



UNHCR / Xavier Bourgois

A JOINT UNHCR-WFP PROJECT

MITIGATING RISKS OF ABUSE OF POWER IN CASH ASSISTANCE IN CAMEROON

This document outlines lessons learned from a joint UNHCR/WFP project in Cameroon with the aim to, with Financial Service Providers (FSPs), identify and mitigate the risks of abuse of power in cash assistance, including through mobile money, e-vouchers and cash in hand.

Conducted in December 2018, the mission engaged in discussions on possible risks and mitigation measures with FSPs, national regulators and members of the humanitarian cash working group. A field mission was conducted to Timangolo and Kette in the East to get first hand perceptions among assisted populations and field staff. The mission concluded with a roundtable in which the key recommendations were discussed with partners from the private sector (banks, mobile money providers), public sector (government, central bank) and the humanitarian/development sector (donors, the World Bank, national and international humanitarian organizations).

The key recommendations include:

Strengthening the capacity of cash recipients to confidently use e-money and access opportunities linked with digital economy.

Addressing the underlying issues behind behaviour of FSP agents that results in the abuse of power.

Raising awareness among FSP staff and ensuring sanctions are applied in case of abuses of power.

Reinforcing accountability to affected people including innovative communication and feedback and complaints mechanisms to ensure that their cash user journey happens smoothly.



LESSONS LEARNED

1. STRENGTHEN CASH RECIPIENTS CAPACITIES TO CONFIDENTLY USE E-MONEY AND ACCESS OPPORTUNITIES LINKED WITH DIGITAL ECONOMY

- ➔ Agencies should work with partners, including NGOs and mobile money operators, to reinforce the autonomy of people receiving cash assistance through efficient training and accompaniment on how to use their digital devices and maximize the benefit of cash transfers. Beneficiaries use the mobile money account and the phone exclusively to receive assistance. Many do not feel confident to decide when, where and which amount to cash out. They also do not take advantage of other telephone benefits, such as calls to their relatives for fear of blocking their cash assistance through a wrong manipulation of the device.
- ➔ Due to the national regulation in place, it is indeed proving quite complex to unblock and swap SIM cards after entering the wrong PIN a third time. To do this, cash recipients must visit an official mobile money shop sometimes located up to five hours drive from their location. The cost of transport is almost equivalent to half the amount they are receiving for their monthly basic needs.
- ➔ The agencies should support the national regulator in finding a transparent alternative to the current normative framework regulating the swap of sim cards. This would impact not only on people receiving cash assistance but all vulnerable populations living in remote areas. Agencies and mobile money operators should also work on efficient case management for technical issues with clear accountabilities while agreeing on maximum lead-time to solve them.

2. ADDRESS THE UNDERLYING CAUSES FOR THE BEHAVIOUR OF FSP AGENTS THAT LEAD TO THE ABUSE OF POWER

FSPs should critically analyse the remuneration structure at each level of their distribution network to encourage virtuous behaviour. Agents are the face of the FSP. Quality of service delivery has a cost. This should be acknowledged and factored into the contracting. Putting pressure on the price at the contract stage will eventually have repercussion on the people receiving cash assistance, who will suffer from sub-optimal service provision, such as reduced presence of agents in their location to solve technical issues, longer queues, sloppy customer service and/or charging of unofficial fees to cover agents' transport cost. Also, agencies requesting the services of FSPs should be better coordinated in the negotiations around required services and associated costs. FSPs should ensure the display of the tariffs at their points of sales and make beneficiaries aware of the value of their entitlement and the official associated transaction cost. Training of call-boxers (agents of mobile money operators in Cameroon) is essential so that they understand the win-win situation for them if they charge the official rates and provide good customer service. They also need to be sensitised on the specific vulnerabilities of the population they serve, and remunerated for the additional time they invest in explaining the cash out process to people receiving cash assistance.



Abuses of power are also aggravated by monopoly in many remote areas of the country. While it goes beyond the scope of this project, it is important to encourage competition and foster a digital ecosystem. The national regulator should also look into the opportunities offered by authorizing interoperability/ national switch between operators, which would encourage competition.

3. APPLY SANCTIONS IN CASE OF ABUSES OF POWER

Agencies should strengthen the standards of conduct in their contracts with FSPs and retailers. Contracts should stipulate monitoring obligations including regular field visits by the private sector company to understand the local operational reality. Progressive sanctions should be applied in case of non compliance.

Codes of conduct signed by point of sales agents should include aspects related to customer protection and quality service. The agents lack the practical understanding of the application of codes of conduct for humanitarian organizations, including the prevention of sexual exploitation and abuse. Agents should be trained using practical and context-related methods, such as role plays and scenarios. Contracts should include sanctions in situations where codes of conducts are breached. Humanitarian agencies and donors must take into account the cost of these training and monitoring exercises, and factor them in at the contract stage.

Agencies and FSPs should also look creatively at the issue of beneficiaries' failing to remember their PIN codes. Many beneficiaries are currently carrying the phone and PUK card with their mobile money PIN number written in large marker font, making them easy targets for fraud or theft. Could symbols or familiar images support beneficiaries in remembering their PIN code and thus keep the code less exposed?

Retailers involved in e-voucher programs should also be tightly monitored against abuses related to underweighting of commodities and provision for lower quality of goods at higher prices.

Finally, it is important to encourage the rotation of field workers of each actor involved to prevent collusion and abuse against beneficiaries.



4. REINFORCE ACCOUNTABILITY TO AFFECTED PEOPLE TO IMPROVE THE QUALITY OF CASH ASSISTANCE

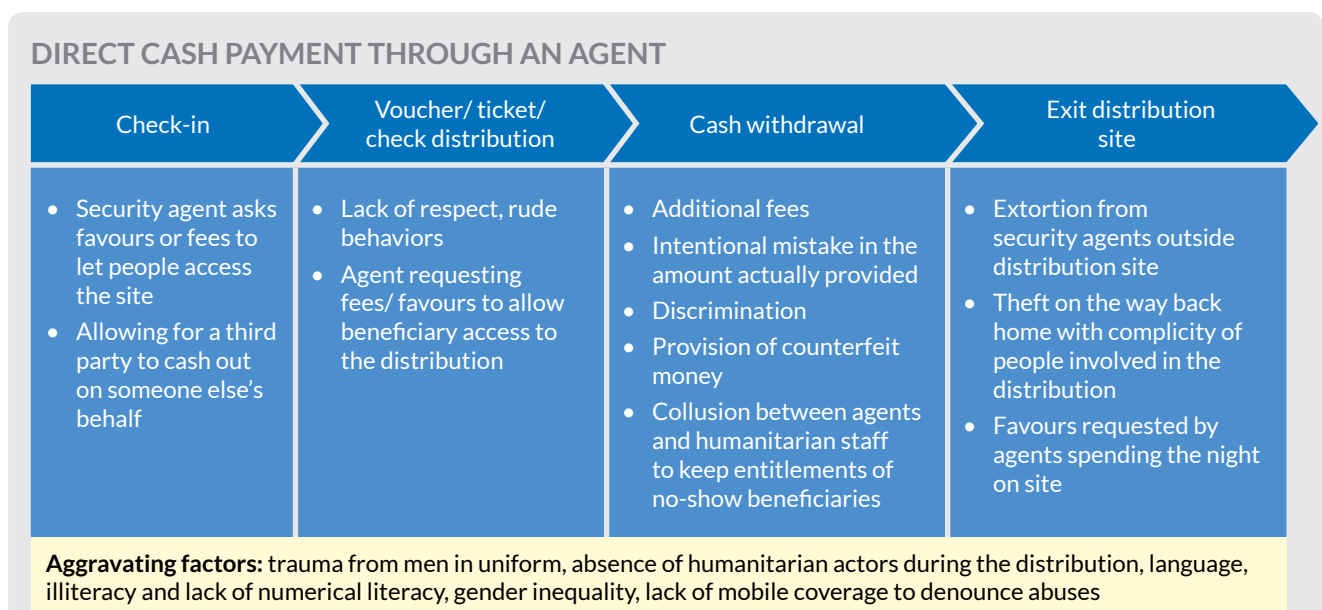
Agencies should strengthen their Communication with Communities strategy and structure the information to be disseminated at each stage of the project. It is essential to understand the user journey of the beneficiaries receiving cash assistance. Refugees and displaced people have to adapt to a new life after hardships and trauma while understanding digital tools (phones, cards, etc.) and assistance (digital money) that they are not familiar with. While many welcome this novelty and see it as an opportunity to receive flexible assistance tailored to their needs, an additional effort should be made to ensure that their cash user journey happens smoothly. Agencies have different media (oral, visual) and channels (meetings, radio, theatre, posters, cartoons, community gathering and animation on tablets) at their disposal to pass clear and comprehensive messages. It is key to frequently measure if the information is well understood by members of the communities in their diversity. To ensure cash recipients make the most of the opportunities offered by this modality, agencies should invest further in training on credit, savings, budgeting and financial negotiation.

Agencies should also identify gaps in current complaint and feedback mechanisms, and solutions to better adapt existing structures. WFP and UNICEF are using a hotline managed by LMT Group that seems well known and trusted by beneficiaries. Could UNHCR and other agencies capitalise on this experience and consider using the same provider ? This should of course be complemented by other feedback avenues, such as helpdesks, community committees, and/or face to face interactions with protection teams in the field. Complaints should be tracked and dealt with in a more systematic manner to ensure that they are timely addressed in a confidential manner. Technical issues should be swiftly handled by the FSP. The resolution to technical issues should be monitored as key performance indicators as part of the contract and FSP performance evaluation.

WHAT IS NEXT ?

- WFP and UNHCR will follow up with the key stakeholders in the project to monitor how far the recommendations in the report have been taken into account and implemented in their structures and cash assistance operations.
- The two agencies should work together to engage in further discussion and advocacy with the Central Bank in light of the upcoming new regulation on mobile money, which will use the project recommendations to inform the provision to protect the most vulnerable clients.
- The World Bank IDA-18 sub window will support the inclusion of refugees in the social safety nets managed by the MINEPAT (Ministry of Economy, Planning and Land Planning). The recommendations related to the mitigation of the abuse of power, including complaints and feedback mechanisms, should be considered also by the four FSPs currently used by MINEPAT. The use of digital cash may be envisaged at a later stage if network coverage improves in the remote and vulnerable areas that MINEPAT targets with cash assistance.
- An expert in customer protection has been deployed for two months to Batouri to work with recipients of cash assistance in Kete and Timangolo. He will develop communication material on customer rights and support the FSP in raising awareness among agents on appropriate behaviour towards their clients, including captive clients, as well as identifying practical ways to enforce sanctions and incentives. The expert is also developing a communication plan to ensure refugees understand each step of the cash assistance. He is also reinforcing the systematic and structured management of complaints and feedback.
- A third party will come to Kete and Timangolo in spring 2019 to monitor changes in the perception of beneficiaries of cash assistance to capture whether the project has helped them feel more protected vis a vis agents from the private sector and more empowered to ensure their rights are respected.
- These lessons will inform the next pilots in Iraq, Uganda and Rwanda. They will form the basis for developing guidance and a toolkit for FSPs and humanitarian stakeholders to be disseminated at global level to ensure risks of abuse of power are systematically mitigated in ongoing and future cash assistance.

EXAMPLE OF RISK MAPPING FOR DIFFERENT TYPES OF CASH DELIVERY MECHANISMS



E-VOUCHER WITH RETAILERS

Distribution of the phone and SIM card	Access to retailer shop	Withdrawing the commodities	Exit shop
<ul style="list-style-type: none"> Request of undue fees or favours for the phone or for SIM card registration Agent requests the PIN selected by the beneficiary Lack of respect, rude behavior, humiliation 	<ul style="list-style-type: none"> Collusion between implementing partners and retailers to favor one shop over another Requests favors or additional fees in shops in situation of monopoly 	<ul style="list-style-type: none"> Smaller amount of food provided compared to what is actually debited on the beneficiary account Poor quality of goods available in the shop at higher price than in the market Corruption to provide beneficiary access to cash instead of goods, with retailers keeping part of the amount Retailers misusing beneficiary PIN due to poor data protection Retailers using the e-voucher to compensate for the debt that beneficiaries have contracted with them, with high interest rates 	<ul style="list-style-type: none"> Extortion from security agent out of the bank Theft on the way back home with complicity of bank agents aware of cash recipients address

Aggravating factors: distance to the bank outlet affecting weaker and disabled persons, trauma from men in uniform, language, analphabetism and lack of numerical literacy, gender, poor liquidity management

MOBILE MONEY

Distribution of the phone and SIM card	E-Money sent on the phone	Cash withdrawal
<ul style="list-style-type: none"> Request of undue fees or favours for the phone and SIM card registration Agent requests the beneficiary PIN Lack of respect, rude behavior, humiliation 	<ul style="list-style-type: none"> Manipulation of the excel file Lack of data protection when sending file Theft of identity/ swap SIM to cash out 	<ul style="list-style-type: none"> Request for undue fees or favor Poor liquidity management Long distance to travel to an agent location Theft of notes Undue waiting time to increase power imbalance Theft of money cashed out on the way back Lack of respect, rude behavior, humiliation Discrimination / serving other clients first Provision of counterfeit money Manipulation of exchange rate Agent gets the PIN code and remove e-money from client account

Aggravating factors: feeling of inferiority towards agents, poor training on the use of the phone, lack of network to register clients or lack of electricity to charge the phone, hotline that is not toll free, delays between distribution of phones and cash transfer, rush of beneficiaries all wanting to cash out on the same day with one or a limited number of agents present on site, poor liquidity management, different language, analphabetism and lack of numerical literacy affecting PIN memorization, gender inequality