refugee settlements, with further trials and expansions planned in at least 2 more settlements (map 1). WFP's cash transfers totalled over 160 billion Ugandan Shillings (UGX) (44.2 million USD)[7] for general food assistance in 2020 alone. Furthermore, 68,371 households received an additional 22 billion UGX (6 million USD) in multi-purpose cash assistance (MPCA) over 2020.[8] Just over 10 billion UGX (2.8 million USD) in unconditional MPCA was transferred in the first two quarters of 2021 alone.[9]

Financial Service Providers (FSPs) play an important role in the implementation of most CVA programmes by facilitating the transfer of payments. Cash can be delivered in-person at the location of an FSP or a designated distribution site, or delivered electronically through banking or mobile money services. The choice of FSP and delivery mechanism are central to the success of any CVA programme. Considerations such as beneficiary preferences, inclusion of all vulnerable target groups, feasibility, cost, and speed of delivery should be streamlined along with the specific programme's objectives to inform this decision. An assessment of the FSP landscape and supported delivery mechanisms can therefore provide partners in the refugee response with the information needed to design a successful CVA programme.

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[2] According to the United Nations High Commissioner for Refugees (UNHCR), Uganda is hosting 1,499562 refugees as of 25 August 2021.

[3] Mixed Migration Review 2021 by Mixed Migration Centre.

[4] The CRRF is a multi-stakeholder coordination model on refugee matters focusing on humanitarian and development needs of both refugees and host communities. The CRRF in Uganda encompasses five mutually reinforcing pillars as outlined by the global objectives: (i) Admission and Rights, (ii) Emergency Response and Ongoing Needs, (iii) Resilience and Self-reliance, (iv) Expanded Solution and (v) Voluntary Repatriation.

[5] The Global Compact on Refugees is a framework for more predictable and equitable responsibility-sharing, recognizing that a sustainable solution to refugee situations cannot be achieved without international cooperation. It provides a blueprint for governments, international organizations, and other stakeholders to ensure that host communities get the support they need and that refugees can lead productive lives.

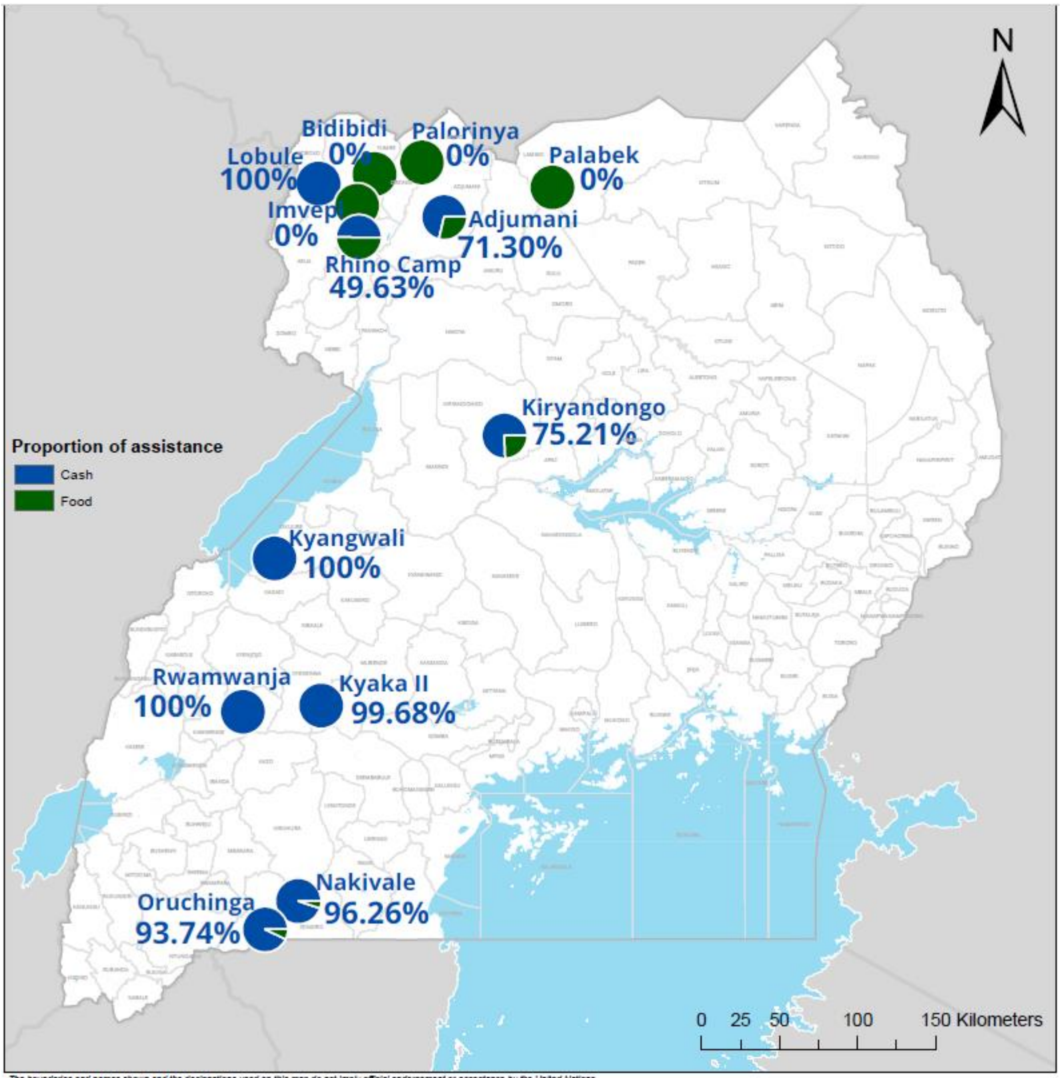
[6] Inter-Agency Revised Uganda Country Refugee Response Plan, August 2020: p. 45.

[7] At an exchange rate of 3,618 UGX per USD as of 18.10.2021.

[8] UNHCR quarterly factsheets on CBI activity in Uganda can be accessed here.

[9] Data on sectoral cash, transfer values, and delivery mechanisms used in Uganda is publically available and accessed via the joint REACH-UNHCR online dashboard for Cash-Based Interventions.

Map 1: WFP general food assistance by modality as of June 25, 2021.



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.
Author: WFP Uganda-AMEL Unit
Date: 25/06/2021

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The report begins with a short background section on delivery mechanisms currently in use in Uganda, followed by the assessment methodology. The findings section details information gathered from humanitarian, beneficiary and FSP KIs in three main sections: the first section details data on FSP capacity across locations, as well as a short section on pricing and fees; the second section discusses beneficiary preferences in relation to CVA programmes currently being implemented; and the third section discusses the challenges and obstacles to inclusion that may arise for specific target groups. This is followed by a final section on the implications of the findings for the future of CVA programming in Uganda.

3. BACKGROUND

Over the past five years, the use of CVA has steadily increased in virtually all sectors of the humanitarian response in Uganda. In the first two quarters of 2021 alone, more than 84 billion UGX has been distributed using a range of delivery mechanisms.[10] The consequences of the COVID-19 pandemic drove the expansion of CVA as humanitarian agencies sought to adapt their programming in efforts to mitigate the risk of transmission among beneficiaries. Recent budget cuts in the humanitarian response, furthermore, prompted humanitarian partners to further consider CVA as a means to deliver assistance more cost-effectively. Nonetheless, CVA programming and its continued uptake by humanitarian actors is subject to factors impacting the feasibility of CVA, including not only market feasibility and beneficiary preferences, but also the presence and capacity of FSPs operating in a given area. Furthermore, the design of any CVA programme entails decisions by the implementing organisation on whether to provide restricted or unrestricted, conditional or unconditional assistance, and which modality is best suited to meet the programme's objective.

Restricted CVA refers to potential restrictions that can be placed on the use of assistance once a transfer has been made. A form of restricted assistance is a commodity voucher, whether paper or digital, whereby beneficiaries can redeem the value of the voucher to acquire only one particular item or a set of items. Livelihood programmes, for example, may provide assistance to farmers by employing a voucher that the farmer can use to acquire fertilizer from a vendor associated with the programme. Unrestricted CVA usually refers to cash that is provided to beneficiaries, either directly or through a range of digital delivery mechanisms. In practice, most cash assistance is unrestricted since humanitarian agencies cannot control where and how beneficiaries spend cash once they receive it.

Conditional CVA refers to programmes that require beneficiaries to fulfil certain requirements before receiving the assistance. Cash-for-work programmes are an example of conditional CVA because they require work prior to payment. Conditional cash can also be used in humanitarian programmes to promote a certain type of behaviour. For example, an education programme aimed at improving school attendance among youth may distribute a first tranche of cash for the payment of fees for the first semester (unconditional) but only release the second tranche for payment of the second semester to parents who provide proof of payment (conditional).

3.1 CVA Modalities and delivery mechanisms

Table 1 summarises the various modalities and delivery mechanisms that fall under the umbrella of CVA, followed by a brief discussion per item.

Table 1: CVA delivery mechanisms and their characteristics.

Modality	Characteristics	Mechanism	Potential FSPs
Cash	Non-digital (cash-in-hand)	Direct cash	Humanitarian organisations (no FSP involved)
		Delivery through an agent (over-the-counter /OTC)	Banks Savings Credit and Co-operative Societies (SACCOs) Village Savings and Loans Associations (VSLAs), Microfinance institutions (MFIs)
	E-payment	Transfer to bank account	Banks Humanitarian organisations
		Mobile money (e-wallet)	Mobile money providers
Voucher	Non-digital	Paper voucher	Humanitarian organisations

[10] Data available via the joint REACH – UNHCR online dashboard for Cash-Based Interventions.

			Voucher companies
	Digital	Commodity E-voucher Value E-voucher (e-wallet: smart or prepaid card)	Voucher companies Banks Transfer companies
		E-voucher for cash (e-wallet: smart or prepaid card)	Credit card companies Banks Voucher companies

Direct cash

Humanitarian organisations deliver physical cash to their beneficiaries directly without engaging an FSP. Cash can be delivered to beneficiaries' homes, or beneficiaries can be mobilised to visit a local office or distribution site where humanitarian staff hand them their entitlement.

Over-the-counter (OTC) cash

This is a form of non-digital cash delivery whereby an FSP is contracted to facilitate the distribution of assistance among beneficiaries. Beneficiaries can be mobilised to pick up their entitlement at an FSP office or one of its agents. Alternatively, a distribution site may be set up, or the FSP can go door-to-door to deliver assistance. An FSP may make use of agents to facilitate delivery. Agents are licensed associates of the organisation, who commonly provide a limited range of financial services and operate businesses in remote areas where the FSP may not have a branch location or other form of operational presence itself. An FSP can have agents that permanently provide services for them, or it can temporarily contract an agent to perform a specific service such as facilitating a humanitarian cash distribution. FSPs that do not have agents may facilitate OTC distributions by driving an armoured van into an area with beneficiaries to distribute cash. The process usually involves beneficiaries queueing up to go through a verification process involving humanitarian and/or FSP staff prior to receiving the cash.

Bank transfers

Bank transfers are a digital delivery mechanism that requires beneficiaries to have accounts with formal financial institutions. Beneficiaries can receive cash assistance through their personal bank accounts after a standard bank transfer from the humanitarian organisation. Beneficiaries can access this assistance by either making payments at any vendor in possession of a Point-of-Sale (PoS) device (a handheld or integrated piece of equipment that processes payments by reading a card's magnetic strip or chip), or by withdrawing at an Automated Teller Machine (ATM). In contexts where beneficiaries may not commonly have bank accounts, humanitarian partners can choose to partner with an FSP to assist beneficiaries in setting up these accounts. Although bank transfers require a partnership with a bank, the FSP's involvement can be limited in this case.

Mobile money

This is a form of digital cash transfer that uses either a Short Message Service (SMS) or Unstructured Supplementary Service Data (USSD) encrypted code that can be cashed out by Mobile Network Operator (MNO) agents. The use of a mobile money delivery mechanism requires a stable mobile network connection for the transactions to take effect. Mobile money transactions are completed using a unique authentication code, or Personal Identification Number (PIN), to release payment at an authorised agent. Mobile money entails using a basic mobile phone to carry out an array of transactions such as cash deposits, withdrawals, and payments of services, as well as direct purchasing of commodities through transferring money from the beneficiary's mobile money account directly to that of the vendor.

Smart cards

Like mobile money, smart cards are a form of e-wallet whereby software allows the user to store and pay money electronically without the need of a bank account. The e-wallet holds encrypted information that identifies the user and can be accessed using a PIN code. Smart cards and mobile money both use e-wallets that can be loaded remotely by the humanitarian organisation, making it a less visible and more secure delivery mechanism. Another advantage is that e-wallet providers can link multiple e-wallets to one account, which can be useful to beneficiaries enrolled in multiple CVA programmes.

Paper voucher

There are two types of paper vouchers: commodity vouchers and value vouchers. A value voucher is distributed to recipients, who can redeem its value for various items from designated outlets or through associated vendors operating in the local markets. Their use is therefore less restricted than commodity vouchers, which recipients can use to acquire specific goods from designated vendors. The vouchers may also carry the beneficiary's name, and redemption may require the beneficiary to present identification.

E-vouchers

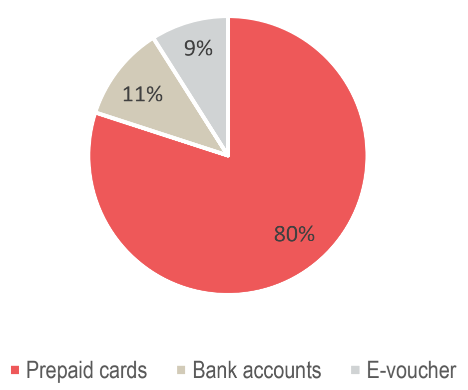
E-vouchers are electronic cards connected to an e-wallet that stores credit or value. Physically, the e-voucher electronic cards are similar to the debit or credit cards issued by banks, with the difference that an e-voucher cardholder does not need to have a bank account. E-vouchers, smart or prepaid cards (along with their connected e-wallet)) are digital and can be used by beneficiaries to access commodities or cash. They can be used at ATMs, point-of-sale (POS) devices or at special terminals at agents.

Like paper vouchers, e-vouchers may also be redeemed at selected vendors equipped with POS machines. To conduct the transactions, vendors use the machines to swipe beneficiary cards, select the goods requested, and enter the quantity and the unit price of each purchase based on the outstanding credit. The e-vouchers may have the name of the beneficiary, card number, Identity Document (ID) and programme printed on it. In Uganda, e-voucher companies like Compulynx and Redrose assist with the distribution of humanitarian CVA.

3.2 Delivery mechanisms in Uganda

Of the 84 billion UGX (23.2 million USD) distributed by humanitarian partners in the first two quarters of 2021, the largest programmes have been implemented in the food security sector (71 billion UGX / 19.6 million USD) followed by multi-purpose cash for basic needs (10 billion UGX / 2.8 million USD). The food security sector, led by WFP, thus constitutes 87% of total humanitarian cash transfers in the Ugandan response. WFP reports that 80% of their cash for general food assistance was delivered through prepaid cards, 11% through bank accounts, and 9% through an e-voucher system in 2021.[11]

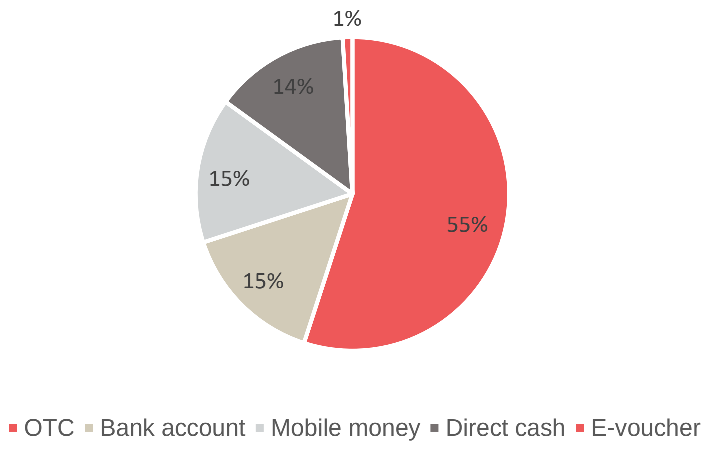
Figure 1: WFP general food assistance per delivery mechanism (Q1 and Q2 of 2021).



[11] REACH Dashboard based on Activity Info accessible here: [Cash Based Interventions Uganda (reach-info.org)](reach-info.org)

Humanitarian actors reporting to UNHCR's Activity Info platform on their programmes for distributing multi-purpose cash for basic needs use a more diverse range of delivery mechanisms. Just over 55% of CVA for basic needs was delivered over the counter through agents, 15% through bank accounts, 14% through mobile money, and 14% was delivered directly by the humanitarian organisation. In the livelihood and resilience sector, e-vouchers and mobile money are the most commonly used mechanisms for delivering CVA.[12]

Figure 2: Multi-purpose cash for basic needs distributed per delivery mechanism (Q1 and Q2 2021).



[12] Ibid.

4. METHODOLOGY

4.1 Research objectives and research questions

The objective and scope of this assessment was developed in the framework of the Uganda Cash Working Group (CWG). This assessment of FSPs looks at the supply side of financial assistance and service provision in Uganda to ascertain the feasibility of CVA. The overall objective is to inform the humanitarian community on options, risks, and challenges surrounding the use of different FSPs and delivery mechanisms. Partners voiced a strong need for the scope of the assessment to encompass all 13 refugee settlements. This report seeks to answer the following research questions:

1) Which FSPs are currently operational in different refugee-hosting parts of Uganda and what are the various delivery mechanisms currently being used to deliver cash assistance?
2) What is the capacity and experience of different FSPs in delivering humanitarian cash assistance through different delivery mechanisms?
3) What is the experience of humanitarian partners in delivering cash assistance in partnership with different FSPs and through various mechanisms?
4) What are the risks, barriers to inclusion, and opportunities for expansion in partnering with different FSPs and the use of delivery mechanisms?

4.2 Methodology overview

The assessment used a mixed-methods approach. Four types of questionnaires were developed, one of which was quantitative and three were qualitative. A structured (quantitative) survey was conducted with branch-level managers of FSPs with an operational presence inside or near to one of the 13 refugee-hosting settlements (map 2: Assessed FSPs). Qualitative, semi-structured interviews were conducted with humanitarian agencies currently implementing CVA programmes, as well as with agents providing financial services and beneficiary representatives from the Refugee Welfare Council (RWC). The RWC is composed of elected refugee leaders in the settlements. As the first point of contact for refugee populations, RWC leaders play a key role in implementing and improving assistance provided by humanitarian actors. The interview tools were partly informed by the Humanitarian Connectivity Needs and Usage Assessment (CoNUA) toolkit produced jointly by REACH and the Global Systems for Mobile Communications Association (GSMA).[13]

Prior to data collection, an overview of existing literature on FSPs and cash assistance in Uganda was conducted to gain insight on the financial landscape and operations of FSPs inside or in the vicinity of the refugee settlements. Additionally, CWG partners were asked to provide contacts of potential key informants (KIs) within their own organisations, as well as branch-level managers of FSPs they already had partnerships with. Additional contacts were then acquired through snowball sampling to ensure sufficient coverage in each location.[14]

Due to COVID-19 restrictions, data collection took place remotely over two months from 16 June to 30 August 2021. KIs were selected through purposive sampling.

In total, the assessment teams conducted 180 interviews. Interviewees fall into five distinct categories:

1) FSP: Mostly branch-level managers of financial institutions outside of Kampala.
2) Aggregators: Country managers of companies that support digital financial transfers by aggregating volume and providing services as a conduit between clients and one or multiple FSPs.
3) Agents: An agent is an independent business that is licensed to provide financial services on behalf of one or multiple FSPs. They generally earn a commission for the services they provide.

[13] The Groupe Speciale Mobile Association (GSMA) is an industry organisation that represents the interests of mobile operators and the broader mobile industry worldwide. The toolkit, along with user guidance, is available here.
[14] Each survey included snowball questions asking KIs to share contacts for other financial institutions operating in the area.

4) Beneficiary representatives: Refugee leaders elected to the RWC to represent the general refugee population or specific groups e.g. women or persons with disabilities.
5) Humanitarian KIs: Humanitarian staff members implementing or overseeing CVA programmes.

Table 2: Number and type of KIs by region.

	FSP	Aggregators (FSP)	Agents (FSP)	Humanitarian partners	Beneficiary representatives	Total
South West	27	2	10	10	18	67
West Nile	52	2	16	16	27	113
Total	**79**	**4**	**26**	**26**	**45**	**180**

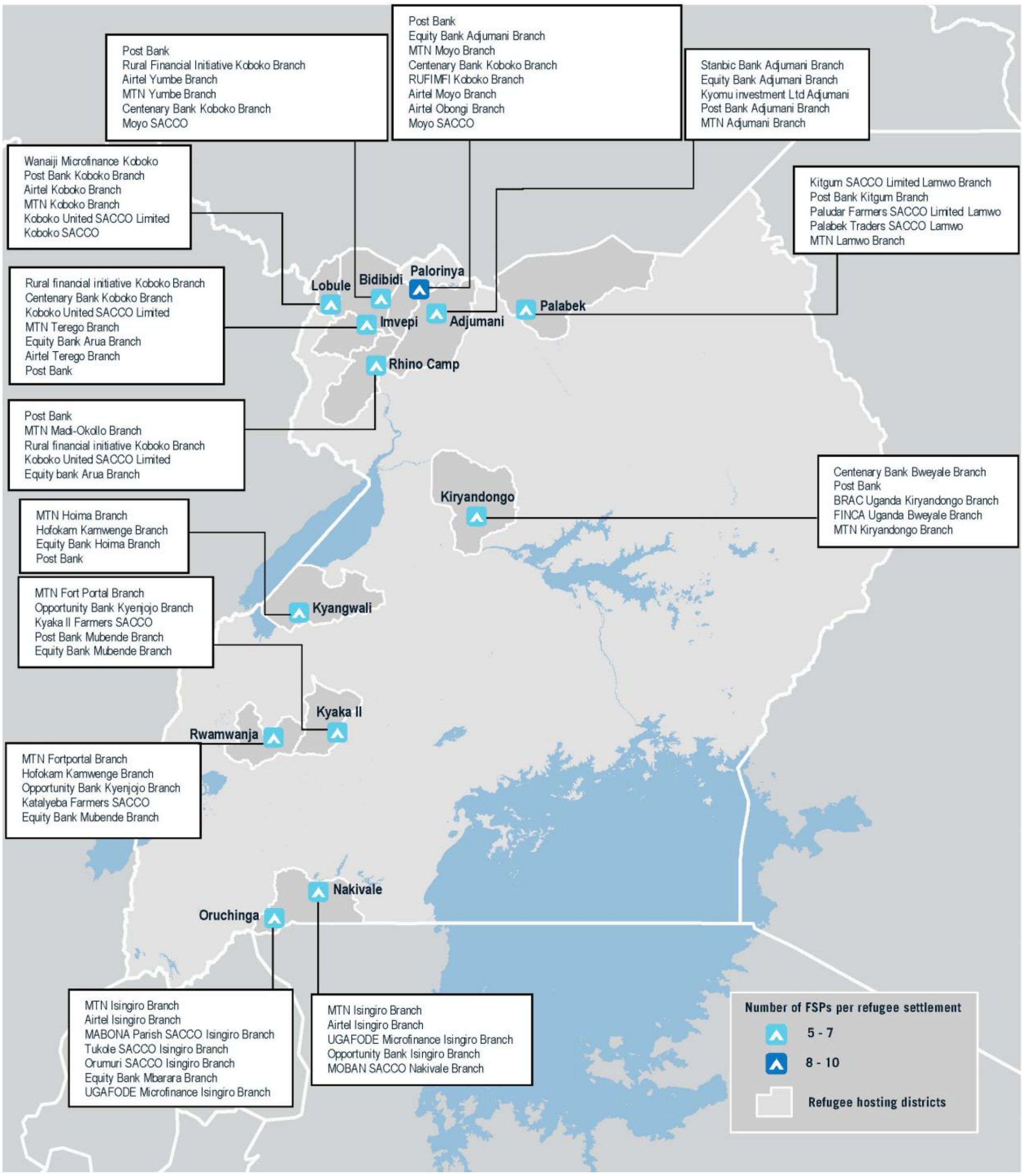
4.3 Data collection and processing

Prior to data collection, REACH staff trained enumerators on remote data collection, qualitative and quantitative data collection techniques, as well as the use of tools specific to this assessment. A call centre was set up and data collection ensued from 18 June through to 6 August 2021. Data collection was briefly disrupted from 18 June to 25 June due to new lockdown measures. In strict adherence to all Standard Operating Procedures (SOPs) for the prevention of the spread of COVID-19, all interviews were conducted remotely over the phone.
Enumerators conducting structured FSP interviews entered responses in real time using KoBoCollect. The assessment team provided technical supervision and coordination throughout the data collection effort. Data checking and cleaning was conducted on a daily basis by the REACH assessment team, addressing data entry errors and logical inconsistencies, and ensuring follow-up on responses needing clarification. In line with REACH SOPs for quantitative data collection, all changes to the dataset values were logged in the data cleaning log and included within the dataset. The assessment team further provided guidance to field staff conducting qualitative interviews through daily debriefs, checking of transcripts, and tracking progress to ensure coverage and prevent bias in the sample. Interviews were recorded to ensure no information was lost in the process of transcription. Recordings were deleted after transcription.

4.4 Analysis framework

REACH guidelines on quantitative and qualitative analysis were applied to ensure the highest rigour in analysis. Structured survey data on FSP operations, including challenges and risk mitigation measures, was categorised to the greatest extent possible and analysed using R statistical packages and Excel. For qualitative interviews, data was coded and analysed using MAXQDA software to explore key themes related to beneficiary preferences, obstacles and challenges for delivering CVA using different mechanisms and the effectiveness of existing feedback mechanisms. In some cases, the coding of interviews was used to categorise responses and enable their quantification, for example in terms of the proportion of KIs who reported a particular challenge or mitigation strategy. Further layers of coding were then added to further disaggregate top-line findings, as well as to distil useful quotes for providing context to the findings. In response to information needs expressed by partners, the analysis disaggregated information by region or by settlement whenever notable differences in the findings were observed.

Map 2: Assessed FSPs with reported capacity to provide services in nearest settlement



4.5 Challenges and limitations

1) Due to the purposive sampling methods, the sample is not representative with a known level of precision, meaning findings are indicative of, rather than generalizable to, the experiences with CVA in assessed locations. Despite best efforts, the mapping of FSPs per location has been comprehensive but not exhaustive. Findings on FSPs and their agents, as well as humanitarian CVA programming and beneficiary perspectives, should not be read as statistically significant or used to make wider inferences about populations or locations not explicitly assessed as part of this study.

2) KIs from FSPs were asked about information on certain indicators such as pricing, services, and liquidity management. In some cases, FSP KIs were unable or unwilling to disclose this information.

3) KIs were offered anonymity in participating in this survey. For certain sensitive indicators, this means the names of individual FSPs will not be reported. Instead, the report offers findings on these indicators generalised to the type of FSP.

4) Researchers were not always able to verify responses from FSP KIs. Therefore, it should be noted that information on FSP capacity consists of data that is self-reported.

5) Due to the nature of remote data collection, combined with the KIs being working professionals, field staff often faced challenges scheduling interviews and ensuring KIs remained available for the total duration of the interview. In some cases, interviews had to be divided into two or even three sessions. It is possible that, had in-person interviewing been a possibility, more interviews could have been conducted and the mapping of FSPs operational per location may have been more exhaustive.

6) A detailed analysis of regulations and mapping of national institutions regulating the financial sector was beyond the scope of the current assessment. It would be beneficial to assess this in future studies, considering the dynamic landscape in Uganda.

5. FINDINGS

5.1 Capacity and experience

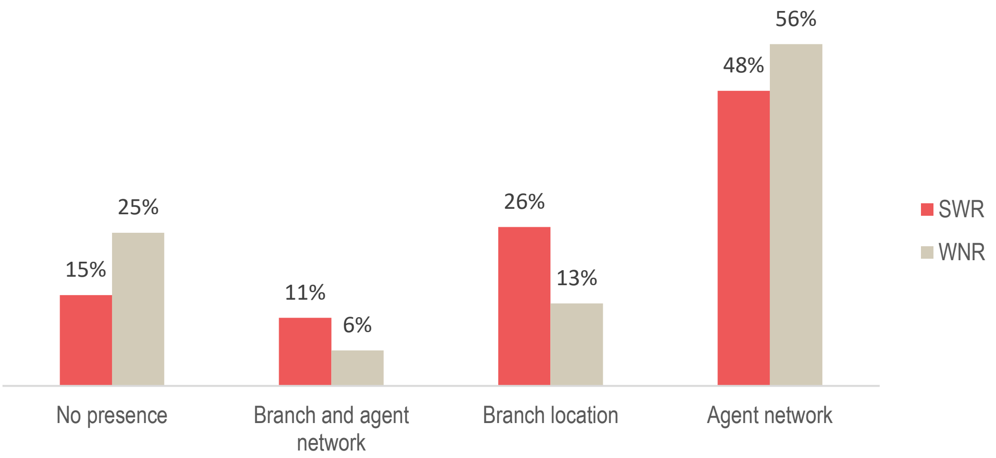
Uganda has a well-established financial sector with numerous FSPs capable of and experienced in supporting humanitarian cash programmes through various delivery mechanisms. However, since most refugee settlements are located in remote, predominantly rural areas of the country, the physical and operational presence of FSPs in these locations varies. Where FSPs lack the presence of a branch location, an agent network can fill the gaps to provide services and a point of contact between the community and organisation. However, agents operate with varying degrees of capacity and training and are consequently cleared to provide some but generally not all financial services that a branch location might offer. They might, for example, facilitate electronic cash transfers or withdrawals, but not be cleared to process loan applications or opening accounts. Gaps in financial service delivery to rural and refugee populations therefore still remain. This section offers an overview of the operational presence of different FSPs in the refugee settlements, their experience in supporting humanitarian cash assistance, and their capacity to provide further support.

5.1.1 Operational presence

Three types of FSPs participated in this assessment: banking institutions, MNOs offering mobile money services, and microfinance institutions (MFIs) such as the Bangladesh Rural Advancement Committee (BRAC) and the Foundation for International Community Assistance (FINCA). SACCOs are also included under MFIs.

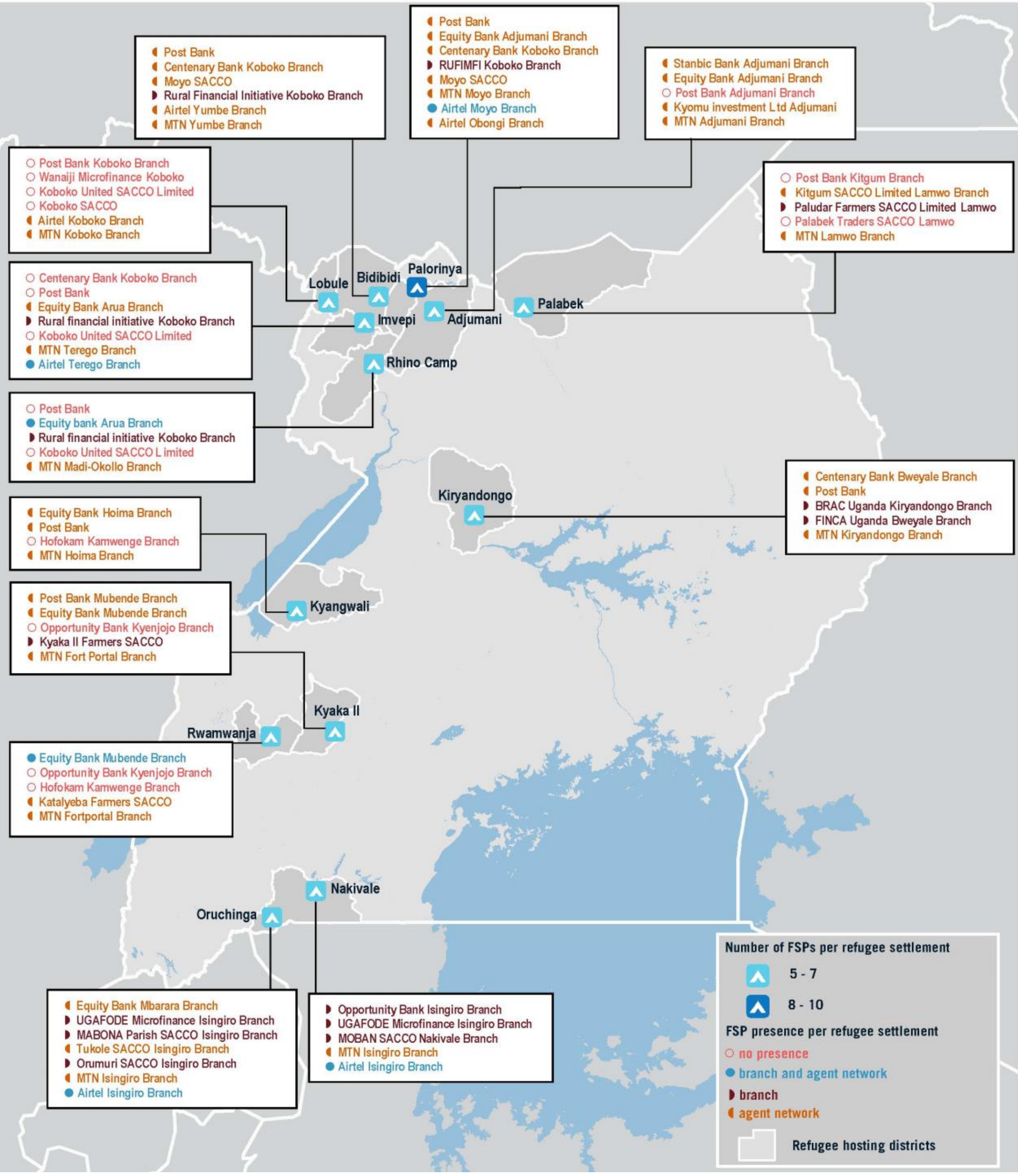
Inside every refugee settlement, the assessment was able to identify multiple FSPs that reported having an operational presence (map 3). Operational presence of assessed FSPs varied by region[15]. While only 15% of interviewed FSPs in the South West Region (SWR) reported having no operational presence in a nearby refugee settlement, this proportion was higher (25%) among FSPs in the West Nile Region (WNR), indicating that operational presence might be lower in refugee settlements in the WNR. Furthermore, among the FSPs that reported a presence inside the settlement, it was more common for FSPs in the SWR to report having a branch location there than in the WNR (figure 3). The presence of a branch location inside the settlement can be important since it usually entails a higher level of service delivery, customer care and support, and operational and technical support for its agent network in the area.

Figure 3: Percentage of FSPs by reported type of presence inside the refugee settlements, by region.



[15] For purposes of this analysis, two regions are defined as the South West Region encompassing Nakivale, Oruchinga, Kyaka II, Kyangwali and Rwamwanja settlements. The second region is West Nile Region and includes Palabek, Palorinya, Adjumani, Lobule, Imvepi, Rhino Camp, Kiryandongo and Bididibi.

Map 3: Assessed FSPs with reported operational presence inside the settlement.

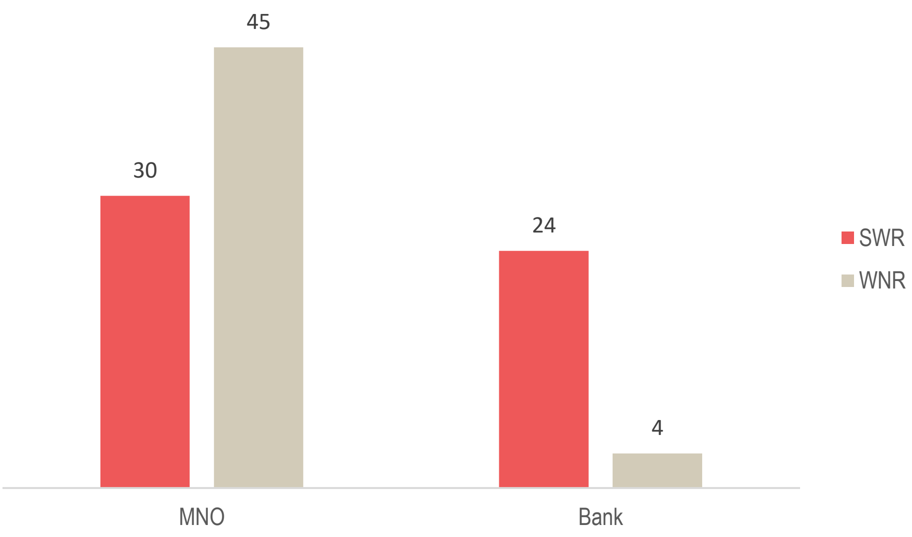


The FSPs that reported having an agent network included mainly banking institutions and MNOs, but also several MFIs in the form of loan officers. The average number of agents inside the settlement appeared equal in both regions (20). Notably, Palabek settlement in Lamwo was the only settlement in which the assessment failed to identify a single banking institution that reported having an operational presence inside the settlement. Banking services may still be offered to the community on occasion, for example by banks bringing mobile agents or extension staff into the settlement on specific days to provide services.[16]

The absence of either a branch location or an agent network presents a significant obstacle for communities to access financial services. Of the nine banks that reported having no operational presence inside the settlements, all reported the travel time from the nearest edge of the settlement to their branch to be at least three hours. Of the eight MFIs without an operational presence, five reported a travel time of three hours or more, while only one reported a travel time of less than one hour. In settlements where the number of FSPs is limited, this can render financial services virtually inaccessible for those without access to transportation, older persons, or those coping with disabilities and health issues.

In all 13 settlements, there was at least one MNO who reported having an agent network inside the settlement. Across all settlements, the agent networks of MNOs were generally larger compared to those of banking institutions. Findings further indicate that agent banking networks were more established in the SWR with a higher average number of banking agents per settlement compared to the WNR, whereas the average number of reported agents for MNOs is higher in the WNR compared to the SWR (figure 4). Interviews with MNO and banking agents revealed that entry requirements for providing banking services are more stringent. Banking agents also receive a higher level of training and often provide a more complex range of services compared to agents who only provide mobile money services.

Figure 4: Average number of agents inside the settlement per type of FSP, by region.



[16] An example of this is the “bank on wheels” programme by state-owned Post Bank, whereby Post Bank staff uses a van equipped with teller hardware such as a PoS machine to drive into the settlement and provide banking services.

5.1.2 FSP capacities

With the exception of some MFIs, the majority of FSPs reported being able to increase the number of agents inside the settlement within one month of signing a contract with a humanitarian partner. FSPs reported the average time to verify and operationalise agents was around three weeks, with no significant differences between MNOs and banks. MFIs reported needing a shorter period of two weeks on average.

In interviews with MNO and banking agents, however, nearly all KIs reported their registration process took much longer, mostly between three to six months. Only 8 out of 26 interviewed agents reported generally completing the process within 1 month, all of whom were MNO agents. Among those MNO agents, some reportedly acquired the agent line informally, either by purchasing it from an already licensed agent or by paying a bribe to expedite the process.

> *"I had difficulty in acquiring an agent line through […]. There was a lot of bureaucracy involved and people involved in the whole process were asking for money, and so I resorted to buying an agent line from someone who was selling his."* **– Palabek, MNO and banking agent**

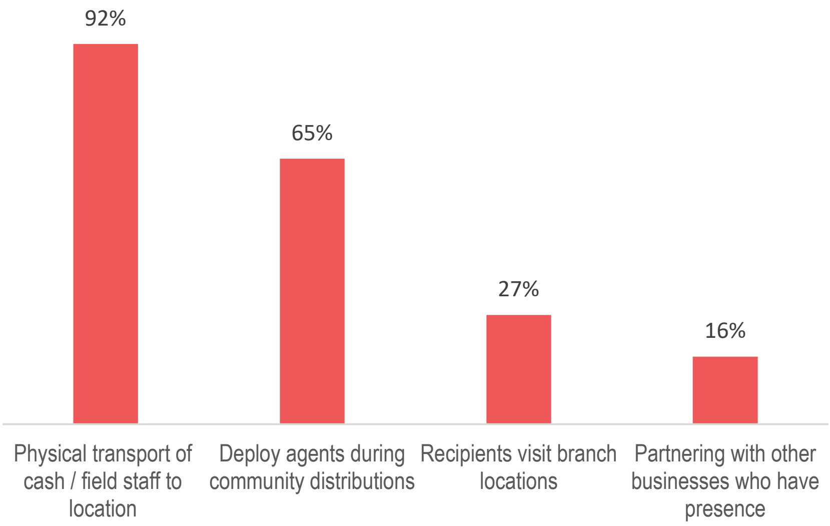
> "*The registration process took a very long time and other people we registered with have not received their lines up to date. I had to bribe a […] staff member to expedite my registration process."* **– Bidibidi, MNO agent**

FSPs were then asked how many more agents they would be able to mobilise inside the settlement within one month of signing a contract. Response varied by type of FSP, but not significantly by region. Nationally, bank agents reported a median of 20 agents, MNOs 30, and MFIs 16 additional agents. Considering that many FSPs have a limited agent network, the reported ability to mobilise 20 to 30 additional agents within 1 month raises questions as to the reasons that have so far prevented FSPs from doing so. On one hand, there could be a desirability bias in the response, with FSPs potentially over-estimating their capacity in a desire to meet expectations or create business opportunities. On the other hand, it is possible that many FSPs do not consider providing financial services in the refugee settlements as a viable business opportunity and therefore have refrained from building a more comprehensive agent network. Finally, some FSPs may have included in their answer the ability to mobilise existing agents from nearby urban areas to travel to the settlements to conduct distributions if and when needed, rather than registering and on-boarding entirely new agents. Several humanitarian KIs reported their partner FSP had successfully followed this strategy in the implementation of their CVA programme. While this approach may help to accomplish CVA deliverables in the short-term, longer-term objectives such as increasing access to financial service and refugee self-reliance are not advanced if a more permanent financial infrastructure remains undeveloped.

In other cases, humanitarian partners mentioned their partner FSP had failed to mobilise sufficient agents on time, resulting in long queues and liquidity shortages during distributions. These examples involved both banks and MNOs. However, in all cases, humanitarian KIs reported the FSPs were able to take measures and prevent this issue in future distributions.

FSPs were asked how they would ensure coverage of remote zones inside the settlement. The most commonly reported strategy was to transport cash and FSP staff from a nearby city to the settlement to provide services and conduct the distributions (reported by 92% of interviewed FSP KIs), followed by the use of agents (62%). Around 27% of interviewed FSPs reported that recipients would have to visit their branch location. This was mainly reported by MFI and MNO agents. Although KIs from these organisations did more commonly report having a branch location inside the settlement, this is unlikely to offer sufficient coverage of all zones inside especially the larger settlements. A small minority of FSPs reported they might partner with another business that has an operational presence to ensure coverage in remote areas (figure 5). Response did not vary significantly by location.

Figure 5: Percentage of FSPs reporting their strategy for covering remote zones inside the settlements.

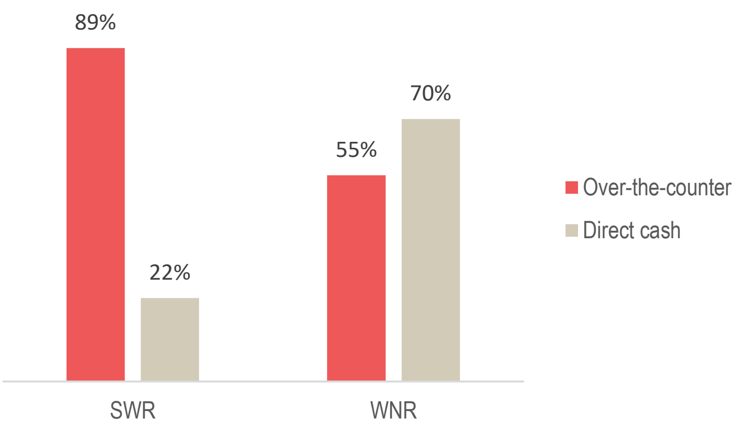


5.1.3 FSPs and the delivery mechanisms they support

Delivery mechanisms are the methods used by beneficiaries to access cash. These can include direct cash or OTC payments, but also digitalised methods such as bank accounts, pre-paid or smart cards, and mobile money transfers. The primary mechanism supported appears to differ by type of FSP, with MNOs seemingly supporting primarily mobile money transfers, banks working primarily through bank accounts, and MFIs (including SACCOs) primarily relying on direct or OTC cash as disbursement mechanisms.

In addition, the majority of interviewed FSPs (73%) reported being able to support more than one delivery mechanism in their areas of operation. Bank KIs reported being able to support the widest range of mechanisms including bank transfers, pre-paid and smart cards, as well as direct and OTC payments. Of the 29 bank employees interviewed, 24 reported being able to support either direct cash transfers or transfers through agents (OTC) in their area. Whether banks reported a capacity to support either direct cash payments or OTC appeared to be dependent on the establishment of their agent network, which is likely why it was much much more common for banks in the SWR to report capacity to support OTC cash delivery as opposed to direct cash delivery, and this difference was reversed in WNR (figure 6).

Figure 6: Percentage of banks reporting capacity to support non-digital cash delivery, by region.



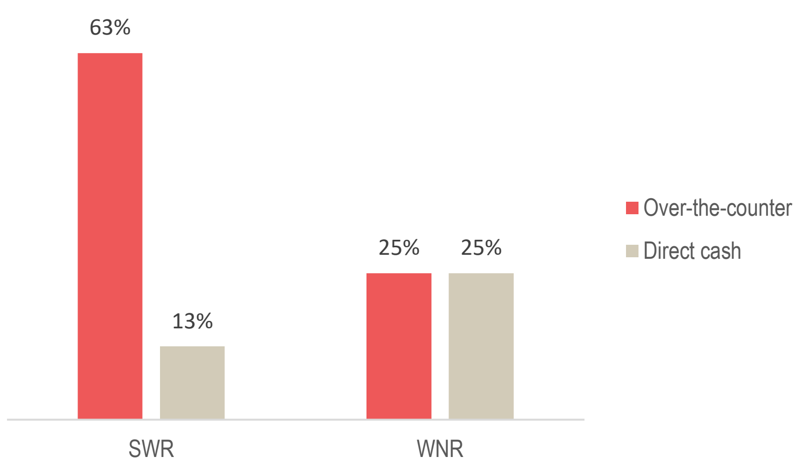
Available delivery mechanisms also differed between banking organisations and between districts. Post Bank, for instance, reported capacity to support direct cash deliveries through its "Bank on Wheels" programme in all locations where they were interviewed (12 total). Bank on Wheels is a programme whereby Post Bank staff members serve as extension workers travelling visiting the settlements in a van to deliver banking services to local communities. By contrast, Post Bank reported OTC (delivery through agents) as a potential delivery mechanism in 7 out of 12 locations. Equity Bank, meanwhile, more often reported OTC as a potential delivery mechanism, especially for settlements in the SWR, where their agent network is most developed.

Table 3: Banks reporting capacity to support cash-in-hand delivery, by settlement where they are operational.

Settlement	Post bank		Equity Bank		Opportunity		Centenary Bank	
	Direct	*OTC*	*Direct*	*OTC*	*Direct*	*OTC*	*Direct*	*OTC*
Adjumani	✓	✓	✓	✓				
Bidibidi	✓	✓					✓	✓
Imvepi	✓	X	X	X			X	X
Kiryandongo	✓	✓					✓	✓
Kyaka II	✓	✓	X	✓	X	✓		
Kyangwali	✓	✓	X	✓				
Lobule	✓	X						
Nakivale					X	X		
Oruchinga			X	✓				
Palabek	✓	X						
Palorinya	✓	✓	✓	✓			X	X
Rhino	✓	✓	X	X				
Rwamwanja			X	✓	X	✓		

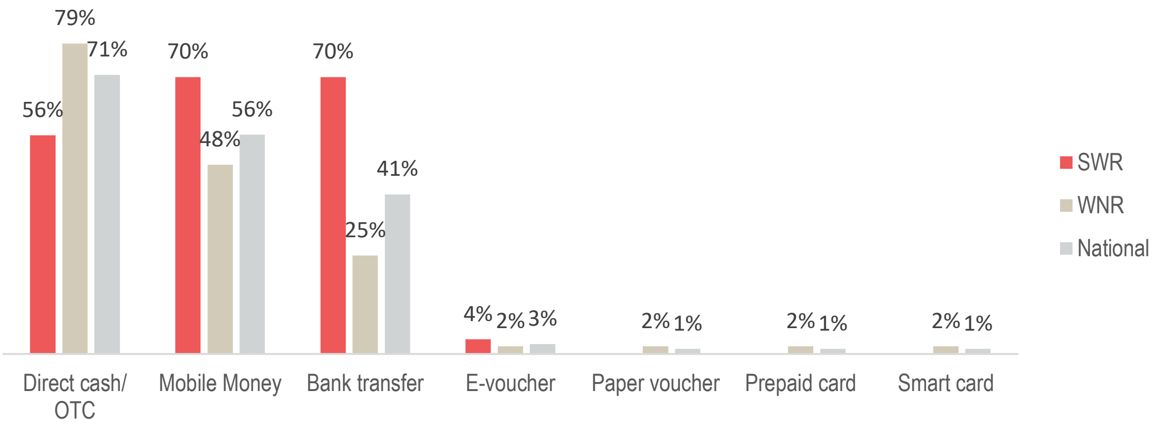
Responses among the two MNOs interviewed (MTN and Airtel) followed a similar pattern as with the banking institutions, with MNOs more often reporting capacity to support OTC delivery in the SWR when compared to the WNR (figure 7). Moreover, where agent networks were more established, MNOs were less likely to report capacity to support cash assistance through direct cash delivery. While MTN did not report capacity to support direct cash deliveries in any location in the WNR, Airtel reported having this capacity in three out of five assessed WNR locations: Lobule, Bidibidi, and Palorinya. There was no considerable difference in response between Airtel and MTN when it came to capacity to support cash deliveries through agents.

Figure 7: Percentage of MNOs reporting capacity to support non-digital cash delivery, by region.



FSP KIs were asked what they saw as the most suitable ways to deliver cash inside the settlements near their areas of operation. They could select multiple options but were encouraged to choose one. Again, there were notable differences between the SWR and WNR In the WNR, FSPs most often reported non-digital cash delivery as most suitable for delivering cash inside the settlements, while in the SWR, digital methods, such as mobile money and bank accounts, were seen as most suitable by 70% of interviewed FSPs (figure 8).

Figure 8: Percentage of FSPs reporting most suitable delivery mechanism for CVA inside the settlement near to their operations, by region (KIs could select multiple options).

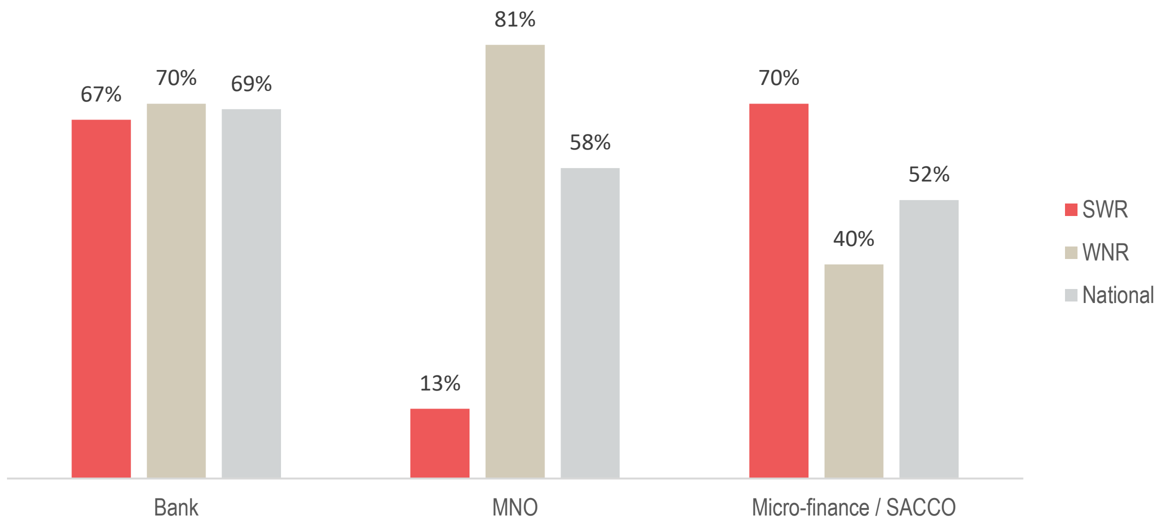


All interviewees from MNOs, with the exception of Airtel in Palorinya, reported considering mobile money as a suitable method for delivering cash inside the settlements. Among bank employees, however, there appeared to be a wider range of perceptions. Differences in response among this group seem linked to the institution's experience, local capacity and wider strategy. Banks with few agents and/or experience in direct or OTC cash delivery generally did not list bank transfers, prepaid cards, or smart cards as suitable mechanisms, instead preferring direct or OTC delivery or even mobile money.

5.1.4 FSP experience with humanitarian CVA

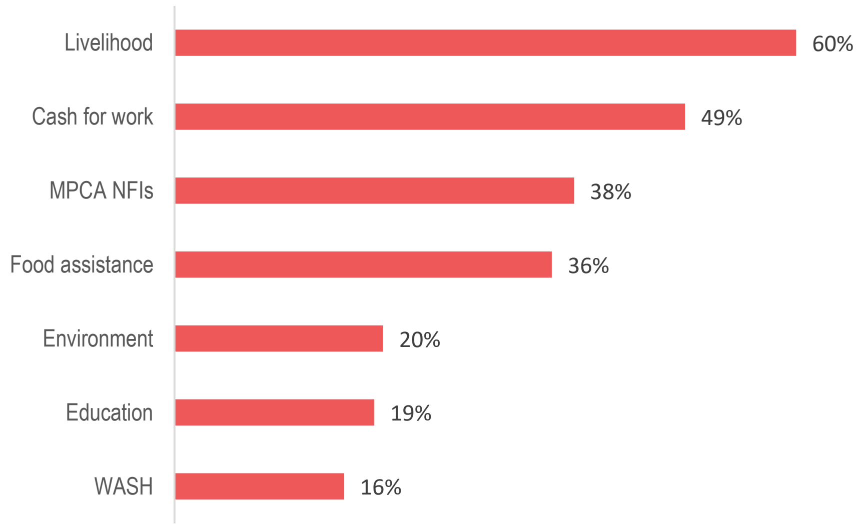
The majority of FSP KIs (59%) reported their institution had partnered at least once with a humanitarian organisation to deliver CVA in the two years prior to data collection. This proportion was slightly higher in WNR (62%) versus SWR (52%). Among all types of KIs, KIs working for banks most commonly reported having previously worked on humanitarian CVA programmes (67%), followed by KIs from MNOs (58%) and those from MFIs (52%). Among MNO KIs, there was a clear difference between branches in WNR and SWR; only 13% of MNO KIs in the SWR reported involvement in delivering humanitarian cash assistance, versus 81% of KIs in the WNR. In the SWR, humanitarian organisations more often seemed to have partnered with banks or MFIs instead to deliver cash. SACCOs and MFIs also seemed to more often be involved in cash distributions in the SWR when compared to the WNR. It is likely that this is partly because CVA generally has been implemented for longer and on a larger scale in settlements across the SWR than in the WNR.

Figure 9: Percentage of FSPs reporting having experience in delivering humanitarian CVA in the two years prior to data collection, by FSP type and region.



The most common types of cash programmes reportedly supported by FSPs in the sample were livelihood programmes, cash for work, multi-purpose cash assistance (MPCA) for non-food items (NFIs), and food assistance (figure 10).

Figure 10: Types of CVA programmes reportedly supported by FSPs, by % of FSPs who reported having partnered with a humanitarian organisation to deliver cash in the 2 years prior to data collection (n = 47).



Among FSPs with experience in working with humanitarian partners, different types of CVA programmes appeared supported by different types of FSPs. Cash for food assistance was almost exclusively supported by banking institutions contracted by WFP as the sole actor providing cash assistance for food in Uganda, to the exclusion of MFIs, SACCOs, and MNOs. On the other hand, no banking institution reported involvement in a WASH programme, which are reportedly supported most often by MFIs or SACCOs. MPCA and livelihood cash are supported by a wider range of FSPs. In particular, livelihood and cash for work programmes were commonly reported by MFIs and SACCOs (table 4).

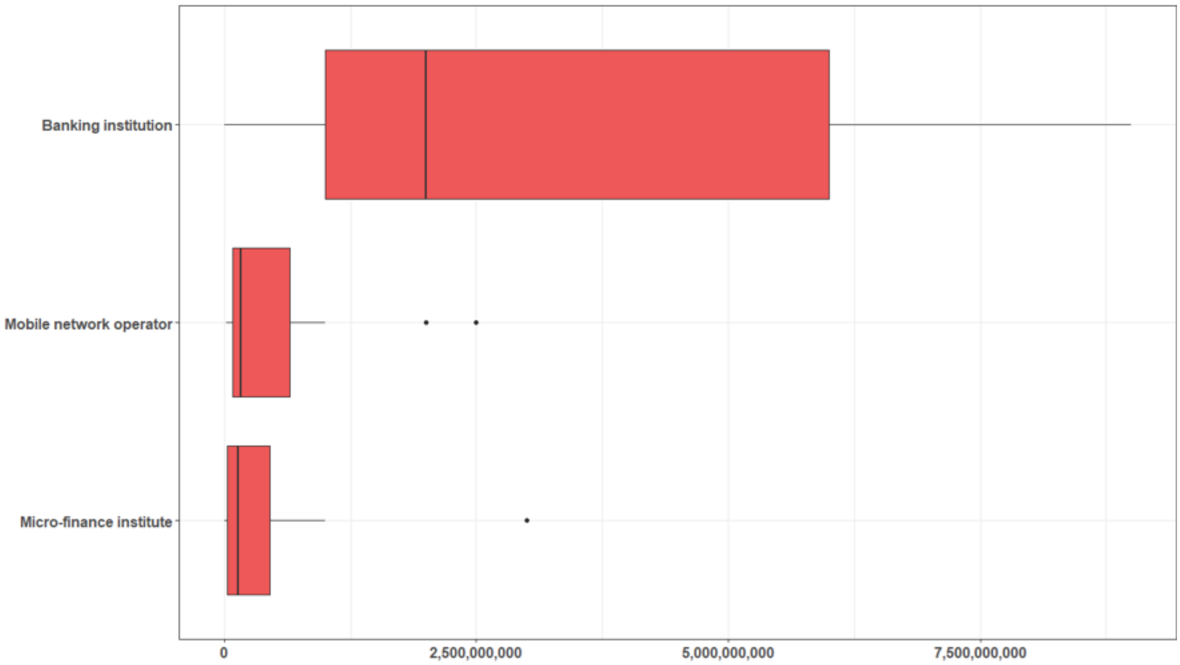
Table 4: Number of CVA programmes reportedly supported, by FSP type.

	Banks	MNO	MFI
Livelihood	11	8	9
Cash for work	12	3	8
MPCA NFIs	11	5	2
Food assistance	15	1	1
Education	6	1	2
Environment	0	0	1
WASH	0	1	3

5.1.5 FSP cash transfer capacity

Not all FSPs reported the same capacity to facilitate bulk cash transfers to a large number of beneficiaries in a short period of time. KIs were asked the maximum amount of funds they were able to process and distribute in one week. Responses varied mainly according to the type of FSP and location, with banks generally reporting the highest maximum transfer values when compared to MNOs and MFIs (figure 11).[17] Furthermore, FSPs in the SWR also reported slightly higher maximum cash transfer capacity compared to their WNR counterparts.

Figure 11: FSPs reported maximum amount of cash delivery capacity inside the nearest settlement in one week, by FSP type.

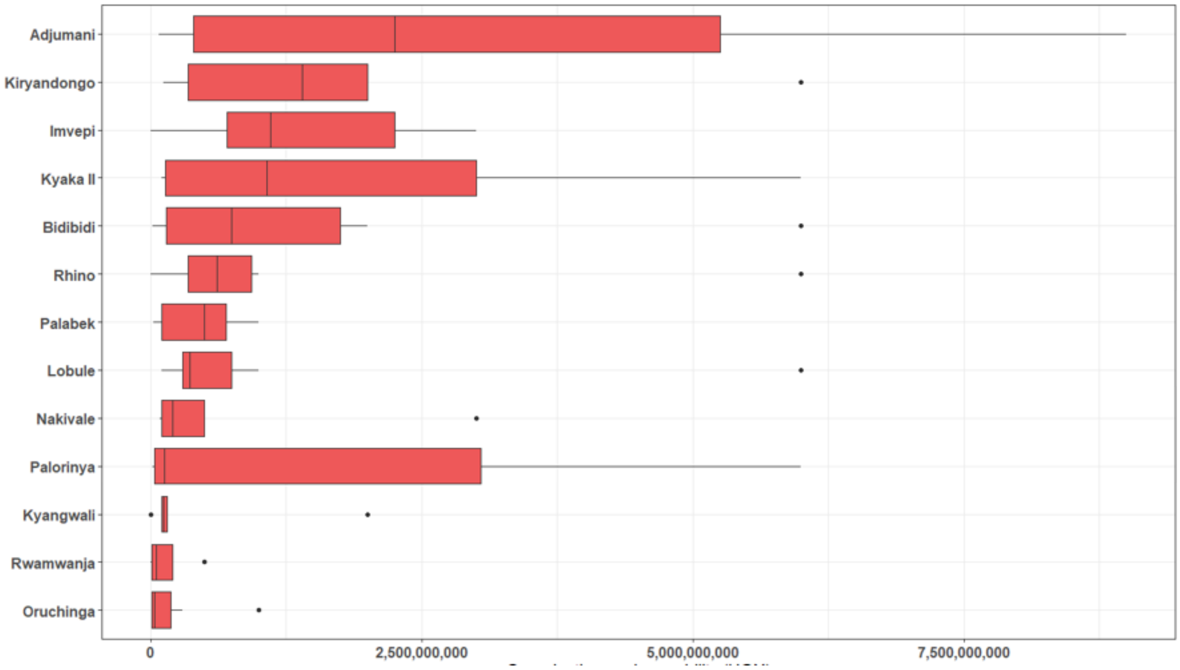


Among banks, the median of reported maximum transfer values in one week was two billion UGX (553.000 USD), with a maximum of nine billion UGX (2.5 million USD) reported in Adjumani. Among MNOs and MFIs, this median was significantly lower at 160 million and 135 million UGX (44.000 and 37.000 USD) respectively, with maxima reported at 2.5 billion and 3 billion UGX (691.000 and 829.000 USD). Responses also varied by location, with FSPs reporting higher transfer capacity for settlements in the WNR compared to the SWR. The highest capacity was generally reported by banks that have existing partnerships with UN agencies. Figure 12 depicts the values

[17] The endpoint of the boxplot whiskers refers to the minimum and maximum reported data point in the sample respectively. The start of the box marks the lower quartile (25% of reported values are below this point). The middle line inside the box marks the median of reported values, and the top end of the box marks the upper quartile (25% of reported values are above this point).

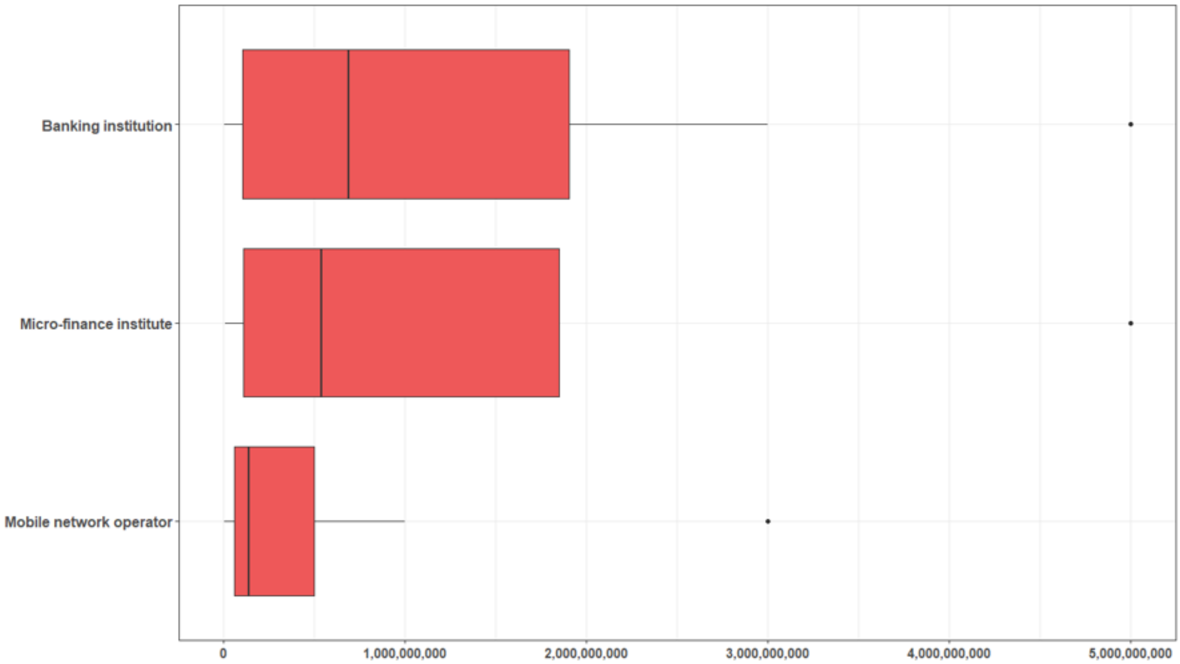
per settlement, with maximum responses represented as the far-end of the boxplot whiskers, or as an outlier value (a dot) in some settlements. The highest median transfer values were calculated in Adjumani, Kiryandongo, and Imvepi with 2.25 billion UGX (622.000 USD), 1.4 billion UGX (387.0000 USD) and 1.11 billion UGX (307.000 USD) respectively (figure 12).

Figure 12: FSPs reported maximum cash delivery capacity inside the nearest settlement in on week, by settlement.



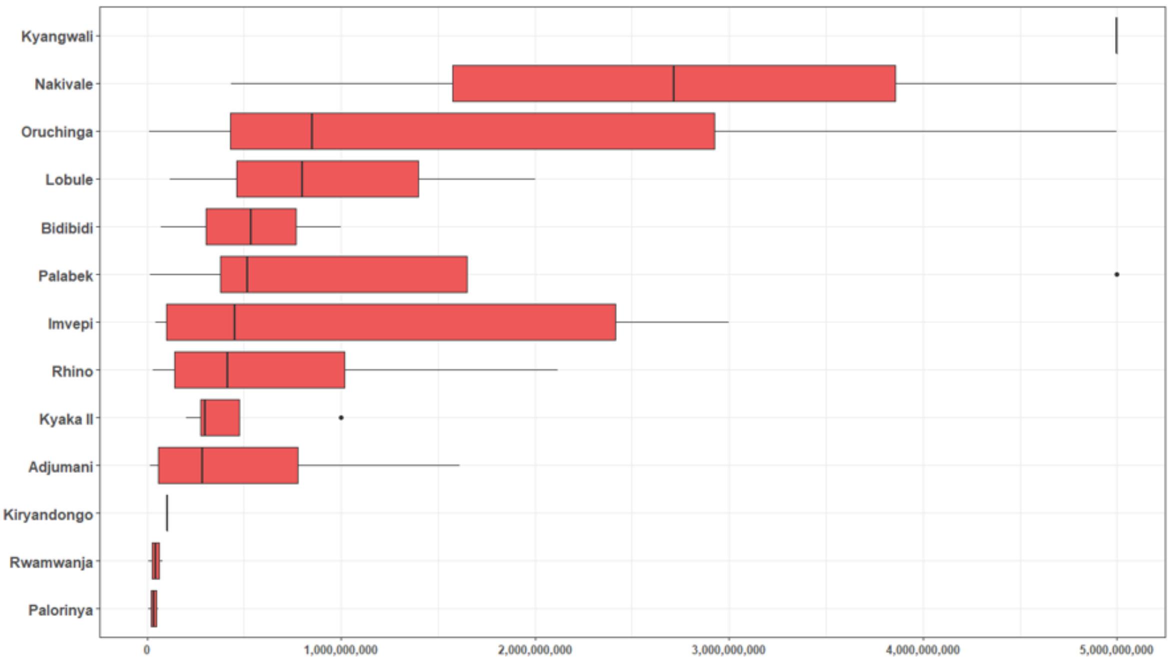
It is important to stress the previous information is self-reported, and FSPs may overestimate their potential capacity for a variety of reasons. Therefore, the survey also asked those FSPs that had reported experience with facilitating humanitarian bulk transfers to share the largest total transfer value associated with the programmes they supported. FSPs in the SWR reported on average larger cash programmes, with 50% of programmes falling in the range of 170 million to 2 billion UGX. In the WNR, 50% of programmes fell in the range of 62.5 million to 950 million UGX. As before, banks and MFIs were reportedly involved with the larger cash programmes compared to MNOs (figure 13). The median of values reported by banks is significant lower compared with the previous reported "hypothetical" maximum cash transfer capacity. Where banks previously reported a median of 2 billion UGX as their maximum possible transfer value, when looking only at the largest programmes they have so far supported, this median drops to 691 million UGX. In the case of MFIs and MNOs, the median of reported values under actual experience are higher than or equal to the self-reported capacity.

Figure 13: Largest total transfer value (in UGX) of CVA programmes FSPs supported having supported in the two years prior to data collection, by FSP type.



The largest CVA programmes supported by FSPs were reported in the SWR (in Nakivale, Oruchinga, and Kyangwali) with several programmes reportedly totalling a value of 5 billion UGX. In Nakivale and Oruchinga, this was reportedly supported by an MFI that disbursed the assistance partly through accounts held with the MFI itself, as well as through sending it to mobile money accounts held by its members. In Kyangwali, one bank reportedly supported a programme to distribute a total of 5 billion UGX through a combination of direct cash and bank accounts. In Palabek, the Kitgum SACCO reportedly supported a 5 billion UGX cash programme through direct cash distribution (figure 14).

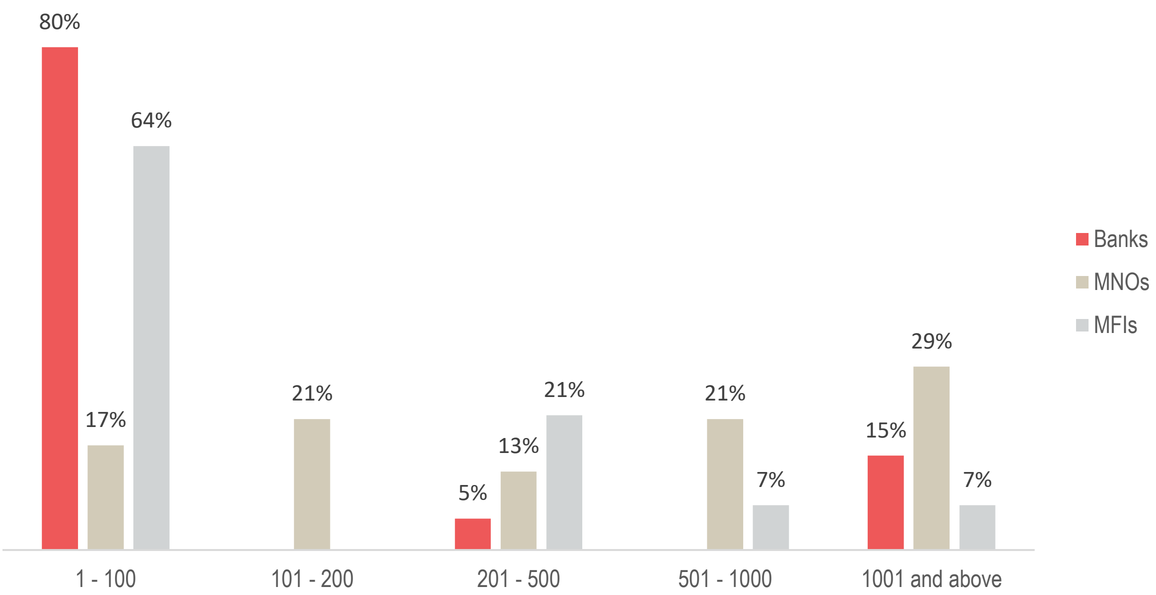
Figure 14: The total transfer values associated with the largest CVA programme supported by FSPs in the two years prior to data collection, by settlement.



Transfer capacity is not the only indicator of importance for the capacity of FSPs to deliver humanitarian CVA. An FSP's capacity to process a large volume of transfers must be matched to its ability to facilitate withdrawals or cash-outs inside the settlement. This is particularly the case with digital mechanisms, such as mobile money, since they often grant recipients flexibility as to when and where they wish to withdraw. FSPs were therefore asked to report the daily average number of withdrawals or cash-outs that they currently facilitate inside the settlement, either through a branch location and/or through their agent network.[18] Responses varied by type of FSP, location, and the number of agents the FSP has inside the settlement. Both banks and MFIs reported facilitating between 1 and 100 withdrawals on average per day, with some banks in the SWR reporting over 1,000 withdrawals per day. These banks generally had a sizable agent network inside the settlements as well as experience in facilitating humanitarian CVA programmes.

Among MNOs, there was a wider range of responses. MNOs in the SWR reported a higher average number of withdrawals compared to those in the WNR. There was no correlation between the number of withdrawals reported and size of agent network inside the settlement. A possible explanation is that mobile money services are more widely used in the SWR and the client base is larger, amounting to higher numbers of cash-outs even if the number of agents is limited in some locations (figure 15).

Figure 15: Reported average number of cash withdrawals FSPs currently facilitate inside the settlement per day, by FSP type.



[18] Note: this question was only asked to FSPs reporting an operational presence inside the settlement (n = 62).

5.2 Pricing & fees

FSP KIs reported that fees charged to a humanitarian organisation for facilitating bulk transfers are generally subject to negotiation and will depend on the specifics of the project organisations wish to carry out. Some project variables relevant to the pricing include the location, number of transfers, total transfer value, and the delivery mechanism of choice. When asked about the pricing for a hypothetical example, some FSPs were reluctant to disclose the fees their institution would charge. Furthermore, some sub-national KIs mentioned that they were not in a position to answer questions regarding pricing.

The FSPs that were willing to disclose this information employed a variety of pricing models. Some reported to charge a flat fee per transfer, or a percentage of the transfer value. Others structured their fees according to a tier system, whereby larger transfers were generally charged at a lower proportional rate than smaller transfers. Table 5 shows the ranges that were reported.

Table 5: FSP reported fees charged to the sending organisation, by FSP type and pricing model.

	Flat fee per transaction (UGX)	Tier system		
		Transfer (UGX)	Fee 1 (UGX)	Fee 2 (UGX)*
Bank 1	1,500			
Bank 2	2,500			
Bank 3		0 – 250,000 250,001 – 500,000 500,001 – 1,000,000 1,000,001 – 2,000,000	1,739 3,044 4,348 8,696	
MNO 1	390			
MNO 2		500 - 2,500	100	980
		2,501 - 5,000	100	980
		5,001 - 15,000	500	1,975
		15,001 - 30,000	500	2,165
		30,001 - 45,000	500	2,595
		45,001 - 60,000	500	2,595
		60,001 - 125,000	1,000	3,765
		125,001 - 250,000	1,000	5,495
		250,001 - 500,000	1,000	8,025
		500,001 - 1,000,000	1,000	15,150
		1,000,001 - 2,000,000	1,000	26,500
		2,000,001 - 4,000,000	1,000	45,400
		4,000,001 - 7,000,000	1,000	

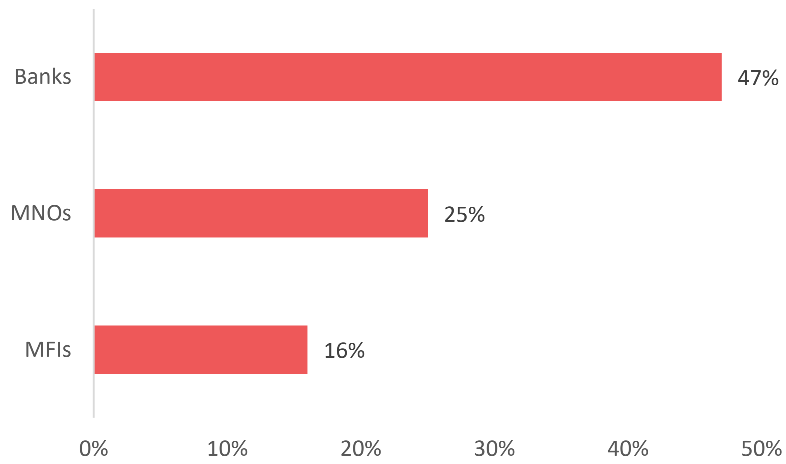
*Some mobile network operators charge different fees depending on whether the transaction stays within the same network or goes out to an account on another network. Fee 2 refers to transfers made from one network to another.

In terms of the fees charged per transfer, MNO KIs reported charging considerably lower fees compared to bank KIs. One humanitarian KI further noted that contracting an aggregator can further reduce costs when distributing mobile money, since transfers can be made to all networks at one set fee. Aggregators are companies providing predominantly digital services. They can support humanitarian programming by closing contracts with financial institutions such as banks or MNOs to facilitate transfers to a wide range of FSPs on behalf of a humanitarian agency. In this scenario, humanitarian organisations do not interact directly with FSPs, instead providing the aggregator with their beneficiary list and corresponding accounts. The aggregator charges a set fee to the humanitarian client and facilitates the transfers to the beneficiaries holding accounts with different FSPs. This can save the humanitarian agency valuable time and effort in procurement contracts and, depending on the contracts the aggregator has with the various FSPs, can reduce the cost per transfer.

KIs from SACCOs and MFIs most often reported charging a percentage of the total value delivered. This reported percentage ranged from as low as 1% to as high as 10%. Some MFI KIs also reported a flat fee ranging from 1,000 - 5,000 UGX.

Finally, while most FSP KIs reported pricing was subject to negotiation and dependent on the agency in question, as well as the scale and volume of the operation, the majority of FSPs also reported fees generally did not differ per location or delivery mechanism used. Among banks, only 47% of KIs reported the fees were dependent on the delivery mechanism used. For MNOs and MFIs, this percentage was much lower at 25% and 16%, respectively. Banks generally reported supporting a wider variety of delivery mechanisms compared to MNOs and MFIs. However, it means that for the majority of FSPs interviewed, the choice between digital or non-digital delivery, for example, would not impact the cost for the sending organisation.

Figure 16: Percentage of FSP KIs reporting the fees vary per delivery mechanism, by FSP type.



5.3 Preferences

5.3.1 Beneficiary preferences

RWC KIs were asked how the community they represent would like to receive humanitarian assistance. Firstly, nearly all RWC KIs reported members of their community preferred to receive cash over in-kind assistance, mainly on the basis that it grants them agency and flexibility in how to best to use the assistance. Only one beneficiary representative, in Oruchinga, reported their community prefers receiving in-kind assistance because it reduces the risk of gender-based violence incidents. In case of CVA, they explained, men tend to assume control over the assistance given and this can lead to tensions in the household.

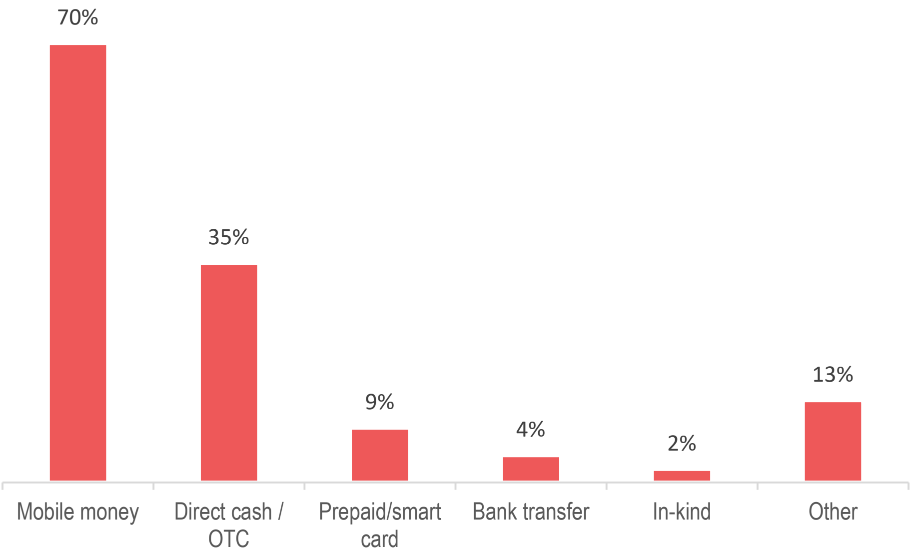
> *"In-kind limits our choices. For instance, some older persons do not eat maize grains due to ulcers and other health complications, and thus with cash they opt for matooke or other favourable items as opposed to in-kind assistance. When food assistance is given, we cannot get cooking fuel, but with cash we buy charcoal to aid cooking."* **– Nakivale, RWC KI**

When asked how their community would like to receive CVA, RWC KIs most often reported mobile money as the delivery mechanism preferred by their community (70%). Direct cash or OTC was the second most-often reported mechanism (35%). Several RWC KIs reported both mobile money and direct cash or OTC to be equally preferred. Responses did not vary significantly between the SWR and WNR. Figure 17 shows the response breakdown (n=45). The "other" response includes in-kind assistance, approaches that take into account each individual's preference, and approaches where part of the assistance is received via one mechanism and part via another.

> *"In-kind assistance limits us from having items of our choice. Cash assistance through any mechanism is better than in-kind, but mobile money is best."* **– Kyangwali, RWC persons with disabilities representative**

> *"Direct cash is good because not everyone has a phone. Though mobile money would be the best if everyone was to have access to a phone and SIM card."* **– Kyangwali, RWC**

Figure 17: Reported perceived community preference for receiving CVA, by percentage of beneficiary representative KIs.



Beneficiary representatives reported varying reasons for this preference of mobile money or direct cash. The main reported reason for preferring mobile money over other delivery mechanisms was the ease of access and lack of transport required for beneficiaries. With mobile money, RWC KIs explained, the presence of agents inside the settlement means beneficiaries do not have to travel far from their homes to open accounts, make withdrawals, and access assistance. Mobile money was therefore seen as more inclusive for people who have trouble traveling long distances, such as older persons, pregnant women, or persons with disabilities.

> *"For the mobile money, the agents are located within the settlement and there are no transport costs incurred, but with the bank account one has to travel up to Arua to open the account and this involves incurring the transport costs."* **– Rhino Camp, RWC persons with specific needs representative**

Representative KIs further reported that opening a mobile money account was a relatively simple process for beneficiaries to understand, and that costs associated with opening and maintaining the account were limited. Another important advantage of mobile money reported by some RWC KIs is that mobile money is confidential and discreet, especially compared to the highly visible distributions of direct or OTC cash, during which the public generally knows who gets what and when. KIs explained that beneficiaries generally prefer to receive assistance discreetly, because this reduces the risk of theft, robbery, as well as pressure from friends, relatives, or money lenders to spend the transfer on non-household needs.

The main reported disadvantage of mobile money was that mobile money requires hardware in the form of a phone and SIM card. Many RWC KIs mentioned that not everyone can afford a phone or has access to a SIM card, while others may lack technical skills or have a disability that inhibits their use of a phone. Another commonly reported disadvantage of mobile money was that beneficiaries often forget their PINs, complicating and delaying their access to assistance.

> *"With mobile money there is the element of confidentiality. When the money is sent is only known by the partners who have sent it and the person with specific needs who has received it. For direct cash, everyone will come to the place where the persons with specific needs have been called and most times the community becomes jealous of the them, even when they know those people cannot take care of themselves. To avoid all these things, mobile money should be used."* **– Palorinya, RWC persons with specific needs representative**

The most frequently reported reason for beneficiaries to prefer direct or OTC cash is that it is seen as the most inclusive delivery mechanism; it does not require beneficiaries to own any form of hardware, lowering the threshold to inclusion for the extreme poor. It also benefits those who are illiterate and/or lacking in numeracy skills. Particularly in locations where CVA is relatively new, such as Palabek settlement and Lamwo district, RWC KIs recommended starting CVA through direct or OTC cash in the first months. This period could then be used to enable and encourage people to the idea of buying phones or opening bank accounts.

Another reported advantage of direct or OTC cash is that complaints or issues can be more easily resolved at the distribution centre in the moment, without requiring beneficiaries to access remote assistance from an FSP or travel to a different location to receive assistance or voice a complaint.

> *"There were three beneficiaries who, because of issues with their SIM cards and mobile money accounts, did not receive the money. They raised their concerns but were advised to rectify the issue with the service centre in Mbarara or Kampala. Two out of three failed in this process because they lacked the money for transport to follow-up. This would not have happened with direct cash."* **– Kikagati, RWC women representative**

The main reported disadvantage of direct or OTC cash was that it may require some beneficiaries to travel long distances to reach a distribution site on a specific day at a designated time. KIs further said these distributions can be time-consuming, keeping people from tending to their work or domestic responsibilities. Several KIs relayed instances of people having to wait in long queues for hours and even, in one example, a failed distribution where, due to a miscommunication, the FSP did not show up at all on the time and date communicated to beneficiaries.

Another reportedly important drawback to direct or OTC cash was a perceived lack of safety. Fear of gathering crowds and the spread of COVID-19 were frequently mentioned, as was the risk of robbery and pick-pocketing after the highly visible cash distributions. Some KIs reported instances of money lenders and idle youth loitering around distribution sites to pressure beneficiaries in giving up some of the cash they had just received.

"People have reported the problem of long lines and the time spent waiting for the money, it takes almost the whole day. There was also a time that persons with specific needs were informed to go and receive money but the people to distribute failed to come and they had to stay there the whole day." **– Palorinya, RWC women representative**

Importantly, despite cash assistance in Uganda being delivered via bank accounts in a growing number of locations, only a small minority of RWC KIs reported this as a preference. The main reported reason why bank transfers seem less preferred is the lack of a physical presence of banks inside the settlement. Banking agents are either too few or not present at all outside of distribution days. Beneficiaries who require support or wish to voice a complaint reportedly often have to travel long distances and incur significant costs to access assistance. In addition, some RWC KIs reported that remote helpdesks and hotlines are not generally perceived as adequately responsive in dealing with customer issues. However, although distance was reported as the main disadvantage, the lack of mention of other drawbacks does suggest that, if banks were to succeed in increasing their physical presence inside the settlement, either by expanding their agent networks or by opening up branch offices, this could significantly enhance the suitability of bank accounts as a delivery mechanism for CVA.

While bank accounts could in theory offer similar flexibility to beneficiaries as mobile money, several RWC KIs noted that the process of opening a bank account is more extensive and not well-understood by beneficiaries. KIs also reported a widespread perception among people in their community that they are not meant to have bank accounts, since bank accounts are perceived to be meant for people running a large business or receiving remittances from abroad. The costs associated with opening and maintaining a bank account were also reportedly seen as significant and hard to understand, especially when compared to mobile money accounts. KIs reported general confusion regarding the charges and fees applicable, citing examples and comparisons between banks and MNOs whereby, erroneously or not, MNOs were considered both cheaper and more transparent in the fees they charge. Reported challenges related to the use of bank transfers are elaborated further in the section "Digital transfers" under "Challenges and Obstacles to Inclusion".

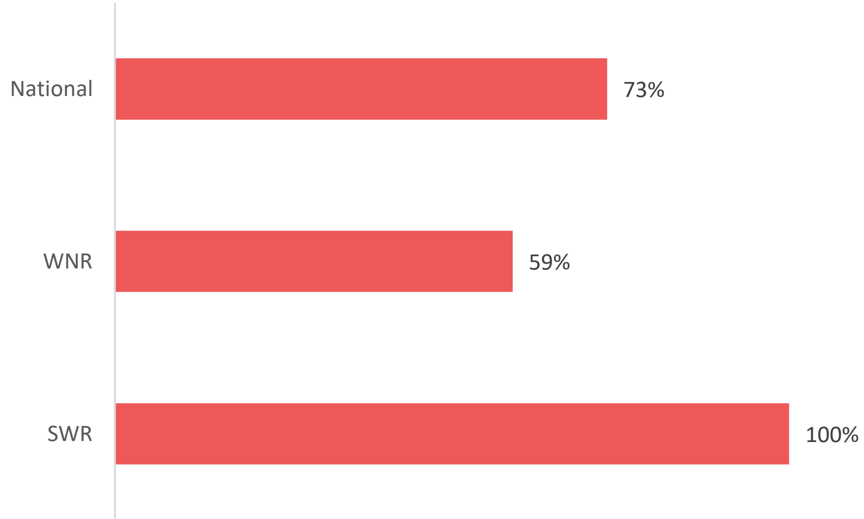
> *"Depositing with mobile money is free and there are no charges incurred when the money is being saved, as compared to the bank, where every month there is a deduction done."* **– Yumbe, RWC women representative**

> *"Very many women have really suffered because they don't know the procedure with the bank. The women don't know the reasons why some money is removed from the total amount sent. For example, the money that is sent is 305,000 UGX but when you withdraw you get 280,000 UGX. According to the explanation, they say 25,000 UGX should be left in the account so that 5,000 UGX is for the bank charges and 20,000 UGX is for keeping the account. But the women wanted all the money so there was a serious quarrel in the bank. This was not explained to them early. So I had to explain why the money has been cut. And from that money, they give 280,000 UGX to you and transport from the settlement to Kitgum is 20,000 UGX. Then a boda-boda [motorcycle taxi] for those who come from far to the reception can be 25,000 UGX. And you spent 5,000 UGX for eating, so approximately you will spend like 55,000 UGX just to get access. And then the follow-up [post-distribution monitoring] comes in to check what you have used that money for. The distance to the bank is a very big challenge. This has not been resolved."* **– Palabek, RWC Women representative**

5.3.2 Current use of digital delivery mechanisms in CVA programming

Humanitarian KIs currently implementing CVA programmes commonly reported employing at least one digital transfer mechanism as part of their programme; 73% reported that either part of the total transfer value, or the full transfer value of the programme had been delivered through mobile money, bank transfers, smart or prepaid cards, or e-vouchers. Responses varied by region. In the SWR, 100% of humanitarian KIs mentioned a digital component in their cash programming. Bank transfers were most frequently mentioned, followed by mobile money. Many of these CVA programmes combined direct or OTC cash distribution with a digital mechanism. In the WNR however, 41% of humanitarian KIs reported distributing cash only through non-digital means, either in the form of direct cash by the organisation itself or, more commonly, OTC through an FSP (figure 18).

Figure 18: Percentage of humanitarian KIs reporting to use a digital transfer mechanism, by region.



The main reason for combining digital and non-digital transfer mechanisms was to facilitate access for different beneficiary groups. In some cases, mobile money was reported to be more suitable for reaching host community members or specific groups of persons with specific needs who may have trouble reaching distribution sites, while regular refugee households were more commonly mobilised to receive direct or OTC cash on designated distribution days.

When KIs were asked about the main factors driving their decision for a particular delivery mechanism, responses varied per type of delivery mechanism used. Among those who reported using at least one digital delivery mechanism, the most frequently cited reasons were efficiency (both in terms of cost and speed of delivery), beneficiary preference, and providing flexibility for the beneficiary. KIs explained that digital transfers, mainly through bank accounts or mobile money, either are or have the potential to be cheaper to deliver, require less paperwork, and can be delivered more quickly to the beneficiaries when compared to setting up a direct cash or OTC distribution. The costs associated with setting up a distribution centre, ensuring security on the premises, mobilising households, and contracting an FSP to facilitate the distribution as well as having staff on-site to monitor the proceedings can be wholly or partially circumvented when using a digital transfer mechanism.

Moreover, KIs noted that mechanisms such as bank accounts, prepaid cards or mobile money provided beneficiaries with more flexibility in their decision on when and how to use the assistance they receive. It can also enhance financial inclusion, enabling beneficiaries to save money in a secure location, make electronic transfers and payments, and enjoy additional financial services.

Humanitarian KIs also commonly reported the continuing threat of COVID-19 and the preventive measures as another reason for using digital mechanisms, as such mechanisms enable humanitarian partners to reach beneficiaries even when new movement restrictions were announced, avoiding necessitating crowd gathering that could potentially put the wellbeing of beneficiaries at risk. With digital delivery mechanisms, it is also easier to stagger distributions, dividing households in cohorts with a different distribution time and date to avoid creating long lines or gatherings.

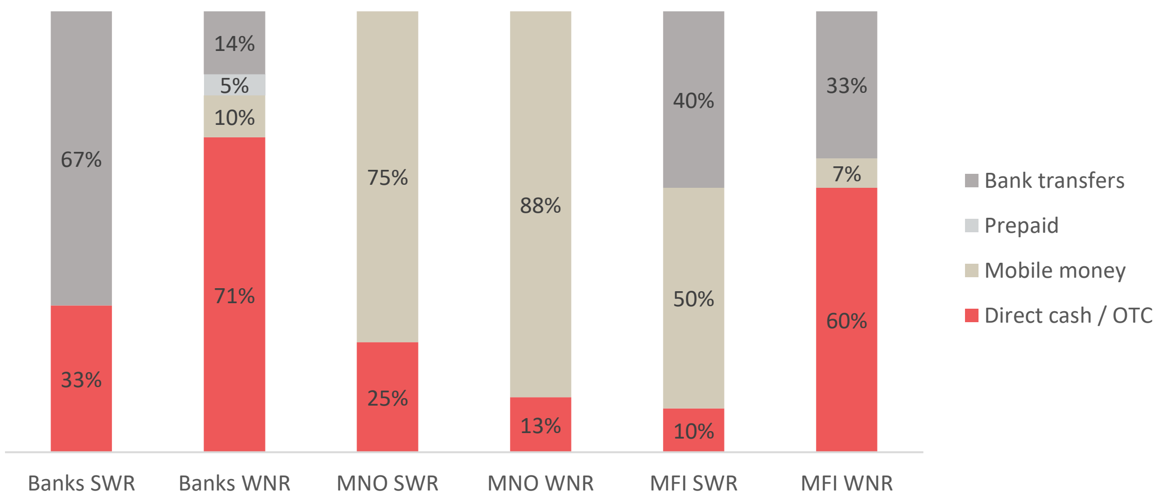
Among the humanitarian KIs who reported using a non-digital delivery mechanism, such as paper vouchers, OTC or direct cash, the most frequently cited reasons were beneficiary preference, the financial infrastructure that was in place at the location, and the fact that this delivery mechanism had been tried and tested, either by the organisation itself in other locations or by other partners in that location. In general, many KIs cited instances of collaboration and coordination with other humanitarian partners, deciding on delivery mechanisms partly because existing infrastructure and the experience of other partners could significantly aid them in achieving their programme's objectives.

5.3.3 FSP perspective

FSP KIs were asked what, from their distributor's perspective, would be the most cost-effective means of distributing cash inside the settlement near to their operations. A small majority (60%) reported a digital mechanism such as bank accounts, mobile money or prepaid card, while 40% reported direct OTC cash. Interestingly, responses varied by type of FSP, with the majority of bank KIs reporting that direct or OTC cash were the most cost-effective options, rather than bank accounts or prepaid cards. Responses from SACCOs and MFIs were evenly distributed among the different delivery mechanisms. In line with their core business activity, the majority of MNOs reported mobile money as the most cost-effective mechanism.

In addition to differences by FSP type, responses also varied by location. While the majority of banks in the SWR (67%) reported bank accounts as the most cost-effective mechanism, banks in the WNR more frequently reported direct or OTC cash as more cost-effective, which might be due to the process of registering and opening accounts being labour-intensive on the side of the FSPs. Currently, partly due to differences in the roll-out of CVA in Uganda, fewer refugees in the WNR own bank accounts compared to refugees in settlements of the SWR. While the increased clientele should generate revenue for the FSP down the line, the fact that many banks reported direct or OTC cash as more cost-effective could indicate a lack of confidence on the side of FSPs to make a return on their investment. Mobile money was also more frequently reported as the most cost-effective option by MFIs in the SWR (50%) compared to those in the WNR (7%) (figure 19).

Figure 19: Most cost-effective way of delivering CVA as reported by FSP KIs, by FSP type and region.



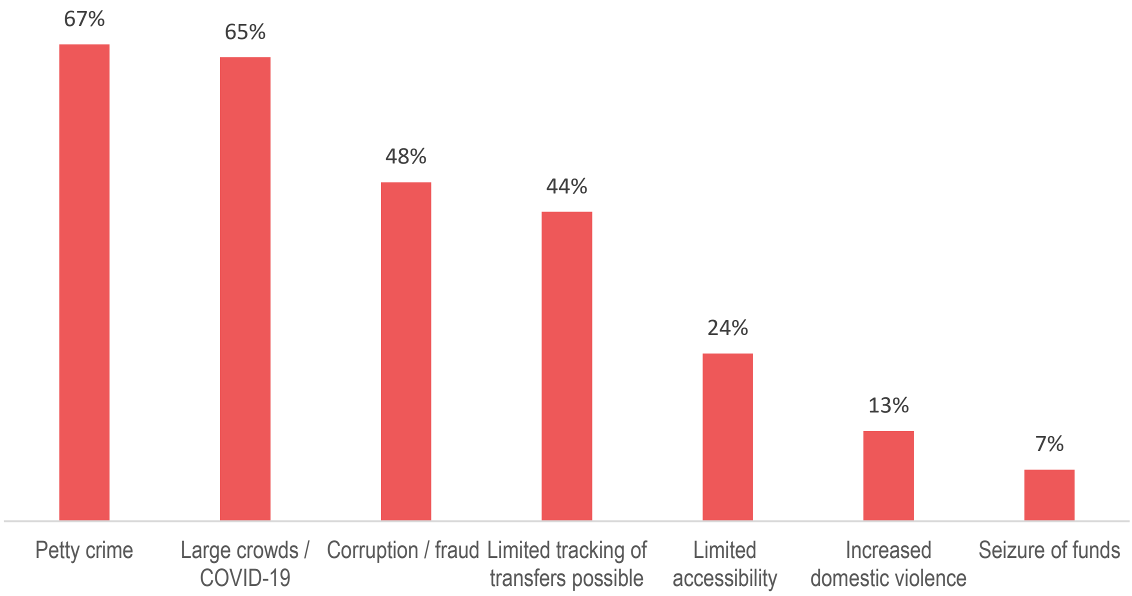
5.4 Challenges and obstacles to inclusion

This chapter presents the obstacles and challenges associated with different delivery mechanisms as reported by beneficiary KIs, humanitarian partners, FSPs, and their agents. The decision on any delivery mechanism comes with its own set of advantages and drawbacks. When assessing the feasibility of a delivery mechanism, many factors, including beneficiary preferences, are important to consider. Contextual factors, such as financial and technological infrastructure, FSP presence, network coverage, and asset ownership among the target population may also play an important role. In order to better understand the impact of such factors on CVA programming, this section further looks at the experiences of humanitarian partners and FSPs in mitigating risks and challenges on the ground.

5.4.1 Non-digital delivery

FSPs who reported having experience in conducting cash-in-hand delivery (n=55) most frequently reported the risk of petty crime, followed by the gathering of large crowds that carry the potential to spread COVID-19. Corruption or fraud in the process of third-party verification and the compiling of beneficiary lists were also frequently mentioned by nearly half of KIs (figure 20). KIs mentioned instances of ineligible persons ending up on beneficiary lists or persons receiving double allocations. One humanitarian KI in Kyaka reported examples of beneficiaries scheming with local authorities to add non-existent persons on their cards as dependents. Cash-in-hand distributions were generally seen as more prone to discrepancy since the manual process limits the ability of FSPs to track and manage transfers. The fact that some beneficiaries may face trouble reaching distribution sites or agent locations was not as often reported as a risk, despite many of the FSPs having a limited presence inside the settlements.

Figure 20: Percentage of FSPs engaged in non-digital distributions reporting main risks associated with delivery mechanism (n = 55).



The majority of humanitarian KIs recognised the risk for violence and petty crime during direct or OTC cash distributions. They reported to mitigate this risk through the presence of armed guards during distributions (often in service of the FSP), as well as on-site distribution monitoring by the organisation's staff. Some KIs also mentioned post-distribution follow-up and field visits as a means of both mitigating this risk and documenting its prevalence. Despite this, beneficiary representatives from the RWC reported the risk of theft and crime as one of the main drawbacks to direct or OTC cash distributions. Humanitarian partners reportedly aim to schedule distributions to take place around noon and finish no later than 3 p.m. to allow beneficiaries the journey home in daylight. According to beneficiary representatives however, frequent delays in the process, coupled with long distances and difficult terrain to travel, means this risk is never wholly mitigated and remains prevalent.

> "*In my view, it was not okay to receive money through the direct cash method, because almost everyone gets to know who has received the money and some were even threatened by thieves*." **– Yumbe, RWC women representative**

Regarding the risk of COVID-19 during distributions, humanitarian KIs reported strict adherence to SOPs, such as social distancing, handwashing and sanitising, as the main mitigation strategy. A few humanitarian KIs also reported having introduced a more staggered distribution across multiple days to limit crowd size. Although beneficiary representatives did not frequently mention the risk of COVID-19, some did report feelings of insecurity in instances when SOPs were not followed by staff present.

"The only disadvantage I see is due to COVID-19. Sometimes there are some staff who don't really put on the masks and don't implement the preventive measures at times, which puts others at risk but on cash itself there is no major challenge." **– Koboko, RWC women representative**

The potential risk for household gender-based violence (GBV) was much more frequently raised by humanitarian partners and beneficiary representatives than FSPs, indicating that efforts aimed at mitigating this risk may need to be instigated and driven mainly by humanitarian agencies in their design of CVA programmes. Several RWC and humanitarian KIs explained that the appropriation or perceived misuse of assistance by one member of the household can lead to tensions and sometimes violence. It should be noted this risk was not associated with a particular delivery mechanism, although the way in which this may play out can differ. For risks associated with mobile money, bank accounts or other digital delivery mechanisms, please see the following section on digital transfers. For direct or OTC cash, the head of the household or another person receiving the cash may appropriate the funds and not share it with other members of the household, or use the funds for other purposes.

"The increase in domestic violence and GBV is mostly due to cash assistance [in general]. Some household members acquire informal loans and give the family attestation form/card as collateral to the money lenders as proof of repayment on the day of assistance distribution. This has created misunderstandings amongst men, their spouses and children." **– Oruchinga, RWC**

Among humanitarian KIs, the most commonly reported mitigation method to counter the risk of GBV was sensitisation campaigns, followed by post-distribution visits and monitoring. Sensitisation often entailed organising sessions to explain the intended purpose of the assistance to be received, but may also extend to raising awareness on how to create and manage household budgets and devise saving strategies.

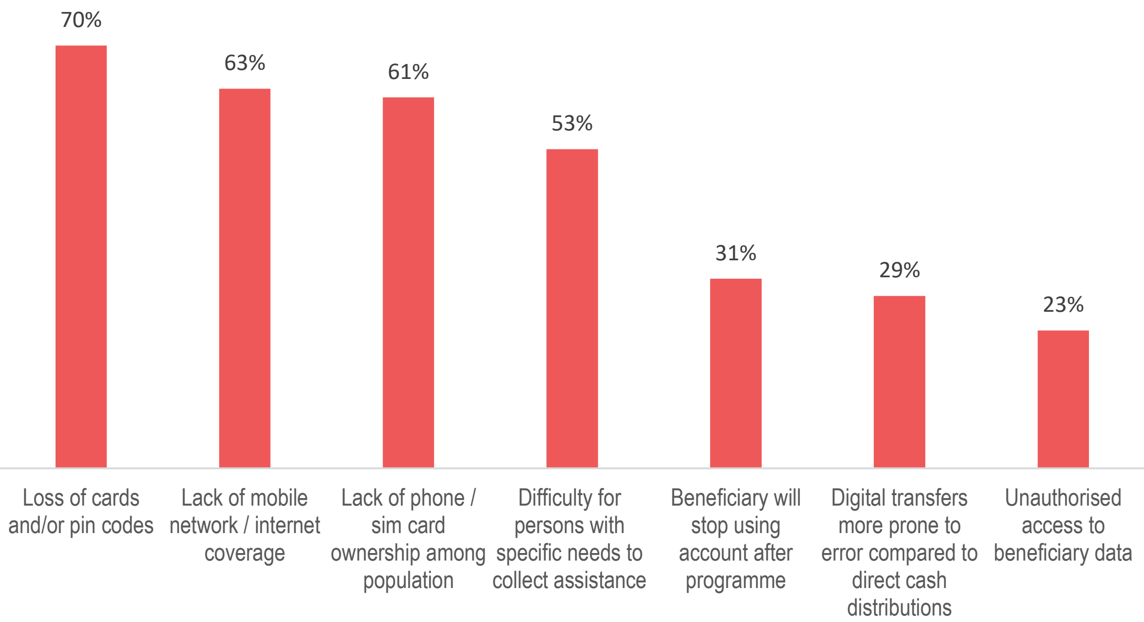
Another issue raised by several humanitarian KIs was local money-lenders hanging around the sites on days of distribution to immediately demand repayment from their debtors in case they receive assistance. Some go a step further and demand a beneficiary's attestation card as collateral for giving out a loan. They then keep this attestation card and escort the beneficiary to the distribution site where, upon receiving the assistance, they can be made to repay the loan on the spot.

Although direct or OTC cash was generally viewed as most inclusive by beneficiaries and humanitarian partners, the main obstacle to inclusion was reported to be the long distances required for beneficiaries to travel to the distribution sites (section 5.3.1 Beneficiary preferences). Especially for persons with specific needs such as older people, pregnant women, or persons with disabilities, this often means they are not able to pick up their assistance in person. In order to facilitate access, humanitarian agencies often reportedly allowed beneficiaries to appoint a next-of-kin to pick up the cash in their stead. However, several humanitarian KIs admitted this sometimes led to issues with custodians disappearing or otherwise seizing the funds for themselves. They explained that post-distribution follow-ups and engaging community leaders in managing next-of-kin pick-ups are necessary to mitigate this risk further.

5.4.2 Digital transfers

Among FSP KIs with digital transfer experience (n=70), the main reported issues associated with digital transfers were loss of pin codes or cards, a lack of connectivity in the settlements, a lack of assets among refugee populations, and a lack of accessibility for persons with specific needs, such as people who are illiterate and older persons (figure 21). FSP KIs also mentioned the risk that beneficiaries might stop using the accounts after the humanitarian programme is finished, potentially inhibiting their return on investment. An increased risk of errors when conducting digital transfers, and the potential unauthorised access to sensitive beneficiary data, was also reported by a minority of FSP KIs.

Figure 21: Percentage of FSPs with digital transfer experience (n=70) reporting main issues associated with digital transfers.



PIN or card loss

Among the FSPs who reported supporting digital cash transfers (n=70), 70% reported the frequent loss of PINs and cards as a challenge. Both agents and FSP staff reported that this issue can cause serious delays, since, in some cases, an issue with a forgotten PIN or damaged card cannot easily be resolved. According to several KIs, it is common for refugees to open a mobile money or bank account with the help of a Ugandan national who uses their ID to open the account for them. In day-to-day usage of the account, this may not lead to issues as long as the account user has the PIN code and card. However, when someone forgets their PIN or their card has to be replaced, the original account holder must be able to identify his or herself to the FSP. By this time, however, the account holder may no longer be in contact with the account user, or may live some distance away, complicating the process to resolve this issue.

Connectivity

The lack of stable internet and mobile phone network coverage also appeared to be a common issue inhibiting digital cash transfers; 63% of FSP KIs across locations and organisation types reported this issue. Qualitative interviews with MNO and banking agents further revealed that bad weather frequently leads to issues with phone network coverage, internet connectivity, and electricity supply. For agents, these issues often translate in a loss of income because customers are unwilling to wait for connection to be restored, decide to complete the transaction some other time, or move on to try with another agent. This is a particular risk for MNO agents, who generally face more competition in their local area. Transfers can also get lagged, resulting in duplicate transfers made erroneously often at a loss for the agent.

> *"Sometimes the network is poor. I mitigate this by interchanging SIM cards from different networks, but there are areas within the settlement, like Eboa, where the network is always poor. This frustrates our business because it forces your customer to go to another agent."* **– Palorinya, mobile money and banking agent**

> *"The mobile money network sometimes goes off without prior notification. When we are not notified earlier, we carry on with a transaction that lags. When we transfer money, the recipient doesn't receive the notification immediately and we are forced to do it again. This leads to serious financial loss due to double transactions, and when we appeal for a reverse of such transactions we are charged for it."* **– Bidibidi, mobile money agent**

Assets and registration

The majority (61%) of FSPs currently supporting digital cash transfers (n = 70), reported the lack of SIM cards, phones, or bank cards among settlement populations as a challenge for providing digital CVA. There was no considerable difference between the proportion of different FSP types reporting this.

According to KIs from the RWC, the main reasons refugees to lack a mobile money account are a common lack of sufficient income to acquire a mobile phone or SIM card, as well as a lack of numeracy or digital literacy skills necessary to operate a mobile money account. Refugee representatives did not often report Know-Your-Customer (KYC) requirements as a significant barrier to inclusion when it comes to mobile money. KIs reported that MTN accepts both the attestation card issued by the UNHCR and the refugee ID issued by OPM to open a mobile money account, in lieu of a Ugandan national ID or foreign passport. Airtel, on the other hand, reportedly only accepts the OPM refugee ID for opening an account, because this ID lists only one individual while the attestation card can include dependents. If an attestation card is used, however, the mobile money account can only be held in the name of the head of household. The head of household can open multiple accounts in his or her name to be used by other members of the household, although this can lead to issues in case the head of household travels or returns to their home country.

Interviews with humanitarian partners painted a different picture, however, with many KIs reporting serious delays and issues with the process of registering beneficiaries for mobile money services. In some cases, KIs explained they had wanted to use mobile money, but delays in the registration process ultimately led them to opt for another delivery mechanism such as OTC or bank accounts. As one of the issues, KIs reported that the data from OPM used for the refugee ID was not compatible with Uganda Communications Commission (UCC) requirements, preventing MNOs from registering beneficiaries in time.

Data from the FSP survey shows ID requirements for opening bank accounts vary between banking institutions. Some FSP KIs reported accepting only the refugee ID issued by OPM, others only the attestation card, and some accepting or requiring both. For banks accepting only the attestation card, this means only the head of household can open a bank account, limiting inclusion.

Refugee representatives reported the main reasons for not having a bank account were a lack of income, the costs associated with opening a bank account, a lack of numeracy or digital skills necessary to follow the process of opening and maintaining a bank account, and the fact that banking services were either too difficult to reach or not available at all in their location.

> *"If you don't have money, you cannot go to Arua to open a bank account. You don't even have the money for transport from here to Arua."* **– Rhino Camp, RWC**

Accessibility for persons with specific needs

The majority of FSP KIs (53%) recognised that the technical skills required for digital financial transfers may make it difficult for certain groups such as older persons, persons with disabilities, and illiterate persons to access their entitlements. Among humanitarian KIs, likewise, older persons, persons with specific needs, and women were particularly mentioned as groups at risk of exclusion.

Representatives from the RWC recommended the use of direct cash to ensure access for all beneficiaries, with mobility challenges among persons with specific needs potentially mitigated through next-of-kin pick-ups. Particularly for mobile money, RWC KIs commonly reported that simply supplying beneficiaries with phones and SIM cards would not be sufficient, since many potential aid recipients have never owned a phone and are not familiar with the use of digital money. This leaves them vulnerable to risks such as fraud, transfers made erroneously, or the appropriation of their money by a third person after they have reached out for assistance. Interviews with MNO agents indicated that these risks, and, in particular, attempts to defraud community members and agents are ubiquitous. Some MNO agents mentioned examples of persons claiming to work for an MNO cold-calling individuals, trying to persuade them to transfer cash or give up sensitive information, such as passwords and PIN codes. People with little experience handling phones or mobile money are particularly susceptible.

> *"There is a challenge of dealing with hackers. They end up deceiving people by sending them fake messages, codes to press and instructions to follow."* **– Rwamwanja, MNO agent**

Agents further reported that the most common type of technical support they deliver is resetting PINs and helping older persons or illiterate persons to manipulate their phones. Interestingly, illiteracy was hardly mentioned by humanitarian KIs as a significant obstacle or challenge, while interviews with RWC KIs and agents frequently raised illiterate persons as a group of concern requiring additional assistance.

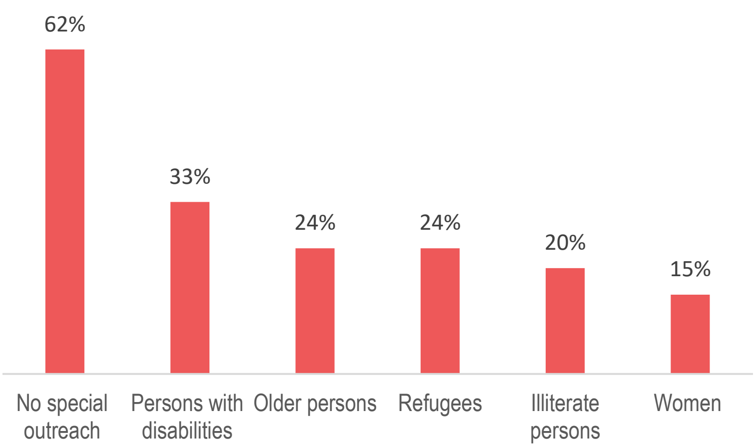
When asked about digital transfers through bank accounts, prepaid or smart cards, RWC KIs mainly cited a lack of knowledge on banking services and products, general distrust towards the financial sector, and a lack of information on how to open and manage a bank account as the main obstacles preventing people from opening up accounts. KIs explained that opening a bank account requires significant paperwork, and that many people in their communities regard it as something "not for them" because they do not operate a business, receive remittances from abroad, or earn enough money to save. These barriers are particularly acute for illiterate persons and those who have received limited education.

> *"Most people don't work so they don't have the money to keep depositing in the bank account, because you cannot leave the account dormant. That's why I think the bank is for people who are working and have people abroad who can send them money."* **– Kiryandongo, RWC persons with specific needs representative**

RWC KIs also reported a widespread perception that banks charge unspecified fees for maintaining a bank account, causing people's balance to dwindle even if they are not using the bank account. They further stated that, while mobile money accounts are used broadly to pay for utility bills, make electronic cash transfers, or payments at local vendors, people in the settlement did not see bank accounts as potentially serving the same purpose. Instead they reportedly see bank accounts mainly as a way of receiving and storing money in the form of savings, limiting the incentive to go through the process of opening an account.

The majority of FSPs (62%) reported not conducting any special outreach to increase access to their services for specific groups facing barriers. Special outreach was defined as any type of programme or campaign aimed at lowering barriers to using their services and constituting some form of expense on the part of the FSP. Therefore, although many FSP KIs did report prioritising groups such as older persons or pregnant women at their customer care locations or during cash distributions, this was not included in their reports on special outreach. However, some FSPs reported conducting special outreach programmes targeting persons with disabilities (33%), older persons (24%), refugees in general (24%), and illiterate persons (20%); only 15% of FSPs mentioned specifically targeting women (figure 22).

Figure 22: Percentage of FSPs reporting to target specific groups with special outreach programme to increase access to their services.



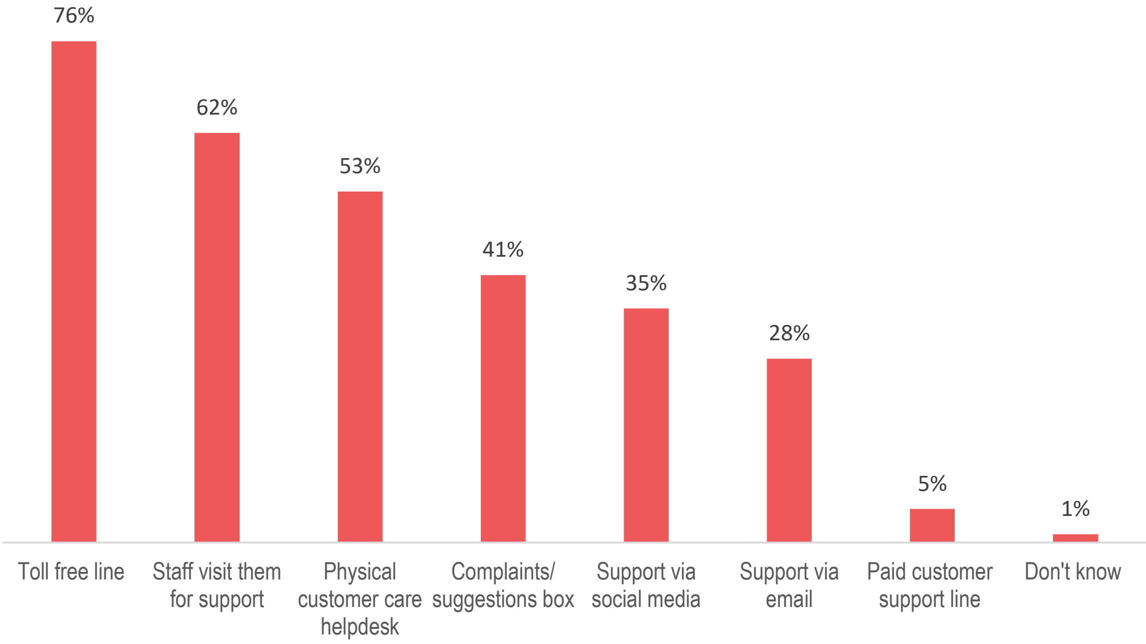
Some examples of special outreach included engaging specially trained staff to conduct trainings for persons with disabilities, as well as making house visits inside the settlement for older persons and those who have difficulty moving. Some banks reported organising community meetings, conducting group trainings and supporting the formation of saving groups. They also reported offering special products for youth or women with reduced interest rates on loans, or the waving of collateral requirements for specific groups. A small number of MNOs reported giving trainings for groups such as the older persons, as well as subsidising sim-cards for refugees and persons with disabilities.

In general, 90% of FSPs reported giving new customers training on how to use and manage their services. KIs were asked to briefly describe the content of these trainings. For MNOs, this was often limited to basic knowledge on how to use a phone, make mobile money transactions, and keep one's PIN secure. The majority of bank KIs reported broader trainings that included elements of financial literacy such as saving, investing, the use of mobile banking apps, and good security practices.

Customer support mechanisms

FSP KIs, in particular from banks and MNOs, commonly reported having multiple customer support mechanisms in place. The most commonly reported mechanisms ranged from toll-free phone numbers, extension workers who visit customers at location, physical helpdesks (often at a branch location), complaint boxes, and support via social media (figure 23).

Figure 23: Percentage of FSPs by type of customer support mechanism reportedly in place at time of data collection (KIs could select multiple).



Virtually all bank and MNO KIs reported having a toll-free number that customers could call in case of issues or questions. FSPs also often reported having extension workers available to visit clients; this appeared more common practice for MNOs and MFIs compared to banks. These mechanisms likely constitute the more effective means of providing customer support, since physical helpdesks are not always located inside the settlements, making them hard to reach for refugees. Moreover, feedback mechanisms that require written communication may present challenges for illiterate persons, as do mechanisms that require technical skills such as the use of social media. Support via social media includes the use of WhatsApp groups often used by local agents to raise customer issues with the branch office. However, according to agent interviews, FSP responsiveness was frequently found lacking.

In fact, over half of the interviewed agents (15 out of 26) felt that the customer support mechanisms used by their FSP did not work efficiently to resolve customers' issues. The main reason, cited by 12 agents, was that FSP support staff was often hard to reach or not responsive. When calling the toll-free number, the phone would be left ringing without anyone picking up, and traveling to the nearest branch location to access a physical helpdesk was often too far a journey for many customers to make. Another issue raised by the agents was that customers in the settlement often face a language barrier when trying to access support. This leads agents or sometimes third persons to intervene and act as translators, putting them in a position to receive confidential information about the client and his or her account. Agents were generally more positive about responsiveness when raising issues via the WhatsApp groups.

> *"Using the toll-free number to call the service centre isn't effective because some of the clients can't use phones, the customer care staff takes a long time to pick up sometimes, and communication is a problem due to the language barrier, so it's better for them to reach the service centre physically."* **– Lobule, MNO agent**

> *"For [xxx] Bank, we don't have a good platform and most of their staff does not speak the settlement languages. I work for them but I can't remember if I have ever succeeded in talking to one of their customer care staff. I have been trying in vain."* **– Nakivale, banking agent**

Interviews with representatives from the RWC largely corroborated these issues. When asked about customer support mechanisms of the different FSP types, many RWC KIs reported customers needed support most often for issues with their SIM cards (swaps and PIN loss), being the victim of scammers, their accounts not being registered on beneficiary lists, and reversing erroneous transfers. Generally, RWC KIs expressed more positive opinions than negative ones when it came to MNO support mechanisms, while with bank customer care services positive and negative opinions were roughly balanced. The main reported issue with customer care services of both MNOs and banks was that, despite the provision of toll-free numbers, the process of fully resolving an issue still often involves travel and significant cost for the customer. Multiple KIs reported that, even for small issues such as a card loss or PIN resets, call centre staff would advise people to visit their nearest support centre as they could not help them over the phone.

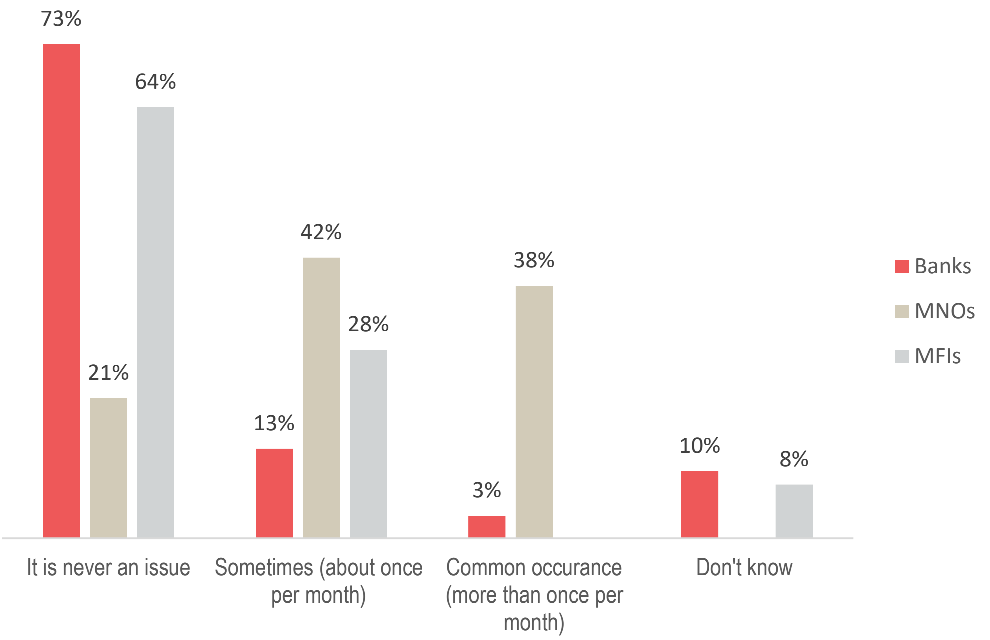
> *"I forgot the PIN of my phone and there was money on the SIM card for family support. I called the customer care number and explained the problem and told them I wanted to withdraw the money. They told me that the amount is too big and could not help me. They told me that the person who registered the line should [physically] go to customer care. We had used my husband's passport ID for South Sudan, so my husband had to travel up to the MTN service centre in Arua and he was given the PIN."* **– Rhino Camp, RWC women representative**

Liquidity

The ability to manage liquidity requirements is critical for FSP service delivery. FSPs and their agents must keep a large enough amount of e-money, cash, or bank account balance accessible, known as a "float", to immediately supply all consumer demands. When an FSP or agent runs out of this float, transactions cannot be processed. This not only delays service delivery, but can also undermine public confidence in the institution and the financial sector more broadly. In the case of humanitarian assistance, moreover, a delay in access can have serious consequences for beneficiaries in urgent need.

Self-reported challenges to liquidity management seem to vary mainly by type of FSP, with KIs from banks and MFIs most often reporting liquidity management was never an issue. Among MNO KIs, 79% did report encountering issues in liquidity management, causing delays in service delivery. Forty-two per cent (42%) of MNO KIs reported such issues happen about once per month, and 38% reported it happened more than once per month. Responses did not vary considerably by location (figure 24). One possible explanation for why MNOs seem to be more often affected by liquidity issues, could be that MNOs generally have a larger agent network, and agents who provide services only for MNOs tend to be small, one-man businesses with limited capital, including float.

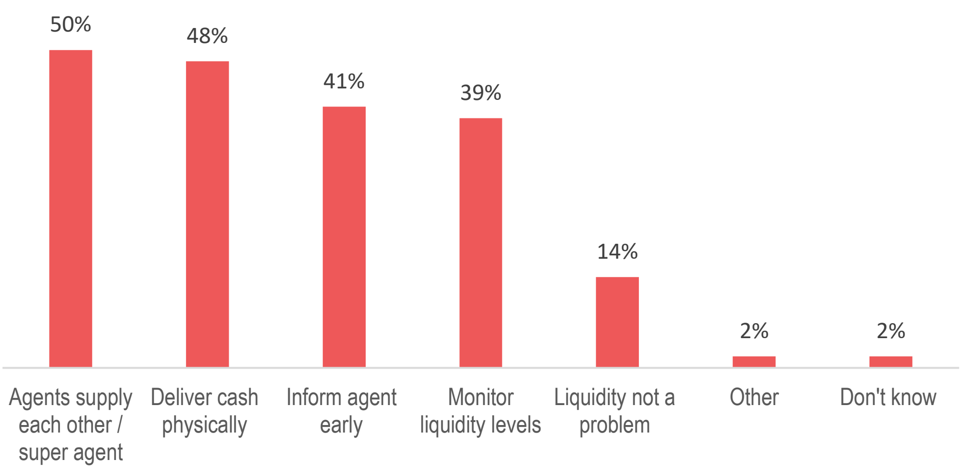
Figure 24: Percentage of FSPs reporting the frequency of liquidity issues among agents causing delays in service delivery, by type of FSP.



When asked how FSPs manage liquidity levels among agents, in particular during large-scale operations such as humanitarian cash transfers, bank and MNO KIs generally reported employing similar strategies. Both MNOs and banks use a system that establishes so-called “super-agents”. These can be agents inside the settlement with a relatively large business and financial capacity, trained and cleared to provide a wider range of financial services such as processing loan applications, opening accounts and, most importantly, supplying other agents in their area with float. Agents reported this significantly increases efficiency, since the absence of a super-agent nearby leaves them reliant on a busy branch location, often located at some distance, to process their request for additional float. In some cases, this requires the agent to shut his business and physically travel to the branch location and back in order to attain float and resume services.

Other mitigation strategies mentioned by FSPs are to deliver cash physically to agents on days of large distributions, inform agents ahead of large operations, and to monitor agent float levels remotely to signal a need for top-up when levels become low (figure 25).

Figure 25: Percentage of FSPs with reported agent network (n=56), by reported mechanism for managing liquidity levels among agents



Around half of the humanitarian KIs mentioned liquidity among FSPs or their agents was an issue that caused delays during roll-out of the programme. The main ways in which humanitarian organisations reportedly sought to mitigate liquidity challenges were staggering distributions in tranches to limit the liquidity requirements for each day and ensuring prior notice was given to the FSP and its agents regarding the total transfer amount.

> *"Some agents would run out of cash and had to get more from their colleagues in other locations. There was even a time when beneficiaries were complaining that the agents only allow them to deposit cash but not to make withdrawals."* **– Rwamwanja, humanitarian KI**

Interviews with agents further revealed that the speed and cost with which an agent is able to replenish float levels is highly dependent on the principal institution for whom they are providing services. When asked how support from the principal institution to the FSP could be improved, agents most often mentioned the need to increase the number of agents or to have a super-agent nearby.

Aside from the scale of the FSP's agent network, the process through which an agent is able to acquire additional float is also important and can reportedly vary between FSPs. Some banks allow agents to request and pay for float remotely, while others require the agent to physically travel to a nearby branch location. Agents also reported differences in the speed with which their requests are received and processed by the principal institutions. In many cases, agents reported relying on each other to top up float, rather than the FSP branches, to avoid having to wait for a long time or travel.

> *"With some of the FSPs […], we can call them and they send us e-floats and cash after we send them the money through mobile money. This takes 30 minutes to one hour. With [other FSPs], you have to go to the bank, which takes long and is quite expensive for me, because the journey can cost UGX 40,000."* **– Palorinya, MNO & banking agent**

Interestingly, agents with experience in facilitating humanitarian cash distributions noted it was often easier to manage liquidity and float requirements during those operations compared to regular non-humanitarian operations. On distribution days, the principal FSP usually has staff on-site or nearby, making it much easier for agents to top up. Many agents perceived humanitarian cash programmes as great business opportunities, as they commonly earn a commission per processed transaction.

Sustainability

In total, 31% of interviewed FSPs reported the risk that beneficiaries will stop using their accounts once the humanitarian programme finishes, which was corroborated by RWC representative KIs, who also commonly reported limited use of bank accounts among refugee populations. This can constitute a significant risk to the FSP since the process of registering and opening accounts is often labour-intensive, entailing significant paperwork and, therefore, costs for the FSP. Therefore, for FSPs, it is important that these accounts maintain some volume of transactions and balance to ensure a return on investment. The risk of beneficiaries only using their accounts for a limited amount of time was slightly more commonly reported by MFI KIs (39%), followed by KIs from banks and MNOs (both 29%). Findings suggest limited use of accounts might be less of an issue for mobile money approaches, as RWC KIs reported many examples of mobile money being used to pay bills, purchase airtime as well as food items from vendors who accept mobile money, and to make transfers to other people.

Data risks & data protection

Any CVA programme requires the collection, storage, and sharing of personal data on beneficiaries. This data can include names, addresses and information on dependents, as well as eligibility indicators such as income, age, or health characteristics. Some of this data may be shared with other actors, such as an FSP, when CVA is implemented with their support. FSPs, in turn, may rely on agent networks to conduct distributions, raising the question to what extend humanitarian partners can control the flow of data emanating from their operations.

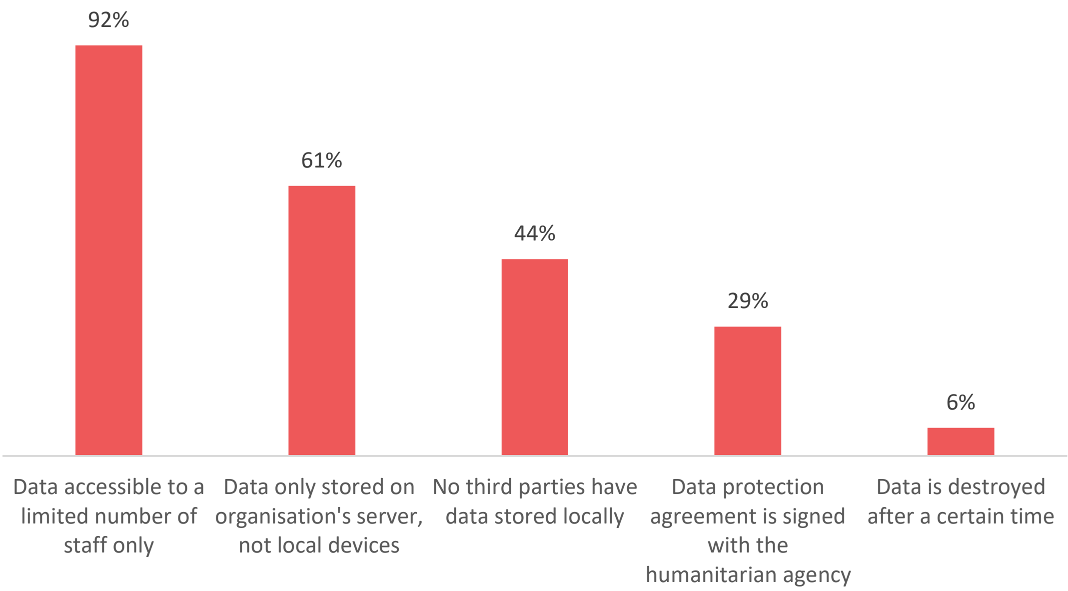
When humanitarian partners were asked about potential risks of unauthorised access to confidential information by third-parties, the majority reported to sign a Memorandum of Understanding (MoU) and a data protection policy with any FSP they work with. KIs also reported limiting the information that is shared to further mitigate this risk. Humanitarian KIs expressed no further concern beyond the policies already in place. Several humanitarian KIs reported not being aware of any data protection policy in place and not perceiving third-party access to beneficiary data as a particular risk.

> *"Access to this data was protected using passwords. Personal details for the beneficiaries were not shared. We only shared the name of the beneficiary, their individual number and amount to be received with the FSP partner."* **– Kyaka II, humanitarian KI**

> *"There is a data sharing agreement between our organisation and the FSP. Some of the restrictions include using a specific data sharing channel, a focal person who can receive or send the information, and a prohibition against sharing data externally."* **– Rhino Camp, humanitarian KI**

Of the 47 FSPs who reported having partnered with a humanitarian agency to deliver cash assistance, only 20 reported having signed a data protection agreement, representing only 29% of the FSPs assessed (figure 26). Since many FSP KIs are branch-level managers, it could be such agreements are signed at the HQ level without the knowledge of the KI. Several MNO staff further noted that data sharing is regulated by the National Information Technology Authority (NITA) Uganda and any data sharing has to conform to their guidelines. It should be noted that restricting access to data to a limited number of staff, although the most commonly cited response, does not guarantee data protection protocols are followed and sensitive data may still be shared with outside actors.

Figure 26: Percentage of FSPs by reported data protection policy and technology in place when working with client or humanitarian beneficiary data.



6. CONCLUSION: strengths and weaknesses of CVA delivery mechanisms in Uganda

Humanitarian actors seeking to implement a successful CVA programme must take into account a set of four dimensions. These dimensions include feasibility, cost and speed of delivery, considerations of inclusion, and beneficiary preferences. An agency's choice of delivery mechanism and potential FSP partner determines to a large degree how this balance is struck. Depending on the context and a programme's specific goals and objectives, an agency may choose to prioritise speed and cost of delivery over rigorous inclusion and outreach efforts, or vice versa. It may also forego beneficiaries' most preferred mechanism on the basis of feasibility, or it may make an extra effort to adhere to a specific preference at the expense of speed of delivery. This section summarises the findings presented in the previous sections by presenting a scorecard for each delivery mechanism along the four dimensions with a brief explanation of each score.

Table 6: Strengths and weaknesses per delivery mechanism in Uganda

Mechanism	Feasibility	Cost & speed	Beneficiary preference	Inclusion
Cash-in-hand (direct or OTC)	++	-	+	+
Paper voucher	+	-	+/-	+
Mobile money	+/-	+	++	+/-
E-vouchers / prepaid cards	+	+	+/-	+
Bank transfers	+/-	+	-	-

6.1 Cash-in-hand

Humanitarian actors can decide to deliver cash-in-hand assistance themselves, either with (using OTC) or without collaborating with an FSP (direct cash).

This method scores high on **feasibility**, since it does not require beneficiaries to register for accounts or own any form of hardware to receive or access the assistance. It also does not require a significant financial infrastructure. Humanitarian actors wishing to engage an FSP to facilitate the distribution can generally find multiple partners with the capacity to support in their target location. KIs form SACCOs, VSLAs, MFIs, MNOs, and banks generally reported being able to support this type of delivery.

This method also scores high on **preference**, as it emerged as one of the two main mechanisms reportedly preferred by beneficiaries. The simplicity of the process limits the risk of complications during the verification and reconciliation stage. Beneficiaries expressed confidence in their ability to engage with the humanitarian actor and/or FSP staff present to resolve issues promptly should they arise. However, they also voiced concerns about the visibility of distributions that could lead to security risks, as well as the danger of gathering crowds in times of COVID-19.

Cash-in-hand scores neutral on **inclusion**. Beneficiary representatives reported to perceive this as an inclusive distribution method due to the lack of account and hardware requirements on the part of the beneficiary. It also does not require beneficiaries to have technical skills such as operating a phone or bank account and is inclusive to persons at all levels of literacy. However, it does generally require beneficiaries to travel and gather in a specific location, raising barriers for persons with mobility difficulties. This may affect older persons and persons with disabilities, as well as people who do not have access to or cannot afford a means of transport. It may further present additional security risks to vulnerable groups, including women, when traveling through remote areas to access assistance. For programmes that target specific groups, such as women, children, or persons with specific needs rather than the household as a whole, cash-in-hand may also carry a heightened risk for other members of the household appropriating the funds and using it for other purposes.

Cash-in-hand scores low on **cost and speed**. Although direct or OTC cash can be fast and relatively simple, it is unlikely to be cheap compared to other transfer mechanisms. The cost of mobilising beneficiaries, providing transport for those unable to travel by themselves, and deploying security measures such as armed guards and organisational staff to monitor the process can amount to a significant expense on the part of the FSP as well as the humanitarian organisation. For this reason, some SACCO and MFI KIs reported charging a per-transaction fee of up to 10% of the transfer value. At the same time, banking institutions that have very limited or no presence in certain locations reported it may be cheaper to distribute cash-in-hand than opening up accounts for aid recipients.

6.2 Paper vouchers

Paper vouchers score similarly to cash-in-hand when it comes to inclusion and feasibility. They do, however, require humanitarian partners to identify sufficient vendors in the area willing to participate in the programme and accept the voucher, potentially limiting feasibility. This could also impact the cost and speed of delivery, since it may take time to establish a network of traders as well as implement the process of reconciling their cash flow. Paper vouchers, in particular commodity vouchers, are often selected over cash when an agency seeks to impose restrictions on the use of assistance. This could be in the case of a livelihood programme aimed at increasing access to agricultural productive assets. The use of value vouchers is often less restricted by enabling aid recipients to purchase a range of items sold by designated vendors, thus functioning more like regular cash-in-hand transfers. Nonetheless, as a modality, paper vouchers were not reported as a preference among beneficiaries, potentially due to the restrictions they inhibit. However, qualitative data from RWC representatives does suggest these restrictions can help to avoid creating intra-household tensions on how to use the assistance.

6.3 Mobile money

As the main reported preference of delivery mechanism among beneficiaries, mobile money scores high on **preference**. Beneficiary representatives reported their communities preferred to receive CVA through mobile money because MNOs generally have a physical presence inside the settlements, beneficiaries are familiar with mobile wallets, and the process for opening an account is relatively simple. Beneficiary representatives also reported that the accounts were commonly used for other purposes such as sending and receiving money, paying utility bills, and buying airtime.

Mobile money also scores high on **speed and cost of delivery**. Although fees can vary significantly depending on whether transfers are made to accounts within the same network or another, MNOs are generally transparent about the costs of transfer. Humanitarian actors may also contract the services of an aggregator to reduce costs in situations where the target population holds accounts with different MNOs. However, doing so does increase the distance between agency and beneficiary. No objectives of a CVA programme are met by transfer of cash alone, and humanitarian partners must monitor access and use of assistance after transfers are made. The ability for post-distribution monitoring may be inhibited by the use of an aggregator if humanitarian actors are not engaging directly with the MNO.

This method scores medium on **inclusion**, since the use of mobile money can raise significant barriers to the inclusion of certain marginalised groups. Beneficiary representatives reported many people in their community do not own phones or mobile-money-enabled SIM cards. Humanitarian partners further reported frequent challenges in registering beneficiaries for mobile money accounts. Beneficiary representatives further cautioned that providing people with phones and SIM cards might not be sufficient, as some vulnerable people may have never owned a phone or have limited experience with digital cash, and might therefore require assistance in manipulating their phones and managing their accounts. Beneficiaries can also be vulnerable to fraud attempts, which agent interviews revealed to be ubiquitous. Notwithstanding, mobile money can potentially overcome some of the barriers to inclusion associated with traditional cash-in-hand distributions, since it does not require beneficiaries to travel to a distribution site and provides them with flexibility on when and how to access their entitlement.

Mobile money also scores medium on **feasibility**. The well-established presence of MNOs in many settlements makes it widely possible to consider mobile money as a delivery mechanism. However, interviews with humanitarian partners revealed the process of registering beneficiaries for mobile money accounts can be arduous and, in some cases, unsuccessful. Several KIs reported initially committing to deliver CVA via mobile money, but soon switching to a simpler distribution mechanism such as OTC cash or bank accounts to avoid delays in implementation. Interviews with agents further noted that the lack of a stable phone network in many locations can cause serious damage to their operations and inhibit humanitarian service delivery, challenges that may be more problematic in some locations than others. As with any other delivery mechanism, humanitarian actors should always carry out a feasibility study and coordinate with other partners before deciding on mobile money as a distribution mechanism for CVA in their area of operation.

6.4 E-vouchers and pre-paid cards

E-vouchers score similarly to mobile money when it comes to cost and speed of delivery. Humanitarian partners implementing CVA through e-vouchers reported the process was simple and effective. In locations where the use of bank or mobile money accounts is low and registration presents challenges, the use of e-vouchers (including smart or prepaid cards) may be more feasible and inclusive. Since withdrawal or use of assistance does often require a PoS machine, a lack of internet coverage may be a factor inhibiting feasibility. E-vouchers and prepaid cards were not specifically reported as a beneficiary preference. However, this might be due to a lack of familiarity with e-vouchers, as well as the difficulty of distinguishing them from debit cards attached to bank accounts, rather than objections to the mechanism.

6.5 Bank transfers

Bank transfers score high on **cost and speed of transfer**. Once beneficiaries have been registered for bank accounts, a large volume of transfers can be made quickly and efficiently. Like with mobile money, the transfer amount can be easily scaled up, with the added advantage that banks and their agents tend to have higher liquidity levels.

Bank transfers score medium on **feasibility**. The lack of bank account ownership among target populations, coupled with the banks' lack of operational presence in many settlement areas, inhibits the use of bank transfers as a delivery mechanism. KI interviews revealed that the process of opening bank accounts can present challenges. However, once a humanitarian actor has committed to registering beneficiaries for bank accounts in one location, this could enable other partners to take advantage of this effort and use these accounts for the distribution of their CVA. Interviews with humanitarian partners revealed that coordination platforms, such as the national and regional CWGs, greatly help actors to achieve these efficiency gains.

Bank transfers, however, score low on **beneficiary preference** and **inclusion**. Beneficiary representatives noted many community members do not understand the process for opening a bank account and are not familiar with banking products, services and the fees associated with them. Minimum balance requirements, as well as recurring charges for maintaining a bank account even while it remains idle and unused, are reportedly seen as a major disadvantage of bank accounts among beneficiaries. The lack of physical presence of banks inside the settlements further complicates access to services and raises barriers to inclusion. Persons who are not able to travel, as well as illiterate persons, may face significant challenges in accessing banking services. Beneficiary representatives reported that support mechanisms are often not effective. The bank staff managing toll-free phone lines can reportedly be slow to respond, unable to solve issues, and difficult to access for beneficiaries due to language barriers. In order to resolve issues, beneficiaries are often required to travel far from their home to the nearest FSP branch location.

6.6 Looking into the future of CVA in Uganda

As a designated modality of priority under the Uganda RRP 2018-2022, the application of CVA is likely to expand in 2022. By way of platforms such as the Uganda Cash Consortium and the CWG, coordination among partners is continuously improving. As actors pioneer pathways for delivering CVA, other partners should look for ways to take advantage of these efforts and follow where possible. This can help to avoid duplication of efforts, especially in the process of registering beneficiaries for accounts. It can also avoid unnecessarily burdening beneficiaries with the requirement of opening and maintaining multiple accounts with different FSPs. Humanitarian partners reported that an important reason driving the choice of one delivery mechanism or one FSP over others is that it had been tried and tested by other partners, either in that location or in another.

While there are many benefits to be gained from building upon other actors' experience and existing infrastructure, this also risks building a response that gravitates around the approach employed by one or a handful of actors. There is a need for continued discussion on the possible implications of centring a response around the use of one delivery mechanism or one main FSP partner. Could the humanitarian community be driving the establishment of an effective monopoly in the delivery of CVA in Uganda? And how could this affect service delivery in the long term? What would be the impact on beneficiary access and experience, especially if this involves mechanisms and actors that deviate from their reported preference?

In the end, each CVA programme must be made to fit its specific goals and objectives, and humanitarian actors must decide for themselves which of the aforementioned factors they choose to prioritise in the design of their programme. Furthermore, the Uganda context is fluid and there exists a reciprocal relationship, wherein factors such as feasibility and preference shape the response and vice versa. The data captured as part of this assessment provides humanitarian partners with the information they need to continue to navigate this process for the benefit of beneficiaries.