JULY/AUGUST UPDATE

We got Ignacio off the mountain and into our newsletter, our promo video launched, and remind you: The end is near! (For ELAN. Not, like, for everything.)

ELAN Winds Down, but Work Continues

In 2015, we launched the Electronic Cash Transfer Learning Action Network (ELAN) to improve the use of electronic cash and vouchers in emergencies. More than three years, 13 webinars, 16 publications and 20 events later, we are preparing to celebrate this journey’s end.

Payments technology has, and will, continue to shift the humanitarian landscape. What’s happened since we began?

- Two sets of principles were developed to guide responsible use of digital payments in humanitarian response.
- Many agencies have adopted or strengthened policies and practices around data protection, in some cases motivated by GDPR.
- Digital delivery mechanisms are enabling many NGOs to meet ambitious targets to deliver 24-50% of their humanitarian assistance as cash.
- The link between e-transfers and financial inclusion is better understood and a topic that is actively researched by agencies, including Save the Children and the British Red Cross.
- Digital payments have been used in diverse contexts: Yemen, Liberia, Nigeria, Greece, Turkey, Afghanistan and Colombia, to name a few.

You – this diverse network of private sector and humanitarian partners – have enriched our community’s understanding and ability to leverage payments technology. To all of you who took time to share your experiences in webinars, document learning in case studies, participate in workshops, and refine reports and training materials: Thank you for your significant contribution!

Survey + Final Event in London

We are excited to host a final learning event in London to reinforce connections between all of you who will continue this important work on digital payments. The event will take place 16 October with a formal invite forthcoming. To help us understand changes in the e-transfer landscape and raise awareness of upcoming initiatives, we ask you to complete this short survey by 14 September.
We’ll be in touch soon with your invitations to our closing event and details on where you can easily access all of the ELAN resources you helped develop.

While the ELAN will step aside in 2018, a number of partners are charging ahead with critical work on FSP partnerships, common delivery mechanisms, data protection, and financial inclusion. We look forward to supporting those endeavors.

With sincere appreciation for your partnership,
Lily Frey, Bree Oswill, and Sara Murray

New This Summer:

NextBillion: Does Greater Inclusion Lead to Financial Health?

How can you be physically healthy? Exercise, eat more veggies, blah blah blah. The same, say Sonya Kelly and Evelyn Stark in their NextBillion blog, goes for financial health: There is no one-size-fits all solution.

To gauge financial security, Gallup conducted a poll across 10 countries to explore dimensions of financial control. The two biggest surprises: 1) The relationship between account ownership and perceived financial control is weak at best; and 2) this is especially true in emerging markets where, “People’s access to financial services appears to have little correlation with financial security.”

Maybe we should think more about uptake. This won’t, however, get you out of eating your veggies.

CRS Haiti Study: The Vendor Effect

Almost two years ago, Hurricane Matthew decimated coastal and hill towns in Haiti, impacting more than 2 million people. CRS undertook a study to understand whether their cash-based response was appropriate, and what experience beneficiaries and vendors had.

Among a number of data points, their findings around vendor experience are particularly interesting. Vendors participating in voucher programs could easily point to the benefits the programs had on their businesses. But vendors in "high coverage UCT areas" also perceived benefits. They knew program beneficiaries were shopping with them, they stocked more goods and more variety to accommodate these clients, and they felt they were able to restart their businesses more quickly because of the demand created by the cash-based programs.

Learning from CRS’s Data Breach

Most Americans were thinking about turkey. But on the Friday before Thanksgiving, Karl Lowe, Chief Information Officer at Catholic Relief Services (CRS) was thinking about exposure. Mautinoa Technologies, a competitor to CRS’s electronic voucher system, RedRose, had gained unauthorized access to a CRS environment in West Africa. Mautinoa had viewed and downloaded some beneficiary data. And they’d shared
screenshots of that data with CRS, other INGOs, and the press. Days later, Devex and IRIN published articles about the data breach.

As part of their Data Guardians series, Devex’s Jessica Abrahams follows up with Karl to understand what happened - and what we can all learn from this incident.

**Biometrics Basics at CGAP**

Paul Makin and Chrissy Martin compiled a great primer on everything you wanted to know about biometrics but were afraid to ask. What’s the difference between authentication and identification? What different roles do governments and financial service providers have in collecting and maintaining biometric data? When will you stop posing questions? (Right now.)

**Ask the Expert: Ignacio Mas – Digital Frontiers Institute**

Ignacio Mas is the Executive Director of the Digital Frontiers Institute. Formerly, he worked as a Senior Advisor in the Financial Services for the Poor program at the Bill and Melinda Gates Foundation; Senior Adviser in the Technology Program in CGAP; VP of Marketing and Account Management at interTouch; and basically a whole lot of other things.

The ELAN got together with him to ask, "Why now?" and, "Where’s that pen I loaned you in Amman?"

We got one answered.

**Why create Digital Humanitarian Cash now?**
It’s good timing for both of the industries we’re trying to cater to. On the humanitarian side, there is a strong tendency to move from in-kind towards cash. And on the digital money systems side, the key question now is not whether to digitize money, but rather, “How do you push these digital systems into rural and remote areas?”

Most successful digital money systems haven’t really left the tarmac. The absence of good roads is a problem for digital, but it’s also a problem for cash. So the two ends of the industry are coming together.

**What interested you most about this topic?**
The part I knew least about, which is how you find people who are in need. If it’s a bunch of people on the move, you may be able to identify them. But a lot of crises deal with people who are in isolation, and that’s not something that you’re going to solve with digital. Yes, there may be digital tools that support this, but identifying who needs help will remain the hardest part of the whole deal.

**What surprised you during development of the course?**
That despite what we know, what little emphasis is placed on training [beneficiaries.]

With any digital program, the hard part is not the digital part. It is always the interface between the digital and the physical - spreading the knowledge about how this is going to work, ID verification, the cash in/cash out. Those remain the biggest problems, because you have all the problems
that you used to have with a pure cash system, and then you add the digital leg to it.

**We had a chance to travel to Jordan together to see these issues firsthand. Did that experience change your views?**

It didn’t change my beliefs, but it certainly reinforced a lot of issues that I see, like hiding behind technology solutions and assuming that the latest technology solution is going to be a good one.

Really, [a solution is] only good if it meets three characteristics:

1. It has to give users more of a sense of control and choice. Because they’re leading difficult lives, and this is a difficult moment in a difficult life.
2. A sense of accompaniment. For that choice and control to feel empowering, I need to feel accompanied – that if I have a problem, I’ll know where to go. It’s about the technology making me feel closer to the people who are trying to help me, rather than adding distance.
3. This is the big promise of digital: more sense of immediacy, more sense of convenience, which ends up as a validation of the empowerment feeling.

Achieving the three at the same time is very difficult. And the problem is when people look at these as a menu and decide that maybe meeting a single characteristic is good enough. The fact of the matter is that you have to beat cash as the status quo on all three fronts, not just on one.

**Does that mean no digital solution should be used until all three characteristics can be met?**

I think you need to be pragmatic. With tech, it’s not hard to predict the future. What’s hard to predict is the timing of the future. What other things need to fall into place – the tech, knowledge, on the ground mindset - to make this a replicable formula? That’s why I feel good about working in this area. We’re not going to get it right this time or next time, but we know that eventually we will get where we’re trying to go.

[But] I would advise digital humanitarians to be extremely tactical and practical. This [work] is different than setting up a G2P social protection program, because the [social protection program] will be permanent. You have much more time to optimize and reap the benefits. In a humanitarian crisis, I don’t think you want to justify your intervention by saying, “If we get it right, we get it right. But if not, it’s a learning.”

**What will providers get from this course?**

This is a particular context [that represents a] much bigger problem that they’re going to be dealing with over time: extreme environments, literacy issues, density, the physical presence of you as a provider, etc.

Take this course even if you don’t think a humanitarian crisis will be happening near you, since you will need to understand these issues regardless. Having said that, there is a possibility that a crisis may happen near you, and then you’re prepared. But really – this is preparedness for the status quo. And the status quo is a whole lot of difficult environments.

**How does this course complement other DFI offerings?**

Basically, we have the flagship course – the Certificate in Digital Money – which is 12 weeks of principles. I think people find it interesting because they are expecting “the recipe”, but before we give them any recipe, we want them to understand the problems.
The second course on leading markets is a global overview of case studies, and the main take-away is that there really isn’t a standard [digital money] model.

Then we have courses - like Digital Humanitarian Cash - which allows us to drill down into particular customer segments. Other topics include operationalizing mobile money, digital ID, and blockchain.

**What are you excited to explore in future sessions?**

Shared solutions across humanitarian agencies. I didn’t realize before I started working with you to what extent humanitarian agencies work in parallel in the same crisis. I would be quite interested in exploring more those experiences of working together – and understanding that more togetherness is not always a good thing. There’s a fine line, and it’s very difficult to defeat the hype of collaboration.

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**Get Involved!**

**Register by 24 August for Digital Humanitarian Cash: Extreme Operations**

Registration for the second session of Digital Humanitarian Cash is open now! Ask Lily, Sara, and Ignacio all of your burning digital cash questions. Unravel the mystery of why we’re still wearing the same clothes for five weeks straight.

Oh - and learn something entirely relevant, practical, and urgent while you’re at it.